SENATE—*Friday, March 26, 1993*

(Legislative day of Wednesday, March 3, 1993)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the Honorable HARLAN MATHEWS, a Senator from the State of Tennessee.

PRAYER

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

Let us pray:

Commit thy works unto the Lord, and thy thoughts shall be established.—Proverbs 16:3.

God of all wisdom, the men and women in this place are mandated by the people to make difficult decisions. They receive lots of advice from constituents, lobbyists, the press, plus various and sundry specialists who know all the answers but have no responsibility for decision. How easy it is, Lord, to advise when one does not have to decide. Grant grace to the Senators to be patient with Monday morning quarterbacks who are busy calling signals but are never in the game.

And grant grace, dear Lord, to the Senators to realize that there is One whose counsel is available and infinitely wise. One in whom they can trust who will establish their thoughts as they commit their work unto Him. Help the Senators to see, Lord, how practical prayer really is.

We pray in His name who is the Way, the Truth, and the Life. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

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

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, March 26, 1993.

To the Senate:

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

ROBERT C. BYRD,
President pro tempore.

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

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

EMERGENCY SUPPLEMENTAL APPROPRIATIONS

The ACTING PRESIDENT pro tempore. The Senate will now resume consideration of H.R. 1335, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 1335) making emergency supplemental appropriations for the fiscal year ending September 30, 1993, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

(1) Byrd amendment No. 271, to reduce funds for the information systems of the Internal Revenue Service, to delete funding for the General Services Administration Building Fund, and to clarify that none of the funds may be used for low priority programs, projects or activities.

(2) Byrd amendment No. 272 (to amendment No. 271), in the nature of a substitute.

Mr. BYRD addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

THE SENATE CHAPLAIN

Mr. BYRD. Mr. President, I thank our Chaplain on behalf of all Senators.

Our Chaplain emulates that great Confederate general, Robert E. Lee, who said that "Duty"—duty—"is the sublimest word in the English language."

We have watched our Chaplain day after day come to the Senate and lead the prayers of the Senate, as we make our petitions and supplications to the God who created the universe, who flung the stars from his fingers, who hung the world on nothing, who guides the planets in their courses, and who created life and life eternal.

I respect this man. Not many of us would continue on, but this man, the Reverend Richard C. Halverson, is a true servant of the King of all Kings and the Lord of all Lords.

I am grateful for the inspiration that he has been to me personally. When I lost my grandson almost 11 years ago, this Chaplain spoke at the memorial service. And I have always remembered his words, as he led the service in reciting the 23d Psalm, which was my grandson's favorite Scriptural passage.

We do not thank people enough, and we do not thank the true servants of God enough.

This man ministers to all of us in our sicknesses. When my wife was in the hospital last summer with shingles—sounds like an exotic carpenter's disease, but it is very painful—the Chaplain came to her hospital room and gave a comforting and strengthening prayer.

I again thank the Senate Chaplain for his supreme dedication to the Senate and to his Lord.

EMERGENCY SUPPLEMENTAL APPROPRIATIONS

The Senate continued with the consideration of the bill.

Mr. BYRD. Mr. President, the President's package is contained in the pending amendment before the Senate. This amendment does not prevent other Senators from calling up their amendments.

Amendments may be called up to the committee substitute, amendments may be called up to the bill, and the Senate may act on those amendments.

It would seem to me, if Senators have amendments that they believe the Senate might adopt, they should call those amendments up; not hide behind the facade that the pending amendment shuts them out. It does not.

At the end of the way, when the Senate works its will on other amendments, that pending committee amendment is to be voted on. And it is true that it would wipe out any amendments that the Senate had theretofore adopted. But if Senators believe in their amendments, let them call them up. And if the Senate feels strongly about a major amendment, such as the amendment by Mr. BOREN and Mr. BREAUX, let the Senate manifest its will on that amendment. Let us not hold back.

Emerson said that "God will not manifest himself to cowards."

Let us call up our amendments. I called up an amendment on one occasion, not an amendment that affected my pride, but an amendment that affected my coal miners. I fought for that amendment and worked hard for that amendment. I lost. I believe it was by one vote. I had the majority leader against the amendment, the minority leader against the amendment, and President Bush against the amendment.

Mr. HATFIELD. I was with you.

Mr. BYRD. And my friend from Oregon, Senator HATFIELD, stood with me.

But I fought hard. I lost. My coal miners lost.

But I got up off the canvas, dusted myself off, smiled, and went on to the next battle.

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

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I think, with respect to all Senators—and I do respect all Senators—certainly the Senators who are wanting to call up amendments have a right to call them up. I respect that right. But, Mr. President, it seems to me that it is utterly ridiculous to complain about not being able to call up an amendment when the way is open, ridiculous to talk about an amendment and how badly it is needed and yet not be willing to lay the amendment before the Senate. Let the Senate speak.

The President has reached his decision based, I am sure, on many months of viewing the problems of the country, talking with thousands of people, appearing in townhall meetings all over this country, appearing on TV, on the radio. He took time to discuss his stimulus package with many of us before he submitted this proposal. His people talked with me. I am sure they talked with others—I know they did—about what should be contained in this stimulus package. And based on all of that, all of that work, all of that time-consuming labor and effort, the President came to the conclusion that this was what the country needed.

Standing by itself it can be criticized. But as a part of the overall package—and that is what it is, it is a part of his comprehensive package.

I am for helping this country. We have been in a long recession, over 23 months. And we have already experienced two dips in the so-called recovery. It is a very anemic recovery. It could go into a third dip. If it does, then it may be too late.

The President considers this package as an insurance policy against a triple dip. And he is entitled to a chance. He says: Give me a chance.

I am startled—I am amazed and chagrined—that members of my own party who have said for years we want leadership in the White House, give us a leader, and now that we have a leader, a man who is demonstrating leadership, he is putting his neck on the line, why cannot we, as Democrats, support the President? We all want to see the country come out of this anemic recovery. We want to see people go to work.

This bill is a jobs bill. It also contains $4 billion in unemployment benefits: $4 billion. Four billion dollars. For whom? People who are out of work and people who have been out of work and who will no longer receive benefits come April 5. The first week in April, unemployment benefits for 1.8 million people will run out—1.8 million people. Unemployment benefits will run out.

Where are my fellow Senators who have been saying, "Give us a leader?" We must avoid a triple-dip recession. Here we are, leaving the image that we are fighting among ourselves. Over what? Over that leader's—down at the other end of the avenue—over his package. Is our party going to fail him now?

The unemployment benefits will stop cold. Think about those families who are dependent on that money. Think about them. They must be biting their fingernails right now. "I wonder what is going to happen after April 5? Are those Senators going to quit arguing, dragging their feet?" Those benefits will run out, come April 5.

They have a right to worry. If we do not pass this package, they will be out of luck. Let us get on with debating the merits of this stimulus package. Let it have a chance. Let us debate it. Let us not continue to hold up this legislation, waiting for this President to make some kind of a deal with somebody. I think the American people are sick and tired of deals. This President does not have to deal. The bill was just laid before the Senate yesterday, around 1:30 or 2 o'clock. And by 7 last evening I heard talk about deals. The rumors were, we have to have a compromise.

This President has indicated that he believes this package is vital for the health of the economy and the good of the American people. He is our President. The American people expect him to lead. Are we going to put chains on him? Are we going to weight him down with our little feelings of—perhaps pride? I do not know. But the mere thought that this President has to deal with a Senator or two on this package is off the wall. If this package is going to be filibustered, let it be filibustered by our friends on the other side of the aisle.

(Mrs. BOXER assumed the chair.)

Mr. BYRD. Madam President, I can imagine how those whose payments will expire on April 5 will continue to wonder about gridlock when this great party of ours is demonstrating an unwillingness to follow the President on this jobs package. Let Senators who are against the package vote against it. Let Senators who are against the amendment vote against it. Let Senators who are for the amendment vote for it. We see amendments called up all the time here, voted up and voted down. I suggest that our Republican friends call up some amendments. The way is open. A Republican Senator said yesterday, and he is still on the floor today, "Oh, to call up amendments would not be meaningful." Why, I stood here yesterday morning and the night before yesterday and watched Senators on the Republican side call up amendment after amendment after amendment after amendment and each amendment was voted down. Was it meaningful? Did Republican Senators think they had the chance of a snowball in Hades when they called up their amendments? Why, no, they knew they were going to have their amendments beaten. The momentum was there, and they knew it.

Why did they not call up their amendments yesterday on this bill? "Oh, well, it wouldn't be meaningful. The Senator from West Virginia has filled the tree. When it gets to the point when we think we can get meaningful votes, we will call up our amendments."

Well, they did not stand back yesterday morning. How many amendments did we vote on yesterday morning? Seven or eight? How many did we vote on Wednesday evening after the time had run out? Eight or nine? Those were not very meaningful votes, but our friends on the Republican side put us to the test. They called up their amendments, with no debate. Many of us voted blindly on those amendments, because we could not debate them.

I asked for 1 minute to debate one of those amendments yesterday having to do with the rescissions, line-item veto. I was fair. I asked for the other side to have 1 minute also, and a Republican Senator objected. In my 35 years, going on 35 years in this Senate, I have not once objected to a Senator's request to speak for 1 minute, 5 minutes, 10 minutes, 30 minutes. I have never objected. This is the forum of debate, free debate, and when this Senator asked for one little pitiful 60 seconds, they said no.

The Republicans called up their amendments, though, and they had them defeated. Why can they not call up their amendments now? The way is open. If they can demonstrate great support for an amendment, then we might find a way to include that amendment. It is not necessarily a lost cause for those Senators who are worried about this tree.

This package needs to move. The American people selected this President—this President—to lead. Do Democrats want to be seen as blocking the path of this President? The package needs to move quickly if it is to have the effect intended.

Now, we do not have to go home today at 3 o'clock. Last night about 7:30, I was told that too many Senators had gone home. Last night was Thursday night. We have been told that on Thursday nights, "Stay around, we might have votes," yet, Senators had apparently gone home. I suppose they could have been called back, if a vote occurred.

Now, today is Friday, and it is a workday. Why not stay around today and vote? I wonder if we will have enough Senators after 11 o'clock or 12 o'clock or 1 o'clock to wad a shotgun around here? What about Monday? Are we going to have votes on Monday?

We have this bill, an important part of the President's economic package, and if there is one thing that we can be sure that the President will be judged upon, is what happens to this economy? What happens to the jobless? What happens to the unemployment rate?

Here we are in the 65th day of his Presidency and we are fighting his program on our side. I do not question the

sincerity of any Senator. I do not say that any Senator has to see eye to eye with me, but this is a part of the President's overall package. It has his name on it. The rope is around his neck if he does not bring this economy out and the rope is also around our necks.

On March 3, Senators voted to extend unemployment benefits by a wide margin. The vote was 66 to 33, 2 to 1, to take that step. The $4 billion needed to fund that extension is in this package—this package. Hear me out there, those who may be watching the Senate. The $4 billion is in this package. There are those whose benefits will expire on April 5, and who are probably thinking, where is the next loaf of bread coming from, what are our children going to do? I do not believe that Senators are willing to prevent those 1.8 million people and their families from getting that money. Senators do not have to go home for a break. We can cut some of that 2 weeks. Robert E. Lee said, "Duty is the sublimest word in the English language."

What is our duty? Our duty is to stay here and get this work done. We ought to be in here tonight. We ought to be in here tomorrow, Saturday, voting. We ought to be in here Monday, voting. We have the debt limit backed up behind this package and the conference report on the budget resolution. We have work to do. Senators ought to make plans to stay and get this work done.

Part of that work is, getting $4 billion out to 1.8 million people by April 5. Do we want to go home without approving these benefits? Is that what we want to do?

This Senator is not willing to do so.

Families of the unemployed are going to feel the crunch, if we stalemate in an argument about exactly when certain moneys should go forward. The President made that decision.

If any Senator wants to call up an amendment, call it up. Let us see what the Senate thinks about it. Let us not stand by and say, well, give me something first.

Senators did not go out across the country like this President did. I do not go anywhere except to West Virginia and my house in northern Virginia. That man went out. He faced the multitude. He answered their questions. He went into the shipyards, into the factories, into the coal mines, out to the farms, into the schoolhouses. He talked to people, went to their churches. This is his package, and it is very important to the country.

Now, if he fails, let it not be said that we Democrats caused him to fail. Let the American people not say that we caused this leader to break his wing.

It is not an argument about whether or not the money should be spent. That is not the argument on this side, whether or not it should be spent. It is an argument about exactly when it should be spent. In the President's judgment, this money needs to go out now. He was elected to lead. Let us move aside and let him lead on the most important matter before this country today—getting people to work and strengthening the economic base of the Nation.

I encourage Senators again to call up their amendments. There are Democrats who have amendments. There are Republicans who have amendments. I will be here to listen to the debates. My colleague, Senator HATFIELD, will be here.

Senator HATFIELD and I may not agree. I may support an amendment; he may vote against the amendment, or to the contrary, just the reverse. But we are here. Senator HATFIELD is here. I am here.

Someone said Senators are tired. Gnaeus Marcius Coriolanus said, "Conquerors should not be tired." I say Senators should not be tired. I have been here the last 3 evenings past midnight. Other Senators went home last night. I stayed here until after midnight. I took a look at my transcript. I like to go over it, and see how I am quoted.

I have been telling Senators that they ought to abide by the rules; they ought to address other Senators in the third person.

Well, I noted in my transcript last night, that I had addressed several Senators in the second person. In the heat of the debate, I forgot.

Now, for the RECORD, I changed that because I want the readers of the RECORD 50 years from now to see what is right, not what is wrong with what I say.

I am not the first to edit my transcript. Daniel Webster did that as well. He would take the transcript to his boardinghouse and keep it sometimes for a week or two, and he would carefully edit his speeches. He did not think about publication so much as he thought about those who would read his speeches in the future. How many former schoolboys in this Chamber have memorized Webster's speeches? But he rewrote much of the transcript.

I will say one other thing about speaking in a bit of anger or passion. Caius Gracchus, the brother of Tiberius Gracchus, was a Roman Tribune in 123 B.C., and it was Caius Gracchus who first moved about on the rostra. Plutarch tells us that he was the first Roman to move from one end of the rostra to the other as he spoke, and to throw his gown off his shoulders. He was a speaker who moved the audiences. But at times he would speak in a strained voice and at times with a violent passion.

Caius Gracchus, therefore, asked his servant Licinius to stand behind him with a pitchpipe and when Caius was speaking, if his voice carried too high a pitch, or broke out with anger, Licinius was to blow the pitchpipe, and give him a softer key. Caius would then tone down his passion and speak with greater propriety.

We all at times may get our voices a little too high. I will try to lower mine now with a plea that Senators come to the floor and call up their amendments.

Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon [Mr. HATFIELD].

THE SENATE CHAPLAIN

Mr. HATFIELD. Mr. President, the chairman of the Appropriations Committee, the Senator from West Virginia [Mr. BYRD] and I have been associated in many common enterprises particularly in the last 15 years or so.

I would like to go back to his original or his first opening remarks to certainly commend the Chaplain for his fine service to the Senate and giving recognition to his many duties that he performs with such professionalism and such warmth and obvious compassion, to associate myself again with the chairman in commenting briefly on my appreciation for the Chaplain.

Mr. President, I have known the Chaplain for close to 40 years, since he was then associate pastor of a Presbyterian church in Hollywood, CA, and through many associations have come to appreciate him as a most articulate proclaimer of the Gospel for which he had his ordination to proclaim with clarity, succinctness, and with great applicability to daily living. And then when some 26 years ago my family and I moved to Washington, we found our way into the Fourth Presbyterian Church in Bethesda where he was then the senior minister. My children had the opportunity to hear the Sunday school program that had a special focus on youth—probably one of the largest congregations of young people of any church in the whole district area; again, that wonderful association that led to his being identified as the Chaplain here in the U.S. Senate.

The status of the chairman of the Appropriations Committee then shifted to the minority leader for a period of time—with all due respect and affection, not long enough perhaps but certainly at least for 6 years—and then the majority leader again. But as had been over the tradition of the history of the Senate, the Chaplain was not a political appointee and has remained free of political identity because he serves all the Senators—the D's, the R's, the I's or what other designation our party labels may be given to us.

So he has continued on as Chaplain now since 1981.

We know the Chaplain as one who is a pastor, as shepherd of the flock. As the chairman has indicated, it is not just to the 100 Senators, but to the pages, to the staff, to the clerks, to the police, to all those who make up the

great infrastructure and make it possible for the U.S. Senate to function.

Of late, the Chaplain has certainly performed his duty under difficulties. We all pray for his continuing recovery and strengthening day by day. But I join in saying that too frequently we take many of these folks for granted—the waitresses, the chefs that prepare the food, those who come and gather our refuse and garbage, those who patrol the safety of our premises, all of those who contribute so much, those who sit day by day and listen to all of the pontificating and the speechmaking, sometimes a little hot air, and do so with grace, with politeness, and charity.

And so many of these we take for granted. I am so happy that the Senator from West Virginia this morning took a few moments to pay special words of commendation and appreciation of love for our Chaplain, Richard C. Halverson.

Mr. LIEBERMAN assumed the Chair.

EMERGENCY SUPPLEMENTAL APPROPRIATIONS

The Senate continued with the consideration of the bill.

Mr. HATFIELD. Mr. President, I am again in the situation where I want to be supportive of the President, and I do not think there is a person on this side of the aisle who does not have the time ambition, the same dream, the same hope, the same commitment to a strengthening of our economy as anyone on the other side of the aisle.

This is not a partisan matter. If our country hurts, everyone hurts. But I also feel that there is in a pluralistic society always differences of viewpoint, differences of opinion. And as a consequence, I do not think there is any one approach that is sacrosanct to solve a problem. I think the greatest way to solve problems is when we can move together in a bipartisan manner to join and demonstrate to not only the President but to the American public that their elected representatives are committed to resolving an issue, not for the benefit of one party or the other, or for an incumbency, but for the benefit of the American people.

Let us recognize too that there is diversity and pluralism on both sides of the aisle. The distinctions of pluralism and diversity do not make the aisle.

I stood on this floor when I was the only Republican who was supportive from the very beginning of the motor voter, overwhelmingly supported by the Democrats, overwhelmingly opposed by the Republicans. Even yesterday there were two Democrats on that side of the aisle that joined the Republicans in saying no, this is not the best budget resolution that we can craft.

We have liberals, moderates, conservatives on both sides of the aisle. Pluralism and diversity is one of the strengths of this country—political pluralism, religious pluralism, economic pluralism, social pluralism. I am not one of these who think that we all have to conform whether it is correct political speaking or correct political thinking. That has too much the tone to me of conformity and attack upon diversity. I think in all social relationships, there is a degree of decency, politeness, good manners that should dictate our language rather than saying, oh, this is the only nomenclature you can use, that we have to sensitive to people of course. But when correct political thinking and correct political speech says this is the dogma, this is the nomenclature and no other will fit, privately or publicly or otherwise, I tend to resist this.

I was reared under free speech. I defended free speech at a time when free speech was being circumscribed of all places at my graduate alma mater, Stanford University; that in 1948 they would not allow a political candidate on the campus to make a speech. Can you imagine?

Well, those of us on the Republican side were just as determined for free speech as the small band of progressives who were supporting the candidates of Henry Wallace for President and Glenn Taylor of Idaho for Vice President—a handful of students.

As you recall, the American Communist Party had endorsed Henry Wallace at that time for this progressive party bid for the Presidency.

Well, when the university said, "We will not have him on the campus; we will not allow him to speak," we joined, we who were Dewey supporters. Not many people remember him. Governor Dewey of New York. We got a flatbed truck with some public address system and a guitar for Glenn Taylor, known for his guitar music. He was far less a guitarist than our chairman is a fiddler in talent, but nevertheless it was his trademark. We backed that truck up to the edge of the campus, at the gates of the campus, and we the students stood on the campus property, and Glenn Taylor was officially off campus, and we gave him a great cheer and applause, not because we were going to vote for him, but to demonstrate our determination to exercise free speech.

I say all of this only to background this, that there is nothing that is so sacrosanct, locked into concrete, that it cannot be changed or modified. And I believe that is the essence of legislation. We have already changed this package. I joined with the chairman to change this package. The chairman said we should change this package. We changed it in the committee by the substitution of a formula on the distribution of a summer jobs program. First change. We already proved that it was not sacrosanct as presented by the President.

Second, on the floor of the Senate yesterday, the first amendment that was cosponsored by the chairman and myself was to set a criteria, so that some of these items that the House of Representatives had used in their debate in opposition to the package would be eliminated by criteria. And, hopefully, more of that will be eliminated by that amendment yesterday, setting forth the requirement for publishing of criteria.

You ask why there are other things that should be eliminated. Let me list a few we did not eliminate yesterday but, hopefully, through the criteria, will be sifted out:

There was $1 million to construct a casino in Connecticut; $2 million to renovate a theater in Kentucky; $1.4 million to build a grocery store in Minnesota; in Illinois, $120,000 to repaint a water tank; $2.4 million in Massachusetts to restore a tower and cottage; in Minnesota $1.4 million to build another grocery store, and the list goes on.

Remember, the purpose of this particular supplemental appropriation—No. 1, it is an emergency. Why? Well, one reason is so that it will not be scored in our 1993–94 appropriations cycle, and also to avoid sequestering; it will still add $19 billion to the deficit. No offset in that sense.

Can we say that all parts of this bill, and all those accounts that will be expended out to certain projects like I have read that are not in the bill, as such, but are in the programs that we are appropriating moneys to their accounts, are these truly emergencies?

You know, they always say in the business we are in that to try and explain to the public, process is the most difficult problem we have. Process. I suppose we are in a process now, like we are in the budget resolution process, that is most difficult to really explain. I will tell you what the people will understand, whether it is complicated or not, and that is that they are going to have an increase in the deficit on this particular bill, without the offsets required under the 5-year budget resolution.

Mr. President, another factor that this bill is supposed to do is to provide jobs immediately. And it will do that, in part. But, certainly, it will not do it in all cases. That is why I think there are some very legitimate amendments pending here on the floor to test it out, as in the case of the Senator from Louisiana [Mr. BREAUX] and the Senator from Oklahoma [Mr. BOREN]. These two gentlemen have spoken at length yesterday on the matter of trying to phase this package in, to give it a test run, in a sense—this is one of the reasons—to give it a test the first year. So there is reticence already demonstrated on the diversity of both sides of the aisle. This is not a Republican versus Democrat matter.

Well, you know this is not the first time that we have had proposals for a

jobs stimulus, although this subject has not been debated at length in the history of our Republic.

Let us go back for a moment to 1980, to a report on job stimulus that was issued then by the Joint Economic Committee, chaired by Senator Lloyd Bentsen, Democrat from Texas, who is now our Secretary of the Treasury. Few men have been held in such high esteem on both sides of the aisle as Senator Bentsen. I am privileged to count him and his wife, B.A., as very dear friends, as well as associates.

Mr. President, the current Secretary of the Treasury, Mr. Bentsen, characterized the Government stimulus program in the following way in June 1980. Remember, June 1980 was a time of the misery index, double-digit inflation and double-digit unemployment, probably the most severe economic times in recent years, as far as suffering of the people. And the misery index was created by the Democrats to identify the misery of people. Very frankly, I thought it was a very effective mode of communication.

This is what Senator Bentsen said:

> Such programs are not timely enough to even take effect before the end of a recession.

By the way, Mr. President, are we in a recession? Senator Bentsen, at that time, was talking about something that was very evident out there in terms of the economy.

Let us not forget, as my good friend from Mississippi, Mr. COCHRAN, said yesterday, we have grown; and it is not his opinion, not his statistic, it is a basic statistic—we grew at 4.8 percent in the last quarter alone. Hardly a time of recession.

Let us not forget, too, that in the last year of President George Herbert Bush, if you please, we had 1.5 million new jobs in that last year of the Bush administration. The statistic did not get out soon enough to help him in November. But as we heard the trashing of our economy by our political opponents all during that campaign period, that was a year that we had 1.5 million new jobs created, which made 118.5 million Americans at work—a historic high. It was pretty silent in the media.

Let me continue with Senator Bentsen's comments about stimulus programs:

> The duration of employment for public works jobs is too short to provide meaningful relief for the hard-core unemployed. Federal public works programs often displace State and local programs meaning that Federal jobs may simply substitute for State and local jobs. As a consequence, net job creation is quite low, leading to a very high cost per job ranging—

Now remember this figure—

> ranging from $70,000 to $198,000.

That is per job.

Mr. President, I might point out that Senator Bentsen was talking then about 1980 dollars.

Is this just one Democrat speaking as an isolated case as he looks and reviews the question of what importance and what impact a jobs stimulus package may be, or proposed program?

Again, as has been quoted before, let me take the current OMB Director, Mr. Leon Panetta. I want to say, too, that Leon Panetta is a former Member of the House of Representatives, and having known him over a period of time I hold him in the highest regard. I think he was considered then, as a Member of the House, by both sides of the aisle as a man who knew his figures, a man who knew how to debate the issues because he had done his homework. And I wish him well in his new job as much as any appropriator can wish an OMB person success. We have somewhat of a love-hate relationship with that department. Nevertheless, I certainly wish Leon Panetta great success.

This is the OMB Director speaking about the current moment. We all know that 1980 was different than 1993. I am not suggesting that anything is static or that anything is always in an exact parallel, but, remember, Senator Bentsen was talking about a generic proposal, a jobs stimulus package.

So, when Mr. Panetta says he estimates the bill will provide only 219,000 jobs in 1993, this package with $19 billion added to the deficit will produce 219,000 jobs in 1993, the rest of this year, this amounts to $89,041 per job. Remember, Senator Bentsen said those jobs could range between $70,000 and $198,000. Maybe we are lucky now with only $89,000 in that range quoted by Senator Bentsen.

Let us get a point of reference, a point of comparison here for just a moment. We are talking about 219,000 jobs for the remaining period of this year, 1993, by a $19 billion jobs stimulus package.

Last month the private sector increased employment by 365,000 jobs in 1 month. This is a $19 billion package to create 219,000 jobs for the rest of this year of some 9 months. I would not say that had much cost-benefit ratio. If we were judging a water project in the far West on an engineer's basis of cost-benefit, it would not reach parity.

Now, Mr. President, again I want to refer to the fact that if you are out of a job, if you are unemployed today, that is a major crisis. I think we can quote statistics oftentimes to the point where we lose the human face, where we lose the individual.

If we have 219,000 jobs to be created and if you are unemployed today, that is an important package, and I am not denying that at all. But what I am saying is that I think we have to compare this and contrast it and evaluate it on the basis of cost to the taxpayer in the long run because those who are unemployed now who might be employed from this package will be also shouldering an additional part of that burden of the deficit over many years to come as well as our children, their children, and their grandchildren.

So, Mr. President, I just want to indicate that I have reservations about this package. I have serious reservations, as do some colleagues on both sides of the aisle, about this package as constituted, and I think we have to really look at the picture from both the short term and the long term. I have a very strong feeling that we have some amendments that we would like to have considered and that will perhaps be offered.

I want to say to the chairman I agree that the chairman has played by the rules. There is no one who has ever, I think, found him not playing by the rules. He plays by the rules in a tough, hard manner, but always a courteous and considerate one.

Mr. President, I want to also say: Let us realize that the playing field at this particular moment in our parliamentary procedure, all created by the rules, has certainly advantaged the manager of the bill in the sense that whatever amendment is offered by either side, and if adopted, can be wiped out when we come to the pending question and the disposal of the pending question that now is before this Senate.

So, you might say, yes, we can go through the exercise, but there is no way that we can have any sense that if our amendment or anybody's amendment—not just this Senator's amendment—anybody's amendment is adopted after debate, and 99 to 1 it might turn out in support for that amendment, that amendment is wiped out if the Senate proceeds on through with the pending question and votes the pending question. That amendment is wiped out. I believe I have stated the parliamentary situation correctly.

Now, Mr. President, I do not want to hold up people from offering amendments because I am here to do business. As the chairman already indicated, we both are comanagers of this bill. I would like to make a few more comments before I yield.

Mr. COCHRAN. Mr. President, will the Senator yield?

Mr. HATFIELD. Yes, I yield to the Senator without losing my right to the floor.

Mr. BYRD. And for a question only.

Mr. HATFIELD. Pardon me?

Mr. BYRD. And for a question only.

Mr. HATFIELD. Oh, I am not planning to yield the floor.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from West Virginia.

Mr. BYRD. Mr. President, I understood the Senator from Oregon to say he yields the floor.

Mr. HATFIELD. For a question, I meant to say.

Mr. BYRD. I beg your pardon.

Mr. HATFIELD. I yield the floor to the Senator for a question only.

The PRESIDING OFFICER. The Senator from Oregon [Mr. HATFIELD] has the floor but yields for a question by the Senator from Mississippi.

Mr. HATFIELD. I yield to the Senator from Mississippi for a question.

Mr. COCHRAN. Mr. President, I thank the distinguished Senator for yielding. May I ask under a parliamentary inquiry, is it in order for me to submit a parliamentary inquiry to the Chair?

Mr. HATFIELD. I would yield for that purpose.

The PRESIDING OFFICER. Without objection, the Senator from Mississippi may do so.

Is there objection?

Mr. BYRD. If this Senator yields for that purpose, he has a right to yield for that purpose.

Mr. COCHRAN. My inquiry is——

Mr. HATFIELD. Mr. President, I do not yield the floor at this time.

The PRESIDING OFFICER. The Senator from Oregon retains the floor.

Mr. HATFIELD. I do not yield to any Senator at this time.

Mr. President, again I would like to go back to this matter of the package that is before us in matters relating to what it will achieve and what it will not achieve. I think it is well to keep in mind that in this package there are those portions which I do not know anyone would disagree with, seriously at least, because we are looking at moneys for the highway trust fund that will increase highway construction and airport construction. This adds to the infrastructure. This has hopefully some immediate job impact.

And, by the way, even though the results of this may be good, we still have an emergency declaration that creates a nonscoring for the current fiscal committees in 1993, but certainly does add to the deficit.

I think any of us know that this highway trust fund that has been enhanced through the reforms made in the 1991 Transportation Act, is very significant to us as far as strengthening the infrastructure, both as to the operation and maintenance upkeep, but also in new construction.

I am particularly happy we took out the constrictions on that in order to include light rail and alternative systems. We had a decision to be made in our State for a new freeway or light rail and, as a consequence, we have been able to embark upon a far more energy-efficient system and far greater support to our environmental requirements than to add more auto traffic in a major congested area.

I think this demonstrates again the necessity of addressing not only the infrastructure for jobs, but for the needs of moving people in a more efficient and energy-efficient manner.

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

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HATFIELD. Mr. President, I feel that we are looking, again, at a common desire that we both have on both sides of the aisle, and that is to help the economy and to help the President, because in helping the President and uniting our efforts to support a strengthening of our economy, it certainly is mutually beneficial.

I think, frankly, the politics of it are such that there is enough credit to go around.

So I appeal, again, to the Senate to let us consider these matters that they may have as far as differing or subtracting or adding to or modifying the current bill before us and to get on with the business.

Very frankly, I join the chairman in saying I would like to be out of here for the weekend. But I am ready to be here today, tonight, tomorrow, whatever it is that is necessary to complete the business of the Senate. I do feel that it is awfully important, though, to recognize that we have at this moment a parliamentary situation that does not invite these amendments, really.

I heard the Senator from Louisiana and the Senator from Oklahoma exercise a great deal of energy, good statistics, good data, good persuasive arguments. But they knew, we know on this side of the aisle, and those on that side of the aisle know, that we are in a very correct—legally, technically, ethically, morally correct—parliamentary position, but the playing field is not really that even for any changes in this bill that have come to the floor.

Mr. President, I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from West Virginia.

Mr. BYRD. Mr. President, I have viewed with considerable alarm the certain surge of attendance on the Republican side. I counted 10 or 12 Senators who came into the Chamber all at once.

And I looked about me: Where were my troops? There is only one—one—the distinguished Senator from Louisiana [Mr. BREAUX]. He has about won half of his case with me already, just by being here with me.

Here is one man, one fellow Democrat, who stands here with a smile on his face. And here are all of these menacing people on the other side.

I am glad that we have that kind of attendance on the other side. Of course, I figured they were going to try to get the yeas and nays on the pending amendment. I suggested to the Republican leader yesterday that we keep open this pending amendment so that in the event a Senator offers an amendment, if a Senator has the courage of his convictions and will submit his amendment to this Senate for a decision, and if the Senate adopts the amendment, and if it is a major amendment such as the Breaux-Boren amendment, then I would think that the Senate has spoken its will, and we might find a way to include it.

Without the yeas and nays on my pending amendment, I can modify my amendment to include whatever amendment it is that gets a sufficiently large majority to be persuasive to the President and to other Senators.

I have a feeling that the Republican leader was of the opinion that the Republicans did not want this amendment to be left open to modification by the author. That is the impression I got.

Now the Republicans have closed it off—they say they do not have a level playing field—they took it upon themselves to close off an opportunity to get the pending amendment modified without unanimous consent, to include any amendment on which the Senate indicates strong support. Now that is closed off.

The only way to be included now in the pending amendment would be by unanimous consent. They want this whole matter to rise to a head on the pending amendment without modification. That is all right with me.

There are other ways. There are ways, believe me. The Republicans think they have shut off—let me say to the press before they all leave—our Republican friends think now they have shut off any possibility of an amendment that is carried on this floor, any possibility of its becoming law.

They have not closed off all the avenues. I am not going to tell them how, but there is a very good avenue wide open.

If Senators will call up their amendments, and if the Senate adopts their amendments, then there is still a way to get such amendments included in this bill.

You Republicans brought 11 or 12 Senators in here, and this poor little old Senator from West Virginia, standing up here with his finger in the dike—Phoebe Cary, you will remember, wrote about a boy who kept his finger in the dike. He stood there and, with the strength of his single arm, held back the sea and saved the village.

And here is this Senator who came from the red clay of Mercer County, WV, went to a two-room schoolhouse, worked 10 years here in Washington to try to get himself up to the equal of some of these peerless Senators; never intended to be an attorney. A country boy between two lawyers is like a fish between two cats. I never intended to be a lawyer. But I wanted to improve myself.

Here is this little old boy from the country. Rustic boob, they could say, I suppose. Rustic boob from West Virginia, that poverty-stricken, down-at-

the-mouth State where those hillbillies live in shacks and walk without shoes, some people like to think. And here, this army, virtual army of Republican Senators walked in these doors. I wondered, what in the world is about to happen now, to me? Why, there are enough Republican Senators here to lynch me. They can ride me out of town on a rail. I was looking around for my support on this side and I only see my brave staff aide. He is still here with me. He is still with me. He is here as Strato was with Brutus.

But the servant was there, carrying Brutus' sword, in case Brutus decided to commit suicide. He had his dedicated servant with him for that purpose. And Cassius did the same thing, by the way. He committed suicide and used the same dagger that he had plunged into the veins of Caesar. He had his servant help him execute himself.

My faithful—my faithful staff director of the Appropriations Committee was here, the best—best—best there is anywhere, with him on my side, and God on my side with his troops of angels standing in the shadows. If a man be right, though he eat but a crust of bread; if a man he in the right, though the right be on the scaffold and the wrong be in the lofty seats of power in Washington, if he is in the right, God stands in the dim shadows and watches over his own.

I am here, now, almost alone. I see most of my Republican friends have wandered off into the—hills.

I only know of, actually, three amendments on the Democratic side. One is the Breaux-Boren amendment. Senator FEINSTEIN had an amendment, and Senator KOHL had one. That is all we have on this side.

My Republican friends, if they have amendments, let them call up their amendments and I will yield the floor. Let us have some votes on amendments. If we are not going to have votes, let us talk. Let us have some people on this side of the aisle. I need to take a rest. I need to sit down. I need to get off my feet. I need to call my wife and ask how our little dog Billy is doing this morning. He was not very well this morning. I came in late last night and he was there to greet me. And this morning he had not had enough sleep. I got home after midnight and my poor little dog Billy—and the love and affection that little dog has for Robert C. Byrd—you ought to see that display, that little dog is tired, and this morning he was still wanting to sleep. I would like to get on the phone and ask Billy—ask my wife: Put Billy on the phone.

I am tired. Nobody here but me? Would Senator BREAUX be willing to call up an amendment and let us have a vote? Call it up.

I will tell you what the Senator could do—or even I could do it. I could call up his amendment. I could call up the amendment by Mr. BOREN and Mr. BREAUX, and we could debate that amendment. I do not want to do that. But I have the right to do that. Do Senators know that? I have the right—and so does any other Senator—to call up anybody's amendment that is at the desk. Any Senator who has an amendment at the desk, I can call it up as though it were my own.

Now I could call it up and leave it there. The Senate could work its will on it. I hope Senators will not force me to do that. I could call it up and as long as no action is taken on the amendment I could, having called it up, withdraw it. I can do that.

I would like to debate a target; not a moving target. I would like to see the amendment in its final form pending before the Senate. I plead with my friend from Louisiana to talk with his distinguished compatriot and his comrade-in-arms, Senator BOREN, and call up their amendment.

The PRESIDING OFFICER. The Senator from Pennsylvania [Mr. SPECTER].

Mr. SPECTER. Mr. President, I begin by complimenting our distinguished President pro tempore for his enlightening remarks. When the distinguished Senator from West Virginia takes the floor, there is some uncertainty as to the scope of the history lesson or the references to his home life or the activities and sleepiness of his dog Billy. But it is always enlightening.

When he made a comment about 11 Republicans on the floor, alluding to 11 to 1—discounting Senator BREAUX for just a moment—I was reminded of a story my father told me. My father served in World War I. And Cpl. Alvin York was a great hero of my father's. He was later promoted to sergeant, where the title of the movie comes from. But there was one sequence, historically accurate, where there were 40 German soldiers and just Corporal York to defend.

Corporal York was a sharpshooter and he moved with stealth around the entire German contingent so that the Germans thought that there was a mighty force that they were facing. And as he moved around he picked them off one by one. And the conclusion of the story was that there were 40 German soldiers and Corporal York, 40 to 1, and Corporal York outnumbered them.

I am reminded of that story when I hear Senator BYRD speak today. If it is only 11 to 1, Senator BYRD still outnumbers the 11. And when he said he went to law school, I am sure his professors got a good legal education by having Senator BYRD in class with them.

It seems extraordinary to this Senator, after having been to law school and after having practiced law and after having debated Senator BYRD with some frequency—we do not do it anymore—we have to come back and reargue whether there has to be an objection or no objection for yielding the floor for a question, which we did for many hours a few years ago, but it would be hard for me to imagine that Senator BYRD would not teach more law in law school than he would learn.

I was in my office this morning when I heard Senator BYRD speak and watched him on television say that he was prepared to vote today and prepared to vote tomorrow, Saturday, prepared to vote on Monday, prepared to cancel the recess. I thought back to November of 1991 when I made a similar speech. I am sure my speech was not the first because Senator BYRD has been here since 1959, and in the House since 1953. I have studied his career with some diligence. I have not read both of his volumes yet, but I am working on them.

It may be that Senator BYRD made the speech before and many Senators made the speech about skipping a recess, attending to the business of the Senate and voting on a Friday afternoon, voting on Saturday, and voting on Monday. I agree with Senator BYRD on that proposition because I believe that there is much Senate business which is unfinished.

I came over this morning, Mr. President, to file an amendment to the pending legislation, which I did. It is nominated amendment No. 274. it is health care reform legislation which this Senator introduced at an earlier point on Tuesday of this week, Senate bill 631. And it follows legislation which this Senator introduced on January 21, Senate bill 18. I did that on the first legislative day. It follows a series of bills which I have introduced in prior Congresses, trying my best to address the problem of health care.

When I heard Senator BYRD talk about voting on Saturdays, and on Mondays, taking care of the business at hand—and I had been giving serious consideration to offering this amendment and bringing it to a vote—I thought this might be a good time to bring an amendment to a vote since it will not count.

May the RECORD show that is the first time that Senator BYRD laughed audibly during the course of my comments, notwithstanding the clarity of the prior comments.

Mr. BYRD. The Senator cannot prove that by the RECORD.

Mr. SPECTER. No, but I can by your interjection, and I can always file an affidavit or two.

But I have addressed this problem of health care repeatedly, Mr. President, and I did so last July 29 when I offered an amendment on health care to legislation which was pending on the energy bill.

As the RECORD will show, the distinguished majority leader came to the floor and said that amendment does

not belong on this bill. I said I agree and I am prepared to take it off if the distinguished majority leader would give a date certain to take up health care reform. The distinguished majority leader said he could not do that, the schedule was too complicated.

So I reminded him that he had done that on product liability and set a specific date, September 8. Notwithstanding that, no commitment was forthcoming, and we voted. It was a party-line vote, and it was defeated.

About that same time, another Senator had made a speech, which I saw on C-SPAN that night which concerned me greatly about the inactivity, the ineptitude of the Republicans refusing to do anything when Chief of Staff Sununu would order them to the contrary. I came to the floor and sharply disagreed with that.

That Senator had said that Washington was a one-man town, one-person town, the President controlled it. I strongly disagreed with that. Perhaps there is no Senator who disagrees more with that one-man, one-person town than Senator BYRD who has spoken repeatedly about the powers and the importance of the U.S. Senate, the U.S. Congress.

I remind those who may be listening, perhaps inform some, that the Congress is article I in the Constitution; that is, the first article, written before the article on the executive, article II. Both were written before article III on the judicial system. But the judiciary has superseded both the Congress and the executive, as we have seen the Constitution interpreted. We have not interpreted it. The Supreme Court has.

But I believe that Congress can act, Mr. President, and I believe that we are long overdue on acting on health care legislation. I am very concerned that health care legislation may not be acted on in 1993.

I saw a quotation from the distinguished chairman of the House Ways and Means Committee, Congressman ROSTENKOWSKI, saying that he thought health care would not be legislated this year. I saw the distinguished majority leader on "Face the Nation" a few weeks ago saying that he thought we could have a bill by summer. But there appears to me to be—well, I will say on my own that I have some question about that. The distinguished majority leader made a comment, as I recollected, that he worked on health care for 6 to 8 years and we were ready to legislate.

I believe, Mr. President, that the Congress is ready to legislate, and I believe that Washington is not a one-man town, not a one-person town, not a one-man or a one-woman town, but is a town with coordinate branches, with authority to come from the Congress and the United States, as well as from the President. What I think we need is a bill on the floor which is a critical mass to begin to work.

One of the greatest learning experiences I have had in this body was the Clean Air Act of 1990 when a very tough piece of legislation came to the floor and the Senate divided into task forces and went to work and crafted a bill, not a perfect bill. We do not craft perfect bills. We are just men and women, but we got a bill done which I think was an improvement. I think, in fact I would say I know, that it is high time that we went to work on health care legislation.

I introduced Senate bill 18 on January 21 and said in my floor statement at that time—while complimenting President Clinton on an outstanding inaugural speech—that I had hoped he would do more to address the economic recovery of the country and health care legislation.

Yesterday we agreed to a budget resolution. I was sorry to see that budget resolution adopted, Mr. President, largely along party lines. I have said both publicly and privately, and I have said on the floor of the Senate, that I want to cooperate with the new President. I want to help him solve the problems of the country. I know that the people of America are looking for answers and they do not care whether they are answers from Republicans or answers from Democrats, they want answers.

I know that yesterday two Members of the other side of the aisle—the distinguished Senator from Alabama [Mr. SHELBY] and the distinguished Senator from Texas [Mr. KRUEGER]—voted against the budget resolution. It may be that in Senator KRUEGER's vote, a person who is up for election, now having filled the seat of the distinguished former Senator from Texas, Senator Bentsen, it makes a suggestion as to what a Senator thinks when the Senate is answerable to his constituency in rather short order because that election is coming up within the next several weeks.

But I say again that I want to work with the President, and I hope we can find a way to address the appropriations process and economic recovery without the Social Security tax.

I believe, Mr. President, it is unconscionable to tax middle Americans the way middle Americans will be taxed under the budget resolution. To increase Social Security taxation on an individual earning $25,000 a year just is not right, or on a married couple earning $32,000 a year.

Structuring a tax package to have an energy tax, Btu's, which taxes everyone, just is not right. To say there is going to be an offset by a tax credit, I know a lot of Philadelphia lawyers, Mr. President, and I do not know any who can figure out these offsets on tax credits, or many people earning less than $30,000 a year who will be able to do so.

I am figuring out my taxes right now, which I do every year. I figure out my own tax return so that I can keep track of my finances and see how complicated it is for people to fill out the Federal return, and is it complicated. You have to go to more subparts, more tables, more charts, and figure out more ways—even the deduction does not stand anymore. You cannot multiply two dependents, my wife and I, by a number. You have to go figure out a complicated formula on adjusted gross income. Itemized deductions with interest payments, you cannot deduct that anymore. You have to go to another formula and figure that out.

So that if you have a relatively simple return—strike that. There is no such thing as a relatively simple return. And the Pennsylvania State income tax is up now. I remember the tremendous fight in 1970 to impose a State income tax at 1 percent, and now it is 2.95, almost 3 percent, and local taxes. The Philadelphia tax forms are a blizzard of complexity.

I do not think the American people ought to be asked for more taxes until we cut excessive Federal spending. I think it is high time in the Congress of the United States and in the Senate of the United States—the Senate is part of the Congress—that when we appropriate money for a bill, we ask a very direct question: Is this bill sufficiently important so that we ought to pay for it with an increase in taxes? Is this bill sufficiently important so that we ought to pay for it with an increase in taxes?

If the answer to that is not yes, we ought not to appropriate the money and borrow the money. And when President Clinton has talked about decreasing the deficit by $500 billion over 5 years, that gives the listener the impression that the deficit is going to be decreased by $500 billion over 5 years. What else would someone think when they heard that the deficit was going to be decreased by $500 billion over 5 years? But it is not true.

What is true is that the rate of increase is going to be slowed so that at the end of 5 years, the deficit will not be $300 billion a year; it will be $200 billion a year. So that after 5 years, the deficit is not going to be decreased by $500 billion, but the deficit is going to be increased by five times $200 billion, or $1 trillion.

In my time in the Senate, Mr. President, as I have argued for the balanced budget amendment and the line-item veto, it has been an embarrassment to see the deficit move from $1 trillion to $4 trillion. We really ought to deal with the deficit.

When I traveled Pennsylvania in 1990 as we took up budget reform, I found quite a good bit of sympathy for paying additional taxes—yes, paying additional taxes—but only if the taxes went to deficit reduction and not to new programs.

So I am yet hopeful we will be able to do something better than the budget resolution which we passed yesterday.

I am hopeful also, Mr. President, that we will be able to take up the issue of health care reform. The bill which I introduced on January 21, S. 18, provides a critical mass to do just that.

I am not going to take the time now, Mr. President. I see that my distinguished colleague from Iowa, Senator GRASSLEY, is on the floor. I am not quite finished, I say to the Senator from Iowa, but I am getting close. In anticipation, the Senator has picked up his microphone. I had intended to talk longer if the floor was not sought by others.

I ask unanimous consent, Mr. President, that a summary of S. 18 be printed in the CONGRESSIONAL RECORD at the conclusion of my comments.

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

(See exhibit 1.)

Mr. SPECTER. Mr. President, I have awaited an opportunity to offer S. 18 on the pending legislation. There has not been an appropriate bill because it takes up tax issues. I have worked for the past several years with the Republican task force on health care, chaired by the distinguished Senator from Rhode Island [Mr. CHAFEE], and it was my hope that we would produce legislation which could be offered in March. And I do not think, as of this sitting, that is going to be possible.

In order to expedite the matter, Mr. President, I took a look at legislation which was pending on the Republican side of the aisle and found provisions in legislation proposed by a number of Republican Senators—Senator KASSEBAUM, Senator COHEN, Senator MCCAIN, and Senator BOND—and incorporated a good many of those provisions, along with the legislation I had in S. 18, and filed this bill, S. 631, on March 23, and filed this as an amendment today.

Before seeking the floor, I had a private conversation with the distinguished Senator from West Virginia, and I said I would file an amendment but I did not intend to offer the amendment today, but I did want to talk about it. I have done that. I have filed the amendment so that it is present in the CONGRESSIONAL RECORD.

This bill provides for managed competition for universal coverage and provides for an individual mandate. We have debated within the Republican ranks mandates on business versus individual mandates and came to a tentative conclusion on the individual mandates so as not to put a burden on business, and especially on small business. I am not sure how that will come out.

In offering this legislation, Mr. President, I do not represent it is the final product or that it is a wish list.

My colleague from Iowa just left the floor, asking me to talk for an additional 10 minutes, which I am glad to do since there is no one seeking recognition and since I would like to talk about this health legislation for a moment or two. But I will not do so if somebody else wants the floor; I can put a summary in the RECORD.

The issue of managed competition, Mr. President, I think is long past due. I believe there is a substantial savings possible from managed health care. I think the estimates of savings up to 20 percent are realistic, with competition within the managed care system.

We speak about that somewhat tentatively because we are not precisely sure how it is all going to work out, and when we legislate in the field I believe we will have to move by a process of trail and error.

The earlier legislation which I introduced, Senate bill 18, provided for preventive care for low-birthweight babies. Almost a decade ago I noticed that in Pittsburgh the African-American infants had the highest mortality rate of any in the country, and I was shocked about that and introduced legislation in 1984—approximately 1984—and then worked with Secretary of Education Sullivan on a program called Healthy Start.

We need a great deal more work on that, Mr. President. When you have a 1-pound baby, a baby about as big as my hand, it is a human tragedy because that child carries those scars for life and sometimes the life is not too long, frequently the life is not too pleasant. And it is a financial catastrophe costing as much as $150,000 or more for each child.

Mr. SARBANES. Will the Senator yield on that very point because I know the Senator has had a long interest in what I think is a critical problem. If I could just make one point, I would appreciate it.

Mr. SPECTER. I am glad to yield, even if not for a question, with unanimous consent obtained that I do not lose my right to the floor.

Mr. SARBANES. I am not trying to foreclose the Senator.

Mr. SPECTER. I know the Senator is not. I want the unanimous consent propounded. Senator BYRD is on the floor.

The PRESIDING OFFICER. Without objection, the rights of the Senator from Pennsylvania are protected.

Mr. SARBANES. On the issue of the infant mortality rate, which the Senator from Pennsylvania was just addressing, this chart shows the ranking of the number of deaths per 1,000 live births in developed countries in 1990. The lowest is Japan, and then Sweden, Finland, Hong Kong, Netherlands, Canada, Germany, France, United Kingdom, Italy, and the United States.

So I say to the Senator from Pennsylvania, this is a graphic illustration of the point that he was just making with respect to the issue of infant mortality. The fact of the matter is that the United States is not doing anywhere near as well as the other developed countries in the world. I agree with the Senator that it is a very important issue to address. It is obviously clearly an important issue in human terms. It is obviously, as the Senator just pointed out, a very important issue in economic terms as well. Often the complications involved in these instances cost enormous amounts of money, as the Senator has noted. I thank the Senator for yielding.

Mr. SPECTER. I thank my distinguished colleague from Maryland for those cogent and thoughtful remarks. It is characteristic of his work in the Senate. I noticed on the chart that France has a better ranking than does the United States, not quite as good as Japan. I might comment that in Senate bill 18, which I introduced, there is a provision which would pay a premium, or pay an amount of $500, to teenaged girls or any young, pregnant women who went for four prenatal visits and one postnatal visit, which I included at the suggestion of Dr. C. Everett Koop, the former Surgeon General.

I commented in my floor statement that I did so with some reservations. Why should you have to pay a pregnant woman to go for prenatal care? But, if that is what it takes, I was prepared to advocate that and talk about it to help the young, pregnant woman, to help the child-to-be, and let us discuss it.

The interruption by Senator SARBANES, I think, is always a good idea. You wonder sometimes on the Senate floor when we talk, and we feel like we are in a sound chamber because nobody is here to talk back, you wonder if anybody is listening. Sometimes the Presiding Officer is deep in reading material. This Presiding Officer is very attentive. I thank the Chair.

But I ask my colleague if we may, without objection, have just a brief discussion about the view of the distinguished Senator from Maryland on the need to move ahead. The question is, Is it really necessary for the Senate to await a bill to come from the administration before taking up the issue of health care reform?

Mr. SARBANES. It is a good question. I know the Senator has been addressing that issue. It is very important in trying to move any complex legislation through the Congress to know where the administration is and in particular to know what their proposal may be since the department and the President have a lot of backing.

As I understand it, it is the President's intention to submit something to the Congress in the month of May. We, of course, will not be here for a good part of the month of April. And it is a course that I certainly find acceptable. We should see the administration's proposal, and evaluate it in the light of other proposals which have also been made. The Senator is not the

only one who has offered proposals, of course; this is an issue we have been wrestling with for some time, and out of these proposals we will be able to create a plan.

I expect this issue is going to take a fair amount of time to work it out. It is very complex. There are many pieces to the health care puzzle, and people have very differing views about them. But in any event, it seems to me that it is fairly clear that we are moving in a sensible manner on health care. Now we are currently considering the stimulus package, which, I regret to say, apparently will go over into next week. I strongly support this stimulus package. Shortly, I hope to have an opportunity to speak to that point.

But I think we are moving in a sensible way on the health care issue. I think it is very important to get the recommendations or the proposals of the new administration. Those proposals obviously have some impact and we ought to be able to take a look at them and then look at them in the broader context of other proposals, including the proposals which the able Senator from Pennsylvania has advanced on occasion.

Mr. SPECTER. I thank my colleague from Maryland for those comments. I know they are thoughtful comments. I say with all respect that I disagree with those comments. The reason I disagree with that conclusion is that I believe the Senate or the House, either is competent to initiate health care reform.

I quite agree with the distinguished Senator from Maryland when he comments that my legislation is not the only legislation in the field. There is tremendous legislation in the field. I have studied the legislation before introducing Senate bill 18. Then I went over the legislation on this side of the aisle and I went over the legislation on that side of the aisle to try to keep it within the Republican ranks. That may well be a mistake because I do not think that the issue of health care reform is partisan in any way, but we seem to have divided up with this large aisle as a separation point.

Then I put in S. 631, which is a composite of five Senators' activities and the views of this Senator. I am not saying that I have the final word. In fact, I am saying I do not have the final word. It is going to require some analysis. But I am concerned when we talk about the May 1 date for Mrs. Clinton to produce legislation, then a referral to hearings, then to be caught up in the complexities of the appropriations legislation, which will come up in the summer and in September, as to whether this legislation is going to be finished.

That is why I pressed it last July 29, 1992, and that is why I pressed it on January 21, 1993. That is why I am looking for an opportunity to press it now.

I do not have any intention of bringing this bill to the floor during the supplemental appropriations. I think the supplemental appropriations is a very important bill. I think when you talk about financing unemployment compensation, it has to be done for those where it has been cut off. I think it is unconscionable not to do that. I disagree with the provision of the authorizing legislation not to pay for it. I said so on the Senate floor. I voted for the bill because I think it is important enough to vote for even though we are not paying for it, which, again I say, is not my privilege. There may again be an amendment to offer to strike out the emergency provision. I think we ought to pay for this bill. I do not think we ought to treat it as an emergency. I think we ought to pay for it. But there are many provisions of this legislation which I think are very, very important.

And I have no doubt that if I were to offer this health bill, that it would fall, this legislation on the appropriations bill, including tax provisions, will fall along party lines. I do not need to give extra reasons to defeat this legislation. But when I saw there was time on the Senate floor this morning, I decided to come over and talk about this bill.

I said to Senator BYRD in advance that I was not going to offer it, that I was going to talk about it. He said, "Well, if you are just going to talk about it, I do not suppose I will say anything." I said, "Well, maybe I will offer it." He said, "If you offer it, I will have quite a lot to say." It is tempting, but I am not going to offer it, at least today. I do not think I will offer it next week when the matter comes up. But I am giving serious consideration to offering it on the debt extension. I said that on the floor 2 days ago when the majority leader was here. That is a tax bill where this kind of legislation can be considered, and considered appropriately.

Mr. President, I know Senator SARBANES is on the floor and ready to speak, and I have spoken for more than the additional 10 minutes requested by my colleague from Iowa.

So rather than take any more time at this point, I ask unanimous consent that a summary of S. 631 be printed in the RECORD at the end of my remarks.

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

(See exhibit 2.)

Mr. SPECTER. Mr. President, I will conclude by again "pressing," in the words of Senator BYRD, that we ought to stay here and vote on Fridays and Saturdays and Mondays, and that I would yield to preference on the stimulus package—although I hope we can pay for it. But right behind the stimulus package, after we finish the budget resolution, it would be my preference to take up health care reform. We have a critical mass to address, and we have the collective wisdom in the House and Senate. Washington is not a one-man, one-woman, one-person town. We have 535 of the rest of us in the legislative branch who can act. This Senator intends to continue to press the issue.

I thank the Chair and yield the floor.

EXHIBIT 1

COMPREHENSIVE HEALTH CARE ACT OF 1993 (S. 18) SENATOR SPECTER

KEY POINTS OF THE BILL

(1) Provides incentives for young pregnant women, especially teenagers, to secure prenatal and postnatal care to avoid the human tragedies of low birthweight babies with the attendant billion dollar cost;

(2) Establishes federal guidelines for terminally ill patients who exercise their option not to have unwanted medical care;

(3) Encourages the utilization of nurses and other non-physician providers to deliver primary care services, including home care, improve access, increases efficiency, and provide cost savings;

(4) Authorizes funds for a comprehensive health education and prevention initiative for toddlers, elementary, and secondary students to teach children, at every stage of their development, a range of health related subjects;

(5) Institutes incentives to increase the supply of generalist physicians to enhance access to primary and preventive health services;

(6) Expands funding for outcomes research for the development of medical practice guidelines and increasing consumer's access to information in order to reduce the delivery of unnecessary care.

BILL SUMMARY

Title I: Implements a series of small business insurance market reforms and extend 100 percent deductibility for health the cost of health insurance to self-employed individuals and their families ($1.7 billion in fiscal year 1994, $8.6 billion over 5 years). The market reforms are consistent with those included in the Republican Health Care Task Force bill of the last Congress and include:

(1) Establishing a basic health benefits plans for small employers and setting minimum standards for insurers offering insurance to small businesses;

(2) Authorizing federal grants for the support of small business health insurance purchasing groups (such sums); and

(3) Fostering the development of efficient managed care plans by exempting plans which meet federal standards from state mandates.

Titles II–VII focus on expanding primary and preventive health services and providers and enhancing the management of health care costs. These titles would implement the following reforms:

Title II: Expand primary and preventive health services by authorizing two new grant programs. The first would increase the availability of comprehensive prenatal care services to women at risk for low birthweight births (fiscal year 1994, $100 million). The second would assist local education agencies and pre-school programs in providing comprehensive health education (fiscal year 1994, $90 million). Title II also increases the authorization of several existing preventive health programs, such as Breast and Cervical Prevention, Childhood Immunizations, and Community Health Centers ($1.4 billion over existing authorizations;

Title III: Enhance consumer decision-making by requiring that health care institu-

tions and providers make certain information available to patients;

Title IV: Reduce the delivery of unwanted and unnecessary care in the last months of life by strengthening the federal law regarding patient self-determination and establishing uniform federal forms with regard to self-determination;

Title V: Improves efficiency on health care delivery by permitting access to the most appropriate providers by increasing primary care providers, including generalist physicians, nurse practitioners and physician assistants;

Title VI: Expand access to Medicare beneficiaries to managed care programs through the formation of innovative managed care plans; and

Title VII: Foster the development of medical practice guidelines by implementing a surcharge of one tenth of one cent on health insurance contracts to expand research on effective medical treatments.

Title VIII: Increases access to long-term care by: (1) creating tax credits for the purchase of long term care insurance and tax deductions for amounts paid towards long-term care services of family members; (2) excluding life insurance and IRA savings used to pay for long-term care from income tax; (3) implementing an "extraordinary cost protection provision" by expanding Medicaid to include coverage of any individual, excluding the wealthiest Americans, who has been confined to a nursing home for at least 30 months; and (4) setting standards that require long-term care to eliminate the current bias that favors institutional care over community and home-based alternatives.

EXHIBIT 2

COMPREHENSIVE ACCESS AND AFFORDABILITY HEALTH CARE ACT OF 1993 (S. 631)

This summary is organized by topic and does not necessarily coincide with the Title number in the bill text.

I. MANAGED COMPETITION/UNIVERSAL COVERAGE

Establish a Federal Health Board to develop a uniform set of effective benefits, with an emphasis on primary and preventive care.

To contain costs, the Board would determine annual limits on the allowable percentage rate of increase in premiums for Accountable Health Plans (AHPs) and develop uniform deductible and cost-sharing requirements. The Board would also develop standardized claims forms and billing procedures, as well as a plan to accelerate electronic billing and computerization of medical records.

The Board will register and develop reporting standards for Accountable Health Plans on data such as cost, utilization, health outcomes, and patient satisfaction. This information would be collected and published annually by the Board and made available to participating health plans and consumers.

All persons will be required to carry a uniform set of effective benefits either through a group or individually. Low-income persons will receive direct public assistance for the cost of such coverage (see Section III below).

All insurers in the health insurance market will be required to offer a uniform set of effective benefits and to accept its conditions as identified by the Federal Health Board.

States would establish one or more Health Plan Purchasing Cooperatives (HPPCs) to serve as collective purchasing agents for small businesses and individuals. These HPPCs would contract with a range of competing health plans and would present the full range of plans to their customers. The HPPC would provide consumers with information about the plans prior to enrollment periods, including a "report card" measuring performance based on cost, quality and patient satisfaction information collected by the Board. The HPPCs would also manage the enrollment process. Individual consumers would choose a plan for one year and could subsequently change plans during an annual "open season." States could opt to purchase coverage for Medicaid beneficiaries through the purchasing cooperatives. Federal grant funding would be provided to cover States' costs in establishing and administering the HPPCs.

Insurers would enter into arrangements with providers to form Accountable Health Plans (AHPs) which would each offer the uniform set of effective benefits established by the Board and would compete on the basis of price and quality of care. Plans could offer "supplemental" coverage for additional services. Plans would have to take all applicants and could not exclude participants on the basis of preexisting conditions. All plans would be guaranteed renewable. Premiums could vary according to the plan, but would be the same for all members of the purchasing cooperative, regardless of age, sex or health experience. State mandated benefit and anti-managed care laws would be preempted.

II. PREVENTIVE CARE

Expand primary and preventive health services by authorizing increased availability of comprehensive prenatal care services of women at risk for low birthweight births and assistance to local education agencies and pre-school programs in providing comprehensive health education. Increase authorization of several existing preventive health programs, such as Breast and Cervical Cancer Prevention, Childhood Immunizations, and Community Health Centers ($1.4 billion over existing authorizations).

Improve efficiency in health care delivery by permitting access to the most appropriate providers by increasing primary care providers, including generalist physicians, nurse practitioners and physician assistants.

Clarify that expenditures for health promotion and prevention programs are considered amounts paid for medical care for tax purposes.

Establish a new grant program for states to provide assistance to small businesses to establish and operate worksite wellness programs for their employees.

III. ACCESS TO HEALTH CARE

Refundable tax credit to low and middle-income individuals without employer-provided insurance. The amount of the refundable tax credit would be linked to the amount of the lowest-cost Accountable Health Plan in the region.

Self-employed persons and individuals without employer provided insurance who are ineligible for the tax credit could deduct the full 100 percent of the costs of the lowest-priced Accountable Health Plan available.

Employers could only deduct benefit costs up to the level of the lowest-cost Accountable Health Plan in the region. Employer-provided benefits in excess of that capped amount named be taxed as income.

Children's Health Care. To make health insurance available to children under 18 through their elementary and secondary schools. Directs the Secretary of Education to establish this new program for children not eligible for Medicaid and would be basic coverage through their school system. The Secretary of HHS would design a minimum package that each plan would have to cover.

Establishes a refundable tax credit for the purchase of health insurance for children to be worth up to $1,000 per qualifying child for families with incomes below 100 percent of poverty, and phased for families with incomes between 100 to 200 percent of poverty.

Requires the creation of a uniform application form and process for the Special Supplemental Food Program, the Maternal and Child Health Program, and Medicaid.

Improved Access to Health Care for Rural and Undeserved Areas. This title would increase scholarship and loan repayment opportunities to help relieve the critical shortage of health care practitioners in rural areas. It would also provide a special tax credit and other incentives for physicians and other primary care providers serving in rural areas.

IV. CONSUMER DECISION MAKING

Enhance consumer decision-making by requiring that providers participating in the Medicare and Medicaid programs make information available to patients of the cost, quality, and options of available health care.

V. COOPERATIVE AGREEMENTS BETWEEN HOSPITALS

Provides a waiver from anti-trust laws for hospitals wishing to enter into voluntary cooperative agreements for the sharing of medical technology and services to contain costs by eliminating the unnecessary duplication of services and equipment.

VI. PATIENT'S RIGHT TO DECLINE MEDICAL TREATMENT

Reduce the delivery of unwanted and unnecessary care in the last months of life by strengthening the federal law regarding patient self-determination and establishing uniform federal forms with regard to self-determination.

VII. INSURANCE SIMPLIFICATION AND PORTABILITY

Establish a Health Insurance Standards Commission to develop a long-term plan for the implementation of uniform standards for electronic data interchange for qualified health insurance. The Commission would determine the effectiveness and efficiency of the current health insurance claims billing system and would develop a uniform computerized billing process.

VIII. MALPRACTICE REFORM

Encourage states to establish alternative dispute resolution mechanisms like prelitigation screening panels, which have had great success in a number of states in reducing medical malpractice costs.

IX. MEDICARE PREFERRED PROVIDER DEMONSTRATION PROJECTS

Expand access to Medicare beneficiaries to managed care programs through the formation of innovative managed care plans.

X. TREATMENT AND OUTCOME RESEARCH

Foster the development of medical practice guidelines by implementing a surcharge of one tenth of one cent on health insurance contracts to expand research on effective medical treatments and treats such guidelines as a legal standard.

XI. LONG-TERM CARE

Increase access to and affordability of appropriate long-term care by: (1) creating tax credits for the purchase of long-term insurance and tax deductions for amounts paid towards long-term care services of family members; (2) excluding life insurance and

IRA savings used to pay for long-term care for income tax; (3) implementing an "extraordinary cost protection provision" by expanding Medicaid to include coverage of any individual, excluding the wealthiest Americans, who has been confined to a nursing home for at least 30 months; and (4) setting standards that require long-term care to eliminate the current bias that favors institutional care over community and home-based alternatives.

XII. FINANCING

Lift the current $130,200 cap on wages subject to the Medicare health insurance tax.

Employers could only deduct benefit costs up to the level of the lowest cost Accountable Health Plan available through the regional purchasing cooperative. (Identified in Section III)

Employer-provided benefits in excess of that capped amount would be taxed as income. (Identified in Section III)

Ms. MIKULSKI addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Maryland [Ms. MIKULSKI] is recognized.

Ms. MIKULSKI. Mr. President, I rise as an enthusiastic, unabashed, and passionate supporter of the President's economic stimulus package.

It is beyond this Senator's logical analysis as to why we are not moving on this in an expeditious way. First, here is a message to the Government of the United States by the people of the United States: Get it moving. We want jobs today, and we want jobs tomorrow. We want to reform our health care system and make sure health care is available to the American people. And when you are spending American taxpayers' dollars, let us give help to those who practice self-help.

That is what is in the President's economic stimulus package. And they say do it, do it now, and do not delay or engage in gridlock. That is the message.

I am somewhat surprised at what my own colleagues of my own party are doing. We have a Democratic President of the United States, who was elected with a mandate for change. This Senator was blessed by a vote from the people of Maryland that gave me a 70-percent vote, and that gave me the mandate to support him for a change, and I will do it.

Why there are those who feel they want to act like a trade association, where they are only interested in what the groups say and what does this mean for the election, I do not know. We have to get ready for the next century. The stimulus package is a tool, and the tool is to generate those jobs today and jobs tomorrow. It does those things.

The other thing is, for those who talk about deficit reduction, growth is one of the most important tools for deficit reduction. Every 1 percent of the unemployment in this country costs us $28 billion in Federal expenditures and the loss in Federal income. One percent of unemployment is $28 billion. The more we grow, the more that helps deal with the Federal deficit. These are wise, targeted, specific uses of the Federal dollars.

Let me talk about this as an appropriator. I have the great honor to chair a subcommittee that funds the American veterans' programs, the housing programs for the United States of America, NASA, our space program, the Environmental Protection Agency, and the National Science Foundation. And in here is a significant effort for the President's stimulus package, but it meets a higher purpose.

Let me tell you what happens. First of all, for the Department of Veterans Affairs alone, the President's request is for $236 million. Guess what that will do? It will mean that 171 VA hospitals and 6 VA cemeteries will have a significant backlog of projects and infrastructure maintenance and repair that will be done. We are going to repair equipment. We are going to remove asbestos and lead. We are going to fix leaky roofs. We are going to repair leaky boilers. We are going to make sure the air conditioning works in a VA hospital.

What does that mean? It means that promises made to America's veterans will be promises kept, because they will have VA facilities, medical facilities, fit for duty, and at the same time it will provide over 4,000 jobs.

Then we take a look at the issue in EPA. Everybody wants to clean up the environment, but what this will do is we are focusing on sewer and water projects.

You know, it is not glamorous to talk about sewer and water. It will not get me an interview with Barbara Walters on TV. Diane Sawyer is not going to come in from "Prime Time Live" and say: Senator MIKULSKI, you are the dean of the women in the Senate; let us talk about the sewer projects and what they mean for America.

But I love talking about sewer projects. Why? First of all, it accomplishes an important public health objective. Any expert in public health will tell you that clean water, adequate sewer systems, are absolutely crucial to the containment of disease in our society and important to our health.

When you drink clean water and you have that necessary infrastructure, you are not going to end up in emergency rooms with infectious diseases. It generates jobs in actually building sewer and water projects. And in the process of building those sewer and water projects, we also lay the foundation for homes, communities, and others to be sustained. So, for me, water and sewer projects are part of accomplishing that "jobs today." They have an impact on public health.

The other part that is crucial here is that we are talking about funding the American space program. This will be absolutely crucial here, because this will help, again, not only generating jobs today but jobs tomorrow.

Then, over there in HUD, Housing and Urban Development, we, again, are going to do things to help our homeless. We are going to target deinstitutionalized individuals and, no, we are not going to do shelters. I appreciate every man and women that has volunteered to do work in shelters. But shelters are Band-Aids. What we have here is the answer to stop the problem. We are going to provide supportive permanent housing and services to the homeless. We are going to target the deinstitutionalized, and particularly focus on those with emotional problems, and families with children; and we estimate that this is going to generate 11,000 jobs.

Then let me go to those who say we are Government spending. Well, this is giving help to those who practice self-help, who pull up their socks, get up there and go to work. We are also going to help with the President's national service idea, and the fact that if you put sweat equity into your own community, you get some type of reward for it.

We are going to come up with $15 million for a summer program that will have our boys and girls involved in community service, actually learning about their community, learning the habits of the heart, and learning those specific skills of showing up on time, respect for your elders, doing a job that you have been told to do, and learning those work ethic skills that are so crucial to our society. For $15 million, we are going to provide $1,000 summer jobs, but they are not going to be just out there kids raking leaves. They are going to learn about themselves. They are going to learn about their community. They are going to help their community, and they are going to help themselves. I think they are going to be a lot better when they go back to school because of the habits and disciplines they learned.

So this is an appropriator who does have an interest in the stimulus package. I just wanted to outline why this was important. We have a mandate for change. We have a mandate to do it now, and what we will accomplish by spending the money in the stimulus package is helping with deficit reduction, but most of all, by acting in a prompt, timely way, we need to restore the confidence in the American people that gridlock is not back.

I say to the Members of my own party, for those of us who campaigned against gridlock, deadlock, stagnation, how can they then engage in those practices to do it? If they have amendments let us offer them. If they want to debate them, let us debate them. But let us not do parliamentary shenanigans to slow this down.

Mr. President, I note that my very distinguished senior Senator, the chairman of the Joint Economics Committee, a member of the Budget Com-

mittee, who chaired the Subcommittee on Housing authorization is on the floor. I think I have made my points around what I think this means. I hope my colleagues on both sides of the wall—maybe that is what it has become—both sides of the aisle will now support the President and move this stimulus package. America wants it. I see no reason why the U.S. Senate does not.

IMMUNIZATION FACTS

Ms. MIKULSKI. Mr. President, I support the President's stimulus especially on the immunization package.

We know immunizations work.

For every $1 invested in immunizations, $10 are saved in later medical costs.

If administered to children on schedule, vaccines are effective in preventing nine major childhood diseases: diphtheria, measles, mumps, pertussis, polio, rubella and congenital rubella syndrome, tetanus, hepatitis B, and hemophilus influenza type B.

The occurrence of the first seven of these diseases has been reduced 90 percent or more from their peak levels in this century. We know immunizations work.

Before the Salk vaccine, polio afflicted thousands of children, 21,000 in 1954. By 1664, the disease was virtually wiped out.

At the time the measles vaccine was licensed in 1963, an average of 500,000 to 1 million cases were reported annually.

Diphtheria dropped from a peak of 207,000 cases in 1922 to 4 cases in 1990.

Pertussis dropped from 265,269 cases in 1934 to 4,570 in 1990.

Rubella cases fell from 57,690 in 1969 to 1,125 in 1990.

SERIOUS PROBLEMS EXIST IN OUR SYSTEM

The Centers for Disease Control and Prevention estimate that only 40 to 50 percent of 2-year-olds are appropriately immunized. Rates run as low as 12 percent in some areas.

Recently, this country has seen an outbreak of whooping cough with double the number of cases this year than in all of 1992.

Cases of measles increased from 1,500 in 1983 to 27,700 in 1990. Cases of rubella and pertussis also increased.

Measles cases jumped from an all-time low of 1,500 cases in 1983 to 18,000 cases and 41 deaths in 1989 and 27,700 cases and 89 deaths in 1990—the highest in 19 years.

Among Western Hemisphere countries, only Haiti and Bolivia have worse immunization rates than the United States for children 2 years old or younger.

THE COSTS OF NOT TAKING ACTION ARE HIGH

Immunizations could help conserve precious health dollars that could be spent on other health care needs.

Hospital charges for children admitted to 46 children's hospitals in 1988 averaged $3,761 per child.

Total charges for children with whooping cough in 1988 topped $2.5 million.

IT'S TIME TO TAKE ACTION NOW

The President has joined efforts with Healthy People 2000, a nationwide effort spearheaded by the U.S. Public Health Service, to reach a goal of a 90-percent immunization rate for all 2-year-olds by the year 2000.

Mr. BYRD. Mr. President, will the Senator yield before she yields the floor?

Mr. MIKULSKI. I am happy to yield to the chairman.

Mr. BYRD. I thank Senator MIKULSKI for her moving speech. She talks about the work ethic. We should all think a little about applying the work ethic to ourselves. How many Senators are around here? Do not guarantee Senators that there will not be a vote. Do not guarantee Senators there will not be a vote here today. It is the Chair's duty to put the question. If no Senator rises, it is the Chair's duty to put the question. The question is on the pending amendment.

This Senator is not part of the syndrome of leaving early on Friday, not being in on Saturday, being out Monday and having the first votes on Tuesday afternoon.

Let us have a vote. If no Senator wants to call up an amendment, let us have a vote on the pending amendment, and vote it up or down.

I thank the distinguished Senator from Maryland. She is my Joan of Arc.

Mr. GRASSLEY. Mr. President, a point of order.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa has been waiting for a period of time.

Mr. BYRD. It doesn't matter how long a Senator is waiting. It is the first Senator who seeks recognition.

Mr. GRASSLEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GRASSLEY. I think that the Senator from West Virginia has answered the point of parliamentary, but it would be to you I thought that I said "Mr. President" first and I thought you were looking in this direction first.

The PRESIDING OFFICER. If that is the case, then the Senator is recognized.

Mr. GRASSLEY. I cannot dictate to the Chair. I appreciate the Chair recognizing me.

Mr. SARBANES. Mr. President, will the Senator yield for a question?

Mr. GRASSLEY. I yield for a question. Does the Senator want to ask me a question?

Mr. SARBANES. Exactly.

Mr. GRASSLEY. I will yield for a question, yes.

Mr. SARBANES. Will the Senator indicate how long he intends to be because I was waiting for quite some time to speak? I understand the Senator has now gained recognition, but I would like to be able to address this matter for a while.

Mr. GRASSLEY. I would like to speak for approximately 30 minutes.

Mr. SARBANES. I thank the Senator.

Mr. GRASSLEY. Mr. President, I think before I refer specifically to the bill before us and the issue before us, I want to make a commentary on where the junior Senator from Maryland left off.

She asked us to support the President. I think that that is a worthy request because I think a President should be supported as a general proposition. He is the only nationally elected officer in our Constitution. He speaks for a national constituency where we speak for the constituencies within our own State.

Also coming up against the proposition that we have a national leader is the proposition that we do have separation of powers and we do have the checks and balances. I want to say that, and maybe I took too much pride in this when we had Republican Presidents of making a point that I am not the President's man, and I know the Senator from West Virginia has also made that point about his own relationship with the White House when we have had a Democrat President.

So I do not think I am saying anything new here, except I think I would like to remind my colleagues on the other side of the aisle that I saw my job as a U.S. Senator as a Republican from the State of Iowa during 12 years of a Republican Presidency to not be a rubber stamp for a Republican President, and I think if you carry that into the other point, when we have a Democrat President, I have a responsibility then not to be a stumbling block for a Democrat President.

But that gets you back to the point of where we are under the Constitution for 210 years as Members of this body, elected by our own constituencies with the constitutional powers and constitutional responsibilities to do our job under the Constitution and our responsibility to the Constitution. When that calls for our doing things the way we feel they ought to be done, we should be working with the President and then doing it. When we feel the President is wrong, then we should not just be against the President, whether you are Republican or Democrat. You should not be just against a President.

Now on this side of the aisle, after 12 years of having a Republican President to work with, I hope we are not seen and I hope we are not as just opponents of the President.

I do not think this is an American term, but I like to think of myself in the sense of the opposition in parliament, members of the loyal opposi-

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tion. When we can work with the President, we work with him. When we disagree with him, we offer alternative responsibilities or alternative programs as we did in the budget process we just went through.

If those are adopted, then obviously it is more to our point of view and we are more inclined to vote for it. If we are opposed to it or if we lose out with our responsible alternatives, maybe we have good justification for voting against it, or it might be just because we offered an alternative we did not get our way. There still might be very good reasons we would support the President of the United States.

But we have to function under the Constitution and to not just carry water as Republicans for a Republican President and not just carry water for a Democrat when we have a Democrat President if we happen to be Members of the Democratic Party in this body.

We have the power of the purse under the Constitution. But most importantly, as this process of Government works, I think if I were in the Democrats' position I think it is perfectly legitimate that you talk about the mandates of the last election, that the people voted for change, but I think the farther you get away from that election the less you are going to be able to use that as a legitimate statement of process in this body.

But even if that happens to be the case, that you feel that there is a mandate, somewhere along the line you have a responsibility as well to reflect other than thoughts on the subject, your own approach to solving problems and just cannot go merrily along the way because you have a President that you are proud of and you want to make him look good.

I can tell you that maybe too many Republicans in 1981 felt that same way toward President Reagan who was elected, and maybe when you look back you will look back and maybe we Republicans would have to say: Maybe there were some mistakes that were made because there was too much blind loyalty to his mandate. That was a stronger mandate percentagewise than even this President got.

I remember even in the period of time that we Republicans controlled the Senate, it did not keep my friend from Oregon and myself from offering an amendment in 1985 that stopped the Reagan defense buildup, and it was adopted just by a 1-vote margin, 50 to 49.

It was not adopted by a majority of Republicans votes. There were 38 Democrat votes and there were 12 Republican votes. And we would have never got that adopted if there had not been bipartisan cooperation.

Whereas, maybe during that period of time there were people on the other side of the aisle that saw this as an opportunity to get at a Republican President, make him look bad. I hope that was not the case, but it may have been the case.

Maybe you are in the majority today, you have a Democratic President, you look at us as if we are not going along enough, as the junior Senator from Maryland asked us to support the President. But I was thinking in terms of what has happened since this mandate in November.

There is another part of the process of Government that I think we forget about, and that is the constant communication that we are having with out constituents. And things can sometimes change.

We cannot make policy based on polls, but we do sometimes look at polls and you do find support in those polls for the President's program, generally. But you go down in those polls—and you know there are always followup questions and subsidiary issues and questions that come up—and there is still a strong feeling in those polls by the very same people who give strong support to the President that he has a program and it ought to be honored, that we ought to be careful how we spend money, and that there ought to be more cuts before there are more taxes.

It does not bring up specifically the issue that is before us today, but I think you have to say that this can fall into that category.

But, there is a process going on all the time. Since the President has been elected, since we have been deliberating for 60-some days in this body about the various issues, people are always communicating to us by letter, by phone, and in person. They are operating under something that we do not often talk about that is in our Constitution, the first amendment rights. We too often think three of the four: freedom of speech, freedom of religion, and freedom of the press.

We do not very much think about the right to petition your Government for redress of grievances, and that is a process where our constituents are coming to us by different methods to communicate their views.

They have a constitutional right to express those views to us. We have a constitutional responsibility to consider their views. We do not have a constitutional responsibility to do what they ask, just to consider those points of view.

And you want to remember in this process of making representative government work—and that is the essence of representative government—that people are going to be communicating to us their points of view. Somehow that is going to moderate—the further on time goes, the more it is going to moderate—those decisions that we assume soon after an election that are a mandate from the people.

So I hope that we on this side of the aisle are not seen as impeding because we want to make sure that there is a thorough discussion of these issues.

Mr. President, Buckminster Fuller once said:

> When I am working on a problem, I never think about beauty. I think only of how to solve the problem. But when I am finished, if the solution is not beautiful, I know it is wrong.

Mr. President, the budget resolution that we passed yesterday, most of us on this side of the aisle—maybe all of us—felt it was not beautiful. We felt it was ugly. Therefore, according to Buckminster Fuller's evaluation, the budget is wrong.

I think to some extent as an extension of the budget process, this $16 billion appropriation bill now before us is a continuation of bad budget policy and a wrong direction for this country.

In my view, the substitute offered by the distinguished Republican leader in the budget deliberations 2 days ago was a beautiful budget; that is, it addressed directly the problems that we face, because it cut spending first, just as America is demanding more all the time. And it would have lowered the deficit beyond 1997, unlike the Clinton budget.

And it would have lowered therefore the long-term debt. The Republican substitute which by the way—I was going to say, which by the way got some Democrat votes, but I am not sure of that, so I better not say that.

The Republican substitute showed that there are alternatives to the deficit reduction without having to raise taxes. The choices are, therefore, clear and distinct.

This stimulus package, this appropriation bill, like the budget that preceded it, is at total variance with what America has asked us to do because it raises the debt. Americans want that debt down. It is not paid for. They think we ought to pay more as we go along.

(Mrs. MURRAY assumed the chair.)

Mr. GRASSLEY. All throughout the budget debate, I heard my friends on the other side talk about how we need to pay our bills. That was their justification for the largest tax increase in the history of our country. Now that is out of the way. And out of the other side of our mouths, we are now increasing spending without offsetting it.

This is very definitely a defining moment, Madam President. The budget of the United States is the most important statement of an administration's policy. The budget we just passed, together with this stimulus bill, speaks loudly and clearly as to where this country is headed under this new administration.

Today, Madam President, is March 26, 1993. Would that someone had just awakened after a 17-year sleep, he or she might pick up the morning paper, read about a $16 billion stimulus package, and think we are still in the

Carter administration. This could easily be March 26, 1977. It is deja vu.

In that respect, this approach to budgeting—that is, deficit spending—is anachronistic. It is obsolete. It is devoid of new direction. The rhetoric is new: It is called investment instead of spending. But only the packaging is new. The direction is not.

This is, as in 1977, a new administration's tax-and-spend way of conducting the fiscal affairs of our country. Pure and simple. That is why I call it deja voodoo. We just passed simultaneously the largest tax increase ever, the largest spending increase ever, and the highest debt amount ever. Taxes will go up by $300 billion, new spending will go up by $124 billion, and the debt will go up by $1.8 trillion over a 5-year period of time.

And now we are going to add another $16 billion to the debt because we are not paying the bill.

If ever there was a way of doing business that is worthy of the moniker business as usual, surely this is it.

Let me suggest, Madam President, why this approach will fail. The fact of the matter is, we simply do not have the money to increase spending. The debt is rising so rapidly that it is about to explode.

It was important that the budget we just passed fulfills the President's pledge to reinvent government. Reinventing government is needed because we need to find ways to get better performance with fewer dollars.

Members of this body, I say to the new Senator from Washington, have heard me say that for about 8 or 9 years in regard to defense. There has to be changes in the way the defense dollars are spent even if they are less, you have to change the way the Defense Department does business if you are going to get more for the taxpayers' dollars. And there are a lot of studies that show in procurement one-third of the procurement dollar in defense is wasted. Now we are spending less on defense.

I do not know whether we made enough changes there so that defense department is going to be more figuratively changed. I think that is a lifetime job, to make sure those changes go on.

But here we are spending more money on the same programs on the domestic side of the ledger and we have not reinvented Government before we spend a massive more amount of money on those programs.

Reinventing government is something I believe in, but it is also something that the President has made a centerpiece of his program. It was the centerpiece of his election. And he ought to take those steps of reinventing government before we pour more money into these programs. I say that in the same vein—I would have made those very same statements to a President Reagan or a President Bush during the last several years. The status quo is not working and it is costing us a fortune.

How does passing this bill help us do that? The answer is that it does not. Not only does it inhibit our ability to reinvent government; the more we spend, the more debt we accrue and the less incentive we have to reinvent government.

The changes were not made in the Defense Department in 1981. We just poured so much money at that Pentagon that one Assistant Secretary a couple of years later described it this way, and I will paraphrase from something that was in the newspapers. He said: "We just brought the money bags to the steps of the Pentagon and opened them and said to the military-industrial complex, 'Come and get it.'" And we saw that happened.

I do not want to say on the domestic side of the ledger it is exactly the same way or as bad. I cannot say that. But the President himself has acknowledged a necessity for changing programs, modernizing them, maybe doing away with some, maybe even adopting some new ones. But he says we should reinvent. We are not doing it.

This is a dangerous road we are heading down. I congratulate my colleagues on this side of the aisle for their energy and efforts to educate the American people these past weeks, about the perils of the budget we just passed, and of deficit spending, as we are doing on this bill.

We stripped away the false advertising that portrayed this plan as representing change, because there is no change. We exposed this plan as a platform for raising taxes. That is what the budget is that we just passed. We exposed the fact that this Congress, both with the budget and now this bill, failed to make the President live up to his campaign promises on cutting spending, cutting the deficit and cutting taxes for the middle class. He broke each of these pledges.

Madam President, America's eyes are now open to the reality—the truth—of this plan. They are getting bigger government, not reinvented government. In the months ahead, the choices will continue to be bigger government versus reinvented government.

I think in our oversight capacity we have every right to measure the President by his statements that he wanted to reinvent government, the extent to which government is being reinvented.

But we continue toward tax-and-spend budgets versus budget freezes, with proposals for a more effective government; between bills that increase the deficit versus bills offset with spending cuts.

These are two diverse visions for the American people. Many of us, even on this side of the aisle, stood ready to help a new President who promised change and innovation in government, who promised to lower the deficit. Instead, the President and this Congress have chosen the status quo. The lines have become clearly drawn.

We hear the phrase "guardians of gridlock" again and again from the other side. Let me suggest that what we are opposing here on this side of the aisle is the "deja voodoo" we are getting from the other side. We are opposed to deja voodoo. This is Jimmy Carter all over again. Only in Bill Clinton clothing. This is old Democrat policy in new Democrat rhetoric. And this is not what America wants.

We are not the guardians of gridlock. We are the guardians of good government. We are the protectors of the people. We are helping the President keep the promises he made to the American people. Because the President did not keep his own promises, and the majority party in the Congress did not hold his feet to the fire.

The way I think—whether we have a Republican or Democrat President—we have a responsibility through the checks and balances of the Constitution to hold to the fire the feet of any President of any party.

Performance in office should be commensurate with the rhetoric of the campaign and the mandate that comes through that campaign.

The American people did not give Candidate Clinton 43 percent of their vote to get higher deficits, higher spending, and higher taxes. It was the opposite. They voted for lower deficits, lower spending, and lower taxes. That is what they were promised. But it is not being delivered. This side of the aisle is trying to deliver on those promises.

Mr. President, I returned to the Senate this year for a new term. And I returned with a mandate. Seventy-two percent of the voters in Iowa reelected me to lower the deficit and continue my role as the guardian of good government. During my campaign, the issue of deficit spending came up repeatedly. My opponent constantly attacked me for opposing spending on various programs, similar to what we are doing on this bill. And constantly I responded that the most important thing we can do for our children—for our children born, our children unborn, and our grandchildren unborn—is to put our fiscal house in order first. That is the program for children.

The program that is against children is when we load more debt on their backs so we can live high on the hog during our generation. We have a responsibility, each generation, except for time of war when the very existence of our Government and our society is at stake, to pay our own fair share.

If we do not have the money, we do not have the money. If we spend money in one place, we need to cut spending in another. This is the way business does

it, the way our families do it, and the way we should do it. That is what my Republican colleagues are saying. In other words, they are saying we want change—real change. We want good government.

Madam President, the Democrats have control of the Government. Therefore, they have the opportunity, a rare opportunity, to deliver for the American people. And they have the moral authority to deliver because they promised to deliver. But they did not promise to raise the debt. They did not promise to increase spending. They did not promise to raise taxes. They promised restraint on all counts. And so the moral authority, Mr. President, has fallen to this party. This side of the aisle. We are trying to deliver what the American people were promised last year. That is why we albeit in the minority, are the guardians of good government not the guardians of gridlock. The other party has dropped the ball.

Madam President, I yield the floor.

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Maryland.

Mr. SARBANES. I thank the Chair. Madam President, I rise in very strong support of the legislation which the distinguished chairman of the Appropriations Committee and our former majority leader has brought to the floor of the Senate. This legislation, the so-called stimulus program, is very important for the economy of our country, and I very strongly stand behind it. The President strongly stands behind it. In fact, the President, as I understand it, sent a letter to the chairman indicating his very strong support for this measure which has been reported out from the Appropriations Committee.

Mr. BYRD. Madam President, the Senator is correct, and that letter is in the RECORD of yesterday.

Mr. SARBANES. I appreciate that. The House of Representatives has acted on the stimulus package. It is the one remaining major piece of the economic proposals submitted to us by the President that needs to be enacted in the Senate. I very strongly urge its passage.

Now, Madam President, we have to break the gridlock. We cannot have the guardians of gridlock reemerging now and, in effect, seeking to tie the country up again. The President put together a balanced program. He has an investment strategy, he has a deficit reduction strategy, and he has a stimulus strategy.

The President said the other night, when Dan Rather interviewed him at the White House, that he was trying to accomplish not one goal but a number of goals, which is of course what you have to do when you are dealing with economic matters. He is trying to get the economy moving, to get some momentum to the economy to restore jobs and to get economic growth, and the stimulus proposal that is here before us is an essential element in achieving that goal.

Looking further out into the future, he is trying to get significant deficit reduction to bring down the deficit which has been rising over this last decade, to restrain it, to start its downward movement and its eventual elimination and also to make some investments in the future strength of our economy.

The stimulus in the short run represents some of that investment strategy here and now. The budget resolution reflects an investment strategy in the next fiscal year and beyond. So we are trying to get the deficit down, and we want to get the economy growing. Getting the economy growing is essential to reducing the deficit because in a weak, anemic, stagnant economy, the deficit, in fact, will go up, not down. Every 1 percent on the unemployment rate is $50 billion on the deficit.

The President wants to do an investment strategy in research and development, in the education and training of our people, in improving the health of our people, in infrastructure, the Nation's transportation network, in encouraging investment in new plant and equipment. The economic stimulus package embraces this supplemental and it also embraces in the reconciliation bill certain tax measures to encourage investment in the private sector.

All of this, is designed to lead to lasting economic growth and rising standards of living for all Americans. To accomplish this, the President is seeking to reduce the deficit, which drains our economic strength. President Carter wrestled with a $40 billion, $50 billion deficit. I can still remember it. Now the deficit is in excess of $300 billion. That is what the Bush administration left on Mr. Clinton's doorstep. Mr. Clinton did not create it. It was left to him by the Bush administration when he came into office.

At the same time the President is seeking to reduce the deficit, he wants to invest in the public and private capital—education, training, nutrition, preventive health care, research, infrastructure and new factories, and equipment which we need in order for the economy to grow.

To accomplish this, the President is trying to put together an integrated program that has three parts: A short-term stimulus; medium- and long-term investment; and deficit reduction.

Let me just address the stimulus because that is the issue that is before us with this appropriations bill.

Why do we need it? Some come out here and say, "We do not need the stimulus; we do not want to have this stimulus program." First of all, let me just point out, this is not a strong economy and we ought not to run the risk of the economy taking a nose dive and bringing a triple-dip recession.

We have not come out of this recession in any way like we did in previous recessions. This chart shows the growth of real gross domestic product following postwar recessions. The growth in this recovery period is well below what we experienced in previous recovery periods coming out of a recession. This is not a strong, vibrant recovery. In fact, the unemployment rate today is higher than it was at the bottom of the recession which occurred 22 months ago. We have had significantly less growth in this recovery compared with the average growth in previous recoveries.

In addition the unemployment rate today is higher than it was at the trough of the recession. We have never experienced that in any previous postwar recession. In none of the previous postwar recessions was the unemployment rate, 22 months after the bottom of the recession, still higher than it had been in the trough. Usually the unemployment rate improves in the 6- to 9-month period after the bottom and as we start the recovery, things start looking better, people go back to work and the economy starts moving again.

The corollary of this failure to have strong economic growth is reflected in this chart which shows the lack of jobs recovered in this recession recovery cycle, compared with the average of postwar recession recoveries. As you can see, in other postwar recessions, we recovered all the jobs that had been lost and then many more. We have not done that during this recession, according to the official figures given us by the Bureau of Labor Statistics.

So this is not a strong recovery. The growth number that people talked about, 4.7 percent in the last quarter, is only about half the pace of the typical recovery. A known forecaster is not predicting the growth in this quarter will be equal to what it was in the last quarter of last year. They expect it to be lower.

The last quarter of last year was fueled in part by a good export performance. But Germany, Japan, and the European countries are experiencing economic difficulties. We do not expect to have the same demand from foreign countries for American exports. Consumer spending in the last quarter of 1992 outran consumer income and people were taking out of savings or borrowing in order to make their consumer expenditures. They obviously cannot go on doing that indefinitely.

So we really have a problem that this economy may stall out again. The stimulus program is designed to prevent that from happening and is particularly designed to address certain very pressing problems.

Madam President, this chart shows the percent of the long-term unem-

ployed as a percent of the total people unemployed. What this shows is that in previous recoveries, the number of long-term unemployed individuals goes up and then as the economy recovers you start to recover the jobs lost during the recession. People go back to work, and the unemployment rate drops down. That has not happened in this recovery.

A significant part of the money in this economic stimulus package is designed to extend the unemployment insurance system benefits in order that the long-term unemployed are not going to simply find themselves completely cut off and literally falling off the edge of the world, without this extension people may—loss their homes, their cars, and their well being.

The President is trying to give the economy a boost. It is almost like a plane taking off. It starts to gain some lift and some momentum. What lies ahead of it is a major deficit reduction program. When that attaches itself to the economy, it is going to be, contractionary in the short run. It is going to put pressure on the economy in a contractionary direction. We need to be sure that the economy has enough lift to it that as the deficit reduction attaches to it, it will not precipitate it into an economic nose dive.

That is what the President's stimulus program is designed to do. It is designed to carry the economy on up so it can handle the deficit reduction and handle the investment strategy. If we go into a triple-dip recession, we are going to have a jobs problem, an economic growth problem, an investment deficit problem, and a budget deficit. So actually this stimulus package, which will increase economic growth and create jobs, will make its contribution to deficit reduction, through a stronger economy.

Mr. SASSER. Will the Senator yield on that point?

Mr. SARBANES. I am happy to yield to my friend from Tennessee.

Mr. SASSER. The distinguished Senator from Maryland is learned in economics, has compiled a brilliant record really as chairman of the Joint Economic Committee here in the Congress. He is very familiar with these terms that economists use such as "stimulus," "recession," et cetera. But I will ask my friend from Maryland, when he is talking about an economic stimulus, is that not roughly equivalent to what we used to call a jobs bill here in the Congress? In this particular stimulus package that the President is advancing, the principal thrust is to create jobs, is it not, I will ask my friend from Maryland?

Mr. SARBANES. The Senator is absolutely correct, although I think the President, who is a very perceptive and smart leader, has added an extra dimension in this instance with respect to this stimulus package. What he has done is put together both job restoration and creation, and integrated this into his investment strategy for the future of the country.

So what he is talking about is doing things like highway investment. This is not leaf raking. We are going to have highway investment. We are going to create jobs, and we are going to be left with an improved highway network. He is doing the same thing for mass transit and airport improvements. He invests in youth summer jobs, which can do any host of important tasks across the country. He is providing some money for the community development block grant to mayors and Governors to get important infrastructure projects moving. They are enthusiastic for this program.

Mr. SASSER. If the Senator will just yield on that point, in other words, it appears to me that this short-term stimulus—and I will use the term that the economists use, stimulus—is really creating jobs but jobs which will link into the long-term investment strategy.

Mr. SARBANES. That is exactly correct. And it is a very important point that the Senator is making because it shows that the President has a long-term vision. He has the ability, which I admire and respect, to integrate what he seeks to do in the short term with what he is trying to accomplish in the long term. So he is thinking about the future strength of the economy in the long term and at the same time he is trying to address the short-term weaknesses which these weak growth and job restoration figures demonstrate.

Mr. SASSER. If the Senator will yield on that point, I could not agree with the Senator more. I am extraordinarily pleased that this President is exhibiting that kind of long-term vision and coupling it with a short-term strategy to move us ahead over the long term.

Now, one of the criticisms that has been made of our political leadership, and indeed our business leadership in the private sector, over the past 12 to 15 years has been that everybody is looking no further than the next election, as far as the political leadership is concerned. As far as the business leadership is concerned, they are looking no further than the next quarterly dividend.

What we have been confronted with is political leadership and business leadership in other nations where they are looking to the long term, the long-term growth of their economy, the long-term competitiveness of their economy, and the long-term enhancement of the quality of life of their people.

Let us take the Japanese. The Japanese have been the envy of the modern world in recent times, as my friend from Maryland knows better than I. They have done that by taking a long-term investment strategy. That is precisely what this President is doing with this investment package that was folded into the budget resolution that was passed yesterday and with the short-term stimulus package we have before us today, which is creating jobs for our people in the short term but will build the infrastructure, both in the major urban areas and across the country, to allow the economy to improve itself in the long term.

I must say to my friend from Maryland, it is high time we had some leadership at the top level of the executive branch in this Government once again that has a vision which goes beyond just the next election. When you look at the long haul of American history and you see those Presidents who are honored by historians as being great leaders, they shared one thing in common. That was a vision for the country and the ability to look past the next 6 months, to look past the next year, to look past the next election to what is in the long-term best interests of all of our people.

Interestingly enough, many of these leaders came to be known for greatness because they were willing to take extraordinary risks, political risks, for what they deemed to be in the long-term interest of the country.

Well, I am going afield here, but I just wanted to reinforce——

Mr. SARBANES. If the Senator will yield, I do not think the Senator is going afield at all. I think the point he is making is actually the overarching perception to this entire discussion. What has to be understood is that President Clinton, had the vision to put together a program that makes sense. But each part of the program is essential to achieving the objectives.

We passed in the budget resolution major deficit reduction and major investment programs. I think most of the American people agree with the strategy. Most Americans want the deficit to come down, and most Americans I think recognize that we need to make some investments for the future economic strength of our country.

If you ask Americans should we educate our children, should we train our work force, should we be doing a better job on research and development in order to compete internationally, should we upgrade our infrastructure—people can see the infrastructure literally crumbling right in front of their eyes all across the country—the answer would be yes. The owner of a small trucking company said to me: If my truck sits in a traffic jam for 3 or 4 hours that is right out of the efficiency of my company. That is right out of my productivity.

So I think Americans want to do the investment strategy. The President says he has this final piece. He said, we need stimulus to get the economy moving so that the deficit reduction does not precipitate an economic downturn.

Bob Solow, a distinguished Nobel Laureate economist said in February of this month testifying before the Joint Economic Committee about a stimulus "There is enough slack in the economy to warrant a more aggressive approach. The payoff would be higher output, more jobs, with little danger that inflationary pressure would return."

Actually, on the inflation front we have a very good performance. We have a slack economy, we have idle workers, and idle plant and equipment. There is every reason to believe that we can have some additional stimulus without affecting the inflation problem, and in fact we had testimony from people from the Federal Reserve to that very effect, that there was enough slack in margin in the economy now in order to do that.

Mr. SASSER. If the Senator will yield for one moment, I was just reflecting on some of the things that have been said here on the floor of the Senate today, in opposition I might say to this stimulus package. We have on the floor of the Senate probably the preeminent historian of the Senate in the world, in the distinguished Senator from West Virginia. But I daresay that if you went back to the early 1930's, if you went back to 1933, and 1934, and 1935, you would have heard the same argument emanating from the other side of the aisle with regard to the stimulus program that the late President Franklin Delano Roosevelt was famous for. And they would say with regard to my section of the country: Oh, all that money he is spending to build those dams for this thing called the Tennessee Valley Authority, he is increasing the deficit to do that, it is nothing but raw political spending.

As one who comes from that area of the country, that stimulus package to build those great hydroelectric dams down there created jobs in the short term so that people could feed their families, so that people could look after the needs of their families, so that people could get adequate medical care once again because at least they had some financial resources to pay for it, they did all that in the short term. But probably the great benefit was in the long term because those hydroelectric dams are still producing electricity to this day. They brought to the Tennessee Valley area an aluminum industry because there was cheap hydroelectric power. That same aluminum industry built the great bombers and fighters, aircraft that won World War II. We heard the same arguments I daresay against that stimulus proposal back in the early thirties.

Why, if you listen to some of these arguments over here, they listened to them in 1932, 1933, 1934, 1935, we would still be driving on gravel roads in this country, I say to my friend from Maryland. That is where we would be. We would still be down in my area reading by kerosene lamps at night, if you listened to some of these arguments over here. At long last, once again, there is a leader in this country who says: Yes, we have to do something here in the short term to put our people back to work so that in the long term we can all live a better life. And, oh, yes, when we are all working and paying taxes, and this economy is growing, then we bring down the deficit.

My friend from Maryland—I am impinging on his time. He is more knowledgeable about these economic matters than I am, I must say.

But let us just look at what has occurred with regard to this economy we are in now. We have been in the longest recession for the past few years.

Admittedly it has not been the deepest recession. It was not as deep as the Reagan recession in 1982. But it has been the longest recession.

The economists say we are coming out of this recession. But there is a difference between this economic recovery and the economic recovery since World War II.

And the difference is that this economic recovery, I say to my colleagues, is not creating jobs.

I call the attention of my colleague from Maryland to this chart here. You will note that in the average recession we go back to the trough of the recession in 1991. In a normal recovery we would have created 4 million jobs by this time in the recovery phase. In this particular recovery, recovering from this recession of 1991, and 1992, we have created only 1 million jobs. Only 25 percent of the jobs that would be created in all other recoveries is being created in this one.

That is why, I say to my friend from Maryland, we have to do something about creating jobs. That is what this short-term stimulus is all about.

I am familiar with our budget problems. I am as familiar with our deficit problems as any Member in this body. I studied those numbers. I say to my friends, you cannot lower the deficit appreciably until you get to the jobs. The thing that knocks the bottom out of these budgets is high unemployment numbers, and the thing that explodes these deficits is poor economic performance.

My friend from Maryland knows as well as I, that for every 1 percent the unemployment rate goes up, that is about 1.1 million workers, roughly in that area. It cost the Federal Government about $50 billion.

Mr. SARBANES. That is right, $50 billion on the deficit.

Mr. SASSER. It raises the deficit $50 billion.

Mr. SARBANES. That is right.

Mr. SASSER. That is caused by the fact that these 1.1 percent who are not working are not paying taxes in the Federal Treasury. That is the lion's share of that $50 billion deficit increase. Yes, part of it is increased unemployment compensation for the unemployed, part of it is increased Medicare costs because when they lose their jobs, they become poor and they cannot afford to pay the bills. They lose their medical insurance, if they have any.

So the key to doing something about this deficit is getting this economy going again, getting a robust economy, and trying to move our people into good jobs at good wages. That is what this President promised the American people he was going to do.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. SASSER. I am pleased to yield to my friend from West Virginia.

Mr. BYRD. Are not 10 percent of the American people on food stamps today?

Mr. SASSER. No question about it, for the first time in the history of this Nation, 1 out of 10 Americans are on food stamps.

And I say to my friend from West Virginia, we are seeing a different type of person on food stamps now. In other words, those who run these food stamp offices are telling us they are seeing people show up there and apply for them who were formerly at middle-management level positions with great corporations in this country. Because of the layoffs, people who never thought in their lives they would apply for food stamps or public assistance are forced to do it.

Mr. SARBANES. If the Senator will yield, the Senator from West Virginia is absolutely right. Here is a story on March 2, in the New York Times: "Food Stamp Users Up Sharply in Sign of Weak Recovery." It says,

> Figures Top Those of Recession in 1982–1983 and Underscore Hardship of the Poorest.

It goes on to say:

> The discouraging numbers on food stamp recipients was the latest in a string of so-so economic reports. And the burst of post-election optimism about the economy, reflected by rising stock prices and a sharp upturn in consumer confidence, has given way to fresh anxiety and new questions about the staying power of the economic expansion.

You have articles saying "key indicators showing economy losing momentum," and "economy behaving like it needs help." These stories are all within the month. Several sets of data suggest slower growth. The President was handed a very tough economic playing field when he came into office. Have no doubts about that. It was a very tough economic playing field. You had an anemic recovery, the weakest in any postwar recovery by far. You had a rising budget deficit, and you had a growing investment deficit in terms of the future economic strength of the country.

And President Clinton, to his credit, has been willing to try to deal with all of those problems in a comprehensive, coordinated way. Now yesterday we

passed the budget resolution which set out the path on reducing the budget deficit, and reducing the investment deficit. Now we need to put this piece into place, the stimulus package, to get the economy moving, to restore the jobs and the economic growth that the distinguished Senator from Tennessee has just spoken about so eloquently.

I commend the chairman of the committee for the provisions he put in requiring that these investments be examined very carefully. A lot of political hay was made out of the fact that the President is going to provide some money in community development block grants to help Governors and mayors get things moving at their level, because they have been experiencing a really tight budget situation. A lot of essential needs have gone unmet.

Under the community development block grant, Governors and mayors have a lot of discretion. People have gone around and found instances where that discretion was used for projects that do not really appear very meritorious. If you give discretion out, you are going to have some abuse. Nobody went around and brought in all of the projects that the community development block grants were used for that were obviously meritorious.

The chairman addressed that issue very specifically. The mayors and Governors have assured us that the things they are going to do with this money is essential to the future.

But what we are talking about are programs that invest in our people, programs that invest in our infrastructure, in both rural and urban areas, programs that invest in technology, in the building of the technological base of the country, in the energy field, environment field, in the computer field.

Mr. BYRD. If the Senator will yield, Madam President, the Senator from Maryland and the Senator from Tennessee are making excellent points here. If I may ask a question, we talked about the number of people on food stamps, which is the highest ever. What about the individuals who are on the AFDC Program, Aid to Families With Dependent Children? Today there are 14 million, more than ever before, is that not correct?

Mr. SARBANES. That is correct. To this President's credit, he has indicated that one of his major initiatives that he intends to get to is welfare reform.

Mr. BYRD. What about Medicaid? Today there are over 32 million recipients, the highest ever. What does that do to the deficit? Does that help the deficit? Why are these statistics that we are quoting here the highest ever—food stamps, Medicaid, AFDC—why are they the highest ever?

Mr. SARBANES. It is because we are not recovering from the recession.

Mr. BYRD. Right. People are not working.

Mr. SARBANES. The President is trying to give an impetus to this economy to get us out of this recession.

Mr. BYRD. Right. People are unemployed. We need to do something about unemployment and get people to work. These rolls are costing the American people—welfare rolls, food stamps, Medicaid.

I have one final question of the Senator from Tennessee. May I ask the Senator from Tennessee, was not this jobs program—we will call it the stimulus program for the moment—was it not costed into the overall budget resolution package that the Senate voted on yesterday, which was so masterfully explained and managed on the floor by the distinguished Senator from Tennessee? Was not this so-called stimulus package costed into that and, yet, did not that package say that in 5 years we are going to have a reduction in the budget deficit of $502 billion?

Mr. SASSER. The Senator from West Virginia is entirely correct. Yesterday, when we passed this budget resolution, which contained the largest deficit reduction package in the history of the country, it also included the cost of this stimulus package.

I heard my distinguished friend from West Virginia yesterday talking about the fact that he "already had his spinach." The statement has been made that we ought to "eat our spinach before we have our dessert." The distinguished chairman of the Appropriations Committee said he already had his spinach. Indeed, he did. He got his spinach in this budget resolution that passed yesterday.

As a matter of fact, I would say to my friend from West Virginia, I think what he really got was not spinach, but bread and water, or maybe even a bowl of thin, watery gruel.

Mr. BYRD. The Senator got poke salad.

Mr. SASSER. The Senator got poke salad to get him through the next few years.

But if it was spinach, and there was some bitter medicine for the Appropriations Committee in the budget resolution that passed yesterday. I say to my friend, that spinach, if you remember, is what made Popeye the Sailor Man so strong. When we eat that spinach, as we ate yesterday, and as we are going to eat it for the next few years, that spinach is going to make us strong, because it is going to create jobs, and it is going to build the infrastructure of this country in the outyears, and that is what is important. That is why this stimulus package is so important.

Mr. BYRD. If the Senator will yield, when the Senators voted for the package on yesterday, the budget resolution, they did say to the Appropriations Committee: You do not wait until the reconciliation bill passes, you take your spinach now. It is included in that resolution.

Mr. SASSER. Precisely. That is correct. In other words, when that conference report—which I believe will be virtually unchanged—comes back here and is adopted by the Senate, it will conform largely to that budget resolution we passed yesterday.

And that puts the cap on the Appropriations Committee. That tells this Appropriations Committee how much they can spend by way of discretionary spending, and so that was your spinach. It may look like poke salad and may taste like poke salad but it is going to be spinach. I believe that spinach is going to make us stronger.

Mr. BYRD. One further question I ask the Senator: Can every Senator who voted for this resolution go home and tell his constituents that he has voted to cut discretionary spending and that the cut is in place as soon as the budget resolution was passed?

Mr. SARBANES. He certainly can. Any Senator, he or she, can go home and state categorically that we have voted to cut discretionary spending in this last budget resolution to the tune of in excess of $160 billion. That is a fact.

Mr. RIEGLE. Madam President, will the Senator yield for one additional comment?

Mr. SARBANES. I yield to the Senator.

Mr. RIEGLE. This is just a voice from Michigan that says we have to have this stimulus package enacted.

Mr. SARBANES. And now.

Mr. RIEGLE. We have to have it right now because we are not getting the job growth in this country that we have to have. We now have some 17 million people in America who are either unemployed, who have dropped out of sight because they are now in the discouraged-worker category and not looking for work, or people working part time because they cannot find full-time work. And in that area, if a person today works as little as 1 hour a week, the Department of Labor statistics say that person is employed.

Mr. SARBANES. That is right.

Mr. RIEGLE. They are employed even if they are only working an hour a week. The problem for people working 5 hours a week or 7 hours a week or even 20 or 25 hours a week, is that is not enough earnings to support themselves or their families. In virtually every case we have a very, very serious economic problem.

Mr. SARBANES. And virtually in every one of those cases when they are working part time, they do not have health care coverage.

Mr. RIEGLE. Absolutely.

Mr. SARBANES. Not only do they not have a full-time job, so they are under pressure scrambling to get enough to pay for the groceries. They come under the additional pressure that they no longer have health care coverage.

Mr. RIEGLE. Exactly.

Mr. SARBANES. In this recession, unlike previous recessions, about half the people who lost their jobs were on temporary layoffs and could be expected to be called back.

Mr. RIEGLE. That is right.

Mr. SARBANES. In this recession, only 15 percent are on temporary layoffs; 85 percent have been permanently terminated.

Mr. RIEGLE. That is right. In many cases, the jobs have left the country. Jobs have gone to Mexico, Communist China, Taiwan, and Japan. Those people are not going to be called back to those jobs. So they are out there in the pool of unemployed people.

I saw two veterans of Desert Storm the other day. These were people wearing the uniform of our country not all that many months ago, going over and performing heroically in that foreign policy crisis situation. They are now back here in the United States, out of the armed services. They are unemployed. They are homeless, living in cardboard boxes here in the District of Columbia.

We cannot have a condition like that where we are turning our back on our own people. In fact, the largest single group of homeless in this country right now are veterans. People who have served this country obviously need to be employed in some fashion, need to be in a different circumstance.

But we have to drive this economy up. The chart that you have there shows the fact that we are not getting the normal job recovery that we got after other recessions and that we are way down here. We have a gap of about 4 million jobs that have not come back. Many have left the country.

We have to get the President's stimulus package adopted. If anything, it ought to be bigger. We need every penny of that stimulus to drive the job-creation engine in this country. Most of these jobs are in the private sector. These are private-sector jobs. But we have to get the job growth coming back here because people need the work. They need the income. They cannot feed their families, in many instances. Even though we extended the unemployment compensation benefits again, that is not a real answer. The only answer is to get someone into a job situation.

I received a letter the other day from a man down in Texas who has a graduate degree who has been through three different job retraining programs, and he has come through them successfully. He still cannot find a job. So even job retraining does not mean anything if there are not jobs out there at the end of it where someone can apply the retraining and actually get on a payroll and start working, supporting themselves as they want to do, and make a contribution to the country.

Mr. KENNEDY. Madam President, will the Senator yield?

Mr. SARBANES. I yield.

Mr. KENNEDY. Madam President, I just want to assure the Senator from Maryland and the Senator from West Virginia that the stimulus proposal is absolutely essential for the men and women of New England and Massachusetts. We have 6 percent of the Nation's population, but we have lost 30 percent of the jobs.

My State of Massachusetts is second only to California in our lagging rate of recovery. Massachusetts, tragically, is the No. 1 State in the country on mortgage foreclosures on homes, and about second in the country in terms of small business bankruptcies. Every time I have travelled there, people ask, where is the investment in our future?

As the Senator from West Virginia and the Senator from Maryland have pointed out, what has been lacking in our economy over the period of the last 12 years is investment rather than consumption. That point has been made time after time.

I am mindful, as this debate begins, of the extraordinarily important work that was done by former Secretary of Labor Ray Marshall and former Republican Senator and former chairman of the Republican National Committee, Bill Brock. They traveled around the world and looked at our major competitors to determine the basis for their success. And the overwhelming conclusion of that report, "America's Choice," was that investing in a country's people, along the lines that have been recommended in this proposal; is absolutely essential if you are going to have high-paying jobs and be internationally competitive.

That is what this program is about; that is what this program is about. I agree with the points made by my friend from Michigan. If there is any concern that many of us have, it is that this stimulus package is not enough.

We have a record and we know what investment policy is all about. Not only do we in this country, but so do our economic competitors. And, Madam President, I say to the Senators from Maryland and West Virginia that this investment program is absolutely essential.

Finally, I would just like to ask if I am correct, and I ask the Senator from Maryland. Of the last five budget reconciliation bills, in 1990 the reconciliation came at the end of October; 1989, the end of November; 1987, the end of December; 1986 came in March of 1987; and 1985 was the end of December. So if we wait until we pass the budget reconciliation bill to release the majority of the funds in the stimulus package we may be waiting not a few months but up to 1 year.

We are all talking about trying to do something, to invest in the children in this country. But they want to delay some of the chapter 1 funds. They say all you have to really do is get a letter to the teachers and tell them the funds will be there in September. That is a lot of hogwash. If you look over this program of delays, you are talking about investments in education, investments in training, and basic and fundamental support for infrastructure programs that result in new jobs.

So, Madam President, I ask our friend: Does the Senator, who is the chairman of the Joint Economic Committee, believe that the timing is correct; given the range of the different workloads of Congress, that we would even be able to—is he willing to accept that all we are really talking about is maybe a month or two in terms of the deferred investment? Or does he believe, as I do, that if we have that kind of a fencing program, we are in a very real way threatening the very modest investment program that can result in job creation?

(Mr. DORGAN assumed the chair.)

Mr. SARBANES. I say to the Senator, I think we are going to do better on the timing on the reconciliation bills than in past years, and I think it is very important we do that.

But I want to make this point. As the Senator suggests, this stimulus package is needed now. We are not talking about 3 months from now. We have to get moving now. There are people waiting to go.

The mayors and Governors need to know about the summer jobs program. They are putting out highway contracts today. They are getting the best bids they have ever gotten in their lives. They are getting tremendous value on the dollar right now because the private contractors want the work. You can talk to any procurement office that puts out highway contracts, mass transit contracts, and they will tell you they are getting terrific bids. They have an idle work force and idle equipment, and they want to put it to work.

What the President is talking about are programs here that can start building this momentum. They are needed now. We have unemployed people with skills who cannot find jobs. They have skills in their hands and in their heads that could be put to work for America. There is equipment sitting idle not being used.

You can put that equipment to work next week—and that is what we are trying to do—but the product it could have produced this week is lost forever. We are losing every day an incredible amount of product that could be produced for the betterment of the country. And every day that you have an idle person who does not work or idle equipment that is not utilized the product is lost forever. You never get that back. You may put it to work tomorrow and get what it can produce, but what it could have produced today

or yesterday, if it had been working, is gone forever. Why are we wasting that?

We have to get this country moving. That is what President Clinton is talking about. He has a vision for the country. He is going to get it moving now, going to restore the jobs, get the economic growth, get an economy strong enough to help bring down the deficit and do these investments.

The Senator from Massachusetts is absolutely correct on this investment strategy.

Mr. KENNEDY. Will the Senator yield on that point?

Mr. SARBANES. Let me just show the Senator one chart, because it is right on his investment point.

This is fixed investment as a share of GDP in the 10 largest economies around the world.

Mr. KENNEDY. Will the Senator yield on this point here in terms of the investment?

Mr. SARBANES. This chart shows fixed investment as a share of GDP. Here is the United States. Japan, Germany, France all invest here at higher rates than the United States. This is the very point the Senator was making.

Mr. KENNEDY. The fact is, in those countries, Mr. President, every one of the political parties support that kind of investment. They have effectively taken that off the table in those countries' political dialog and debate.

If you are talking about stimulating the economy to get the private sector investing in business or if you are talking about investments in education, in health, and training, those issues are off the table. All political parties support it. They may differ on issues involving refugees, differ on issues of defense policy, but in Western Europe and Japan, every one of the political parties have embraced the concept embodied in the stimulus package before us here.

We finally have the opportunity to make a small downpayment and we are being asked to defer it, delay it, or cut it back.

Mr. SARBANES. The German apprenticeship program represents a tremendous investment in Germany on their part in training their workers, their young people.

Actually, 30 percent of American students go to college; 70 percent do not go to college. And yet we do not have an apprenticeship or training program that even begins to proximate what they are doing in Germany. It costs money. You talk to the Germans about it. The businessmen are for it, the union people are for it, they are all for it, because they realize that the strength of their economy depends upon it.

We have to do the same thing here if we are going to compete with them.

Mr. RIEGLE. Will the Senator yield on that point?

I know we have some of our friends on the other side of the aisle who are objecting to the stimulus plan. They do not want to invest, as President Clinton is saying, in our own people.

But just last year, the past administration came in here with a stimulus program for Communist China, under the heading of the most-favored-nation trading status, that allowed Communist China to have a $19 billion trade surplus with the United States last year.

What that boils down to, you talk about a stimulus, that is not chickenfeed. The last year of the Bush administration put 19 billion dollars' worth of trade stimulus into Communist China.

Mr. SARBANES. In 1986, we had an even trade balance with Communist China.

Mr. RIEGLE. That is exactly right.

Mr. SARBANES. Today, in 6 short years, our trade deficit with the People's Republic of China has reached almost $20 billion.

The Bush Treasury itself reported that the People's Republic of China was manipulating their currency. They had instituted a set of administrative controls. They were, in effect, flagrantly violating all of the rules of open trade, fair trade, in order to gain an advantage, and they are gaining an advantage.

Mr. RIEGLE. That is exactly right.

So if you take that, that, in effect, was an economic program by our Government for Communist China. We put 19 billion dollars' worth of trade stimulus into Communist China last year. We took $19 billion out of our economy, we took 19 billion dollars' worth of jobs out of the United States, and under that policy sent that to Communist China.

The public said, "Enough of that." They elected a new President. He has now come in with a plan for America, and he says it is time for a little bit of stimulus and investment in our people here in this country. That is what people want.

But you see the opposition coming from the other side. You know, if Bush had won and was in here asking for a stimulus program again for Communist China, you would not hear all this objection coming from the other side—or if it was a stimulus program for Thailand or some other country—because we were helping all those countries, but we had no plan for our country.

Now we elect a President who comes along, who has an economic growth plan for America to invest in our people, to give them a chance to come forward, and who is it that stands up and objects to it?

I mean, we are running into the opposition from the very people who, up until now, have been willing to support every conceivable kind of stimulus program for other countries. Now we are asking for that for our own country so we can catch up—you take that infrastructure investment chart that you just had here. Why should we be down at the bottom? Why should Japan be up at the top?

Japan in the last decade, since 1980, has had a trade surplus with the United States of over $500 billion. They have taken over one-half trillion dollars out of our economy. All that money that Japan is now investing in their people and their economy, that is money that used to be our money. That used to be our money.

And so now, because of this huge trade deficit, they have taken all of this capital out of the United States, so they have plenty of money to invest in their economy. And it is money that used to be ours.

The only way we are going to close that gap is get our job base up to where it was. We cannot continue to be last on the list. I mean, that is the policy of the last 12 years. That is what people voted against in the last election. They said: "Get rid of that." Let us move the United States up this ladder and let us get back out in the lead. Let us invest in our people for a change.

I support the program. We need every penny in this stimulus package.

I just want to say, before yielding to the Senator from West Virginia, I appreciate his leadership in going right to the issue of the stimulus package and fighting for it and getting it here so that we can enact it.

We have more people on food stamps in the United States of America today than we have had at any time in our history. That is after the 12 years of Reaganomics and Bushanomics and trickle down and all the rest of it. We have more people on food stamps today in the United States than ever in our history.

The eighth largest major city in our country is in my home State, the city of Detroit. It has the highest poverty rate of any city in this country. I am talking about poverty among children—among children. Are they going to wait longer because we cannot do anything, even though the Japanese are doing something, the Germans are doing something, every other nation is doing something? Then we try to do something. We get a new President, he has the initiative to pay attention and offer an economic plan for America. And we are going to say no, we cannot do it? Of course we can do it. We cannot afford not to do it. It is time to invest in our own people.

Mr. HARKIN. Will the Senator yield?

Mr. SARBANES. I yield to the distinguished Senator. The Senator from Iowa actually has spoken very eloquently on this investment issue. I ask the Senator, what does he think about this?

Mr. HARKIN. I think the Senator for yielding. I was listening to the com-

ments of my friend from Michigan. As I listened to him speak I began thinking that for the last 12 years, we have had a series of stimulus packages. We had one for the rich. We had one for the junk bond dealers. We had one for the S&L manipulators. We had a stimulus package for all of them. We had a stimulus package for China, as the Senator pointed out. But now when we want a stimulus package for the little guy in America, for American workers, for the people who have been put out of work by the supply-side nonsense of the last 12 years, they say no, we cannot do it. We cannot afford it, they say. Now, when we want a little bit of stimulus for the little guy in America, they say we cannot afford it.

The Senator from Michigan is right on target on this. We have people out of work. Of the 300,000 jobs created in the last 18 months, 82 percent of them are part-time jobs; 82 percent part-time jobs. Is that the future of America? People working part time, who cannot even make enough money to feed and clothe their kids and pay the rent? Or are we going to have an economy that is going to grow and provide meaningful jobs for people? That is what this stimulus package is about.

There are those who say, well, maybe we can put it off for a while. Put it off for a while? They say unemployment is only 9 percent. Unemployment is only 9 percent. That may be true. But if you are the one who is unemployed, the unemployment rate is 100 percent. Think about that. If you are unemployed, the unemployment rate is 100 percent.

We have money in the stimulus package for extended unemployment benefits. We have to provide this assistance. That is not what people want; they want jobs instead. But to get them through the rough time, pass this stimulus package, and start creating jobs and put people back to work. That is what this stimulus is all about. Yet there are those who say no, we cannot afford it. We have to hold it up. We have to delay it.

When you are out of work, you do not know where your next dollar is coming from. You have your kids who want a decent education. You have to pay health bills. We are going to have a health care plan, which we are going to produce this year.

Mr. President, as chairman of the Labor, Health and Human Services, and Education Appropriations Subcommittee, which will fund many of the programs in the stimulus I just want to say we—indeed America—cannot wait. We cannot put passage of this stimulus off any longer.

The chairman of the Appropriations Committee has spoken forcefully and eloquently about this. I just want to publicly pay my respects to him for his courageous leadership on this issue. He has forthrightly put the issue out here for all of us and for the American people. As he said so many times yesterday, if people have amendments, let them come out here and offer the amendments. But they will not do it. Here it is, Friday afternoon, now 1:15 in the afternoon. Yet we cannot get anyone to offer an amendment. Indeed, the Senate is almost empty; there are three Senators right now on the Senate floor.

Where are these people who say they want to modify this package. Well, why do they not come over and offer their amendments? Where are they? Maybe they have gone someplace and they have a few people holding up everything here.

Every day we delay in approving this stimulus package means more people on welfare rolls, more kids turning to drugs, more families without hope, more families in desperation.

Again, Mr. President, this stimulus package strikes at the very heart of what the American people voted for last November. When voters were asked what their main concern was, they said the economy. We all have read the little stickers that were put up in front of everyone's desk in the Clinton campaign saying, "It's the economy, stupid." That is what it was, the economy. It was not the war in the Mideast. It was not foreign affairs. It was not some of the great social issues that have beguiled us in the past.

It was the economy. The American people, after 12 long years of the failed supply-side policies, finally said: Enough. We went with you President Reagan; we went with the supply-siders, and now our Nation is broke. We are in debt up to our eyeballs. We are the biggest debtor nation in the world. Our jobs are being lost, and the only jobs available are part time. It is time for a new game plan for America. That is what the American people voted for. They voted for a new President who had the guts and the courage to come forward with a plan, a plan to get this economy going, to reduce the deficit, and to invest in the future of America.

Sure, it is a tough plan. Darned right it is tough. You have heard a lot of talk the last few days about holding up some of this stimulus package so we could first get to the cuts. Do the cuts first and then have the stimulus later.

I guess I heard this refrain. One of the proponents of this position has said: It's like eating your spinach first and then you have dessert.

I have a couple of observations on that one. I guess the first observation is that we have already had the spinach. We just voted yesterday on a deficit reduction package for the next 5 years that is the biggest deficit reduction package this body has ever voted for, $502 billion in 5 years. This is real deficit reduction. These are not the phony kind of numbers games we saw out of the Reagan and Bush administrations, which hid the real numbers behind a lot of smoke and mirrors. There are no smoke and mirrors in the budget passed yesterday. There is real, tough, hard deficit reduction over 5 years—$502 billion. So we have had the spinach.

But I do not see this stimulus package as dessert. Dessert? There are 9 million people unemployed, and just 300,000 jobs have been created in the last 18 months and 80 percent of them part time, most of them minimum wage. And, now we have a package, a program that will help rebuild the infrastructure of this country and create good, meaningful jobs. This is hard work. No one is giving anybody dessert. These are jobs that are going to require you to go to work, put in a full day's work, whether it is building highways or sewer and water, or whether it is a teacher teaching a disadvantaged young person in a Head Start Program.

Dessert? What kind of nonsense is this, that somehow this stimulus package is dessert. There is not one penny of welfare in this, not one handout, not one giveaway. But this package creates jobs. And someone has the gall to say this is dessert? Tell that to the 9 million Americans out of work. Somehow they are going to get dessert because we are going to get them going back to work on a job—that somehow is dessert. I guess what it is more like, Mr. President, it is a high-protein meal. It is going to give some muscle to this economy, trim the fat, and put some muscle back into the workplace of this economy.

When I heard about how you have to eat the spinach first and then you have dessert, that somehow the stimulus package is dessert, boy, what a convoluted, twisted view this is of what is happening to the American people.

We have a recovery going on. It has been going on for 19 to 21 months, I have been told. Interest rates are down. But, Mr. President, while we may have an economic recovery, we still have a jobs recession; a jobs recession. I think we have to start looking at the economy in that way: You can have an economic recovery but you still have a lot of people out of work. So it is a jobs recession.

After 21 months, we have 9 million Americans still out of work, with another 6.5 million working part time. With 82 percent of the 300,000 jobs created just part-time jobs.

We have a 7-percent unemployment rate which is higher than both the 5.3-percent rate we had when the recession began and higher than the 6.8 percent when it ended officially.

I remind my colleagues, again, you can talk about unemployment at 7 percent, 6.8 percent, 8 percent, whatever it might be and, it may not sound too bad to those of us who have jobs. Six percent, seven percent, eight percent. But when you are the one who is out of work, it is 100 percent. That is what we

have to do. We have to put ourselves in the shoes and the places of the people who are out of work. Getting this economy moving again is exactly what the stimulus package would do. It would get our fiscal house in order.

Opponents of this package have said that deficit reduction has to be our first priority. Well, we have addressed that. As I said, we have addressed that with the budget we adopted yesterday; $502 billion over 5 years. But I also want to point out something else. The last two Presidents of the United States adhered to the failed policies of supply-side economics. I prefer to call it, trickle-down economics, because that is just what it was, trickle down. You put a lot at the top and hope it trickles down. That is what supply-side was. They took an old failed policy that failed under Harding, Coolidge, and Hoover and dressed it up with fancy words and called it supply-side. Nonetheless, it was still trickle down, as it was called back in the 1920's.

The last two Presidents rang up $4 trillion on the credit card, and they have left us with a $4 trillion Visa bill. I guess I will use my Visa card since I mentioned it. It was a little over 10 years ago, it was in fact 12 years ago when I was a Member of the House of Representatives. Then Speaker O'Neill asked me to respond once to one of then-President Reagan's messages on his supply-side economics.

I pulled out my credit card and I held it up and said, "The American people have now been put on a credit card." That is what Reagan did, he put America on a credit card.

I will tell you, it is going to feel wonderful to the few who used that credit card because they went out and lived high on the hog. But sometime in the not-too-distant future, someone is going to have to pay the bills on that credit card and, it most likely will not be the people who had that high time during the eighties on the credit card. No, it will be the working people of America.

I said that in 1982 on national television. Little did I know how right I would be. Reagan and later President Bush put this country on a credit card and everybody seemed to feel good about it at the time. But now the bill is due and it is up to us to pay the bill. It will not be easy. It will not be as easy as using the credit card. We all know after having a night on the town, it is sure easy to ring up the credit on that Visa card. But it is tough when the bill comes due the next month.

Now, the bills are here, and we have to pay them. We cannot put it off any longer. That is what we did with the budget yesterday which will make those deficit reductions. But now the people in America who did not enjoy the party in the 1980's, who struggled, who worked, raised their families, 9 million of them are out of work now. It is time to put them back to work.

Why do we need to put them back to work? Aside from the basic premise that it is better for people to work than just to draw unemployment compensation, aside from the fact that everybody ought to be working and contributing to our society, aside from all that, we have to put these people back to work so we can pay the credit card bill that Reagan and Bush and those trickle-down economists rang up for us in the 1980's. We have to put this country back to work to pay that bill. Otherwise, those people who had the party in the eighties are going to put the rest of us in debtor's prison. It is like debtor's prison, just paying on the deficit year after year after year.

We do not have to do that and this stimulus package will start that recovery.

In the last 20 months, Mr. President, we have regained only 1 out of 20 manufacturing jobs lost—1 out of 20—lost during the recession. If this were a normal recovery, normal in terms of what we have had in the past, we would have about 3 million more jobs than we have today.

Again, do not take my word for it, Mr. President. I have a job and so does everyone else here. So, I ask those who argue we do not need a stimulus to think about putting themselves in the shoes of those who do not have jobs.

I suggest to those who think we can put off this stimulus package to ask the thousands of people laid off by Northwest Airlines last month how they feel about being unemployed. Ask the 8,700 people cut from the payroll of McDonnell Douglas. Ask the 10,000 put out of work at United Technologies, the 50,000 from Sears Roebuck, the 20,000 from Boeing, or those dropped from the payrolls of General Motors, IBM, and Kodak in the past 3 months.

Let me point out there are two parts to the stimulus. There are unemployment benefits which will run out next month, in April. We need to make sure we get these people through the short period of unemployment, but we also need to start the economy going again more generally. The stimulus package will help achieve this.

Ask these people who have been laid off if we are in a recovery. Opponents of the stimulus package say the economy is fine, we do not have to do anything. They say, jobs are right around the corner, Mr. President, just right around the corner. Well, that corner keeps receding further and further away. Jobs are not right around the corner, and the only jobs that are there are part-time, minimum wage jobs. So we cannot afford to wait. This package will create 500,000 jobs, which is at least equal to and perhaps greater than all of the jobs created during the 21 months of this so-called recovery.

Mr. President, the President's plan is the first honest attempt that we have had in 12 years to reduce the deficit, create jobs, and invest in the future. I say it that way because it really is a three-legged stool: Creating the jobs, reducing the deficit, investing in the future. If you take away one of those legs, the stool falls over. Maybe that is what some of the opponents of this package are thinking: If they can just yank one leg away, the stool will fall over and make the President look bad and maybe they will have an advantage going into the next election.

We had our politics last year. We had our debates and our campaigns. Anyone who knows this Senator knows I love to campaign as well as anyone else, and I like to fight as hard as anyone on a partisan issue. But there must be a period of time when we set that aside, and we debate here, as we should, our differences as to which direction we go. But it ought to be done within the context of moving the legislation or, if someone is opposed to it, voting against it and stopping it. That is the proper procedure for the Senate, not dragging it out and filibustering it or to maneuver for some political advantage.

That is why I keep saying, Mr. President, if someone has an amendment to this with which they want to change it, or move it in a different direction, come on out here and offer the amendment. But no one will do it. What they want to do is take away that one leg of the three-legged stool; maybe it will fall over.

I find it interesting that the opponents say the Government has no business being involved with a stimulus.

I will repeat again, Mr. President, we have had a stimulus package for the last 12 years. We had a stimulus package for the wealthy. We had a stimulus package for junk bond dealers. We had a stimulus package for the S&L manipulators. As the distinguished Senator from Michigan pointed out, we had a stimulus package for China. We have had a stimulus package for other countries. And now when we ask for a little stimulus package for the hard-hit American family and American workers who need some jobs and need some hope, they say no, we cannot do it.

Well, it was all right for the big, powerful Federal Government to provide a stimulus for the wealthy in supply-side economics and use the trickle-down for the rest of us.

But I come from farm country, and you do not fertilize a tree from the top down. It does not quite work that way. You have to fertilize at the roots and when you do the tree grows strong. That is why supply-side, trickle-down economics does not work. You cannot fertilize it from the top down. That is why it never worked. But, boy, the top of the tree looked nice. But the trunk and the roots were withering.

That is what happened with trickle-down, supply-side economics. The rich got richer. Junk bond dealers made off

with a lot. So did the S&L manipulators. And now we are bailing them out with $200 billion.

So if the Government can provide that kind of stimulus to the few at the top, surely the Government can turn around and provide an economic recovery program to put people back to work in America. We spent $200 billion to bail out the S&L's, and we are haggling over $4 billion to extend unemployment benefits to people out of work—$200 billion to bail the S&L's and we are haggling over the total stimulus package of $16 billion to put people back to work? Where are our priorities around here?

Let me list some items that we seem to be able to afford. We can afford to spend between $8.5 to $11 billion on the superconducting super collider but we cannot afford $500 million for a Head Start summer program that will create about 50,000 jobs.

Mr. President, we will be talking later, about this superconducting super collider. It started out as about a $4 billion program. Then it went to $6 billion. Then it went to $8 billion. Now I have heard it is up to $11 billion.

I am not a physicist, and I do not understand all of the ramifications of this. But I do understand that one of the reasons they want to build this superconducting super collider is they want to find out what happened in the first few milliseconds after the big bang. Well, watching the superconducting super collider grow from $4 billion to $6 billion to $8 billion to $11 billion, I finally figured it out. It is the big bang. It just keeps growing exponentially every year, sucking up more money all the time. But we cannot afford $500 million for a Head Start summer program to start educating and serving kids, and also create 50,000 jobs.

We can afford to spend $30 billion on the star wars program but we cannot afford $1 billion for a summer jobs program for some of our youth who are out on the streets.

The failed policies and tax breaks of the past 12 years are what helped create this recession. It is what put those kids on the streets, put people out of work. That old trickle-down economics. That is what this stimulus package will help reverse.

People who say we cannot afford this are just wrong. Those people who had the party say no, now we have to be in debtor's prison. But I think the American people deserve better. They voted for a new direction. They voted for job creation. This stimulus package will create over 500,000 jobs and give small businesses the break they deserve. This stimulus package also values our Nation's most vibrant asset—its people. After 12 long years of ignoring the working people of America, I say it is about time.

In my State of Iowa alone the stimulus will bring $115 million for job creation, infrastructure investments, development, and education programs that will have an immediate impact. It will also provide $4 billion for extended unemployment benefits that we need for people who are out of work.

The Department of Labor advises that without this appropriation, they will run out of money for these benefits in April. It is vitally important we pass this bill to ensure that the 1.8 million that may go off the rolls receive their benefits. The stimulus also creates $1 billion for summer youth employment, training, and education enrichment. This will serve an estimated 680,000 economically disadvantaged youth between the ages of 14 and 21.

It is springtime here in Washington. Maybe it is hard to envision what it is going to be like during those hot summer months on the streets of Washington or Los Angeles, New York, and Chicago when young people out there want summer jobs. Do we want them to listen to the drug dealers who come by and ask, "Do you want to get rich quick? Here is the way to do it. Push dope."

How many more will fall into that pit because we did not have the guts to pass this bill expeditiously and provide for a summer youth employment program? Kids who are on the streets need this work. And it is good work, not make work but good work. They get training, they get experience, and they get educational enrichment.

Educational enrichment is another part of the stimulus. Not too many people recognize it. In this jobs program, there is an educational component that if they are working on a summer job, they also have to be getting some educational enrichment in the English language, in writing skills, in speaking skills, and in the basics.

And there is $500 million for a Head Start summer program. With these funds 350,000 children will be able to participate in the summer Head Start Program, about 50,000 jobs will be created.

Again, Mr. President, I think a lot of people look upon the stimulus package as building highways and sewer and water systems and bridges and that type of thing, and those are important. I have talked a lot about the need to do that in this country. But there are other jobs like teaching Head Start kids, chapter I kids. Those jobs are valuable, too—every bit as valuable as working on a highway, because it has to do with what our next generation is going to be like and whether they will get the health care and love and educational enrichment that they need.

I mentioned chapter I, Mr. President. The administration proposed at one time a $500 million summer program which would reach prekindergarten through high school children and create 83,000 jobs for 33,000 teachers and 50,000 other staff.

Again, you might say that is "make" work. I say no, it is reaching down to disadvantaged kids, giving them some educational enrichment, some hope, a little bit of self-esteem, so that they are not out on the streets listening to the dope peddlers about the way they can get rich quick.

Those jobs are every bit as important as laying concrete on the highways.

This bill includes $300 million for an expanded immunization program, to increase vaccination levels of all children under age 2. You say we do not need that? Well, ask the kids who got measles a couple of years ago during the measles epidemic. Some of them will carry the effects of that the rest of their lives. Some of them suffer disability, some died.

You might ask some of them whether or not they think the immunization program is important.

There is $200 million for AIDS care. I see the distinguished Senator from California here, who was mayor of the great city of San Francisco for a long time. You might go out to San Francisco and ask the people who are running the hospitals taking care of people who are sick and dying of AIDS, ask them if they think we can just put this stimulus off.

Ask the people who are suffering from AIDS. Do they think we can put it off a little bit, that we do not need this stimulus package?

Those jobs are important, too, Mr. President, for the health care workers taking care of our sick and dying.

The programs I have been talking about are really the programs that come under my jurisdiction on the appropriations Subcommittee on Labor, Health and Human Services, and Education.

And the $1.8 billion to eliminate the Pell grant shortfall, what is that all about? What does the Pell grant shortfall mean? Every year we have a Pell Grant Program that gives grants to young men and women to go to college. Obviously, there is an income threshold. You have to be very low income to qualify for Pell grants, named after our distinguished Senator from Rhode Island, CLAIBORNE PELL. If you come from a lower income family and you want to go to college, you can get a Pell grant.

The Pell Grant Program obviously has borrowing and spending authority, because you never know how many kids are going to apply for it, and how many qualify.

What has happened over the last few years in the recession? We have had more people fall into poverty because they lost their jobs and they lost their income, and as a result more young people qualified for Pell grants. And we provided the Pell grant money so they could go to college.

But now that we try to balance the books, we find we have a shortfall. If

we never had the recession, we would not have had a Pell grant shortfall. But because of the recession—because more people fell below the poverty line and more kids qualified—we have to deal with this education grant shortfall. It is about $1.8 billion—that is pretty close to $2 billion right now.

Is it important to pay that bill? I suppose we could try to put it off, like the Reagan and Bush administrations did, but we have to pay it now so that we can have Pell grants next year. We could postpone paying our debt, but what would happen is that we would squeeze out the other Pell grantees.

In the law right now the maximum level for a Pell grant is $3,700; that you could qualify for if you are low income.

But last year we had to cut the maximum amount from $2,400 to $2,300 because we did not have enough money. If we do not fund the Pell grant shortfall this year, I am told that the maximum grant will go from $2,300 down to about $1,800 next year. That means more young people coming from low-income families will not be able to afford to go to college.

So for those that say we can put this off, I am saying that, you're telling a lot of young people who cannot afford to go to college to forget it. You are telling them that the doors are closed.

So this is the right bill at the right time, Mr. President. In fact, I would argue perhaps we should have done it a long time ago. But did not have the opportunity and now we do. We have waited over 20 months for the economy to create jobs on its own. But while the economy has recovered and is improving, we still are in a jobs recession.

Last November, the American people voted for change. They did not vote to keep the same economic policies of the Bush administration. They wanted something different. They want to have an honest budget. They want to pay the bills. They want to rebuild the economy of America for their kids.

That is what this package is. It gives us the action that we need, not in a phony smoke and mirrors way but in a real way.

So for the life of me, I cannot understand why some of the opponents of this bill want to delay it, or fence it off.

Mr. President, let me speak simply: Stimulus denied is jobs denied. Stimulus denied is opportunity denied. Stimulus denied is hope denied. That is what this package is all about, for 9 million Americans who cannot afford to wait another 20 months for more part-time work. What we should be doing is getting this package passed.

But, I look around, I still see only three Senators on the floor. I cannot understand why those who say we have to change this package are not here. Where are they? Friday afternoon, almost 2 o'clock in the afternoon, where are they?

I would like to know why they cannot come over here and offer their amendments.

Mr. President, the employment picture in America is not getting any better. We are falling behind everyone else. We have seen these charts. The one thing I have talked a lot about in the past is the need for us to invest in our infrastructure.

The International Bank of Settlements in Geneva, Switzerland, did a study a couple of years ago. I read a little bit about it in the paper. I got a copy of it because it caught my eye.

I looked over their analysis of the world economic situation. I commend it. I recommend it to anyone, because what they pointed out in that economic analysis was that in those countries where there is a high level of investment in infrastructure—in both physical and human infrastructure—in those countries, there was a higher rate of economic growth in the private sector. They went on to point out that if you are in private business and you are shipping something by a truck, that should only take 3 or 4 hours, but because of traffic delays and bad highways or bad bridges, it may take 8 hours or 2 days, that is lost productivity.

When you are trying to manufacture an item that takes some skill and high technology and you have a worker that can barely speak the English language and does not understand basic math principles, that is lost productivity in the private sector.

So the International Bank of Settlements pointed this out, and this is not a U.S. institution. This is the International Bank of Settlements, hardheaded bankers, pointing out that where there is a high level of public investment, the private sector does better.

The report states that, as a percent of gross domestic product, the Japanese were spending about 17 times what we were in infrastructure. As a percent of gross domestic product, the Germans were spending about nine times what we were on infrastructure. Their economies are growing; they put people back to work.

Right now, in America, public investment as a percent of gross domestic product has fallen to about 2.6 percent. In the 1960's, it was 4.5 percent.

In other words, we dropped 50 percent since the 1960's in terms of investment in the infrastructure of this country. It is no small wonder. When I drive back and forth to work, some of those roads out there nearly knock off my car doors. It is no small wonder that we had the water break in Chicago that shut down the Board of Exchange.

It is no small wonder that we are losing a lot of our high-technology jobs, because we do not have the young people that have the basic math skills and the training and the work experience to take over these high-technology jobs.

Mr. BYRD. If the Senator will yield for a question, Mr. President, I have been listening to the able Senator. I think he is making some excellent points. Is he saying that public investment in infrastructure, human and physical, encourages private investment as well? When he talked about the constituent who was speaking of adding to his van fleet or his truck fleet, suppose a constituent who has a business feels that he ought to buy a new fleet of trucks, but down the road just a little way is a bridge with a big sign on it and a chain across it, and the sign says "closed." And this means that the businessman who wants to invest in a brand new fleet of trucks—all red trucks, or white, whatever—if he has to have his trucks drive 50 miles, or 20 miles, or whatever, on a detour in order to get to the other side of the river, is he going to be encouraged to invest in that kind of a purchase of trucks?

But if we build our infrastructure, build the bridges, repair the bridges, repair the roads, then private investors will be encouraged to invest and expand their plant and equipment. And as they invest, productivity will increase.

If I understood the distinguished Senator, he was saying that Japan, Canada, the then Federal Republic of Germany, Japan, Italy, United Kingdom, all of these countries over the recent years have been investing in infrastructure. They have been making public investments, by an increasing percentage of their gross domestic product—far above the plowing back that the United States has been doing. And as these other countries have increased public investment, I believe I understood him to be saying that their productivity increased concomitantly, and there is that correlation then between public investment and productivity. If there is an increase in investment and an increase in productivity, what happens to jobs? Is there an increase in jobs? Are there more people working?

Mr. HARKIN. The chairman put his finger right on it. I will answer him with one of my favorite stories. Henry Ford had two good ideas in his lifetime—he may have had more, but there are two that I know of—one was that Henry Ford, when he started building the automobile, wanted to pay his workers enough money so they could afford to buy what they made. He was sort of an anathema to the business community at that time for saying those things. But he was right on the mark.

Another idea he had was about mass production. I have often thought about Henry Ford and his cars. He was a genius. But I often ask people how far would Henry Ford's old Model A have gone if we did not build the roads and the bridges?

The public-private sector working in that kind of a union to build the great highways and transportation network of this country allowed the automobile companies to manufacture and build bigger, better, faster, higher speed automobiles. They put a lot of people to work and made us number one in the world in automobiles.

But, people say, well, the private sector can do it. There are a lot of good things they can do, but it takes that public infrastructure to allow it to be productive and efficient in our present world.

Mr. BYRD. Before the Senator tells the story, Mr. President, would the Senator not agree that the package that is before the Senate, the President's job package, is calculated to invest in highways? Does it not provide the funding up to the full level of ISTEA? Is it not contemplated that the various State highway commissions throughout the country have the plans on the shelves, which can be used immediately? They already have their environmental impact assessments, their rights-of-way and their designs and plans; they are all ready to go, but they do not have the money.

The President is not pulling any wool over anybody's eyes. He told everybody that he was for more investment, for more investment in infrastructure. Did he not say that? Yes, he did.

So now he is delivering on his promise. Is there not in this package before the Senate today moneys that will go to the States and that can be immediately applied to road construction and road repairs? That means thousands of people put to work.

I have no further questions along that line. The question answers itself.

I notice our friend from Idaho on the other side of the aisle wishes to speak. I will not detain my friend from Iowa longer. The Senator from Iowa is making a good speech.

But what about the $4 billion in this package in unemployment benefits? There are 1.8 million people whose unemployment benefits are going to expire, are they not, as of April 5? Then what happens? What about them? Are we going to continue to drag our feet and not pass this package and give those unemployed workers and their families some relief?

(Mr. AKAKA assumed the Chair.)

Mr. HARKIN. Mr. President, as the chairman knows, these people are not the slackers in our society. These are unemployment benefits for people who have been working, who went out and worked, but because of the economic downturn, now find themselves out of work. These are not the people who are trying to get welfare all the time. They have been trying to succeed, trying to work.

Of course they deserve these benefits. They deserve to get these unemployment benefits to get them through the current tough times. But they also deserve this economic stimulus to create the jobs so they have a job to go back to. The chairman has put his finger on it.

One of the benefits of campaigning around the country, as I did a couple years ago, is I learned a lot about America. I remember I was in a small town in one of our smaller States, and I began talking about the need for investment in infrastructure. It turned out this very small community, which I do not think had more than—5,000 people.

I went out to a work site one day. A water main to a fire hydrant had broken, and the people there had to dig up the dirt with this big backhoe. They dug it out, and they had to get down where the main had broken to put a new piece on there with a collar on it.

I was up on one of the work days that I do, and I was working with the people of this town. As we dug out that old pipe—it was an old rusted iron pipe—I asked the question, the pipe was put there? It was installed there almost 100 years ago when that town was very small, when not more than 400 or 500 people who lived there at the time.

Those people in that small community almost 100 years ago, spent their hard-earned money to dig up the ground and put in iron water pipes to replace probably some of the old wood ones. They put in iron water pipes so they would have fire protection and clean water. As a result of the effort, and others, the town grew and prospered. Businesses came there. They had water. They had fire protection. They had clean water. Businesses located there and the whole community began to grow.

That is true over all of America. Whether we build the railroads, the highways, the canals that handle the barges, or the Rural Electrification Administration that electrified rural America, the great sewer and water projects that allowed our cities to grow, the land grant universities that taught our kids, all of these great things we built allowed our economy, and the private sector to grow and prosper.

As we dug up that old iron water pipe, I realized a lot of other pipes need to be replaced all over America. You saw what happened in Chicago several years ago. That is just the tip of the iceberg.

But now some people are saying we cannot afford to do it; it costs too much money.

I think about what would have happened in that little community if 100 years ago the community leaders, when they were talking about whether or not they would lay iron water pipe around the town, had said we cannot afford it. And I bet it cost a lot. I bet if you went back and looked at how much that cost by hand to dig those trenches below the frost line 6 or 7 feet deep, lay all that iron water pipe for that community, I bet it cost a pretty penny compared to how much money people were making at the time.

But they looked ahead to the future. They had a vision of the future, and their vision was one of a community growing and prospering, where private businesses would come in and grow and provide work for their kids and grandkids. That is what America has been about—investing in the future. And that is what this stimulus package is about. It invests in our future.

Those who do not think we need to repair our infrastructure, our roads and bridges do not have to go very far. Go south of here to the Wilson bridge. On any given morning, the trucks are backed up for 10- or 15-minute miles. One accident on that bridge backed it up 5 or 6 hours for 20 miles. That bridge was build in the 1960's. I think the Wilson bridge was dedicated about 1962. It served us well for 30 years. Now it is time to invest again in the future.

What would have happened to America if, when they started to lay the railroad track, we said no, we cannot afford to do it; when we started to build the highways, we said, no, we cannot afford to do that either; when we started to build the interstate highway system, we said, no, we cannot afford to do that either; when we started to build the great waterways of America that carried commerce to the Midwest and other parts of this country, we said, no, we cannot do that either? Sorry, it costs too much money. We would not have the America we know today.

We will not have the America we want for our kids and grandkids in the future if we take the attitude that we cannot invest in the infrastructure of this country just as our foreparents did.

That is why this stimulus package is the right thing at the right time. We cannot afford to wait any longer. We cannot afford to put it off another year, put it off another 5 years, just keep putting it off, because the longer we put it off the further downhill our economy goes.

As the distinguished chairman said, this stimulus package is not something that the President has just pulled out of a hat. He campaigned on this. He talked about a stimulus before the election. It was part of his economic program. One of the reasons I felt so strongly about supporting the President in his campaign is because he talked about investing in America.

So it was all out there. He said this was what we were going to do, no smoke and mirrors. The American people elected him President of the United States because they wanted that change.

So what we are talking about here is not something different from what he

talked about in the campaign. It is exactly what he talked about. It is what the American people voted for and supported.

If nothing else this bill is keeping faith with the American people. They voted for a change. They voted for this package. And now they said we want to put behind us those last 12 years of supply side; they want to try this new economic program that invests in America.

If nothing else, we have to keep faith with them. We cannot afford to break faith with the American people.

So I hope we could get my colleagues over here to offer those amendments.

I do not understand it. Where are they? We should pass this bill today, on Friday afternoon, before the weekend.

I do not know if the distinguished chairman of the Appropriations Committee can enlighten me any more than he has. He has spoken about it for a long time. He has challenged people to come over here to get on with it.

Mr. President, I see my friend from Idaho. He has waited very patiently. There are a lot of things I wanted to say. I know I repeated myself a couple of times, but sometimes around here you have to repeat yourself—not for the benefit of the Senator from Idaho; he has been here diligently. He has been paying attention and I appreciate that.

But sometimes you have to say things more than once because you want to drive it home around here. And that is why I have taken this time on the floor.

Believe me, Mr. President, I would not have taken 1 minute of time. I would not have taken 1 single minute of time if we could have moved on the bill yesterday and today to vote on the amendments. And if people would have come over and offered their amendment, I would not have spoken; I would not have taken about an hour's time.

I am sort of venting my frustration that we cannot go ahead with this bill and move this stimulus package; that there are those who want to delay it, hold it up, fence it off, keep putting it off, doing whatever little games that are being played on this package. People who are out of work cannot afford to have any more games played.

Have to keep faith with the American people. This is what this bill is about.

Mr. President I yield the floor.

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho [Mr. CRAIG] is recognized.

Mr. CRAIG. Thank you, Mr. President.

I rise in opposition to H.R. 1335, the emergency supplemental or the economic stimulus package that our President has put forth.

But before I do that and discuss some of the points of that program this afternoon, let me start by complimenting President Clinton, first of all, for focusing on a significant area of the economy that needs to be addressed and in an immediate way, Mr. President, and that is the phenomenal credit crunch that our small businesses across America are finding themselves in, in their inability to go to the local bank and gain their necessary financing to conduct the normal course of business, to develop their credit lines, to be able to supply inventories to their shelves, to do what small businesses do, and most effectively, across America, grow and expand the economy.

For well over 2 years now we have heard a loud, and growing louder, drumbeat that America's small businesses cannot gain financing, as America's banks strengthen their profit margins.

I had a small businessman in north Idaho call me recently—a man who is a second-generation business person who is operating a business that his father founded—to tell me that, although his credit rating was excellent, the local bank would not loan him money because of the provisions that the FDIC had established that were really hamstringing this individual from gaining the necessary line of credit.

He told me the bank had over $33 million worth of deposits—we are talking about a small town branch office bank. They had less than $11 million of that loaned out, and the rest of it their central bank was investing in Treasury notes because they could not meet the standards or they could not develop the qualifying patrons to identify with those loans. Although that family business was in an economic condition no different than it had been in over the years that it had done business with that bank for many years, it could no longer qualify.

So our President has moved quickly on that front. I hope it materializes. And, if it does, whether it is a $16 billion stimulus package or a $50 billion stimulus package, that one action alone will do more to generate and create real jobs in small town America than any amount of money that might be produced by the taxpayers for that purpose.

Let me also add, the reason I point this important feature out that our President is moving on, I think that is only one-fifth of an equation that really has to be dealt with that we are not being responsible about.

Yesterday, this Senate passed a budget resolution that did a variety of things. My party and I took great issue with it because, although some on the other side would argue that it was a great package that reduced the deficit, my guess is about 4 years from now they will be wanting to take back a fair share of their statements because there will be little to no deficit reduction.

There has been a tremendous tax package proposed by that budget resolution. It is that tax package that will go a long way toward driving this economy down and, in fact, probably destroying some of the job base that we have built over the years.

The reason I mention that in the context of a stimulus package is because it all goes hand and glove together. Small businesses across America is the true engine of our economy, the engine that has created more jobs in the last 5 years than any other economy in the world and more jobs in the last 5 years in this country than ever before in our history.

It was small business America that said we need to see an easing in bank regulations, but that was only one-fifth of the equation.

Last November, when they were polled, they said the first and foremost was to cut taxes, to create more investment capital so they could expand their businesses and put more people to work.

Yesterday, we did just the opposite. Although small business America said last November to this President and to this Senate, "Cut taxes," yesterday we said to small business America, "If you file as an individual, you are going to pay at least 5 percent more in your taxes, and we are also going to increase a variety of other taxes that will cost you a great deal more in doing business," in conducting the business that generates the jobs that fills the supermarkets' shelves, that generates the jobs again.

It is really a catch-22 that we find ourselves in from yesterday, and the rhetoric of yesterday, to the debate of the day. Yesterday, we said to small business America, "Dig deep into your pockets, because we are going to ask you to pay more. We are going to ask you to take the capital you otherwise would have used to expand the warehouse to extend the business and send it to the Congress so the Congress can send it forth in stimulus packages. We are going to cause you more difficulty in doing business."

One other thing, last November, small business said was, "Cut regulations. Please cut taxes and cut regulations. Untie us so that we can expand and grow and hire more from Main Street, America."

What am I hearing from this administration? A great deal more rhetoric about Government becoming a partner, a participant, a helping hand.

Mr. President, when Government becomes a partner, a participant, and a helping hand, I know what follows—the regulation book and the regulator.

Because wise Senators and Congressmen will want to rest assured that every dime they put forth in a helping hand must be spent in a prudent way. And the way you determine how prudent the expenditure is is to send along

a regulator to make sure of the prudence of the individual who is the recipient.

Aha, regulations. The very thing that small town America and small business America said we cannot have more of, the Clinton administration is proposing a good deal more of.

So that 2 of 5 things that small town, job-generating, small business America said "Don't do to us," we are now doing once again and, my guess is, Mr. President, with a great deal of energy.

They said, "Please do not impose health care costs upon us any greater than you are currently doing." And yet every day we hear, uttering forth from this administration, of Mrs. Clinton's effort to accumulate around her advisers to design a health care program for this country that employers must play an ever-increasing role in providing health care coverage for American citizens.

And, of course, the last thing that small business, small town America said in November—in a poll, now, not by anybody's guesstimation but in a national survey by the National Small Business United: Cut the Federal deficit. Please cut taxes. Please reduce the regulatory burden. Please do not impose any more health care costs on us. Fix the credit crunch, which our President is working on at this moment. But cut the Federal deficit. Do not drive us to the credit market where everyone else is, and where our Federal Government is the biggest borrower, and expect us to be able to compete.

We are not doing that. I know the rhetoric says it, but the rhetoric said it 4 years ago, and the rhetoric said it 6 years ago, and yet the deficits climbed, because this Congress in its judgment failed to recreate the environment in which we do business for the American people and the taxpayers. We failed in bringing about a balanced budget amendment, and we failed in bringing about a line-item veto, and therefore reconstructing a discipline of fiscal responsibility, a discipline that would have caused us to move as responsibly as the American people have asked us to move, toward a Federal balanced budget. I am very fearful yesterday's actions will say once again, as history has taught us, we have failed to meet the test of the true economic engine that drives this economy.

Today, Mr. President, we are here on the floor talking about all the good things we are going to do for America. Hallelujah, here comes the stimulus package and out of it will grow hundreds of thousands of jobs for working America. We heard my colleague from Iowa talking about the jobs that would occur in that State in the coming months. Let me read from the Des Moines Register of today, reflecting on that 115 million dollars' worth of taxpaying money that will go into the State of Iowa. Here is a reflection of one of the jobs, one of the jobs that will be created: $475,000 in emergency repairs to the historic Bruce More Manson in Cedar Rapids.

This mansion was built by an industrialist a good many years ago. I have not seen it but I have heard about it. It was given, through the National Historic Trust, to the citizens of Cedar Rapids some years ago for the purposes of cultural events, concerts, educational seminars and all of that.

Idaho taxpayers' dollars are now being transferred to the city of Cedar Rapids for the purpose of refurbishing a mansion that is the responsibility of the citizens of that city and not of the State of Idaho. Why should the citizens of the State of Idaho provide, for the city and the citizens of Cedar Rapids, the refurbishing of a beautiful old mansion on 26 acres? And we call that economic stimulus? I call that a transfer of wealth. But that is what is in this bill.

There is another project. It is an incinerator out there in Iowa to burn animal parts. That may be valuable, I do not know. I am not going to judge that for what it may or may not be worth. But that is what is in the package. I will allow the American citizens, in due time, to judge whether this economic stimulus package, at a time when our economy is really beginning to move, is right. I doubt that it is and I doubt very much if it is necessary.

Let me talk for a few moments, then, about what is going on in my State of Idaho, because I am very concerned at this moment that an economic stimulus package that will take money from my State and transfer it to another State is in fact not going to be very good for my taxpayers and the citizens of my State. Let me combine that rhetoric with an observation of what we did yesterday, because you cannot talk about tomorrow if you do not talk about today, and you cannot talk about today if you do not reflect on what happened yesterday.

From a budget resolution that sets forth for the coming year how much we will generate in revenues and where we will expend it, to a stimulus package today that says here is a kick-start to an economy that is beginning to move at a pretty rapid rate, let us try to put those in context for the State of Idaho. One thing is very clear in most instances. If you are a rural State, if you are a sparsely populated State, you end up being a giver, a provider, and not a recipient. That is generally the case, not in total, because there are some transportation dollars in here and there are some infrastructure dollars in here. But the bulk goes to urbanized America, to the "metroplexes" of our country.

For Idaho in the coming year, based on the economic stimulus package and the economic recovery that was spoken to yesterday in the budget resolution, let me attempt in a brief moment to analyze its impact. Idaho is a rural State of 1,039,000 people. Agriculture is our biggest industry, although we have a rapidly growing high tech industry, a rapidly growing forestry industry, we have a beautiful State with a growing recreational industry. All that combines to give a vibrant and growing economy. Idaho has a very low jobless rate at this moment. Idaho is a place where people want to come and start their small businesses. Not only is it a nice place but it is a low-cost State. We do not tax people at high rates. We do not fit in Federal regulations, or State regulations, in a way that it encumbers businesses. As a result, people are wanting to come.

Here is what is going to happen when they get to Idaho in the coming year. They are going to be asked to pay a higher power rate because of a Btu tax that we incorporated into a budget resolution yesterday. It is at least a 5-percent increase in their utility rates. If they farm or if they ranch, they are going to be asked to pay increased fuel costs because of the Btu tax; and if they farm, $40 per acre more in phosphate fertilizers because of an increase in energy.

We have also found in the Pacific Northwest, because of a Btu tax, if you receive power from the Bonneville Power Administration, your power rates are going to go up. And we have 35,000 or 40,000 jobs that are clearly in question at this point because of Congress and a President who have said there is a better way to tax and that is to tax energy in this country.

I will tell my colleagues that Idaho, although they are not now the recipient of this stimulus package, may have to be asking for it in the coming years as this President and the budget resolution of a day ago begin to put them out of business. Hundreds of thousands of dollars, millions of dollars are flowing to the city of New York. At one point in the early economic stimulus package, there was as much flowing to New York as there were taxes flowing from Idaho: Over one-half billion dollars in stimulus to New York City. I know that has been cut down some but I thought it was an interesting comparison, Mr. President, because there was over one-half billion dollars in new taxes being proposed upon the citizens of the State of Idaho.

Is it not interesting? Again, a redistribution regionally in the wealth of this country. We are going to take it from Idahoans and give it to New York City. For what purpose?

Well, possibly for the patronage-style jobs that our President promised the big city mayors that helped him get elected. I know Idaho was not much of a help. We saw things differently in our State. And as a result, Idaho now, apparently, is being asked to pay a great deal through the new tax-and-spend program of the Clinton administration.

I thought it was interesting about an hour ago when the Senator from Massachusetts came and spoke of the economy of the State of Massachusetts, second only in difficulty, or in severity, to the State of California. Yet 4 years ago we heard the sounding and resounding sounds of a Massachusetts miracle, a government that was doing more for its people and generating more jobs—and a person coming from that government who wanted to do that for America—than any other State government, if not in this country, on the eastern seaboard.

And yet today, by the Senator's own remarks, the State of Massachusetts is in worse economic condition than it ever has been, and nearly a third of the unemployment in this country, or 30,000 of those, emanate from the State of Massachusetts. Oh, what a difference 4 years make if the Government policies that drive the economic program that create the jobs is the wrong policy.

I mention the growth in Idaho at this minute. Part of that growth comes from the State of California, frankly enough. The Senator from California is on the floor, and California is in rough economic shape at this moment. Many of the people who come to Idaho with their small businesses are coming from California, and when they get to Idaho, many of them tell me that the reason they come is because their cost of doing business by coming across the border into my State is dropped by 27 to 30 percent because the government burden, the regulations, and the taxes that they are walking away from in the State of California are significantly that much less in the State of Idaho.

Is it not ironic that economic growth begins to grow and blossom in areas where there is diminished regulation and diminished taxation? Yet yesterday, this Senate adopted a bill that is the largest tax package ever in the history of this country directed in so many ways at small-town and small-business America, directed at families, directed at the people who have been the economic engine that have driven this economy and built jobs and recreated jobs at a higher level than ever in the history of our country over the last decade.

We are at a very interesting time in our country's history: a crossroad, a path, a new path, a President who is saying invest in America. That investment, we find out, is higher taxes, higher Government regulations, and very possibly a much larger deficit in the years to come.

I wish I could support a stimulus package that generated true jobs, but by Director Panetta's own estimation, this package will generate about 219,000 or 220,000 jobs over the course of the summer. Last month the private sector, at no cost to the taxpayer, generated over 365,000 new jobs.

Well, those jobs that will be generated by this stimulus package are now up to an average cost per job of nearly $90,000. Let me suggest to you, Mr. President, and to the Senate, that that is by far the most unwise transfer of wealth. Why do we not create an economic environment that brings about the investment that we would all like to see that generates the kind of stimulus to our economy that allows the small business person to hire the extra person, expand the inventory to generate the economy that this country has been so well known for. That is not going to happen.

So let me suggest that one of the reasons you find little desire to come to the floor to amend or change this stimulus package is because there are a good many on my side who suggest that this is not the right kind of stimulus package. It does not bear tax cuts, it does not bear a reduction in regulation, it does not bear the kind of stimulus that will be long-term in its nature instead of short-term in its creation. That is reality.

So while the other side marches to the tune of a new President, wanting to provide for him the kind of leadership that he has spoken to, the kind of investment in America by taxing more and spending more, you will find very few on this side who are willing to participate because we recognize that the two single greatest problems in our country today are a Government that regulates too much and a Government that spends more than it has. The only way we truly will create long-term, high-paying jobs is to get Government out of the way of that economic engine out there known as the private sector.

Whether it is $16 billion to a $6 trillion economy, or whether it is no money at all, there is only one true way to generate job building in our country and, Mr. President, it is not embodied in H.R. 1335, the Emergency Supplemental Appropriations Act of 1993.

My guess is that we will be able to point to this document 4 years from now and we will be able to find it on the bottom line. It will say this added just exactly that amount of money to the deficit. It will not have generated the kind of tax revenue in return of the type that we have heard talked to today by many of the speakers on the other side.

This will not reduce the deficit. The budget resolution yesterday was not the greatest deficit reduction document in the history of this country, as the Senator from Tennessee spoke to. It is, without question, the greatest tax increase that our Nation has seen. Time will only tell whether we here have truly answered the responsibility and the charge that the electorate gave us in November of this past year.

I read the charge as deficit reduction. I read the charge as changing this system here away from business as usual to a leaner Government that stepped out of the way of the private sector and allowed it to generate the kind of wealth that it could to bring down the deficit and to ensure a future for our young people.

I challenge the other party today to truly address that issue because, in my opinion, and I think in the opinion of the American people, they have failed in that challenge because their budget resolution and their stimulus package really do take us back to the old philosophy that they have held true to for many decades, and that is to tax as much as they can and spend as much as they can and, in the end, produce the largest debt and the largest deficit in the history of this country.

Mrs. FEINSTEIN addressed the Chair.

The PRESIDING OFFICER. The Senator from California [Mrs. FEINSTEIN] is recognized.

Mrs. FEINSTEIN. Mr. President, I rise to make some remarks about the President's stimulus package. I was very pleased to hear the remarks of the Senator from Idaho, who has a great and a glorious State. I know because I have had occasion to visit it.

But I would like to most respectfully say to the Senator, I bring the perspective of a Californian and a former big-city mayor. One of the things that I have learned in that time is that if we do not provide for our future, there is no future. If we neglect our cities and we neglect our people, we end up continually extending unemployment compensation.

And so, Mr. President, I come before this body today to indicate my strong support for the President's stimulus package. I believe that it is both an investment in the present as well as an investment in the future of this country. True, some of it will provide jobs and some of it will remedy a failing transportation and highway system. I wonder how many of us know that 40 percent of all of the bridges in this Nation are in a state of disrepair. I think it really takes a time when something like an earthquake brings down a freeway and kills 40 people for us to really begin to understand the impact of deferred maintenance, the impact of not being able to produce the kind of infrastructure that 250 million people in this Nation need.

Some of funding in this package will help to educate our children and, yes, put them to work during the summer. Some will keep them healthy through immunization programs. Some of it will provide necessary food to pregnant mothers.

This is a one-time infusion of funds utilizing this year the $16 billion of revenues authorized but not appropriated. In doing this, it creates a kind of stimulus which I believe, in conjunction with the lowered interest rates,

can be very helpful in providing a level of confidence that is so necessary to get this economy pumping again.

Mr. President, I speak from the perspective of the largest State in this Union, where today 1.5 million people are unemployed—1.5 million people unemployed—a State which has not come out of the recession, and a State which would welcome the kind of economic stimulus which enables us not only to address our present but also to address our future.

So I am proud to support this program, Mr. President, because when it passes, we are going to be able to say we as a nation are investing in the future of this country once again. Mr. President, that is long overdue, and I only hope it is not too late.

There is one part, however, of this stimulus package that troubles me, Mr. President. I had intended to offer an amendment today which would have provided chapter 1 funds to assist in the education of children in States which have experienced growth in the number of poor children living there.

Let me explain. The economic stimulus package includes a $234.8 million allocation for chapter 1. These are moneys that go to help educate the poorest children among us. I had hoped that these moneys could be used to substantially mitigate the one-time effect of the 1980 census data which is used today, this year, to fund these programs.

So I would have offered an amendment which would have provided chapter 1 funds to assist in the education of children in States that have experienced growth. I would like to have seen a fair and equitable distribution of these funds, but because of the delay in using the 1990 census data, California, for example, will not receive approximately $150 million to help educate its children. Twenty-six other growth States are also affected.

I would like to quickly go over those States. They are Arizona, Colorado, Florida, Idaho, Indiana, Kansas, Kentucky, Louisiana, Michigan, Minnesota, Mississippi, Missouri, Montana, Nevada, New Hampshire, New Mexico, North Dakota, Ohio, Oklahoma, Oregon, Texas, Utah, Washington, West Virginia, Wisconsin, and Wyoming.

Mr. President, these 27 States, because of the way hold-harmless moneys are distributed, do not get adequate funds to compensate them for the increased numbers of poor children. California, for example, already spends 40 percent of its State budget on education. We have a $10 billion State deficit, yet every day youngsters must try to learn in overcrowded classrooms. California has the largest classroom size in the Nation. These children do not have books. They are without materials. They are without means necessary to obtain a solid education.

So California, and at least 26 other State, desperately need these funds.

Between 1980 and 1990, California became home to an additional quarter of a million poor children. Since 1980, 60 percent of the growth of the Nation's poor children took place in California. The present 3-year delay in using updated census data has made the situation even more serious.

I intended to introduce an amendment today, but because of the way the amendment three is structured, that is impossible. Therefore, my staff and the staff of Senator KENNEDY, the chairman of the authorizing committee, have engaged in discussions as to how this might be remedied. I know that the Senator from Massachusetts understands how important this is to children of my State as well as the 26 other States that have had large increases in the numbers of poor children.

I have consulted extensively with Senator KENNEDY, the chairman of the Senate Labor and Human Resources Committee, and he has agreed to use his leadership to work with California and the other high-growth States on a number of strategies that will tend to alleviate this situation.

DISADVANTAGED STUDENTS IN CALIFORNIA

Mr. KENNEDY. I understand completely the tremendous growth of the number of disadvantaged students in California, and I commend the Senator's leadership in bringing the issue to the Senate's attention. It is very clear that the Congress cannot continue the present practice of updating the Chapter 1 allocations once every 10 years. The practice is disruptive for schools and unfair to districts in California and many other States. They have to wait too long before they have the resources to serve new students.

We have to remember that chapter 1 is not a fully funded programs. On average, it serves only about 60 percent of eligible students, and in hundreds of districts it serves as few as 40 percent. In Boston, more than half of the eligible students are not served.

As a result, when the number of poor children rises nationwide, as it has in the last 10 years, and when that growth is concentrated in certain States, such as California, we end up taking money away from poor children in some States in order to give it to poor children in other States.

We cannot plan sound educational programs that way. Students should not have to wait years to get help. But neither should they have the rug pulled out from under them just when they may be benefiting from the current formula.

We have to solve both of these problems. We need to obtain information that is up to date, so we can target the program to serve disadvantaged children wherever they live, and deal with shifting patterns of concentration among the 50 States.

I understand that the Census Bureau has a proposal that it would like us to consider, and I look forward to working with the Senator from California during the next reauthorization to solve this problem. It is important for Massachusetts, for California, and for every other State. And it is important for disadvantaged children too.

Mrs. FEINSTEIN. There is one provision in the chapter 1 formula that has softened the blow for California. We have such a large number of children with AFDC support that we have received about $17 million in additional funds. Is it the intent of the Senator from Massachusetts to continue that provision during the next reauthorization?

Mr. KENNEDY. It will be important to retain provisions that help States with rapid growth of poor children, and I will support keeping that provision in the formula. I will also support adding provisions to the formula that will help States with large numbers of children from families whose first language is not English. We need to find a way to give those students greater weight when we calculate the allocations.

Mrs. FEINSTEIN. California has nearly 1 million children eligible for Chapter 1 services, and many of them have been in our system for several years without any help. Last year, the Education Department did not act quickly enough on the 1990 census data to use new numbers. We will have to wait nearly another whole year for help. What can be done about this?

Mr. KENNEDY. My goal would be to repeat what the Congress did the last time with new census data. In 1982, we began to shift funds to high-growth States, but we did it 2 years after the census, not 3, and losing States were held fully harmless. But that is more difficult to do now, since an extra year has passed.

Nevertheless, many of us asked the administration to hold all States fully harmless this year, in order to give school districts time to carefully plan how they will reduce services. Instead, the administration has proposed only a 92 percent hold-harmless solution. I support the President's economic stimulus package, because I agree that it is needed for the economy. But I hope that the administration will help us to solve both the 8-percent problem and the extra year problem.

Mrs. FEINSTEIN. Are there other efforts that can be undertaken together to address some of the needs of the disadvantaged youth in our country that might give immediate help to them?

Mr. KENNEDY. I share that concern, and I know that President Clinton does as well. In the Labor and Human Resources Committee, we have been examining the summer youth program to find ways to respond to the President's desire to target America's cities. We may be able to recommend a form of targeting, as we did last summer, to ensure that an adequate percentage of

the funds goes to cities. I know that such targeting would have a beneficial effect on California.

Mrs. FEINSTEIN. I look forward to working with the chairman of the Labor and Human Resources Committee during the reauthorization of the Elementary and Secondary School Act to develop a new formula which will get these funds to children in need and provide the assistance necessary for a solid education.

Mr. President, I think we all know if any one of us were President of the United States today and faced with a similar situation, we might put forward a stimulus program that might differ in certain respects, but I think we also know deep in our hearts that the program President Clinton has put forward is a program that is forged by a man who has campaigned in every single State in this Union, who is familiar with the economy in every single State in this Union, and, by taking the tools available to him, which are limited, has attempted to fashion a program which deals with education, with jobs, and with economic stimulus in a way that can bring about the kind of confidence necessary to move this Nation onward.

I know it is not easy to do that, and I know there are many critics in this room, but I would say to those critics, if you have a better solution, put that program forward. We have not heard it. In the absence of that, let this program go ahead. Let it be tried. Let us begin to educate our youngsters and really create an investment in early childhood education. Let us fund a summer job program that this summer, in just a few months from now, can put more youngsters to work. Let us move ahead with transportation and highway funds to put people to work and to build the systems we need.

Let us say we are not going to again countenance death from measles, death from childhood diseases. In my own State, more than 30 children died in 1 year in the Central Valley from measles—measles. A disease that was wiped out when I was a child is now back as well as other diseases. So, immunization is key.

Let us provide needy women with food so that they can deliver healthy babies and so those babies will not be a weight on the health care system in the future.

So we need to support WIC, immunization, Head Start, and community development block grant moneys, Mr. President, which I administered for 10 years as mayor and made function to be able to create a stronger economy in my city. We funded redevelopment agencies with those moneys that built homes and commercial enterprises, which employed people, which provided people with ongoing jobs so that these programs could go forward.

So I hear those, the doubting Thomases, who would say, aha, if you give them community development block grant money they will use it on a golf course.

I say not so. We did not use community development block grant moneys on a golf course. We did not use economic development moneys for that kind of thing. But I will tell you the kind of thing we used them for. We took a blighted vacant area in San Francisco called the Fillmore Commercial Center, tried to attract a tenant into it, could not were able to use some of these Federal moneys to attract Safeway to come in as a linchpin tenant, and Safeway built a high-volume store there.

Shortly thereafter, apartments were built, a commercial office building was built, smaller stores, delicatessens, cleaners opened up around it, and the area is now a vibrant area.

Mr. President, I remember a lot of talk following the riot in Los Angeles. There was going to be urban aid; there was never any urban aid forthcoming. There were going to be new enterprise zones; there has been no enterprise zone legislation that would really help an area like South Central Los Angeles today.

I hope to submit it. We are working to rebuild Los Angeles, to be able to develop some new thoughts with respect to special economic zones that can really provide an opportunity for business and economic development in those areas.

But nothing has come forward in this Congress to help the cities of America, except this economic stimulus program proposed by the President of the United States.

So, Mr. President, I think it is time to get on with it. I think it is time for those of us that want to vote for that program to be able to do so. And when that vote comes, Mr. President, it will have my strong support.

Thank you, very much.

Mr. JEFFORDS addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. JEFFORDS. Mr. President, while the Senator from California is still in the Chamber, I would like to point out to her and to others that there will be differing opinions on her suggestion on the distribution of the funds relative to chapter 1, the educational system, and that I certainly will work with Senator KENNEDY and others. But I would point out that whereas she is desirous of increasing funds in California, that increase will come at the expense of some 26 other States who are very hard pressed by the fact that due to the census situation, even though we have had ourselves an increase in the number of poor children, we will be getting a substantial decrease of up to 20 percent in our funds.

So any time we get involved in these kinds of formula situations, we have to remember that perhaps for everyone that gains, there will be others that will lose. But I certainly look forward to working with her to see that we can take care of each of the individual States and the inequitable situations that may be arising, and hopefully work something out when we get to the chapter 1 funds.

Let me ask a specific question. It is my understanding that the Senator does not intend to offer an amendment to the supplemental appropriations bill to deal with this issue. Is that correct?

Mrs. FEINSTEIN. Yes. I am not going to introduce an amendment for the very real reason that it is not possible to do so and have it come to any real fruition. Instead, we have gone to the authorizing committee, to the chairman of that committee, and worked out a strategy to begin to deal with this in the future.

Mr. President, if I might just address the distinguished Senator's comments, it is not my intention to penalize the low-growth States. It is simply to say that we have a 3-year lag in the use of census data so that in this fiscal year we are using data that goes back 13 years. There is a 3-year lag time. That has created real jeopardy for many of the high-growth States. It needs to be addressed, I think, by a periodic rapid updating of the data, hopefully every year, so that the most accurate data—you would not want money to go where there are no students. The money should follow the needy students. That is what we hope to accomplish.

Mr. JEFFORDS. I thank the Senator for her comments.

Mr. President, I am most willing to work, as ranking member on the Senate Subcommittee on Education, with the Senator from California.

Mr. President, as my colleagues know, I had offered an amendment to the budget resolution regarding research earmarks. Like many of my colleagues, I did not get an opportunity to debate or to have a vote on the amendment without the debate. I chose not to get a vote. I am not going to offer the amendment to this bill, but I would like to discuss it as it is relevant to appropriations and to our use of taxpayers' funds.

I am very concerned about a trend that threatens our country's scientific leadership. That trend is the increase in earmarking of research and development funds. As budgets get tighter, more and more institutions are seeking earmarks. The result is that a few benefit, but many suffer for not even having the ability to compete for these funds.

The administration has promised to renew emphasis on research, to have a renewed emphasis on research and development, but if we continue this trend of increasing earmarks, the emphasis on science will take a back seat to politics.

Then, Mr. President, what will we say to the aspiring research chemist,

biologist, engineer, or mathematician? Do we tell them that if they sacrifice for a few years to get their bachelor's and graduate degrees, that we will provide opportunities for them for the future of our Nation, or do we tell them not to bother unless they plan to work through a politically connected institution? That is a question that concerns me.

If we are to maintain our standard of living, we must make new advances, new breakthroughs. We must foster new research and new ideas. At the same time, however, we must continue to cut spending. The funds available to support the research of our future, like all programs, are becoming more scarce as we strive to reduce the deficit.

The President has called for shared sacrifice. Everyone must help our country balance the budget. The question is what is the best way to rationally allocate these increasingly scarce resources? Many members think their own pet projects are the best way to do that. I understand that. However, I seriously question that method being utilized to the extent it is. I also believe that that approach is out of whack, has just gotten wild.

Last year, according to the President's Office of Science and Technology, Congress earmarked $1.7 billion in research funds. That is nearly equal to the entire budget of our legislative branch of Government. The $1.7 billion is over half a billion dollars more than the combined budgets of the House and Senate. Mr. President, I believe that such earmarking threatens our scientific leadership.

Before proceeding, let me plainly state for my colleagues that I am not opposed to all earmarking. There are times when it is appropriate. We have all, myself included, encountered those times. Thus, the amendment I had filed with the budget resolution was not a ban on earmarking. All it asked, and all I am asking, is that we reverse the trend and cap it. Earmarking of science has increased in a dramatic way. According to the President's Office of Science and Technology, it has doubled in 2 years. According to the Chronicle of Higher Education, earmarks of academic institutions have more than doubled, nearly tripled, in 2 years.

The total value of the academic earmarks for 1991 and 1992 nearly equals the value of all such earmarks for the entire decade of the eighties and in 1990, combined. In the 2 years preceding the current fiscal year, Congress earmarked more research than the cumulative total of the 11 preceding years. Clearly, research earmarking has gotten out of control. Let me illustrate, Mr. President, with a few charts.

Here is why I am so concerned about the earmarking issue and why I intend to continue to pursue this issue. The first chart shows the increase in noncompetitive research and development funding in the last 3 years. It has more than doubled from $800 million to over $1.7 billion.

Common sense tells us that this trend should not and cannot continue. The President's Office of Science and Technology Policy estimates that we have already squeezed over $600 million of competitive R&D programs to make room for these earmarks. And the problem is getting worse. We have squeezed another $1.6 billion out of other programs to make room for the remaining R&D earmarks; $1.1 billion is roughly the entire budget of the House and Senate.

Let us look at the next chart. The trend is the same in academia. Earmarking has nearly tripled since 1990. In fiscal year 1992, the Chronicle of Higher Education estimates that earmarks total $684 billion. Tens of thousands of students could be given full scholarships for this amount of money. But, instead, a few are benefiting at the expense of many.

Mr. President, last year, the Congressional Research Service [CRS] did two reports detailing all of this earmarking. I would urge all my colleagues to get copies of the CRS reports but, unfortunately—and this is hard to believe—you cannot get these reports. Some of my colleagues, it seems, have intervened and prevented CRS from releasing the reports which show how bad this problem is. Here we are spending hour after hour debating cutting spending, and the response from Congress is to forbid the CRS to release reports we requested on just how many cuts in what people would call pork could be made.

Is this what the people expect from us? Unfortunately, I fear they may expect too much. This trend of earmarking has to stop, as it is becoming a vicious cycle. Let me explain with an example.

Last year, and again last month, a researcher from another State stopped into my office to say how deserving his program was of a special earmark. His center was so good he should not have to compete for funding. His program had all of the answers and would lead the way to a brighter future for the Nation, and probably the world. His program had all of the answers, and he should not have to compete for money. His program was too good for that. No, instead, each year Vermonters and the residents of other States should pay millions of their hard-earned tax dollars to support this center, where Vermont students would have to pay much more to attend than a student from his State would.

Imagine my office's reaction. Here was somebody from another State in my office telling us how the funds should be taken out of programs for which the University of Vermont could compete and be given to a school in another State.

Was this individual's own State willing to invest in the center? No. Is this individual willing to compete with other schools for the money? No. But does this individual want your constituents' tax money to pay for a program he knows is not good enough to win a competition and which even his own State will not invest in? You bet he is. Mr. President, this is absurd.

The more we earmark funds, the more we are telling other academics to take the same approach. The emphasis then shifts from fostering new ideas to fostering new political connections.

We have to put the emphasis back on rewarding new ideas and hard work and give our researchers equal shots for the money. I understand there are, from time to time, critical issues that require a prompt response. As several of my colleagues know, what I am most concerned about is the proliferation of so-called research centers and the earmarks for mortar and bricks. These centers are not short-lived studies designed to address the critical issue. They are often just a euphemistic name for an academic entitlement program. Every year, they come back for more money.

The question I had is, given that spending must be curtailed, does it really make sense to create a new entity each year that must be given its cash infusion to continue its operation? I do not think so, and I hope the majority of my colleagues will agree when I offer this amendment some time later this year.

Academics have long complained of the publish or perish aspect of the job. We are making it worse by changing publish or perish to pork barrel or perish. This is a big picture, Mr. President. Let me narrow the focus a little and talk about EPA's budget.

Look at this chart, and it will emphasize what we are talking about. There has been much talk about the issue of unfunded mandates. I, myself, raised this issue in the last Congress with respect to the environmental mandates. Our small towns are being devastated by an ever-increasing number of mandates for which they have little hope of ever-finding revenues to pay for these mandates.

Unlike some, however, I argued for flexibility, not across-the-board rollbacks of regulations. We should not punish those who cannot afford compliance, but neither should we expose others to unnecessary risks.

The issue of unfunded mandates is very important. Allow me to highlight why some important protections remain unfunded. Out of EPA's budget alone, nearly $154 million was earmarked for various research and development projects. And $122 million of this was allocated by our colleagues in the House primarily for mortar and bricks; $154 million, or even $122 million, would buy a lot of environmental

protection with a considerable amount of money left over for competitive research, if it was distributed to areas that need the funds for prevention of environmental problems.

This is why I offered an amendment to the appropriations bill for the EPA last year to prohibit this noncompetitive funding in the future. The Senate passed this amendment with the support of our colleagues on the Appropriations Committee, which I am very thankful for. Unfortunately, the House did not concur and resisted efforts by Congressman BROWN to force a vote on this issue.

Let me graphically show my colleagues what the trend on earmarks for mortar and bricks has been out of EPA's budget. Last year, there was a huge jump in such earmarks—an $85 million jump.

Before we start trying to roll back environmental protection as a means to address the unfunded mandate problem, I suggest we look at what we are funding. How can we tell our local officials we have no money to help them when we have taken over $120 million out of EPA's budget to pay for various earmarks instead of building new drinking water or wastewater treatment plants?

All I had asked with my amendment is that we reserve this trend. As budgets get tighter, we must protect funds available for competitive research and for protection programs. We cannot sacrifice the benefits that come from rewarding the best ideas, the best record of accomplishment, for political gain.

We need the new technology to spur our growth, create new jobs, and help pay off the debt.

Yes, there will be times when it is appropriate to earmark funds. But no one can tell me that the number of situations has doubled or tripled in the last 3 years. It has not. My suggestion was that, for starters, we ask each of the appropriations subcommittees to drop back to the lesser of the 1991, 1992, or 1993 levels. That would reduce the number of earmarks by $1 billion. This is $1 billion that could be used for competitive bids, to ease cuts in other areas, and contribute to deficit reduction. We might not need so much stimulus right now with respect to the bill itself.

I also ask that those who have intervened to prevent CRS from their important work on this subject to withdraw their objections. All Members should have a right to know what is happening in this area.

I thank my colleague for their patience and, hopefully, you will give serious consideration to supporting me when I offer my amendment.

I yield the floor, Madam President, and I suggest that absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. PELL. Madam President, I want to record my strong support for the President's stimulus and investment program, and to urge swift passage of H.R. 1335, the supplemental appropriations bill.

Although my own State receives only a very modest share of the total—only about three-tenths of 1 percent, which is not far from the ratio that Rhode Island's population bears to the national total—the $50 million which we would receive will mean a great deal to our corner of the Nation.

My State, and indeed all of New England, is still very much in the grip of acute economic distress. We in Rhode Island are just emerging from a crisis brought on by the failure of our banking system. The impact of defense cutbacks already has resulted in layoffs by the defense contractors who have been our largest employers. Credit is short, consumer confidence is low and jobs are in short supply.

The infusion of some $50 million from the President's stimulus package will do much to help jump-start our local economy so that we will be poised to take advantage of a new era of national economic growth. Rapid funding for highway construction, community development, summer jobs, water and sewer projects and other worthy public programs will surely do much to raise the level of overall economic activity.

In addition to the very real favorable impact which this bill can have for New England and other parts of the country, there is another reason which argues powerfully for passage of H.R. 1335 as reported as promptly as possible, and that is the importance of this stimulus package as an economic bridge to the new era of fiscal reality upon which we are about to embark.

The fact is that the deficit reduction plan that we just approved in the budget resolution for 1994 needs to have a resilient economic base in order to be effective. Reduced Government spending and necessary increased taxation could tend to slow down the economy unless there is a momentum in place to take up the slack.

The stimulus and investment supplemental bill can provide that momentum. In effect, it will inoculate the economy for the shock which lies ahead when we start trying to live within our means. It deserves to be passed intact and passed promptly.

I yield the floor.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Madam President, I congratulate the distinguished senior Senator from Rhode Island for his excellent statement, and I thank him.

Madam President, I just received a press release put out by the Department of Agriculture today—

Secretary of Agriculture Mike Espy said today an all-time high number of Americans received food stamps in January, proving the need to take steps to stimulate the economy.

According to figures released today by the U.S. Department of Agriculture, 26.83 million Americans received food stamps in January, a 213,000 increase from December 1992. These figures represent the highest-ever level of participation since the program originated in 1964.

Now I quote from the release.

"The need for food assistance has risen so rapidly that one in ten Americans received food stamps this January. Unfortunately, that's a new record that even beat the previous high set in December," Espy said.

"These new numbers demonstrate this recovery is toothless because it has carried with it no major increase in jobs or family income. Despite a few hopeful signs, food-stamp participation continues to grow. To create jobs, Congress must pass President Clinton's economic stimulus package.

"American families can't wait for some mythical economic cycle to improve—they need immediate action from their government. They need change right now," Espy said.

The recession of 1990-91 and a weak economy since then have brought millions of people onto the food stamp program. Over eight million people have been added to the program since January 1989, with over 4.8 million added since January 1991. Nearly 1.8 million more people received food stamps this January than the previous January.

Mr. President, I have read the release by the U.S. Department of Agriculture into the RECORD exactly as it is written.

ECONOMIC STIMULUS BILL

Ms. MOSELEY-BRAUN. Madam President, we have just completed action on the budget resolution, the legislation that acts as our basic outline for the bills implementing the President's economic proposals that will come later. The economic stimulus bill now before us is the first major step toward turning that outline into law. I want to talk about the stimulus package, how important it is to our country, and how it fits into the overall economic strategy we are pursuing. Before doing that, however, I first want to go back to the budget resolution on which we just completed action. I want to talk about it not just in terms of the numbers, but in terms of what those numbers mean to real people, and what they mean to the future of our country.

In 1980, Ronald Reagan rolled to election victory by asking people whether they were better off that year than they were 4 years earlier. There have now been three full Presidential terms since Reagan asked his famous question, and it is time it was asked again: "Are you better off now than you were 12 years ago?" I think the American people decisively answered that question in the 1992 elections; the budget

resolution is part of the process of putting their answer into effect.

We spent 7 days and cast 46 rollcall votes on the budget resolution, including over 18 rollcall votes on amendments that no one had seen and which had never been debated.

I am sure there are many people who think we must have lost our minds to conduct business in that way; I have already been asked by constituents: "How can Senators possibly vote responsibly on amendments they have never even seen."

I think there are two answers to that question, Madam President. Looking at the issue narrowly, the answer is, of course, that it is bizarre to conduct the peoples' business this way. But there is another answer to give, and it is this: "The Senate appeared chaotic because there was and is a lot at stake in the budget resolution, and because the process of change is not automatic—it is very, very difficult."

The Senate has had a contentious week; at times, tempers were short. In my view, however, no one should let the turmoil involved in the legislative process blind them to the fact that something very significant has been accomplished—we have made a start on the process of change, and we are getting our domestic house in order.

The budget resolution we just passed is designed to around a number of important principles. I would like to take a moment to comment on just two of them.

First, this budget really does put people first. It changes our budget priorities in order to address real problems that are important to my constituents and to Americans across the country. And, equally importantly, it is based on the truth about where we are as a national family, and where we want to go.

I have a lot of Illinoisans who ask me why we cannot balance the budget tomorrow. After all, this is over $1½ trillion dollar government. I often hear from people who are sure that we ought to be able to fund enough savings to balance the budget without increasing taxes.

One of the reasons the budget resolution debate was so difficult is that myths die hard. We all want to reduce the budget deficit. We all know we have to reduce it. The battle is a battle of myth versus reality.

The mythology is that we should be able to balance the budget by freezing or reducing domestic discretionary spending, or perhaps domestic discretionary spending and defense spending together.

The reality is far different. First, domestic discretionary spending was only $195 billion in 1991, which means it could be eliminated entirely and not balance the budget. Further, domestic discretionary spending has actually fallen as a percentage of our gross domestic product, from 4.9 percent of GDP in 1979 to 3.7 percent of GDP in 1991; that represents a cut of close to 25 percent. And that means that we are now much less able to address compelling domestic needs, like education, than we were in 1979. I ask the question, are we better off now than we were in 1979?

While discretionary spending was falling, however, overall spending was rising. Total Federal Government spending rose from 20.7 percent of GDP in 1979 to 23.5 percent of GDP in 1993. That growth can be attributed to two main factors, interest expense, and entitlements—principally Social Security, Medicare, and Medicaid. Interest expense almost double during the 1979 to 1991 period, rising from 1.8 percent of GDP to 3.4 percent of GDP. Entitlement spending rose from 11.2 to 13.3 percent of GDP over the same period.

While that was happening, however, total Government income as a percentage of GDP actually fell, ending up at 18.7 percent of GDP in 1991. And what that means is that every single dollar of growth of government in the last decade was financed by borrowing. Americans are paying the price for that strategy now with lower economic growth, less job creation, longer periods of unemployment, stagnant or even declining wages, and a general loss of international competitiveness for the U.S. economy.

In short, Madam President, we borrowed our way into a deep, deep hole, and we must have change to come out of it.

Now, it is true that the growth of Social Security and Medicare has been fully financed. The Social Security trust fund, in fact, is running surpluses of $80 billion and more every year.

The taxes that produce that surplus, however, have created pressure to lower Federal income taxes, and as a result, the individual income tax revenue dropped to 8.3 percent of GDP in 1991. And every other major tax category—corporate income taxes, excise taxes, estate taxes—also dropped as a percentage of GDP. Only social insurance taxes increased by that measure.

To put it in more human terms, 75 percent of all Americans pay more in Social Security and Medicare taxes than they pay in income taxes. And what that means is that, while the Social Security fund is experiencing larger and larger surpluses—which are needed to handle retirements in the next century—most of the general part of government, excluding interest expense, is shrinking. And even as it shrinks, it faces larger and larger deficits.

The budget resolution recognized these hard realities. It calls for modest changes in domestic discretionary spending patterns—cutting some programs and increasing others—to meet the backlog of problems that have for too long been unresolved. It increases revenues to support general government, because we simply cannot continue to spend large amounts more than we take in.

The decisions it requires are tough ones, but they are built around the principles of fairness, and attention to the needs of ordinary Americans.

What is more, it is a budget designed with an eye on the future. Its priority is to put Americans to work, to help them to work smarter, and to make the United States more competitive in world markets.

The merit of this plan can be seen in one compelling statistic—the fall of the long-term interest rates by over 1 percent since last November's election. This plan produces lower interest rates, and lower interest rates save homeowners literally hundreds of dollars per month. This budget resolution makes it cheaper for businesses to make new investments—and new investments means new jobs.

What is more, Madam President, this budget resolution will help ensure continued low inflation. Inflation hurts every American, as we all know, and hurts Americans of modest means most of all.

And that is the second point I want to make about the resolution, Madam President; it puts people first. It sets priorities that are ordinary people's priorities. Their concerns, and their needs, are what drive this budget plan.

Recently, I was at a hearing where Laura Tyson, the President's Chief Economic Adviser, appeared. She made the point that:

> A high-tech America requires a work force that has the skills and training that are needed to use the new technologies. The U.S. educational system from kindergarten through college must be modified to meet these new requirements if American workers are to be able to compete in the world economy with rising rather than falling wages.

I could not agree more. Education must be among our top priorities, and education has a direct relationship to the success of our economy in general and to the prosperity of American workers in particular. That is why I am so pleased that the budget resolution allows the Federal Government to do more for education from preschool years, by allowing for full funding of Head Start, right through adulthood, with life long learning initiatives.

The budget resolution also provides for increased Federal funding to rebuild deteriorating roads, bridges, sewer systems, and mass transit lines. It provides money to help our cities, our neighborhoods, and our rural areas that have not seen any sign of economic recovery. It expands access to capital for those that are now shut out of our financial system, and moves our economy out of the cold war toward greater global competitiveness.

It foreshadows the health care reform debate that is to come. We all know we

cannot allow health care costs to continue escalating at current rates. The last 2 years, Medicare expenses grew over 14 percent per year, and Medicaid grew at over 30 percent per year. We now spend over 14 percent of our gross domestic product on health care, and that will increase to over 18 percent of gross domestic product by the turn of the century unless we act.

These are cold, abstract numbers. But what they mean is continued increasing health care costs for Americans, more and more Americans without any health care, and more and more Americans terrified of the possibility that they will have to change jobs and, in the process, lose the ability to get health coverage for existing medical conditions.

The health care reform debate will take another major step forward when the President makes his recommendations in early May. However, the budget resolution recognizes that there is no real long-term deficit reduction strategy that can work without fundamental health care reform, and by making that fact clear, it will help us to achieve further deficit reduction in future years through the right kind of health care reform.

The budget resolution will help improve the lives of working Americans, but, as I stated earlier, it took a long time to create the hole we are in, so it is going to take a while to climb out of that hole.

That is why the economic stimulus package now before us is so important. It provides a first boost up the ladder, if you will, to get us started on that climb.

The need for stimulus is compelling, Madam President. While it is true that the recession has officially ended, its effects are still being felt by millions of Americans. If this recovery were like prior recoveries, we would be creating something like 300,000 jobs per month. This time, however, we are only creating jobs at one-tenth of that level—and that is compelling evidence that the economy still needs a push.

Now, there has been a lot of criticism of this stimulus package, but I think that criticism is misplaced.

Some argue that we should not have a stimulus package—that it increases the deficit and therefore we shouldn't do it—but one-fourth of the spending in this bill is for extending long-term unemployment benefits. Is there anyone who really believes that this is the time to wreck the unemployment insurance safety net? I do not think any American believes that would be a good idea.

Some argue that the stimulus package is too large, but even when it is enacted, spending for this year will be below the level agreed to by President Bush in the 1990 budget agreement. I hardly think that makes this package a reckless exercise.

This stimulus bill is about creating jobs—now—and about beginning the process of changing our domestic priorities—now.

Frankly, I do not understand why a modest package like this one is so criticized, but tax cuts that increase the deficits are seen as good things.

The tax cuts in the 1980's helped wealthy Americans the most. And spending cuts in that decade hurt ordinary Americans the most. They hurt children; they hurt the sick; they hurt those that need job opportunity; they hurt average working Americans that really don't ask for much.

Wealthy Americans supported the tax cuts and supported the spending cuts—largely, I think, because spending programs benefit only ordinary Americans, and low-income Americans, and disadvantaged minority Americans. But that self-interest of those who have the most cannot and should not be allowed to control our economic policy decisions.

We have a lot of problems facing this country, Madam President. We have deteriorating roads and bridges, and sewers systems. We have an education system that disadvantages Americans in increasingly tough international competition. We have housing problems; we have urban problems; and we even have problems in something as basic as getting our children immunized against common diseases.

The stimulus package contains provisions that get us started on addressing these problems, and does so in a way that maximizes job creation, and maximizes the boost the spending gives to our economy.

It seems to me that the case for the path we are embarked on is a compelling one, Madam President. The budget resolution and this stimulus package are aimed at making things better for ordinary Americans. Ordinary Americans did not do very well in the eighties. They saw their incomes erode, even as more and more families had to become two-income families to make ends meet. They saw their children have more difficulty in getting good jobs. They saw their own job security erode. More and more saw the dream or home ownership eroding.

Unlike wealthy Americans, their taxes did not go down in the last decade. Unlike wealthy Americans, their incomes did not go up. The average American spent the last decade working harder and harder to bring home less and less—and that is fundamentally what we are trying to change.

We are trying to create good jobs, jobs a person can raise a family on, and jobs that will be there tomorrow. We are trying to create a climate where ordinary Americans will see their incomes start to grow again. We are not saying that Government will provide for everyone, but we are trying to ensure that Government gives people the chance to help themselves—because if people have half a chance to build a better life, there is no doubt that they will take it.

I want to take a moment to tell a little story that I think really illustrates that point.

I went home a couple of weeks ago and attended a function in Chicago. A woman came up to me. She was well dressed and professional in every way and she said to me "You know, I would like very much to thank you for what you did many years ago."

I did not know this person. So I did not know what she was talking about.

She said, "You passed a bill while you were in the State legislature that allowed people who are on public aid, people who are on welfare, to get credit for attending school, so that their college hours could be credited against the work requirement in the State welfare program."

She said "I was on public aid at the time, Ms. Braun, but I went to school because of that bill and now I am working on my master's degree, my family is together, we are buying a home, and I thought I would never get a chance to meet you to tell you thank you for that."

I have to tell you, I was choked up at that point, Madam President. Quite frankly, it made me feel that being involved in this legislative process really did have meaning. But as much to the point, seeing that woman who had taken the opportunity to provide for herself made me know once again that if you give people a chance, if you give people an opportunity, if you give people the option of working, you give them some hope, that people will go out and take that hope and go forward and will take care of themselves. And that will make our country better and more productive in the long run.

Madam President, the last decade was an experiment in trying to budget mythology into a reality. It was a failure. It had to fail because the myths were just not proven true. This plan, this stimulus plan, is based on the world as it is, rather than the world that those few Americans who benefited the most in the last decade might wish it was. This plan can work, but it can only work if we enact it into law, and that is what I believe we must do. We should pass this stimulus bill now, Madam President, and get about the business of acting on the rest of the President's package.

For us to wait any longer is to deny our opportunity, our chance, to change the direction to make our country great again, to give our country the solid footing that we will need to go into the 21st century.

I thank you, Madam President.

Mr. MITCHELL. Madam President, we have reached a situation which is unusual in some respects, not in others. We have been on this bill now for

approximately 1 full day, spanning 2 calendar days, and no amendments have been offered, although many Senators have suggested that they intend to offer amendments. Despite our best efforts, we have been unable to persuade anyone to actually offer amendments.

Under those circumstances—since I have previously notified Members of the Senate in writing that under our schedule there would be no votes after 3 p.m. on Friday, and that hour having been reached—I now announce that there will be no votes today.

In my letter to Senators setting forth the schedule for this legislative period—and that letter was sent out several weeks ago—I advised that there would be no rollcall votes on any of the previous Mondays but that a possibility of votes did exist for this coming Monday, and I repeated that several times orally here on the Senate floor.

So it is my intention now that the Senate will return to session at noon on Monday to resume consideration of this measure, and it is my hope that there will be votes on Monday, that we will be able to have Senators who say they want to offer amendments to actually offer them so we can begin the substantive voting on this measure.

I have also said many times publicly—and I want to repeat it here now because it is becoming increasingly relevant—that the Senate is scheduled to conclude this legislative period and begin the Easter recess at the close of business next Friday, April 2, and that remains my intention and my goal. But I have stated on many occasions—and now repeat—that we will leave if we have completed the schedule of business which has been before the Senate for some time. That includes the budget resolution, the pending measure, the economic stimulus package, and the extension of the debt limit.

At one time I hoped that we might actually do all of those things prior to April 2 and that we would be able to, therefore, conclude this legislative period in advance of the scheduled time. That appears to be increasingly unlikely and another example more of my continuing naivete than anything else, but I have not given that up completely if events turn in a way that cannot now be foreseen.

So I want to remind Senators and repeat so there can be no question about it, I repeat what I have said on many, many occasions, we will not leave for the Easter recess until we complete the business that the American people expect us to complete during this legislative period—those are the measures to which I have referred.

Finally, I restate that, with respect to Monday, the Senate will come into session at noon. I am unable to predict with certainty at this time when a vote will occur or how many will occur because I do not know if or when anyone will offer an amendment. But Senators have been on notice in writing for several weeks and orally for that period as well that votes are possible on Monday, and that remains the case.

Madam President, there being no other Senator seeking recognition at this time, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

MORNING BUSINESS

Mr. MITCHELL. Madam President, I ask unanimous consent that there now be a period for morning business during which Senators be permitted to speak herein.

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

Mr. MITCHELL. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. DOMENICI. Madam President, we are in morning business; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOMENICI. I hope I do not speak longer than 5 minutes. In fact, I would ask the Chair to advise me when I have used 5 minutes.

The PRESIDING OFFICER. The Chair will be happy to do so.

SPENDING REDUCTIONS

Mr. DOMENICI. Madam President, I rise because yesterday, at the end of the budget resolution, Senator DOLE had made some remarks about the deficit and fiscal policy and the distinguished majority leader got up and made some remarks.

As I recall, one of the statements that the majority leader used was a summary of what he said were spending reductions.

He said the Senate-passed budget resolution had spending reductions of $332 billion.

I could not believe that because I had not seen anything like that from our calculations, so I went back and said, "What is this? Explain it. Let me see if I can do that."

In that $332 billion in gross spending reductions, $105 billion is from defense, $172 billion from domestic, and interest savings of $55 billion, for a total of $332. However, Madam President, the majority leader used a CBO uncapped spending baseline and excluded the domestic spending increases. If I diagnose the gross $172 billion claimed spending cuts correctly, it translates into only $7 billion in real, net spending cuts as follows:

A domestic spending baseline difference of $7 billion. Savings we have already achieved from the 1990 budget agreement.

Calling $18 billion in fees domestic cuts. I do not think anybody out there in America thinks when you impose a fee on a rancher or on a mining interest or on somebody using SEC, that is a spending cut.

Then this budget says we are paying interest on our national debt but we propose to have a new policy so we will pay less interest. It suggests we are going to change the mix of long- and short-term bonds, and that is plugged in to save $16 billion in interest costs.

Then what is forgotten in that $332 billion gross spending cut is that the resolution asks for spending increases of $124 billion. The way we calculate that is very, very simple. The total spending reductions—that is, reductions that we are doing something about—amount to the defense savings of $75 billion and the net savings on all of domestic of $7 billion, and all of the rest comes from user fees, reclassification of interest, and, yes, adding $124 billion in new expenditures.

I am going to put the table in the RECORD. I do not really think it can be refuted.

I am going to try to recap it my way. This table seems to put down everything the majority side is contending and puts it down perhaps in a different column. But essentially we are right back where we started.

From our standpoint, these cuts amount to $7 billion in all of domestic for 5 years. On the domestic side that is all the cuts there are, net. All the rest of the so-called reductions are either defense, fees, or interest, which we reduce because we claim we are getting the deficit down so much with new taxes that we save on interest. So when we are all finished with this and we really come down to what is coming home to roost, it might be surprising to everyone that we have not cut domestic spending at all—$7 billion—while the majority leader talks about reducing spending $332 billion.

I really believe if you want to add up the columns, you will find that these numbers are right. That is what we have been talking about all these days, that you should not put this big tax of $295 billion on without having dramatically reduced domestic spending. That is what that vote was about, the Nunn-Domenici vote. We had 48 votes. That was an effort on the part of that group of Senators to say there are no real,

permanent, domestic cuts. So why do we not take on the mandatory entitlement programs and do something for the taxpayers of the country so we are not just taxing them and not getting any domestic reductions?

With that, I conclude one more time that it seems to this Senator that one can wish all they want about a better day and a new plan, but when you have our kind of economy, if the new plan imposes onerous burdens on business, makes them less competitive, then you are not going to get from that plan what you wish, which is a vibrant, growing, job-producing economy.

If I thought this was going to work, I would be here arguing as much as I have in favor of it. But I do not believe a plan with that much new taxes, that little permanent reduction in domestic spending, is really going to work.

I ask unanimous consent the table I spoke of be printed in the RECORD.

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

DIFFERENCES IN CLASSIFICATION OF SPENDING REDUCTIONS

[5-year total, in billions of dollars]

	Defense	Domestic	Fees	Interest	Total
Majority numbers	−105	−172	.....	−55	−332
Baseline differences	30	7	.....	7	44
Reclassification of fees	.....	18	−18	.....	.....
Reclassification of interest	.....	16	.....	−16	.....
Add spending increases (stimulus and investment)	.....	124	.....	.....	124
Minority numbers	−75	−7	−18	−64	−164

The PRESIDING OFFICER. The Senator from California suggests the absence of a quorum. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

EXCELLENT WORK BY THE REPUBLICAN STAFF

Mr. DOMENICI. Madam President, yesterday the Senate adopted a budget resolution for the upcoming fiscal year. More work lies ahead on the conference report and the ensuing reconciliation bill. Clearly Republicans did not support the resolution adopted yesterday and will not support the conference agreement likely to be presented to the Senate next week. In support or opposition, however, staff work is required on both sides to see to it that the schedule is met and the message is communicated in words, charts, amendments, and substitutes.

First, I want to thank the Republican leader's staff: Howard and Elizabeth Green and their excellent floor staff for their help this last week keeping us on the budget resolution. Also, the Republican Policy Committee staff, under the leadership of Kelly Johnson, kept Senators and their offices informed throughout the week-long debate.

My congratulations also go out to Mr. Larry Stein and his majority staff in their strong support to the chairman and the majority leader throughout last week's debate.

Obviously, he was of great support for the other side. He is a professional and does a great job.

Finally, I am very indebted to the Budget Committee staff on the minority side, headed by Bill Hoagland. He is a master. Everyone around here trusts him, and he is everybody's friend and supplies assistance to everyone on our side. I even think sometimes the other side asks Bill Hoagland for information, if not advice.

There is a large group of staff that helped and put a lot of hours in on our side:

GOP BUDGET COMMITTEE STAFF

Bill Hoagland, Staff Director;
Carole McGuire, Appropriations;
Austin Smythe, Energy and Budget Process;
Cheri Reidy, Economist and Revenues;
Peter Taylor, Economist;
Anne Miller, Budget Review;
Bob Stevenson, Communications;
Charlie Flickner, International;
Denise Ramonas, Counsel;
Jim Capretta, Health and Social Security;
Lynne Daghlian, Income Security and Unemployment;
Roy Phillips, Defense;
Lisa Morin, Education;
Ricardo Rel, Agriculture;
Melissa Longoria, Veterans and Tracking;
Kevin Mitchell, Justice and Support Staff;
Andre Gatta, Support Staff;
Betsy Paul, Support Staff; and
Mieko Nakabayashi, Support Staff.

I thank them all and now I say to them—get back to work.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

CLINTON TRADE

Mr. BAUCUS. Madam President, I rise today in defense of President Clinton's trade policy.

In recent days, the newspapers have been full of stories saying that President Clinton does not have a trade policy. For example, an article in the March 25 Wall Street Journal says, "U.S. trade policy lurches between confusion and contradiction." Last weekend's Washington Post carried a similar opinion piece.

Frankly, Madam President, I am astonished by these articles. Perhaps these journalists missed the speech President Clinton gave at American University several weeks ago. To me, the President's message is clear. He wants freer and fairer trade for America. And he wants to coordinate our domestic and trade policies to keep our Nation competitive.

As the saying goes, there is more than one way to skin a cat. And there is more than one way to achieve freer and fairer trade.

The right approach to exporting more semiconductor chips to Japan, for instance, may not be the best way to handle an import problem over Japanese-made sports vehicles. Or to encourage European governments to buy more U.S. goods.

To suggest that the same approach should always be taken is remarkably naive. Perhaps that works in economics textbooks, but it does not work in real life. Disputes that potentially cost U.S. exporters millions of dollars in lost trade deserve more than a cookie-cutter approach.

I guess what really bothers these journalists—or should I say, the unnamed former Bush administration officials quoted in their articles—is that President Clinton has not raised an ideological banner, something I would like to talk about.

Madam President, I have watched the Republican administrations of the past 12 years preach the message of free trade and the magic of the marketplace. But their record reflects something quite different. President Reagan gave us import quotas on autos and steel—hardly free-trade policies. President Bush renewed import quotas on machine tools and a market share semiconductor agreement with Japan.

I am not criticizing all these actions—I happen to support the semiconductor agreement, for example—but they were not free trade by any stretch. They were pragmatic actions taken behind an ideological smokescreen.

Madam President, let us applaud our new President for not hiding behind a smokescreen. Let us applaud him for considering all the options. Let us rally behind him as he works to resolve the complexities of trade policy in a world where 19 percent of all United States exports are made here by Japanese-owned companies, and where General Motors Corp. is the largest investor—in Mexico.

And let us applaud our President for being clever. The Wall Street Journal would criticize him for taking unpredictable zigzags in trade negotiations. But do we really want to be predictable as we sit down to negotiate with our trading partners? Do we want them to know exactly what we will do—and when? Or do we want to keep them guessing and get the best deal for our exporters? You decide.

Madam President, I think President Clinton and his trade team are doing a good job. Ambassador Kantor, in particular, is to be commended for his tenacity and his quick mastery of trade issues. I look forward to working with them to open the world's markets to more U.S. exports, in coordination with a stronger domestic economic policy.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

THE PATIENT MUST COME FIRST

Mr. GORTON. Madam President, the primary goal of health care reform is to assure affordable quality health care for all American families. Our country can no longer afford the staggering human and economic costs of our current health care financing system.

I listened intently for the past 2 years to the people of the State of Washington. Their message is clear. We do not want just any kind of health care reform, we want the right kind. I am convinced that we can achieve the right kind of reform only if we are willing to listen. For the past 2 years I have been doing just that. While many demanded a solution or insisted on immediate comprehensive and dramatic change, I insisted on hearing what people in the real world outside the beltway thought of our health care problems and their ideas of reform.

After countless town hall meetings across the State, and fruitful discussions with the people of Washington State, I should like to take this opportunity to explain fully my approach to health care reform which I believe to be in the best possible interests of the Nation and to the people of my own State.

We are all too familiar with the distressing statistics of figures that appear in the headlines every day. Sadly, they provide us with a clear illustration of the defects of our current system.

The number of people who lose their health care insurance climbed by 100,000 every month. Currently, almost 37 million Americans—and 700,000 Washingtonians—are uninsured. Out of every $1 Americans spent in 1990, 14 cents was for medical care. Every year our Nation spends more than $880 billion on health care, and that figure is expected to reach an appalling $1.1 trillion by 1995. While medical inflation slowed in 1991, it was still more than double the overall inflation rate.

Public health care programs will soon eclipse all other Government spending and will be the leading contributor to our increasing national debt. If we can limit the growth of Medicare and Medicaid to that of Social Security, incredibly we could balance the budget without any new tax increase or spending cuts within the next 5 years.

While the national economic cost of health care is mind-boggling, in my own State, the human and economic costs of the current health care system are felt every day from Bellingham to Clarkston, and Aberdeen to Spokane. It is here where the national health care crisis hits most at home and you can hear the concerns and fears that echo throughout these communities.

(Ms. MOSELEY-BRAUN assumed the chair.)

Mr. GORTON. If we inside the beltway limit our debate to terms such as "health expenditures as a percentage of the gross national product" or "global budgeting schemes," but fail to listen to the people who confront it in real-life terms every day, we cannot expect to understand the true nature of our Nation's health care problem. Like the doctor whose success is built on his ability to listen to patients who accept his diagnoses and prescriptions, we must also use our best bedside manner and listen to the people whom we will ask to accept our prescription.

Listen to the Boeing worker in Everett who just received a layoff notice. The fears about his future employment prospects are heightened by his concern over the health insurance costs for himself and his family while he is out of work. He prays that no serious illness will befall his family while he is looking for work. For the first time, he is faced with the realization that there may not be a safety net to rely upon.

Listen to the working mother in Seattle who cannot find health insurance because her pregnancy is considered a preexisting condition.

Listen to the retiring primary care physician in Okanogan County who has seen his income drop while his caseload has increased. Like any business, the practice that he loved could only survive by providing only a limited percentage of uncompensated care. Outside of jeopardizing his own financial well-being, his departure leaves an enormous void in the rural community.

Their health care was costly before he left, but now many face the possibility of illness as a financial crisis that is compounded by the additional costs of getting to a major city to get help.

Listen to the midlevel manager in downtown Bellevue who desperately wants a career change. Because she is under treatment for a nonlethal disease, she fears that she will not be able to find another health insurance plan that covers her needs. Instead, she stays in a deadend job solely because of the difficulty of finding health insurance. The resulting joblock is a direct consequence of the nonportable nature of her health insurance.

Listen to the obstetrician in Pasco who is considering another career, despite her invaluable contribution to her community. The malpractice insurance premiums and the additional tests and procedures she must order to avoid liability have taken their toll. She and other physicians work in a constant state of concern that their livelihood and passion could fall victim to an aggressive trial lawyer.

Listen to senior citizens in Olympia who struggle with enormous paperwork for the treatment of chronic illnesses. The time and effort for patients and providers alike cause unnecessary delay and confusion.

Listen to the nurse in Tacoma who delicately cares for the fragile and tiny baby born prematurely and addicted to crack cocaine. The extraordinary medical costs to preserve the life of an innocent are passed on to a society that bitterly complains of rising premiums and outrageous medical costs.

Listen to the hardware store owner in Spokane who wants to attract employees by offering health insurance. Unfortunately, as a small employer, he does not have the purchasing power to purchase an affordable plan. Even if he were able to insure his employees, coverage for all would be jeopardized if just one employee suffered from a catastrophic illness.

Listen to the trauma doctor at Harborview Medical Center who can tell the time of day on a Friday afternoon by the growing line of uninsured and homeless patients with basic and preventable health care needs. She will tell you about the 100-percent increase in emergency room visits over the past decade due to violence, drugs, and the absence of affordable primary care.

Listen, Madam President.

Listen not to the special interests, but to the unorganized people of Washington State who must deal with the harsh inadequacies of the present health care system day in and day out. They know how to improve the system—but first, we must listen.

Once we have listened, we can begin to act.

We can start, Madam President, by being honest and forthcoming with the American people about health care reform. Raucous campaignlike bus tours and glitzy Donohuelike electronic townhall meetings must not obscure the realities of comprehensive health care reform.

Let us start by admitting that it will cost money. That is correct; if health care is sold as a right, then people must be prepared to pay for that right.

Let us start by giving the American people some credit—they want less rhetoric and more straight talk. For instance, let us talk about the responsibility of health care. Without being too simplistic, let us remind ourselves

that we can help control health care costs by improving our diets, educating ourselves about healthy lifestyles, and dedicating ourselves to behavior that is consistent with good health.

Let us start by confessing that this will be tough. Even minor adjustments to a $900 billion industry that employs millions of Americans will have enormous consequences, most of which are unforeseen. While "Health Care Reform Now" is a compelling slogan, I, and the people of Washington State, would prefer health care reform that will truly be an improvement.

We cannot afford health care reform at any cost, but we can afford, and must pursue, health care reform that is cost effective.

This, of course, is all common sense—and that is precisely my point. We cannot forget the value of common sense during this important debate.

Let us start by putting our partisan differences aside, and commit to ourselves and the American people that we will work together. Let us avoid the disaster that would result if we lumped massive health care reform with the President's economic plan for the sake of political expediency. A reckless attempt to steamroller Congress without serious deliberation would be a violation of the basic principles of representative democracy. Much worse, it would be a severe betrayal of the trust of the American people.

I was impressed with the First Lady when I met with her and other Senators 2 weeks ago to discuss health care reform. She has a clear grasp of the complexity of health care reform and is willing to listen to different opinions. I hope and intend to continue that dialog which can only serve to improve the final product the American people desire.

As we become immersed in debates over global budgets and managed competition, let us not forget that it is our families, friends, and neighbors who will gain or lose from our decisions. We must not lose sight of the fact that health care is intensely personal and private.

The patient must come first, and like any good doctor, we must listen carefully to what the patient has to say.

The debate over health care reform has evolved dramatically over the last 2 years. At first a Canadian-style system, under which the Federal Government finances a State-administered system with global budgets, seemed an attractive option to control costs and provide quality health insurance to all. However, it soon became obvious to most observers that Canada is having a difficult time with health care inflation, and many Canadians still go south to my State of Washington for the health care they desire and need more quickly and of higher quality than the Canadian system can provide.

Many Washingtonians have let me know in no uncertain terms that while the Canadian system may be fine for Canadians, it is unacceptable to have the Federal and State Government decide what health care they can have and when they can have it.

The next serious option was the so-called play-or-pay proposal advocated by the majority leader, Senator MITCHELL. This approach gave employers the apparent option of providing health insurance for their employees or paying an enormous payroll tax into a public fund which would finance health insurance for the uninsured.

Proponents called this a simple way to provide universal health insurance to all without major changes in the health care system. Critics called it pay-or-pay and Medicaid for the middle class because it simply would lead to a costly expansion of publicly financed health insurance, just a steppingstone to the single-payor approach. One study concluded that the proposal would shift nearly 52 million Americans covered under an employer-sponsored plan into a public health program. Again, Washingtonians, both employers and employees, let me know in clear terms what this proposal, despite all of its good intentions, would mean to them—lost jobs.

That proposal, which would increase small business health insurance expenses by an astounding 71 percent, would only lead to a dramatic reduction in payrolls. At a time when Boeing is announcing massive layoffs and the jobless rate is at an alltime high in my State, the last thing our economy needs is a job-killer health insurance plan.

Considering the fact that the leadership has not reintroduced this proposal, I assume it is rightfully shortlived and forgotten.

Next came incremental, market-based reform that was advocated by the Bush administration and the Senate Republican health care task force on which I have served for the last 2 years. While incremental in comparison to a single-payor approach, the proposals would have caused massive changes and improvements in the health care system—including tax credits for the poor to purchase insurance, prohibitions on exclusions based on preexisting conditions, assistance for small businesses, malpractice reform, and expansion of community health centers.

Despite the benefits of this approach and its emphasis on quality affordable health care, it lacked a meaningful method of restraining the spiraling costs of health care. Clearly, more comprehensive change was needed.

Last year, Congressman COOPER, a Democrat from Tennessee, introduced the Managed Competition Act and changed the health care reform debate entirely. The concept of managed competition was developed by Paul Ellwood and Alain Enthoven of the Jackson Hole Group. The purpose is to reform the health care financing system in order to harness the only proven method to hold down costs in the long run: the free market.

In its pure form as advocated by Congressman COOPER, providers and insurers would band together as accountable health plans [AHP's] which would compete against one another based on their ability to provide cost-effective, quality health care.

Individuals and most businesses would purchase coverage of an AHP through a health insurance purchasing cooperative, or HIPC, that negotiates with accountable health plan for cost-effective, quality care coverage. A Federal board would determine a minimum benefits package that all AHP's would have to offer. In order to introduce cost consciousness into the purchasing of health insurance by employers, only the costs for the lowest AHP coverage in the HIPC region would be fully tax deductible for businesses.

The concept of managed competition has been adopted by both the Clinton administration and the Senate Republican health care task force. However, serious differences exist in the proposals being developed by each group. The Senate Republican health care task force is pursuing a pure form of managed competition free from coercive Government controls.

The Clinton administration seems, however, to be pursuing a form of managed competition combined with a single-payor, Canadian-style approach that includes global budgets. I am deeply concerned that the First Lady is considering the abandonment of the fundamental premise of managed competition—the ability of the free market to control costs and the savings which would benefit individuals who need health care.

Indeed, it is antithetical to managed competition for the Government to set an arbitrary limit on spending by providers of health care covered by the AHP's. Price fixing and global budgets would restrain the effectiveness of the market just as handcuffs would hinder prizefighters. Again, we must remember to value common sense.

I am also concerned about the ability of managed competition, whatever the definition, to function in rural areas. Managed competition assumes that multiple providers already exist—but in many rural areas, this is not the case.

In fact, it is cooperation among providers, rather than competition, that often provides the best health care for rural communities. Conversations with rural health providers from Colville to Omak and Forks to Sprague raise some legitimate concerns that must be addressed in the coming weeks. As a member of the rural health caucus, I will make certain that rural health care concerns are met if our Nation is to have lasting and beneficial reform.

In addition, I am concerned that under any health care reform plan, States are free to implement their own form of health care reform. My own State is close to passing comprehensive health care reform and must be given the support of the Federal Government in the form of waivers and exemptions.

As I told Health and Human Services Secretary Donna Shalala when she testified before the Senate Budget Committee several weeks ago, States that seize the initiative and enact meaningful reform that fits their State's unique needs should be rewarded, not punished, by national health care reform.

Employers who are subject to payroll taxes to finance State health care reform should not be burdened by additional taxes to finance national health care reform. Again, let us remember common sense.

Although neither has been completed, there is reason to believe that the Senate Republican task force proposal that the White House plan will have more in common than not. That is a great relief to me and to the American public which wants an end to gridlock and wants meaningful health care reform. I look forward to working with the First Lady and other members of the Senate Republican health care task force as we finalize our respective plans.

Madam President, having laid out some basic concerns I have heard from the people of Washington, I would like to make one final point. The best doctors I have known have an extraordinary ability to listen intently to their patients. We in Congress could use that talent, especially when it comes to health care reform.

Let us listen carefully both to what they are saying, and what they are not saying. Comprehensive health care reform will affect each and every American and may bring the most revolutionary change in American domestic policy since Social Security. Too much is at stake to let politics or special interests dominate this debate.

By listening, we assure that we will not only have health care reform, but the right kind of reform. So let's use our best bedside manner, and listen to the people.

After all, the patient must come first.

Mr. BYRD. Madam 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.

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

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

THE 50TH WEDDING ANNIVERSARY OF BEA AND DAVID BRODY

Mr. SIMPSON. Madam President, it is unprecedented for the Senate, in a unanimously passed official resolution, to characterize an individual as the 101st Senator. But that is exactly what the Senate once did upon David Brody's so-called retirement from the Anti-Defamation League of the B'nia B'rith back in 1989. It was a clear expression of the affection that many of us in the Senate, past and present, had and continue to have for this wonderful man.

I reread that resolution prior to making these remarks. I noted that its drafters must have been particularly knowledgeable on the character of David Brody. Not once is the word retirement mentioned. Anyone that knows David knows that there is nothing retiring about David Brody. True to his character, he is still as full of energy, spirit, and good will as he has been at any time during my observations of his very distinguished career. True to the resolution, we continue to treasure his wise counsel and advice on a wide range of issues.

But these remarks aren't delivered simply to pay tribute to David. I want to honor and speak of a remarkable partnership between two delightful friends that Ann and I have come to know in Washington. On March 11, 1993, Bea and David Brody celebrated their 50th wedding anniversary. Their long partnership continues to be a monument to their love for each other and to improving the lives of those around them. They are both deeply devoted to a wide variety of civic and charitable activities. Bea has been a tremendous helpmate and partner to Dave throughout the course of this very unique marriage.

David and I have at least two things in common. We both severely overmarried. Second, each passing year of marriage seems to get ever better.

Although these words of congratulations come belatedly, they come lovingly. I do hope and pray that Bea and David had a most wonderful 50th anniversary celebration. I wish them many more years to savor in their loving, caring, and remarkable partnership.

TRIBUTE TO BILL CROSS

Mr. SIMPSON. Madam President, I rise to pay tribute to my friend, Bill Cross. It was with a great deal of sadness that I learned that Bill, who was a constant presence in the Chamber for so many years, had died in a car accident on October 22, a few weeks after the Senate adjourned last year. It had been my intention to take a few moments of the Senate's time early in this session to say a few words about this remarkable man. It is still timely now.

Bill was born right here in Washington in 1932. He served our country with distinction in the Army during the Korean war. After his service, he joined the District's Metropolitan Police Department. After 22 years of outstanding service to the police force, he retired with the rank of detective sergeant. Upon his retirement, he became the Assistant Director of Security for the U.S. House of Representatives Select Committee on Assassinations. When that committee completed its work—he joined the Senate Sergeant at Arms Office. He worked here until his most untimely and tragic death.

Bill was a devoted husband and father. During this difficult time, the thoughts and prayers of this Senate family go winging out to June, his wife of 40 years; his five daughters, Patricia, Judy, Christine, Rhonda, and Nancy; his sons-in-law, Dennis, Martin, Ed, William, and George; his brothers, Robert and Jack; his cousin, Anne; his 11 grandchildren, and all the other people whose lives Bill touched and who do miss him so deeply.

And as a native Washingtonian, Bill's love for the Redskins could never be surpassed. He was always up on the latest news from training camp; the injury report; who was going to start, and all the other inside scoop on his team. Even the spread, if you pardon the expression. No one loved going to the Redskins games, here or away, more than Bill did.

What I enjoyed most about Bill was his wonderful sense of humor. He always had a good story or tale to share, but I never recall his humor ever being at the expense of others, or sharp.

He had a remarkable zest for life. He was taken from us entirely too early. He was very active in police and veterans associations such as the Fraternal Order of Police, the D.C. Association of Retired Policemen, and the American Legion. He was very public spirited and he served as president of the Laurel Acres Civic Association, and President of the Bryans Road Little League Association. He was also an active member of the Lions Club.

He loved this institution and those who worked here. He was a well-rounded, wonderful man. He was devoted to his family. He served his country with distinction. He served with honor as a policeman. He unselfishly gave his time to civic activities to improve his community. And he did all that and more with his tremendously positive outlook on life, combined with his great sense of humor. We shall all very much miss our friend, Bill Cross.

God rest his soul.

MIKE MANSFIELD

Mr. SIMPSON. Madam President, finally, a belated tribute to our friend, Mike Mansfield, whose 90th birthday we celebrated just several days ago. He and my father served here in the U.S. Senate together. He was from the

neighboring State of Montana, and my father, of course, was from the State of Wyoming. It was due to my observations of Mike Mansfield in his duties in the U.S. Senate that made me know that this was where a person could go and work hard for their State and their country, and do it with extraordinary grace, with a rich type of human kindness, that was the essence of Mike Mansfield.

He served here and did a superb job as majority leader. The same job so capably being performed now by our friend from Maine, GEORGE MITCHELL. Senator Mansfield did it his way, with his own style, working along with Everett Dirksen who did the minority leader job in his own way, and with his own style. Those were times of great progress in the country. Much was accomplished in a bipartisan fashion, both in domestic and foreign policy.

I, then, watched him serve as our Ambassador to Japan and saw the reverence and respect that the Japanese people rendered to him. It was truly remarkable.

So it was a great pleasure to help honor him on his 90th birthday. To Mike and to Maureen, a truly remarkable woman at his side, this is a tribute to them. Thanks go to them from a grateful Government and an especially grateful Senate. There are those in the Chamber today like Senator BYRD, who remember him so well. He served with Senator Mansfield with great distinction, as did my father.

I commend him and congratulate him on this great milestone. May he have many more to savor.

I thank the Chair.

IRRESPONSIBLE CONGRESS? HERE'S TODAY'S BOXSCORE

Mr. HELMS. Madam President, the Federal debt—run up by the U.S. Congress—stood at $4,222,102,651,276.54 as of the close of business on Wednesday, March 24.

Anybody remotely familiar with the U.S. Constitution is bound to know that no President can spend a dime of the taxpayers' money that has not first been authorized and appropriated by the Congress of the United States. Therefore, no Member of Congress, House or Senate, can pass the buck as to the responsibility for this long-term and shameful display of irresponsibility. The dead cat lies on the doorstop of the Congress of the United States.

During the past fiscal year, it cost the American taxpayers $286,022,000,000 merely to pay the interest on reckless Federal spending, approved by Congress—spending of the taxpayers' money over and above what the Federal Government has collected in taxes and other income. This has been what is called deficit spending—but it's really a form of thievery. Averaged out, this astounding interest paid on the Federal debt amounts to $5.5 billion every week, or $785 million every day—just to pay, I reiterate for the purpose of emphasis, the interest on the existing Federal debt.

Looking at it on a per capita basis, every man, women, and child in America owes $16,437.43—thanks to the big-spenders in Congress for the past half century. The interest payments on this massive debt average out to be $1,127.85 per year for each man, woman, and child in America. Or, looking at it still another way, for each family of four, the tab—to pay the interest alone, mind you—comes to $4,511.40 per year.

Does this prompt you to wonder what America's economic stability would be like today if, for the past five or six decades, there had been a Congress with the courage and the integrity to maintain a balanced Federal budget? The arithmetic speaks for itself.

CUTS IN HEALTH CARE FRAUD INSPECTION SERVICES

Mr. COHEN. Madam President, I rise today to express my deep concern about current and proposed cuts in the Department of Health and Human Service's Office of Inspector General. At a time when health care costs are skyrocketing, pursuing fraudulent activities should be one of our highest priorities.

America's health care costs climbed to $840 billion last year and could top the $1 trillion mark as early as next year. This explosion in health care spending has created a wealth of opportunities for a growing and increasingly sophisticated army of scam artists.

Instead of marshalling our best troops to combat fraud and abuse, the Inspector General's Office has been cut dramatically over the last few years. As fraudulent activities have soared, at a cost of about $80 billion a year, the Inspector General's Office has decreased staff from 460 positions in 1990 to 390 positions in 1993.

A 1991 hiring freeze only exacerbated the current problem. Due to cutbacks, the I.G. is forced to eliminate new investigative activities in 14 States, including my State of Maine, and significantly reduce caseloads in many more States.

A Washington Post article states that the I.G. has been told by administration officials to plan on a fiscal year 1994 budget that is 3 percent lower than 1993 levels. That would mean a further reduction of 40 positions this year.

As ranking member of the Special Committee on Aging, I am currently working with the I.G.'s Office in a number of areas that raise disturbing problems in the health care industry. What we are finding are widespread kickbacks to doctors for referring patients for services and other outrageous moneymaking schemes.

By eliminating positions in the I.G.'s Office, we are calling off the watchdog and inviting the burglar to come right on in. We are telling fraudulent health care providers that they can get away with their current behavior. This is a very dangerous message to send.

In 1991, the minority staff of the Aging Committee worked with the Inspector General's Office on an investigation of durable medical equipment telemarketers who were taking advantage of the weaknesses in the system to bleed millions of dollars from the Medicare Program.

The investigation revealed shocking practices of fly-by-night telemarketing operations that made call after call to unsuspecting seniors to induce them to accept what was described as "free medical equipment"—equipment that was rarely needed, generally of inferior quality, and of little or no therapeutic value.

This investigation led to savings of millions of dollars for the Medicare Program. In a time of fiscal constraint, we should be aggressively pursuing those avenues that lead to savings and decreased costs to overall system. Madam President, the effect of these reductions is to cut off our nose to spite our face.

I am also sending a letter to Health and Human Services Secretary Donna Shalala to cite my deep concerns and to learn more about the status of this proposal. I share the administration's desire to curb spending as much as possible to reduce the deficit.

However, cutting our enforcement effort against health care fraud is penny wise and pound foolish. Every dollar we spend to guard against fraud and abuse can yield significant returns to Medicare and our overall health care system.

FACES OF THE HEALTH CARE CRISIS

Mr. RIEGLE. Madam President, I rise today to put a face on the health care crisis confronting America. Like many of my colleagues, I have heard from constituents from all areas in Michigan about the problems they are encountering with our health care system. One group of people who have found themselves without health insurance are those who, for one reason or another, retire before they are eligible for Medicare benefits.

Willidean Lopshire from Battle Creek, MI, is one person who has found herself in this situation. In 1987, the company she worked for, Interbake Foods, decided to relocate. Willidean was forced into early retirement after 19½ years with the company. She was just 8 years away from being eligible for Medicare benefits.

Willidean, now 62, was left with a small retirement benefit of $309 per month from Interbake Foods, which amounted to just over $3,700 a year. The only health care coverage she has

is hospitalization through an AARP policy, for which she pays $27 a month. Her policy only covers $240 a day for hospitalization. It does not cover outpatient charges, physician fees, or prescriptions.

Willidean wanted to take action to improve her personal situation. She decided to take this opportunity to earn her high school diploma and obtain a certificate in word processing, hoping this would enable her to get a better paying job. Unfortunately, this was not the case. The only job she was able to get was a part-time position as a barmaid earning $4.50 an hour.

Just last year, in 1992, Willidean began collecting $459 a month in Social Security retirement benefits which added to her $309 a month in pension from Interbake Foods. This income allowed her to get back on her feet again, but then tragedy struck.

Willidean needed a cataract and lens implant operation. Since this is considered an outpatient service her AARP benefits would not cover the procedure. Willidean had already paid $62 for her initial visit and knew that she was going to have to come up with an additional $2,000 for doctor fees and $4,000 for the hospital fees. Her doctor tried to delay surgery in the hopes that she could find a way to obtain insurance. In January, Willidean went to the Department of Social Services to ask for assistance with this surgery but was denied because her income was too high.

She considered waiting to have the surgery until she reached 65 and became eligible to receive Medicare. Her doctors felt strongly that this wasn't an option for her because her cataracts were in extremely poor condition and if she waited any longer she would face serious complications including possible blindness. On February 17, Willidean went ahead with the surgery knowing that she would owe $6,000. She had no choice, she needed the surgery immediately whether she had the money or not. Fortunately, she was able to set up an agreement with the hospital and her doctor. She pays $85 a month toward her hospital bill and $65 a month toward her doctor bills.

These monthly payments on her limited income make it difficult to meet her daily expenses. She is forced to forego needed preventative care, such as regular checkups, which everyone should be entitled to. She saves every penny in order to pay for her eye drops which cost her $54 a month. When she discovered she needed the surgery, she began saving money for the glasses she would need after the operation which improved her vision. Her medical bills have eaten up these savings and she told my staff that, "If the Lions Club doesn't help with my glasses, I don't know where I'll get the money from."

"I feel cheated," Willidean explains in a letter she wrote to me earlier this year. "I've worked hard all my life. I see young people every day that are healthy and much more able to work than I am and they are getting help from the government. All I want is assistance to help me see again, is that too much to ask?"

Willidean Lopshire, and every family in America, deserves affordable coverage that provides basic health care services. Like Willidean, too many families are finding that health care coverage is out of their financial reach. Health care should not be a luxury available to some and not others. I will continue to do all that I can to bring down the skyrocketing costs of health insurance by supporting comprehensive reform of the current health care system.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

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

Calendar 43, Maj. Gen. Albert J. Edmonds, to be lieutenant general;

Calendar 44, Maj. Gen. Eugene E. Habiger, to be lieutenant general;

Calendar 45. Maj. Gen. Carl G. O'Berry, to be lieutenant general;

Calendar 46, Col. Charles R. Holland, to be brigadier general;

Calendar 47, Lt. Gen. J.H. Binford Peay III, to be general and Vice Chief of Staff, U.S. Army;

Calendar 48, Gen. Dennis J. Reimer, to be general;

Calendar 49, Maj. Gen. John H. Tilelli, Jr., to be lieutenant general;

Calendar 50, Rear Adm. David B. Robinson, to be vice admiral; and

Calendar 51, the officers named to be major general in the Marine Corps.

I further ask unanimous consent that the nominees be confirmed, en bloc, that any statements appear in the RECORD as if read, that the motions to reconsider be laid upon the table, en bloc, 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 nominations considered and confirmed en bloc are as follows:

IN THE AIR FORCE

The following-named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Albert J. Edmond[redacted], U.S. Air Force.

The following-named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Eugene E. Habige[redacted], U.S. Air Force.

The following-named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Carl G. O'Berry[redacted], U.S. Air Force.

The following-named officer for appointment to the U.S. Air Force to the grade of brigadier general under the provisions of title 10, United States Code, section 624:

To be brigadier general

Col. Charles R. Hollan[redacted] Regular Air Force.

IN THE ARMY

The following-named officer for appointment to the grade of general while assigned to a position of importance and responsibility under the provisions of title 10, United States Code, section 601 and section 3034:

To be general

To be Vice Chief of Staff, U.S. Army

Lt. Gen. J.H. Binford Peay, I[redacted], U.S. Army.

The following-named officer for reappointment to the grade of general while assigned to a position of importance and responsibility under title 10, United States Code, section 601(a):

To be general

Gen. Dennis J. Reime[redacted] U.S. Army.

The following-named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under title 10, United States Code, section 601(a):

To be lieutenant general

Maj. Gen. John H. Tilelli, J[redacted], U.S. Army.

IN THE NAVY

The following-named officer for appointment to the grade of vice admiral while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be vice admiral

Rear Adm. David B. Robinson, U.S. Navy, [redacted].

IN THE MARINE CORPS

The following-named officers for appointment in the U.S. Marine Corps under the provisions of title 10, United States Code, section 624:

To be major general

Brig. Gen. Jeffrey W. Oste[redacted].
Brig. Gen. Paul K. Van Ripe[redacted].
Brig. Gen. James R. Davi[redacted].
Brig. Gen. Paul A. Fratarangelo[redacted].
Brig. Gen. Marvin T. Hopgood, Jr.[redacted].
Brig. Gen. Richard I. Nea[redacted].
Brig. Gen. David A. Richwin[redacted].
Brig. Gen. Anthony C. Zinn[redacted].
Brig. Gen. Joseph D. Stewar[redacted].
Brig. Gen. Bertie D. Lync[redacted].
Brig. Gen. John H. Admir[redacted].

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will resume legislative session.

MEASURE HELD AT THE DESK—S. 664

Mr. MITCHELL. Madam President, I ask unanimous consent that S. 664, introduced earlier today by Senators METZENBAUM and THURMOND, be held at the desk pending further disposition.

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

Mr. THURMOND. Madam President, earlier today, along with Senator METZENBAUM, I introduced a technical amendment to section 8 of the Clayton Act. This technical amendment is identical to S. 3330 which was passed by the Senate last year. This legislation changes the date by which the Federal Trade Commission, each year, must publish revised jurisdictional threshold numbers for the Clayton Act's prohibition of interlocking directorates. This change is necessary because the Commission must base its threshold numbers on data from the Department of Commerce that is not available until after the date by which the law requires the Commission to act. I urge my colleagues to adopt this technical amendment.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Edwin R. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

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

MESSAGES FROM THE HOUSE

At 1:17 p.m., a message from the House of Representatives, delivered by Mr. Dendy, one of its clerks, announced that the House has passed the following measures, in which it requests the concurrence of the Senate:

H.R. 670. An act to require the Secretary of Health and Human Services to ensure that pregnant women receiving assistance under title X of the Public Health Service Act are provided with information and counseling regarding their pregnancies, and for other purposes.

H.J. Res. 150. Joint resolution designating April 2, 1993, as "Education and Sharing Day, U.S.A."

MEASURES REFERRED

The following measure, previously received from the House of Representatives for concurrence, was read, and referred as indicated:

H.R. 670. An act to require the Secretary of Health and Human Services to ensure that pregnant women receiving assistance under title X of the Public Health Service Act are provided with information and counseling regarding their pregnancies, and for other purposes; to the Committee on Labor and Human Resources.

MEASURES HELD AT THE DESK

The following bill was ordered held at the desk by unanimous consent:

S. 664. A bill making a technical amendment of the Clayton Act.

ENROLLED BILLS SIGNED

The messages also announced that the Speaker had signed the following enrolled bill:

H.R. 904. An act 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.

The enrolled bill was subsequently signed by the President pro tempore [Mr. BYRD].

SPECIAL REPORT

The following report of the committee was submitted:

By Mr. BIDEN, from the Committee on the Judiciary:

Special Report entitled "Report on the Activities of the Committee on the Judiciary of the United States Senate During the 102d Congress Pursuant to Rule XXVI of the Standing Rules of the United States Senate" (Rept. No. 103-30).

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. ROCKEFELLER:

S. 663. A bill to amend the Internal Revenue Code of 1986 to provide for refundable child credit and to increase the earned income tax credit for larger families, to provide for a demonstration program for payments in lieu of child support payments owed by absent spouses, to encourage creation of jobs for low-income unemployed, and for other purposes; to the Committee on Finance.

By Mr. METZENBAUM (for himself and Mr. THURMOND):

S. 664. A bill making a technical amendment of the Clayton Act; ordered held at the desk.

By Mr. MACK:

S. 665. A bill to provide for special immigrant status for certain aliens working as journalists in Hong Kong; to the Committee on the Judiciary.

By Mr. DANFORTH (for himself and Mr. BAUCUS):

S. 666. A bill to amend the Internal Revenue Code of 1986 to permanently extend and modify the credit for increasing research activities, and for other purposes; to the Committee on Finance.

By Mr. RIEGLE:

S.J. Res. 72. A joint resolution to designate the last week of September 1993, and the last week of September of 1994, as "National Senior Softball Week"; to the Committee on the Judiciary.

By Mr. RIEGLE (for himself, Mr. CHAFEE, Mr. METZENBAUM, Mr. DANFORTH, Mr. COHEN, Mr. HATCH, and Mr. COCHRAN):

S.J. Res. 73. A joint resolution to designate July 5, 1993, through July 12, 1993, as "National Awareness Week for Life-Saving Techniques"; to the Committee on the Judiciary.

By Mr. KENNEDY (for himself, Mrs. KASSEBAUM, Mr. SIMON, and Mr. SPECTER):

S.J. Res. 74. A joint resolution expressing the sense of the Senate regarding the Government of Malawi's arrest of opponents and suppression of freedoms, and conditioning assistance for Malawi; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ROCKEFELLER:

S. 663. A bill to amend the Internal Revenue Code of 1986 to provide for refundable child credit and to increase the earned income tax credit for larger families, to provide for a demonstration program for payments in lieu of child support payments owed by absent spouses, to encourage creation of jobs for low-income unemployed, and for other purposes; to the Committee on Finance.

FAMILY INCOME SECURITY ACT

Mr. ROCKEFELLER. Mr. President, in June 1991, I was proud to release the unanimous, bipartisan recommendations of the National Commission on Children in a bold report, "Beyond Rhetoric: A New American Agenda for Children and Families."

Our report outlined an aggressive blueprint to change policy and programs on all levels, and to promote the well-being of children and strengthen families. Since then, I have traveled across the country to promulgate the Commission's recommendations, and I have been truly heartened by the public's warm response to our call for action.

As Chairman of the National Commission on Children, I am deeply committed to following through on our report and intend to persist in transforming our bipartisan recommendations into law and reality.

The cornerstone of the Commission's report was its proposal to enhance income security for families with children. Americans understand that children need basic financial support, but our taxpayers want a responsible approach toward Federal assistance which emphasizes parental responsibility and promotes a transition from welfare to work.

The Family Income Security Act is comprehensive legislation to enact the goals of the Children's Commission. The fundamental principle of our income security package is that every child and every family in America deserves support. The time has come to shift our emphasis from punishing

some families, of whom some do not approve, to rewarding each family who embraces the values that we hold dear: Hard work, personal responsibility, and family stability.

The legislation includes four major provisions.

The first provision is a $1,000 refundable tax credit for each child, to replace the existing personal exemption which has lost value over time. A refundable tax credit is the same for each child, but its impact will help lower income families much more than the present exemption. These families truly need and deserve such support.

The legislation also calls for expansion and simplification of the earned income tax credit [EITC], an incentive that encourages self-sufficiency by assisting parents who play by the rules and work, but still have problems making ends meet and providing for their children.

Third, the package calls for tougher child support enforcement and a demonstration in several States of a child support insurance program; a government-insured minimum benefit for a parent who has a child support award but does not receive the support payments from the absent parent. Commissioners supported a demonstration of child support insurance with the strong hope that its results would lay the groundwork for a nationwide program.

Finally, the legislation would establish a community work demonstration using waivers to redirect Federal training funds to parents who are willing and able to work but cannot find a job in an economically depressed region.

As a comprehensive package, the Family Income Security Act will help all families with children. Middle-class families would keep more of what they earn. Lower income working families would be lifted out of poverty, the proper reward for work and responsibility. The tax credit would be provided to each child equally. Every child will benefit.

The commissioners visited Charleston, WV, during the course of our deliberations and each of us spent time visiting a family in their own home. These families volunteered to candidly talk with commissioners about their struggles to make ends meet on limited incomes. Sitting down with parents and children in their homes, we heard first hand how families juggle jobs and child care; how they decide which bills to pay and which ones must wait until the next payday; and what kind of personal toll this has on children and the family as a whole.

Based on our visit to West Virginia, hearings with testimony by experts, and indepth research, we developed this comprehensive package which envisions bold systemic reform. But I want to emphasize the point that we also can implement these provisions in incremental steps.

President Clinton has called for expansion of the EITC as part of his economic package, and I hope Congress will do its part to achieve this important goal. The President has also indicated his commitment to strengthen child support enforcement and reform welfare to provide opportunities and training for parents to move from welfare to work. Each initiative is an important step toward enacting the goals of the Children's Commission to strengthen income security for children and families.

I strongly endorse these efforts by President Clinton, and I believe expanding the EITC and strengthening child support enforcement are basic building blocks for a new foundation of income security for American children and families.

While it will take time to fulfill the complete vision of the Children's Commission's bold plan, I am encouraged. There is real potential to move forward on several fronts this year.

As chairman, I am committed to continue my efforts until we have achieved our goal of a strong income security plan for children and families.

Poverty among elderly Americans was substantially reduced in just two decades because our Nation made the economic well-being of seniors a high priority and followed through with the establishment and implementation of policies aimed at ensuring a basic income and protection from extraordinary medical expenses. The reduction in poverty of our seniors has been a historic achievement.

But our children are now the poorest group in our society with one out of every five children in our country growing up in poverty. This is tragic for children, and threatening for our country's future. A major challenge for the coming decade will be to mobilize the necessary political will to come to the aid of poor children and to ensure that all families raising children have the minimum financial resources required and the chance to reach their full potential.

We on the Commission honestly discussed and addressed the costs of our comprehensive income security proposals. But after intensive debate, we concluded that unless our Nation adopts a strategy to prevent poverty and ensure the economic security of all families with children, the long-term human and financial costs of our neglect will be far greater. Failure to support the development of the next generation and of the families that nurture them will compromise our Nation's future in the 21st century.

I offer this legislation to remind my colleagues and the American people of the direction that the National Commission on Children has recommended in the interest of all children and families. Our society has sadly neglected too many children and families, and must reorder its priorities and its values in order to build a future of productive citizens. It is my fervent hope that we will have the courage and the fortitude to shift course, and take steps like these crucial recommendations of the Children's Commission to build a fundamentally better future.

Mr. President, I ask unanimous consent that the full text of the bill be printed in the RECORD immediately following my remarks.

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

S. 663

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 "Family Income Security Act of 1993".

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

Sec. 1. Short title; table of contents.
Sec. 2. Findings and purpose.

TITLE I—REFUNDABLE CREDIT FOR CHILDREN

Sec. 101. Refundable credit for children.

TITLE II—EARNED INCOME TAX CREDIT INCREASED FOR LARGER FAMILIES.

Sec. 201. Earned income tax credit increased for larger families.

TITLE III—CHILD SUPPORT INSURANCE DEMONSTRATION PROJECTS

Sec. 301. Establishment of child support insurance demonstration projects.

TITLE IV—COMMUNITY EMPLOYMENT OPPORTUNITY DEMONSTRATION PROJECTS

Sec. 401. Establishment.
Sec. 402. Eligible economically depressed communities.
Sec. 403. Waivers.
Sec. 404. Use of amounts.
Sec. 405. Regulations.
Sec. 406. Plan of implementation and effect of title.
Sec. 407. Evaluation and report.

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) it is in the best interest of all Americans to ensure that children in the United States grow up in families that are financially able to meet the basic material needs of such children;

(2) poverty, hunger, and ill-health jeopardize the national productivity and security of the United States;

(3) the United States is the only advanced industrial democracy that lacks a universal system of income support for families raising children;

(4) children are the poorest Americans and are, therefore, among the most vulnerable citizens;

(5) families raising children have been disproportionately harmed by economic instability over the past decade;

(6) families raising children pay more than their fair share of the Federal tax burden;

(7) parents, regardless if such parents live together, have a responsibility to support their children financially, although many absent parents fail to meet this obligation;

(8) single-parent families are most vulnerable to poverty and financial hardship, especially if the absent parent does not contribute child support;

(9) the majority of poor families have at least one employed adult, and many families are unable to support their children adequately unless such families have more than one earner; and

(10) an adequate income can help foster family stability.

(b) PURPOSE.—To strengthen American families, encourage parental responsibility, meet the basic material needs of all children, and secure the Nation's future, it is the purpose of this Act to provide tax relief for families raising children, initiate demonstration programs to strengthen child support enforcement and guarantee a minimum level of support to all children of absent parents, and initiate demonstration programs to enable communities to create employment opportunities for low-income parents who are willing and able to work but experience difficulty entering the job market without aid.

TITLE I—REFUNDABLE CREDIT FOR CHILDREN

SEC. 101. REFUNDABLE CREDIT FOR CHILDREN.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to refundable credits) is amended by redesignating section 35 as section 36 and by inserting after section 34 the following new section:

"SEC. 35. CHILDREN UNDER AGE 19.

"(a) GENERAL RULE.—In the case of an eligible individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to $1,000 multiplied by the number of qualifying children of the taxpayer for such taxable year.

"(b) INFLATION ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 1994, the dollar amount contained in subsection (a) shall be increased by an amount equal to—

"(1) such dollar amount, multiplied by

"(2) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting 'calendar year 1993' for 'calendar year 1989' in subparagraph (B) thereof.

If any increase determined under the preceding sentence is not a multiple of $10, such increase shall be rounded to the nearest multiple of $10 (or if such increase is a multiple of $5, such increase shall be rounded to the next highest multiple of $10).

"(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) ELIGIBLE INDIVIDUAL.—The term 'eligible individual' has the meaning given to such term by section 32(c)(1) (determined without regard to subparagraphs (B) and (D) thereof).

"(2) QUALIFYING CHILD.—The term 'qualifying child' has the meaning given to such term by section 32(c)(3) (determined without regard to subparagraphs (C)(ii), (C)(iii), and (E) thereof).

"(3) CERTAIN OTHER RULES APPLY.—Subsections (d) and (e) of section 32 shall apply.

"(d) COORDINATION WITH MEANS-TESTED PROGRAMS.—Any refund made by reason of this section, and any payment made under section 3507A or 7524, shall be treated in the same manner as refunds made by reason of section 32 and payments made under 3507 for purposes of—

"(1) sections 402, 1612, and 1613 of the Social Security Act and title XIX of such Act, and

"(2) the laws referred to in paragraphs (1) through (5) of section 32(j).

"(e) COORDINATION WITH ADVANCE PAYMENTS OF CREDIT.—

"(1) RECAPTURE OF EXCESS ADVANCE PAYMENTS.—If any payment in excess of the amount of the credit allowable under this section is made to the individual by an employer under section 3507A or to the individual under 7524 during any calendar year, then the tax imposed by this chapter for the individual's last taxable year beginning in such calendar year shall be increased by the aggregate amount of such payments.

"(2) RECONCILIATION OF PAYMENTS ADVANCED AND CREDIT ALLOWED.—Any increase in tax under paragraph (1) shall not be treated as tax imposed by this chapter for purposes of determining the amount of any credit (other than the credit allowed by subsection (a)) allowable under this subpart.

"(f) REDUCTION OF CREDIT TO TAXPAYERS SUBJECT TO ALTERNATIVE MINIMUM TAX.—The credit allowed under this section for the taxable year shall be reduced by the amount of tax imposed by section 55 (relating to alternative minimum tax) with respect to such taxpayer for such taxable year."

(b) ADVANCE PAYMENT OF CREDIT.—

(1) IN GENERAL.—Chapter 77 of such Code is amended by inserting after section 7523 the following new section:

"SEC. 7524. ADVANCE PAYMENT OF CREDIT FOR CHILDREN UNDER AGE 19.

"(a) GENERAL RULE.—The Secretary of the Treasury shall make advance payments of refunds to which eligible taxpayers are entitled by reason of section 35.

"(b) ELIGIBLE TAXPAYER.—For purposes of this section, the term 'eligible taxpayer' means, with respect to any taxable year, any taxpayer if the taxpayer furnishes, at such time and in such manner as the Secretary may prescribe, to the Secretary such information as the Secretary may require in order to—

"(1) determine whether the taxpayer will be entitled to a refund by reason of section 35 for the taxable year,

"(2) verify the taxpayer's intention not to receive payments under section 3507A for the taxable year, and

"(3) estimate the amount of such refund.

"(c) QUARTERLY PAYMENTS.—The Secretary shall make the payments under this section on a quarterly basis in approximately equal amounts."

(2) REDUCTIONS IN WAGE WITHHOLDINGS.—

(A) IN GENERAL.—Chapter 25 of such Code is amended by inserting after section 3507 the following new section:

"SEC. 3507A. ADVANCE PAYMENT OF CREDIT FOR CHILDREN UNDER AGE 19.

"(a) GENERAL RULE.—Except as otherwise provided in this section, every employer making payment of wages to an employee with respect to whom a child tax credit eligibility certificate is in effect shall, at the time of paying such wages, make an additional payment to such employee equal to such employee's child tax credit advance amount.

"(b) CHILD TAX CREDIT ELIGIBILITY CERTIFICATE.—For purposes of this title, a child tax credit eligibility certificate is a statement furnished by an employee to the employer which—

"(1) certifies that the employee will be eligible to receive the credit provided by section 35 for the taxable year and declares the employee's intention not to receive payments under section 7524 for the taxable year,

"(2) certifies that the employee does not have a child tax credit eligibility certificate in effect for the calendar year with respect to the payment of wages by another employer, and

"(3) states whether or not the employee's spouse has a child tax credit eligibility certificate in effect.

For purposes of this section, a certificate shall be treated as being in effect with respect to a spouse if such a certificate will be in effect on the first status determination date following the date on which the employee furnished the statement in question.

"(c) CHILD TAX CREDIT ADVANCE AMOUNT.—For purposes of this title, the term 'child tax credit advance amount' means, with respect to any payroll period, the amount determined—

"(1) on the basis of the number of the employee's qualifying children (as defined in section 35(c)(2), and

"(2) if a child tax credit eligibility certificate is in effect with respect to the spouse of the employee, as if the credit provided by section 35 were a credit of not more than ½ of the amount otherwise determined under such section.

"(d) CERTAIN RULES TO APPLY.—Rules similar to the rules of subsections (d) and (e) of section 3507 shall apply for purposes of this section. Proper adjustments shall be made in the application of such rules under this section to take into account payments under section 3507."

(B) INFORMATION SHOWN ON W-2.—Subsection (a) of section 6051 of such Code (relating to receipts to employees) is amended by striking "and" at the end of paragraph (8), by striking the period at the end of paragraph (9) and inserting ", and" and by inserting after paragraph (9) the following new paragraph:

"(10) the total amount paid to the employee under section 3507A (relating to advance payment of child tax credit)."

(C) REQUIREMENT OF RETURN.—Subsection (a) of section 6012 of such Code (relating to persons required to make returns of income) is amended by inserting after paragraph (9) the following new paragraph:

"(10) Every individual who receives payments during the calendar year in which the taxable year begins under section 3507A (relating to advance payment of child tax credit)."

(D) CROSS REFERENCE.—Subsection (e) of section 6302 of such Code (relating to mode or time of collection) is amended by adding at the end thereof the following new paragraph:

"(3) For treatment of child tax credit advance amount as payment of withholding and FICA taxes, see section 3507A(d)."

(c) DENIAL OF DEDUCTION FOR PERSONAL EXEMPTIONS FOR WHICH CREDIT ALLOWED.—Section 151(d) of such Code is amended by redesignating paragraph (4) as paragraph (5) and by inserting after paragraph (3) the following new paragraph:

"(4) DENIAL OF DEDUCTION FOR PERSONAL EXEMPTIONS FOR WHICH CREDIT ALLOWED.—The exemption amount for any qualifying child (as defined in section 35(c)(2)) shall be zero."

(d) TECHNICAL AMENDMENT.—Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting before the period "or from section 35 of such Code".

(e) CLERICAL AMENDMENTS.—

(1) The table sections for subpart C of part IV of subchapter A of chapter 1 of such Code is amended by striking the item relating to section 35 and inserting the following:

"Sec. 35. Children under age 19.

"Sec. 36. Overpayments of tax."

(2) The table sections for chapter 77 of such Code is amended by inserting after the item relating to section 7523 the following new item:

"Sec. 7524. Advance payment of credit for children under age 19."

(3) The table sections for chapter 25 of such Code is amended by inserting after the item relating to section 3507 the following new item:

"Sec. 3507A. Advance payment of credit for children under age 19."

(f) PROGRAM TO INCREASE PUBLIC AWARENESS.—Not later than the first calendar year following the date of the enactment of this Act, the Secretary of the Treasury and the Commissioner of the Internal Revenue Service, in consultation with the Secretary of Health and Human Services, the Commissioner of Social Security, and the heads of other appropriate Federal agencies, shall establish a taxpayer awareness program to inform the public of the availability of the credit for children allowed under section 35 of the Internal Revenue Code of 1986, as added by this section. Such program shall be designed to assure that individuals who may be eligible are informed of the availability of such credit and filing procedures. Such program shall also be coordinated with the program to increase public awareness of the availability of the earned income credit allowed under section 32 of such Code. The Secretary shall use appropriate means of communication to aggressively disseminate the necessary information to carry out the provisions of this subsection.

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1993.

TITLE II—EARNED INCOME TAX CREDIT INCREASED FOR LARGER FAMILIES

SEC. 201. EARNED INCOME TAX CREDIT INCREASED FOR LARGER FAMILIES.

(a) IN GENERAL.—Subparagraph (C) of section 32(b)(1) of the Internal Revenue Code of 1986 (relating to basic earned income credit) is amended to read as follows:

"(C) PERCENTAGES.—For purposes of this paragraph—

"(i) IN GENERAL.—Except as provided in clause (ii), the percentages shall be determined as follows:

"In the case of an eligible individual with:	The credit percentage is:	The phaseout percentage is:
1 qualifying child	23	16.43
2 qualifying children	25	17.86
3 or more qualifying children	29	20.71

"(ii) TRANSITION PERCENTAGES.—

"(I) For taxable years beginning in 1994, the percentages are:

"In the case of an eligible individual with:	The credit percentage is:	The phaseout percentage is:
1 qualifying child	17.6	12.57
2 qualifying children	18.4	13.14
3 or more qualifying children	21.0	15.00

"(II) For taxable years beginning in 1995:

"In the case of an eligible individual with:	The credit percentage is:	The phaseout percentage is:
1 qualifying child	18.5	13.21
2 qualifying children	19.5	13.93
3 or more qualifying children	23.0	16.43."

(b) REPEAL OF INTERACTION WITH MEDICAL EXPENSE DEDUCTION.—Section 213 of the Internal Revenue Code of 1986 (relating to medical, dental, etc., expenses) is amended by striking subsection (f).

(c) REPEAL OF INTERACTION WITH DEDUCTION FOR HEALTH INSURANCE COSTS OF SELF-EMPLOYED.—Paragraph (3) of section 162(l) of such Code is amended to read as follows:

"(3) COORDINATION WITH MEDICAL DEDUCTION.—Any amount paid by a taxpayer for insurance to which paragraph (1) applies shall not be taken into account in computing the amount allowable to the taxpayer as a deduction under section 213(a)."

(d) REPEAL OF INTERACTION WITH DEPENDENT CARE CREDIT.—Subparagraph (D) of section 32(b)(1) of such Code is amended by striking the last sentence.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1993.

TITLE III—CHILD SUPPORT INSURANCE DEMONSTRATION PROJECTS

SEC. 301. ESTABLISHMENT OF CHILD SUPPORT INSURANCE DEMONSTRATION PROJECTS.

(a) IN GENERAL.—In order to encourage States to guarantee a minimum level of child support for every eligible child not receiving such support from a noncustodial parent, the Secretary of Health and Human Services (hereafter in this section referred to as the "Secretary") shall make grants to not less than 4 States but not more than 6 States to conduct demonstration projects for purposes of establishing or improving a system of insured minimum child support payments in accordance with this section.

(b) CONTENTS OF APPLICATION.—An application submitted by the Governor of a State shall—

(1) contain a description of the proposed child support insurance project to be established, implemented, or improved using amounts provided under this section, including the specific activities to be undertaken and the agencies to be involved;

(2) specify whether the project will be carried out throughout the State or in limited areas of the State;

(3) estimate the number of children who will be eligible for insured minimum child support payments under the project, and the amounts to which they will be entitled, on average as individuals and in the aggregate;

(4) describe the child support guidelines and review procedures which are in use in the State and any expected modifications;

(5) contain a commitment by the State to carry out the project during a period of 3 consecutive years beginning with fiscal year 1994;

(6) contain assurances that the State is currently at or above the national median in—

(A) the percentage of cases in which paternity is established when required;

(B) the percentage of cases in which child support orders are obtained; and

(C) the percentage of cases with child support orders in which collections are made;

(7) contain assurances that, to the maximum extent possible under current law, the State will use Federal, State, and local job training assistance to assist individuals who have been determined to be unable to meet such individuals' child support obligations;

(8) describe the extent to which multiple agencies, including those responsible for administering the Aid to Families With Dependent Children Program under part A of title IV of the Social Security Act and child support collection, enforcement, and payment under part D of such title, will be involved in the design and operation of the child support insurance project; and

(9) contain such other information as the Secretary may require by regulation.

(c) USE OF FUNDS.—A State shall use amounts provided under a grant awarded under this section to carry out a child support insurance project designed to provide a minimum monthly child support benefit for each eligible child in the State to the extent that such minimum child support is not paid in a month by the noncustodial parent.

(d) REQUIREMENTS.—

(1) IN GENERAL.—A child support insurance demonstration project funded under this section shall provide that—

(A) any child (as defined in paragraph (2)) with a living noncustodial parent for whom a child support order has been obtained or any child (as so defined) whose custodial parent meets "good cause" criteria (as determined by the Secretary under section 402(a)(26)(B) of the Social Security Act) for not seeking or enforcing a support order is eligible for the insured child support benefit;

(B) the insured child support benefit shall be paid promptly to the custodial parent at least once a month and shall be—

(i) $1,500 per year minimum for the first child, $1,000 per year minimum for the second child, and $500 per year minimum for each subsequent child;

(ii) offset and reduced to the extent that the custodial parent receives child support in a month from the noncustodial parent;

(iii) indexed and adjusted for inflation; and

(iv) in the case of a family of children with multiple noncustodial parents, calculated in the same manner as if all such children were full siblings, but any child support payment from a particular noncustodial parent shall only be applied against the child support insured benefit for the child or children of that particular noncustodial parent;

(C) except in a State described in section 402(a)(28) of the Social Security Act, the monthly amount of Aid to Families With Dependent Children benefit received under part A of title IV of the Social Security Act otherwise determined under such part shall be reduced by the applicable percentage (as determined in paragraph (3)) of the amount received as a child support insurance benefit for such month;

(D) for purposes of determining the need of a child or relative and the level of assistance under title IV of the Social Security Act or for purposes of determining the eligibility of such a child or relative under title XIX of such Act any amount received as a child support insurance benefit shall be disregarded from income of such child or relative;

(E) in the event that the family as a whole becomes ineligible for Aid to Families With Dependent Children under part A of the Social Security Act due wholly or partly to consideration of child support insurance benefits, the continuing eligibility of the caretaker for Aid to Families With Dependent Children under such title shall be calculated without consideration of the child support insured benefit; and

(F) in order to participate in the child support insurance project, the child's caretaker shall apply for services of the State's child support enforcement program under part D of title IV of the Social Security Act.

(2) CHILD DEFINED.—For purposes of this section, the term "child" means an individual who is of such an age, disability, or educational status as to be eligible for child support as provided for by the law of the State in which such individual resides.

(3) DETERMINATION OF APPLICABLE PERCENTAGE.—For purposes of this section, the applicable percentage shall be determined by the Secretary, except that in demonstration projects in at least 3 States, the applicable

percentage shall be 0, 50, and 100, respectively.

(e) CONSIDERATION AND PRIORITY OF APPLICATIONS.—

(1) IN GENERAL.—The Secretary shall consider all applications received from States desiring to conduct demonstration projects under this section and shall approve not more than 6 applications which appear likely to contribute significantly to the achievement of the purpose of this section. In selecting States to conduct demonstration projects under this section, the Secretary shall—

(A) consider the geographic dispersion and variation in population of the applicants;

(B) give priority to States the applications of which demonstrate that efforts will be made to link child support systems with other service delivery systems; and

(C) ensure that, if feasible, the States selected use a variety of administrative arrangements for implementing child support guidelines and a system of insured child support payments.

(2) SPECIFIC CONSIDERATIONS.—Of the States selected to participate in the demonstration projects conducted under this section, the Secretary shall endeavor to ensure that—

(A) at least 2 States provide intensive integrated social services for low-income participants in the child support insurance project, for the purpose of assisting such participants in improving their employment, housing, health, and educational status;

(B) at least 2 States plan to cooperate and to integrate interstate establishment and enforcement of child support awards;

(C) at least 2 States containing large urban areas conduct such projects, in whole or in part, in such areas; and

(D) at least 1 State containing large rural areas conduct such a project, in whole or in part, in such areas.

(f) EVALUATION AND REPORTS.—

(1) IN GENERAL.—Each State that conducts a demonstration project under this section shall, as a part of such demonstration project, conduct an interim and a final evaluation of the effectiveness of the demonstration project and shall submit an interim and final report to the Secretary concerning the results of the evaluation and any improvements in child support enforcement. The interim report shall be submitted within 15 months of the commencement of the project.

(2) CONTENTS.—The evaluation and report submitted by a State to the Secretary shall analyze and describe (in such a manner as prescribed by the Secretary)—

(A) the impact of the child support insurance project on the economic and noneconomic well-being of children and adults in both custodial and noncustodial households;

(B) the work force participation rates of both custodial and noncustodial parents as a result of participation in the child support insurance project;

(C) the impact of the child support insurance project on Aid to Families With Dependent Children participation rates, grants, and funding levels;

(D) a comparison of enforcement effectiveness in intrastate and interstate cases;

(E) the impact on custodial and noncustodial families of access to intensive integrated services for custodial families and to job training services for noncustodial parents;

(F) the impact of child support guidelines on the effectiveness of the child support insurance project and the economic well-being of children and adults in both custodial and noncustodial families;

(G) administrative policies and laws of the Federal Government and the State or a political subdivision of the State, identified by the State as impediments to the collection of adequate child support payments from noncustodial parents;

(H) the measures that the State has taken or intends to take to eliminate or reduce impediments described in subparagraph (G) that are attributable to administrative policies and laws of the State or a political subdivision of the State;

(I) the impact of the child support insurance projects on the number of child support awards and custody arrangements;

(J) the net costs and benefits of providing child support insurance benefits to the Federal and State governments and to recipient families; and

(K) any other relevant items as the Secretary may require.

(g) DURATION.—A demonstration project conducted under this section shall be commenced not later than fiscal year 1994 and shall be conducted for a period of 3 consecutive years, except that the Secretary may terminate a project before the end of such period if the Secretary determines that the State conducting the project is not in substantial compliance with the terms of the application approved by the Secretary under this section.

(h) COST SAVINGS RECOVERY.—The Secretary shall develop a methodology to identify any State cost savings realized in connection with the implementation of a child support insurance demonstration project conducted under this Act. Any such savings realized as a result of the implementation of a child support insurance demonstration project shall be utilized for child support enforcement improvements or expansions and improvements in the Aid to Families With Dependent Children Program conducted under part A of title IV of the Social Security Act within the participating State, and Federal expenditures for such project within the State shall be reduced in proportion to any such savings.

(i) EVALUATION AND REPORT TO CONGRESS.—The Secretary shall conduct an interim and a final evaluation of each State child support insurance demonstration project and submit an interim and final report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives concerning the effectiveness of the child support insurance demonstration projects funded under this section. The interim report shall be submitted within 18 months of the commencement of the first State child support insurance demonstration project. The interim and final reports shall analyze the reports received by the Secretary under subsection (f) from each participating State and shall compare the effects of different types of child support guidelines.

(j) RESTRICTIONS ON MATCHING AND USE OF FUNDS.—

(1) IN GENERAL.—A State conducting a demonstration project under this section shall be required—

(A) except as provided in paragraph (2), to provide not less than 20 percent of the total amounts expended in each calendar year of the project to pay the costs associated with the project funded under this section; and

(B) to maintain its level of expenditures for child support collection, enforcement, and payment at the same level, or at a higher level, than such expenditures were prior to such State's participation in a demonstration project provided by this section.

(2) EXCEPTION.—A State participating in a demonstration project under this section may provide not less than 10 percent of the total amounts expended to pay the costs associated with the project funded under this section in years after the first year such project is conducted in such State if the State continues to meet the standard specified in subsection (b)(6).

(k) COORDINATION WITH CERTAIN MEANS-TESTED PROGRAMS.—For purposes of—

(1) the United States Housing Act of 1937;

(2) title V of the Housing Act of 1949;

(3) section 101 of the Housing and Urban Development Act of 1965;

(4) sections 221(d)(3), 235, and 236 of the National Housing Act;

(5) the Food Stamp Act of 1977;

(6) titles XVI and XIX of the Social Security Act; and

(7) child care assistance provided through part D of title IV of the Social Security Act, the Child Care and Development Block Grant, or title XX of the Social Security Act,

any payment made to an individual for child support up to the amount which a child support insurance benefit would provide shall not be treated as income and shall not be taken into account in determining resources for the month of its receipt and the following month.

(l) TREATMENT AS CHILD SUPPORT BENEFIT.—Any insured child support benefit received by an individual under this title shall be considered child support for purposes of the Internal Revenue Code of 1986.

(m) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated such sums as may be necessary in each of the fiscal years 1994, 1995, and 1996 to carry out the purposes of this section.

TITLE IV—COMMUNITY EMPLOYMENT OPPORTUNITY DEMONSTRATION PROJECTS

SEC. 401. ESTABLISHMENT.

The Secretary of Health and Human Services and the Secretary of Labor (hereafter referred to in this title as the "Secretaries"), in consultation with the Secretary of Agriculture, shall establish a program to implement community employment demonstration projects under which waivers may be granted under section 403 to eligible economically depressed communities to enable such communities to use amounts received under certain Federal programs to carry out certain community employment activities to provide opportunities for parents receiving welfare assistance to obtain employment.

SEC. 402. ELIGIBLE ECONOMICALLY DEPRESSED COMMUNITIES.

(a) IN GENERAL.—The Secretaries shall determine whether a community is an eligible economically depressed community solely on the basis of the eligibility criteria described in this section.

(b) ELIGIBILITY CRITERIA.—To be classified as an economically depressed community and be eligible for a waiver under this title, a community shall meet the following criteria:

(1) APPLICATION.—The community shall prepare and submit to the Secretaries an application at such time, in such manner and containing such information as such Secretaries may require, including a plan for use of the amounts to which a waiver applies under this title.

(2) DISTRESS.—The community must be one of pervasive poverty, unemployment, and general distress.

(3) LOCATION.—The community must be located entirely within one State.

(4) UNEMPLOYMENT RATE.—The unemployment rate (as determined by the appropriate available data) of the community must not be less than 1.5 times the national unemployment rate.

(5) POVERTY RATE.—The poverty rate (as determined by the most recent census data available) for not less than 90 percent of the population census tracts (or where not tracted, the equivalent county divisions as defined by the Bureau of the Census for the purposes of defining poverty areas) within the community must not be less than 20 percent.

SEC. 403. WAIVERS.

(a) AUTHORITY.—The Secretaries may grant a waiver to an eligible economically depressed community under this title that shall provide that, instead of any payments made under the programs specified in subsection (b) with respect to such community for the uses required under such program, such payments shall be made to such community to be used as provided under section 404. Such payments shall be made on such a periodic basis as approximates the periodic payments made under such programs.

(b) PROGRAMS INCORPORATED.—The programs described in subsection (a) are as follows:

(1) Programs designed solely for adult participation under the Job Training Partnership Act.

(2) Employment and training programs under section 6(d) of the Food Stamp Act of 1977.

(3) Programs under part F of title IV of the Social Security Act.

(c) DETERMINATION.—

(1) IN GENERAL.—The Secretaries, in consultation with the Secretary of Agriculture, shall promulgate regulations for determining the amount of payments to which a waiver granted under this section applies.

(2) DEDUCTION FROM PAYMENTS MADE TO STATES.—Regulations promulgated under paragraph (1) shall prescribe procedures under which, with respect to the programs described in subsection (b), the respective Secretaries that administer such programs shall—

(A) determine the amount of payments under such programs that are generally made available by a State to an eligible economically depressed community; and

(B) ensure that such amounts are provided by the State to such community for use as provided for in section 404.

(d) NUMBER.—The Secretaries shall grant not less than 15 nor more than 25 waivers under this section.

SEC. 404. USE OF AMOUNTS.

(a) IN GENERAL.—Subject to subsection (b), an economically depressed community that receives a waiver under this title shall use the amounts to which such waiver applies to carry out activities to provide public employment and community work opportunities to assist parents residing in such community to make the transition from receiving assistance under part A of title IV of the Social Security Act or the Food Stamp Act of 1977 to being a member of the workforce.

(b) LIMITATIONS.—

(1) USEFUL PUBLIC PURPOSE.—Employment and work opportunities provided under subsection (a) shall be limited to those that serve a useful public purpose, as determined by the Secretaries, with respect to the areas of health, social services, environmental protection, education, urban and rural development and redevelopment, welfare, recreation, public facilities, public safety, and child care.

(2) DISPLACEMENT OF WORKERS.—No amounts to which a waiver under this title applies shall be used in a manner that results in—

(A) the displacement of any currently employed worker or position (including partial displacement such as a reduction in the hours of nonovertime work, wages, or employment benefits) or result in the impairment of existing contracts for services or collective bargaining agreements;

(B) the employment or assignment of any individual or the filling of a position when—

(i) any other individual is on layoff from the same or any equivalent position; or

(ii) the employer has terminated the employment of any regular employee or otherwise reduced its workforce with the effect of filling the vacancy so created with an individual subsidized with amounts to which the waiver applies;

(C) any infringement of the promotional opportunities of any currently employed individual; or

(D) the promotion or deterrence of labor union organization.

(3) LOCAL WAGE RATES.—Wages shall be provided to individuals engaged in activities funded with amounts to which a waiver provided under this title applies in amounts that are comparable to wages provided to other individuals in the community who are engaged in similar employment activities. No individual shall be required to engage in activities funded with amounts to which a waiver provided under this title applies if wages for such activities are less than the level of assistance under part A of title IV of the Social Security Act to which such individual is eligible.

(4) FAMILY SUPPORT SERVICES.—Each community that is granted a waiver under this title shall guarantee that appropriate child or other care is provided for each family with a dependent child or adult requiring such care, to the extent such care is necessary for an adult in the family to accept employment or remain employed with respect to the activities funded with amounts to which such waiver applies. Such child care shall be provided in a manner that is consistent with the provisions of the Child Care and Development Block Grant Act of 1990, and shall include coverage for transportation and other work-related expenses relating to such care in a manner consistent with section 402(g) of the Social Security Act.

SEC. 405. REGULATIONS.

The Secretaries, in consultation with the Secretary of Agriculture, shall promulgate regulations that such Secretaries determine necessary to carry out this title. Such regulations shall ensure that individuals in an economically depressed community that receives a waiver under this title will continue to receive a level of benefits that, at a minimum, is comparable to the level of benefits that otherwise would be received under the programs described under section 403(b) if such waiver were not granted. Such regulations shall also permit waivers of certain requirements under the programs referred to in section 403(b) with respect to States and communities participating in projects under this title, including requirements concerning the provision of matching funds and concerning mandatory participation rates.

SEC. 406. PLAN OF IMPLEMENTATION AND EFFECT OF TITLE.

(a) PLAN.—Not later than 6 months after the date of enactment of this title, the Secretaries shall prepare and submit to the appropriate committees of Congress a plan for the implementation of the demonstration projects established by the Secretaries under this title. Such plan shall contain—

(1) a description of the manner in which such Secretaries intend to implement such project;

(2) a copy of the regulations that such Secretaries intend to promulgate to carry out such project; and

(3) an estimation of the number of applications that such Secretaries expect to receive from communities for waivers under this title and a description of the activities that will be carried out with amounts to which any such waivers will apply.

(b) EFFECTIVENESS.—If, within 3 months after the date on which the plan of the Secretaries is submitted under subsection (a), the Congress has failed to consider and adopt a joint resolution for refusal of implementation or to modify such plan, such plan shall take effect.

SEC. 407. EVALUATION AND REPORT.

(a) EVALUATION.—The Secretaries, in consultation with the Secretary of Agriculture shall maintain an ongoing evaluation of the projects funded under this title.

(b) REPORT.—Not later than 3 years after the date of enactment of this title, the Secretaries, in consultation with the Secretary of Agriculture shall prepare and submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report concerning the effects of the waivers granted to communities under this title, that shall include the results of the evaluation conducted under subsection (a).

By Mr. MACK:

S. 665. A bill to provide for special immigrant status for certain aliens working as journalists in Hong Kong; to the Committee on the Judiciary.

HONG KONG FREEDOM ACT OF 1993

• Mr. MACK. Mr. President, the British Governor of Hong Kong, Chris Patten has been valiantly struggling to solidify democracy in Hong Kong. He has made modest proposals to make Hong Kong's legislature more democratic. The Chinese Government has reacted to Patten's proposals, and its reaction does not bode well for Hong Kong's future under Chinese sovereignty after 1997.

China has threatened, in response to Governor Patten's proposals, to set up a shadow Chinese Government for Hong Kong. I think this is outrageous, and that the United States Congress must respond to the Chinese Government naked threats against Hong Kong democracy.

There is something that we in Congress can do to, in a small but significant way, help Hong Kong remain free despite the bullies in Beijing. Mr. President, on March 9 a distinguished colleague of ours on the House side, Congressman JOHN PORTER of Illinois, introduced a bill to help guarantee freedom of the press in Hong Kong. Today I rise to introduce the same bill in the Senate.

In 1997 the British colony of Hong Kong will become a "Special Administrative Region" of China. Though the

transfer of sovereignty is over four years away, the communist government of China is already giving the free people of Hong Kong a taste of things to come.

Today's Hong Kong has one of the freest, most vibrant and sophisticated press corps in the world. This small territory of only 6 million people has 70 daily newspapers, 600 periodicals, 2 private television companies, 1 government radio and television station, and 2 private radio stations. The Hong Kong media have been part of Hong Kong's commercial success and are critical to maintaining its success and basic freedoms in the future.

Recently, the Chinese Government has been monitoring the Hong Kong press and getting the word out in subtle and non-so-subtle ways that it does not appreciate criticism of the dictators in Beijing, or even expressions of support for greater democracy in Hong Kong. Chinese Government officials have proposed legal actions against Hong Kong publications for publishing unfavorable comments about Beijing officials. A 1990 survey by a Hong Kong university of 522 Hong Kong reporters found that 7 out of 10 reporters surveyed believed that press freedom would be curtailed after 1997. Some reporters, understandably, are beginning to exercise self-censorship out of fear for their own and their families fate after 1997.

The purpose of the bill I am introducing today is to help alleviate the intimidation that the Chinese authorities are now exercising against the Hong Kong press. The bill will extend up to 1,500 visas to Hong Kong reporters and their families. The visas could be used at any time between January 1, 1997 and January 1, 2002. The visas could be issued to any resident of Hong Kong, whether they are a Hong Kong or Chinese national, who have been journalists for a least 3 years and whose vocation is likely to subject them to harassment or worse.

I understand that 1,500 visas could provide a safe haven for 300 to 500 key journalists and their families. Our hope in introducing this bill, however, is that the visas provided for will be a safety net that allows journalists to stay in Hong Kong and write, speak, and broadcast the unvarnished truth about China and Hong Kong. The purpose of this bill is not to encourage Hong Kong journalists to emigrate to the United States. The purpose is to increase the freedom of the press in Hong Kong, which is critical to maintaining the freedom of all Hong Kong people.

Mr. President, the Chinese threats, stonewalling, and posturing in response to Governor Patten's support for democracy in Hong Kong should outrage freedom-loving people everywhere. I hope that this bill will make a concrete contribution to promoting freedom in Hong Kong. I thank you for your attention, encourage our colleagues to cosponsor this bill to promote press freedom in Hong Kong, and ask unanimous consent that the bill be printed in the RECORD.

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

S. 665

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

SECTION 1. SPECIAL IMMIGRANT STATUS FOR CERTAIN ALIENS WORKING AS JOURNALISTS IN HONG KONG.

(a) IN GENERAL.—Subject to subsection (c), an alien described in subsection (b) shall be treated as a special immigrant described in section 101(a)(27) of the Immigration and Nationality Act.

(b) ALIENS COVERED.—An alien is described in this subsection if the alien is—

(1) a journalist residing in Hong Kong—

(A) who is a national of Hong Kong or China;

(B) whose principal employment or source of income has been the news media (including print, radio, and television) in Hong Kong for at least 3 years prior to an application for special immigrant status under this section; and

(C) whose welfare or safety is likely to be subject to threats or harassment due directly to the journalist's work in the news media in Hong Kong; or

(2) the spouse or child (as defined in subsection (e)) of an alien described in paragraph (1), if accompanying or following to join the alien in coming to the United States.

(c) PERIOD OF VALIDITY.—

(1) The period of validity of a special immigrant visa issued under this section shall be on and after January 1, 1997, and before January 1, 2002.

(2) Before the date an alien seeks to be admitted to the United States as a special immigrant under this section, the alien shall notify the appropriate consular officer of the alien's intention to seek such admission and provide such officer with such information as the officer determines to be necessary to verify that the alien remains eligible for admission to the United States as an immigrant.

(d) NUMERICAL LIMITATIONS.—Not more than 1,500 visas shall be made available to aliens as special immigrants under this section. Aliens admitted under this section shall not be counted against any numerical limitation established under section 201 or 202 of the Immigration and Nationality Act.

(e) TREATMENT OF CHILDREN.—In this section, the term "child" has the meaning given such term in section 101(b)(1) of the Immigration and Nationality Act and also includes (for purposes of this section and the Immigration and Nationality Act as it applies to this section) an alien who was the child (as so defined) of the alien as of the date of the issuance of an immigrant visa to the alien described in subsection (b)(1).•

By Mr. DANFORTH (for himself and Mr. BAUCUS):

S. 666. A bill to amend the Internal Revenue Code of 1986 to permanently extend and modify the credit for increasing research activities, and for other purposes; to the Committee on Finance.

RESEARCH AND DEVELOPMENT ENHANCEMENT ACT OF 1993

• Mr. DANFORTH. Mr. President, America's leadership in science and technology is critical to the future of the economy.

To the extent that researchers in American laboratories are able to pioneer the new technologies, processes, and products that will drive global markets, we will be able to offer skilled and highly paid jobs to the next generation of our people.

Many of America's core industries are built, literally, on the foundation of research and development. The electronics industry in all its aspects, the aerospace industry, chemicals, scientific and technical instruments, health technology, the burgeoning field of telecommunications—each of these key economic sectors owes its existence to the work of scientists, engineers, and technicians in the private and public sectors.

To the extent that we rob research and development of the resources needed to meet the challenges of the international marketplace, we will drain vitality from the most imaginative and dynamic sectors of the economy.

American success in the contest for leadership in science and technology, is by no means assured. As a percentage of sales, U.S. firms spend only about one-third as much as their German counterparts on research and development, and only about two-thirds as much as Japanese firms.

This disparity in R&D is even more worrisome when one considers that foreign competitors enjoy access to lower cost capital than U.S. firms, and that other governments have made growth in high technology industries a national priority.

A permanent tax credit for research and development, designed to meet the rapidly changing circumstances of global competition, must be a cornerstone of any long-term program for the health and competitiveness of the economy. I am delighted to join with Senator BAUCUS and others to introduce legislation to make the R&D credit permanent and improve the credit in several respects. Representatives PICKLE and ARCHER are introducing companion legislation in the House.

As sponsors of this legislation, we recognize clearly the importance of high technology industries to national defense; the potential for creating high quality new jobs for our people; and the key role of R&D in creating economic growth. Advances in research and development account for about one-third of the gains in manufacturing productivity registered in the post World War II period. Continued gains in productivity are indispensable to the success of technology-based industries and to the strength of the economy. Therefore, our goal is encourage American research and development with a permanent, well-designed and responsive tax credit for new R&D.

I welcome the President's strong support for a permanent R&D credit. I be-

lieve that our proposal is fully consistent with the administration's goals, and I look forward to working with Secretary Bentsen and others in the course of the legislative process.

To summarize, these are the principal provisions of the legislation:

The R&D credit, which was among the provisions that expired last June 30, will be made permanent.

Taxpayers will be permitted to update their base period so that future use of the credit will not be limited or denied due to unusual economic or business circumstances in the 1980's. Ten years from today, and beyond, it will make even less sense to use the arbitrary current base period of 1984–88 for calculating the credit. A provision for updating the base period is one of the most important changes we can make in the credit. In addition, updating the base period will occur when taxpayers continue to increase R&D spending, but no longer benefit from the credit for other business reasons.

Many taxpayers are denied use of the R&D credit because they pay the alternative minimum tax, sometimes because of poor earnings and/or major capital investments. The R&D conducted by these taxpayers is at least as valuable as that of taxpayers who pay regular tax. Moreover, many of them are in greater need of incentives to foster new investments in R&D. Under our bill, such taxpayers will be able to offset a portion of their AMT liability with the R&D credit.

For certain small businesses, the bill provides a flat-rate credit for research and development. This will simplify calculation of the credit for small businesses and encourage them to take the risk of investing in new technology.

The U.S. Government will be shifting funds from defense-related technologies to research with potential commercial applications. Accordingly, companies with a strong history of defense-related R&D, including aerospace firms, will be transferring resources to commercial R&D. To enable them to make use of the R&D credit, our legislation permits such taxpayers to calculate the credit without reference to their previous defense-related expenditures.

Finally, this legislation encourages companies to work together collaboratively on R&D programs, pooling resources, talent, know-how, and experience.

I appreciate the work of Senator BAUCUS, Representatives PICKLE and ARCHER, their staffs, and many others in fashioning what I believe is a forward-looking and effective program to help maintain American preeminence in the development of new knowledge and new products.

I ask unanimous consent that the text of the Research and Development Enhancement Act of 1993 appear in the RECORD at the conclusion of my remarks.

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

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

SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE.

(a) SHORT TITLE.—This Act may be cited as the "Research and Development Enhancement Act of 1993".

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

SEC. 2. PERMANENT EXTENSION AND MODIFICATION OF RESEARCH CREDIT.

(a) PERMANENT EXTENSION.—

(1) IN GENERAL.—Section 41 (relating to credit for increasing research activities) is amended by striking subsection (h).

(2) CONFORMING AMENDMENT.—Section 28(b)(1) (relating to qualified clinical testing expenses) is amended by striking subparagraph (D).

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to amounts paid or incurred after June 30, 1992.

(b) CREDIT MAY OFFSET 50 PERCENT OF MINIMUM TAX.—Section 38(c) (relating to limitation based on amount of tax) is amended by redesignating paragraph (2) as paragraph (3) and by inserting after paragraph (1) the following new paragraph:

"(2) RESEARCH CREDIT MAY OFFSET 50 PERCENT OF MINIMUM TAX.—

"(A) IN GENERAL.—In the case of the research credit—

"(i) this section and section 39 shall be applied separately with respect to such credit, and

"(ii) for purposes of applying paragraph (1) to such credit—

"(I) 50 percent of the tentative minimum tax shall be substituted for the tentative minimum tax under subparagraph (A) thereof, and

"(II) the net income tax and net regular tax liability shall be reduced by the credit under subsection (a) (other than the research credit), determined after the application of paragraph (1).

"(B) RESEARCH CREDIT.—For purposes of this paragraph, the term 'research credit' means the portion of the credit under subsection (a) which is attributable to the research credit determined under section 41(a).

"(C) LIMITATION.—In no event shall this paragraph permit the allowance of a credit which would result in a net chapter 1 tax less than an amount equal to 10 percent of the amount determined under section 55(b)(1)(A) without regard to the alternative tax net operating loss deduction. For purposes of the preceding sentence, the term 'net chapter 1 tax' means the sum of the regular tax liability for the taxable year and the tax imposed by section 55 for the taxable year, reduced by the sum of the credits allowable under this part for the taxable year (other than under section 34)."

(c) FIXED-BASE PERCENTAGE LIBERALIZED.—

(1) IN GENERAL.—Subparagraph (A) of section 41(c)(3) (relating to fixed-base percentage) is amended to read as follows:

"(A) IN GENERAL.—Except as otherwise provided in this paragraph, the fixed-base percentage is the lowest percentage which the aggregate qualified research expenses of the taxpayer for any 4 consecutive taxable years beginning after December 31, 1983, and before January 1, 1993, is of the aggregate gross receipts of the taxpayer for such taxable years."

(2) START-UP AND FRESH-START COMPANIES.—

(A) IN GENERAL.—Clauses (i) and (ii) of section 41(c)(3)(B) (relating to start-up companies) are amended to read as follows:

"(i) TAXPAYERS TO WHICH SUBPARAGRAPH APPLIES.—The fixed-base percentage shall be determined under this subparagraph if either—

"(I) the first taxable year in which the taxpayer had both gross receipts and qualified research expenses occurred in a taxable year beginning after December 31, 1983, or

"(II) there are 3 consecutive taxable years beginning after December 31, 1992, during which the taxpayer's qualified research expenses for each such year do not exceed the taxpayer's base amount for such year, but do exceed the average amount of such expenses during the 3-taxable year period immediately preceding such year.

"(ii) FIXED-BASE PERCENTAGE.—In a case to which this subparagraph applies, the fixed-base percentage is—

"(I) 3 percent for each of the taxpayer's 1st 5 taxable years for which the taxpayer has qualified research expenses in the phase-in period,

"(II) in the case of the taxpayer's 6th such taxable year in the phase-in period, ⅙ of the percentage which the aggregate qualified research expenses of the taxpayer for the 4th and 5th such taxable years is of the aggregate gross receipts of the taxpayer for such years,

"(III) in the case of the taxpayer's 7th such taxable year in the phase-in period, ⅓ of the percentage which the aggregate qualified research expenses of the taxpayer for the 5th and 6th such taxable years is of the aggregate gross receipts of the taxpayer for such years,

"(IV) in the case of the taxpayer's 8th such taxable year in the phase-in period, ½ of the percentage which the aggregate qualified research expenses of the taxpayer for the 5th, 6th, and 7th such taxable years is of the aggregate gross receipts of the taxpayer for such years,

"(V) in the case of the taxpayer's 9th such taxable year in the phase-in period, ⅔ of the percentage which the aggregate qualified research expenses of the taxpayer for the 5th, 6th, 7th, and 8th such taxable years is of the aggregate gross receipts of the taxpayer for such years,

"(VI) in the case of the taxpayer's 10th such taxable year in the phase-in period, ⅚ of the percentage which the aggregate qualified research expenses of the taxpayer for the 5th, 6th, 7th, 8th, and 9th such taxable years is of the aggregate gross receipts of the taxpayer for such years, and

"(VII) for such taxable years thereafter, the percentage which the aggregate qualified research expenses for 4 consecutive taxable years selected by the taxpayer from the 5th through 10th such taxable years is of the aggregate gross receipts of the taxpayer for such years.

"(iii) PHASE-IN PERIOD.—For purposes of this subparagraph, the term 'phase-in period' means the period of taxable years beginning with—

"(I) in the case of a taxpayer described in clause (i)(I), the taxable year described in such clause, and

"(II) in the case of a taxpayer described in clause (i)(II), the first taxable year following the 3-consecutive taxable year period described in such clause."

(B) CONFORMING AMENDMENT.—The heading for subparagraph (B) of section 41(c) is amended by inserting "AND FRESH-START" after "START-UP".

(d) FLAT CREDIT FOR SMALL BUSINESSES.—

(1) IN GENERAL.—Paragraph (1) of section 41(a) is amended to read as follows:

"(1) either—

"(A) in the case of a taxpayer not described in subparagraph (B), 20 percent of the excess (if any) of—

"(i) the qualified research expenses for the taxable year, over

"(ii) the base amount, or

"(B) in the case of an eligible small business, 10 percent of the qualified research expenses for the taxable year, and".

(2) ELIGIBLE SMALL BUSINESS.—Section 41(f) (relating to special rules) is amended by adding at the end the following new paragraph:

"(6) ELIGIBLE SMALL BUSINESS.—The term 'eligible small business' means, with respect to any taxable year, a taxpayer with gross receipts (within the meaning of the first sentence of subsection (c)(5)) for the preceding taxable year not greater than $100,000,000."

(e) SPECIAL RULES FOR DEFENSE AND AEROSPACE INDUSTRIES.—Section 41(f) (relating to special rules), as amended by subsection (d)(2), is amended by redesignating paragraphs (4), (5), and (6) as paragraphs (5), (6), and (7), respectively, and by inserting after paragraph (3) the following new paragraph:

"(4) DEFENSE AND AEROSPACE INDUSTRIES.—

"(A) IN GENERAL.—At the election of the taxpayer, this section may be applied separately with respect to the taxpayer's qualified research expenses and gross receipts attributable to the defense-related activities of such taxpayer. If the taxpayer makes the election under this subparagraph, the base amount for—

"(i) the taxpayer's defense-related activities shall be determined as if the taxpayer's other activities had been disposed of by the taxpayer, and

"(ii) the taxpayer's other activities shall be determined as if the taxpayer's defense-related activities had been disposed of by the taxpayer.

"(B) DEFENSE-RELATED ACTIVITIES.—For purposes of this paragraph, the term 'defense-related activities' means any activity in connection with the development and production pursuant to a contract (or subcontract thereof) of—

"(i) an arm, ammunition, or implement of war designated in the munitions list published pursuant to section 38 of the Arms Export Control Act (22 U.S.C. 2778), but only to the extent such property is specifically designed, modified, or equipped for military purposes, or

"(ii) equipment for the National Aeronautics and Space Administration."

(f) MINIMUM BASIC RESEARCH AMOUNT DETERMINATION SIMPLIFIED.—Subparagraph (A) of section 41(e)(4) (defining minimum basic research amount) is amended to read as follows:

"(A) IN GENERAL.—The term 'minimum basic research amount' means an amount equal to the amounts treated as contract research expenses during the base period by reason of this subsection (as in effect during the base period)."

(g) COOPERATIVE RESEARCH ACTIVITIES.—

(1) IN GENERAL.—Subsection (a) of section 41 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) 20 percent of the qualified cooperative research expenditures (as defined in subsection (h)) for the taxable year.

(2) QUALIFIED COOPERATIVE RESEARCH EXPENDITURES DEFINED.—Section 41 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 such 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) The excess of noncash contributions over 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 paragraph (1) or (2) of subsection (a).

"(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 for the taxable year,

"(C) its qualified research expenditures for such taxable year, and

"(D) such other information as the Secretary may require.

Each consortium shall provide a copy of the report to each contributor."

(h) UNIVERSITY AFFILIATED HOSPITALS ELIGIBLE FOR BASIC RESEARCH CREDIT.—Section 41(e)(6) (defining qualified organization) is amended by adding at the end the following new subparagraph:

"(E) UNIVERSITY AFFILIATED HOSPITALS.—Any organization not otherwise described in this paragraph which is an organization described in section 170(b)(1)(A)(iii) and affiliated with an organization described in subparagraph (A)."

(i) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1992.•

• Mr. BAUCUS. Mr. President, it is with pleasure that I join with my colleague from Missouri, Senator DANFORTH, to introduce a bill critical to the future of American industry. The Research and Development Enhancement Act of 1993 will bolster the competitiveness of American business in the global marketplace. In addition, this bill will encourage firms to undertake the research necessary to develop the technological innovations required to increase the supply of good jobs in this country.

The United States has been a leader in the development of new technology in the past and it still maintains an edge in several areas likely to be important to the economy of the future. At the same time, however, there are areas of commercially relevant technology development in which the United States is now at something of a competitive disadvantage.

Supporting industry in its efforts to pursue success in the development of precompetitive generic technologies, and helping the Nation attain key public goals that depend on technological change, should be the focal points of Federal technology policy in the near future. However, it is still true that private R&D efforts have to be the engine leading economic progress.

For a number of years, the Federal Government has encouraged private sector investment in R&D through the granting of an incremental tax credit. This credit is premised on increases in R&D spending over a base amount, and is designed to provide an incentive, at the margin, for firms to increase their R&D investments.

For the past several years, essentially because of budget pressures, the Congress acted to renew the temporary legislation providing this credit on an annual basis. Corporate planners have not been able to count on it as a certainty in financing the multiyear projects that generally have the most payoff. We share the President's commitment to the enactment of a permanent research and development tax credit.

In anticipation of a permanent R&D credit, we received the input of a variety of business leaders and industry representatives concerning ways to facilitate additional investment in research and development. Included in this process were discussions with representatives of small and large businesses, new companies, and mature industries. As a result, we believe this bill will contribute to the fulfillment of President Clinton's objectives of fostering U.S. leadership in new technology, promoting the emergence of new businesses, aiding the conversion of the defense industry, and promoting an environment where U.S. companies can successfully compete with their foreign counterparts.

The legislation we introduce today, and the companion legislation Representatives PICKLE and ARCHER are introducing in the House, will make the R&D credit permanent for amounts paid or incurred after June 30, 1992.

As summarized in detail by Senator DANFORTH in his statement, the other features of the legislation are as follows:

Permit taxpayers to update their base period so that future use of the credit will not be denied to taxpayers who had uncharacteristic economic results in the 1980's;

Allow periodic updates of base periods where taxpayers continue to increase their R&D spending but get no benefit from the credit;

Allow alternative minimum tax [AMT] taxpayers to offset a portion of their AMT liability with the credit;

Provide a flat rate credit for small businesses;

Allow defense firms to calculate their R&D credit for commercial expenditures without reference to their previous defense-related R&D expenditures; and

Provide new incentives designed to encourage companies to work together in collaborative research efforts.

I thank Senator DANFORTH, Representative PICKLE, Representative ARCHER, and their staffs for the effort put forth in formulating this bill, and for continued support for the growth of research and development in this country.

I look forward to working with other Members of Congress and the administration on the implementation of this bill which will contribute to economic growth and prosperity into the 21st century and beyond.•

By Mr. RIEGLE:

S.J. Res. 72. A joint resolution to designate the last week of September 1993, and the last week of September of 1994, as "National Senior Softball Week"; to the Committee on the Judiciary.

NATIONAL SENIOR SOFTBALL WEEK

• Mr. RIEGLE. Mr. President, last year I introduced a joint resolution to designate a week in September as National Senior Softball Week. I am reintroducing this joint resolution today. Each September, senior citizen athletes from around the country participate in the Seniors Softball World Series. Last year this fall classic was held in Wayne County, MI. Houston, TX, will be the host for this year's world series.

The idea for the Seniors Softball World Series began in 1985 with Mr. Ken Maas and Ms. Jacqui Jolly. They established the National Association of Senior Citizen Softball [NASCS], and I am proud to say that they founded it in Michigan. The NASCS is the only national organization promoting senior softball; teams from around the United States and Canada know the work of the NASCS. The first NASCS tournament, held in Clinton Township, MI, attracted 12 teams. The following year 21 teams participated and the year after that, 30 teams.

The success of the NASCS tournament caught on and in 1988, Mr. Maas, working with the Sporting Goods Manufacturers Association, established Seniors Softball World Series, Inc. The first Seniors Softball World Series was held in Greensboro, NC, in 1989 with 68 teams. Since then, the world series has been played in Scottsdale, AZ, and Palm Beach County, FL. The event continues to grow—in 1992, over 100 teams participated in the Seniors Softball World Series.

Mr. President, the growth and success of the NASCS and the Seniors Softball World Series provides further evidence of the energy and joy that seniors bring to this country. Every day we hear about or see examples of seniors throwing out the myth that getting older means you have to give up staying active. Seniors softball also promotes an atmosphere of friendly competition and physical fitness among older Americans. The NASCS also promotes international harmony; twice, teams from the NASCS have made trips to the United Kingdom to share with them this uniquely American game. I urge my colleagues to acknowledge the spirit of our seniors by joining me in supporting this resolution.•

By Mr. RIEGLE (for himself, Mr. CHAFEE, Mr. METZENBAUM, Mr. DANFORTH, Mr. COHEN, Mr. HATCH, and Mr. COCHRAN):

S.J. Res. 73. A joint resolution to designate July 5, 1993, through July 12, 1993, as "National Awareness Week for Life-Saving Techniques"; to the Committee on the Judiciary.

NATIONAL AWARENESS WEEK FOR LIFE-SAVING TECHNIQUES

• Mr. RIEGLE. Mr. President, I rise today to introduce with Senator CHAFEE and others a Senate joint resolution to designate July 5 through July 12, 1993, as "National Awareness Week for Life-Saving Techniques." This resolution is designed to inform and to encourage Americans to take advantage of the educational opportunities provided to them to learn basic life-saving techniques. I want to tell my distinguished colleagues about a story that illustrates the importance of life-saving techniques.

On July 3, 1990, Joe McGuire from Dearborn, MI, was celebrating his fourth birthday while vacationing in Grayling, MI, with his family. Playing alongside the beach at Kneff Lake, Joe wandered into the water. At the same time, Buddy Latesky, a 16-year-old young man from Grayling, MI, was swimming with friends nearby. Buddy and his friends noticed something white floating in the water and Buddy went to investigate. When he came upon what he thought had merely been a white discarded t-shirt, he found 4-year-old Joe McGuire floating face down in the water. Buddy reacted immediately. Pulling Joe out of the water, Buddy performed mouth-to-mouth resuscitation, which he had learned in a health class at Swartz Creek Middle School. After a few tense moments, Joe coughed up the water in his lungs and began breathing on his own. Shortly, he was able to rejoin his parents, who took him to an area hospital where he was treated and then released.

Not only did young Buddy Latesky show courage and heroism in this situation, but he also demonstrated the importance of the basic life-saving skills that all Americans have the opportunity to learn. Had it not been for the training Buddy Latesky received in his middle school health class, Joe McGuire probably would not be celebrating his seventh birthday this summer. Buddy is a hero and sets an example for us all.

In 1991, according to the National Safety Council, about 800,000 Americans died from accidents or heart attacks. Accidents alone took over 88,000 U.S. lives in 1991, ranking as the No. 1 killer of young Americans between 1 to 37. For children under the age of 5, drowning and choking are the leading cause of accidental death. These statistics are alarming. What is even more disturbing is that many of these lives may have been saved if someone had known basic rescue breathing, cardiopulmonary resuscitation [CPR], and other life-saving skills.

Buddy Latesky shows us not only the importance of these life-saving techniques, but also, that even as a 16-year-old young man, he was able to be trained to perform these techniques. In 1991 alone, the Red Cross and the American Heart Association certified over 9 million people in the thousands of life-saving classes offered nationwide. Although this is a significant number, millions more need to learn these basic life-saving skills.

Every summer, accidental deaths increase by approximately 1,000 compared to the rest of the year. Therefore, I feel that the week after Fourth of July is the appropriate time for "National Awareness Week for Life-Saving Techniques."

Mr. President, I urge my colleagues to cosponsor this important resolution. I also want to commend organizations such as the Red Cross, and their chapters across the country and especially Michigan, for the work they do in promoting life-saving techniques. I ask unanimous consent that the full text of the joint resolution be printed in the RECORD.

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

S.J. RES. 73

Whereas the National Safety Council reported that over 800,000 Americans died in 1991 as a result of accidents and diseases of the heart;

Whereas accidents are the leading cause of death for children and youth ages 1 to 24 years;

Whereas drowning and choking are a leading cause of accidental death in children under the age of 5 years;

Whereas rescue breathing and cardiopulmonary resuscitation, commonly referred to as CPR, are life-saving techniques that significantly reduce the incidence of sudden death due to accidents and diseases of the heart;

Whereas it is critical that more Americans learn such basic life-saving techniques in order to reduce the number of deaths related to accidents and diseases of the heart;

Whereas the opportunity to learn basic life-saving techniques is available to all Americans through the American Red Cross, the American Heart Association, the YMCA, and other national organizations; and

Whereas the death rate due to accidents and diseases of the heart would be greatly reduced if more Americans received training in basic life-saving techniques: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That July 5, 1993, through July 12, 1993, is designated as "National Awareness Week for Life-Saving Techniques". The President is authorized and requested to issue a proclamation calling on the people of the United States to observe the week with appropriate ceremonies and activities designed to encourage training in life-saving techniques for Americans.●

● Mr. CHAFEE. Mr. President, I am pleased to join Senator RIEGLE in introducing a resolution to designate the week of July 5 through July 12, 1993, as "National Awareness Week for Life-Saving Techniques."

According to the National Safety Council, almost 850,000 Americans die annually from accidents and heart disease. Many of these deaths could have been prevented if life-saving techniques, such as the Heimlich maneuver and cardiopulmonary resuscitation [CPR], were administered to victims in a timely manner.

It does not take long to learn CPR and other life-saving techniques. The Senate Health Promotion Office offers a CPR course that requires only a 6-hour time commitment. The YMCA, the Red Cross, and the American Heart Association also regularly hold classes. The resolution we are introducing today will help to improve awareness about opportunities to learn CPR and other life-saving techniques.

Mr. President, I am hopeful our colleagues will join us in cosponsoring this important resolution.●

By Mr. KENNEDY (for himself, Mrs. KASSEBAUM, Mr. SIMON, and Mr. SPECTER):

S.J. Res. 74. A joint resolution expressing the sense of the Senate regarding the Government of Malawi's arrest of opponents and suppression of freedoms, and conditioning assistance for Malawi; to the Committee on Foreign Relations.

MALAWI JOINT RESOLUTION

Mr. KENNEDY. Mr. President, today, I join my colleagues Senator KASSEBAUM, Senator SIMON, and Senator SPECTER in introducing a joint resolution to promote democratic change in Malawi.

In the past year in Malawi, the people's discontent with dictatorship has gained voice through peaceful strikes and peaceful demonstrations. Clerics have denounced the regime from their pulpits. But sadly, the Nation has also endured some of its harshest repression. Hundreds of people have been arrested in recent months in a new government crack-down on opposition.

Under international pressure, the Government of Malawi, headed by a dictator who has declared himself "President for life", has agreed to permit a referendum in June on whether to proceed to multiparty government. However, the Government has undermined this effort at every turn by denying freedom of speech, assembly, and press for the opposition parties. Those who actively campaign for democratic change frequently are arrested, then released under international pressure, only to be rearrested once international pressure subsidies.

In response to these harsh measures, the United States and other governments suspended aid to Malawi in May 1992, and the suspension has continued through the present.

Among those treated most harshly is Malawi's leading opposition figure, Mr. Chakufwa Chihana. Mr. Chihana's leadership has been outstanding in the face of tyranny and oppression and he has been a source of hope to millions in his own country. But his courage has exacted a heavy price. He has spent most of his adult life either in exile or in prison in Malawi.

Recently, he renewed the democracy movement in Malawi, only to be rearrested last April for promoting peaceful change in the Government. He has been sentenced to a term of 2½ years of hard labor for actions which in free countries would be considered acts of patriotism.

Our resolution today will assist in the process of reform that is necessary and inevitable in Malawi. It calls for the release of all political prisoners and urges the Government to respect basic and universal freedoms. It further calls upon the Government to establish a truly independent judiciary and other reforms consistent with a free society. The resolution conditions the resumption of aid to the Government of Malawi on the accomplishment of these basic reforms.

Chakufwa Chihana symbolizes a future Malawi, with a Government truly representative of the people. They may lock away Chihana, but they will never lock up the hopes and aspirations of the people of Malawi for freedom and a better tomorrow.

We in Congress have an opportunity through this resolution to support peaceful democratic change in Malawi, and I urge the Senate to support it.

ADDITIONAL COSPONSORS

S. 235

At the request of Mr. REID, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 235, a bill to limit State taxation of certain pension income, and for other purposes.

S. 418

At the request of Mr. DANFORTH, the name of the Senator from Nevada [Mr. REID] was added as a cosponsor of S. 418, a bill to require the administering authority to initiate an investigation under title VII of the Tariff Act of 1930 with respect to Airbus Industrie.

S. 483

At the request of Mr. SHELBY, the names of the Senator from Indiana [Mr. COATS], the Senator from Alabama [Mr. HEFLIN], the Senator from Idaho [Mr. CRAIG], and the Senator from New York [Mr. D'AMATO] were added as cosponsors of S. 483, a bill to provide for the minting of coins in commemoration of Americans who have been prisoners of war, and for other purposes.

S. 496

At the request of Mr. SIMON, the name of the Senator from Arkansas [Mr. PRYOR] was added as a cosponsor of S. 496, a bill to amend chapter 44 of title 18, United States Code, to strengthen federal standards for licensing firearms dealers and heighten reporting requirements, and for other purposes.

S. 526

At the request of Mr. BRADLEY, the names of the Senator from Colorado [Mr. CAMPBELL] and the Senator from North Dakota [Mr. DORGAN] were added as cosponsors of S. 526, a bill to create a legislative item veto by requiring separate enrollment of items in appropriations bills and tax expenditure provisions in revenue bills.

S. 587

At the request of Mr. ROTH, the name of the Senator from Alaska [Mr. MURKOWSKI] was added as a cosponsor of S. 587, a bill to establish the Mike Mansfield Fellowship Program for intensive training in the Japanese language, government, politics, and economy.

S. 636

At the request of Mr. KENNEDY, the name of the Senator from Washington [Mrs. MURRAY] was added as a cosponsor of S. 636, a bill to amend the Public Health Service Act to permit individuals to have freedom of access to certain medical clinics and facilities, and for other purposes.

S. 649

At the request of Mr. RIEGLE, the name of the Senator from Missouri [Mr. BOND] was added as a cosponsor of S. 649, a bill to ensure proper and full implementation by the Department of Health and Human Services of Medicaid coverage for certain low-income Medicare beneficiaries.

S. 661

At the request of Mr. DOMENICI, the name of the Senator from Oklahoma [Mr. BOREN] and the Senator from North Carolina [Mr. HELMS] were added as cosponsors of S. 661, a bill to provide for the establishment of an Independent General Accounting Office Peer Review Committee, and for other purposes.

SENATE JOINT RESOLUTION 39

At the request of Mr. D'AMATO, the name of the Senator from New Mexico [Mr. DOMENICI] was added as a cosponsor of Senate Joint Resolution 39, a joint resolution designating the weeks beginning May 23, 1993, and May 15, 1994, as Emergency Medical Services Week.

SENATE JOINT RESOLUTION 52

At the request of Mr. PACKWOOD, the name of the Senator from Idaho [Mr. CRAIG] was added as a cosponsor of Senate Joint Resolution 52, a joint resolution to designate the month of November 1993 and 1994 as "National Hospice Month.".

SENATE JOINT RESOLUTION 56

At the request of Mr. BIDEN, the names of the Senator from Delaware [Mr. ROTH], the Senator from Arkansas [Mr. PRYOR], and the Senator from Iowa [Mr. GRASSLEY] were added as cosponsors of Senate Joint Resolution 56, a joint resolution to designate the week beginning April 12, 1993, as "National Public Safety Telecommunicators Week."

SENATE JOINT RESOLUTION 62

At the request of Mr. BIDEN, the names of the Senator from Maine [Mr. COHEN], the Senator from Vermont [Mr. LEAHY], the Senator from Alaska [Mr. STEVENS], and the Senator from New Mexico [Mr. BINGAMAN] were added as cosponsors of Senate Joint Resolution 62, a joint resolution to designate the week beginning April 25, 1993, as "National Crime Victims' Rights Week."

SENATE RESOLUTION 70

At the request of Mr. BRADLEY, the names of the Senator from Hawaii [Mr. AKAKA], the Senator from North Dakota [Mr. DORGAN], the Senator from Wisconsin [Mr. KOHL], the Senator from Pennsylvania [Mr. WOFFORD], and the Senator from Rhode Island [Mr. CHAFEE] were added as cosponsors of Senate Resolution 70, a resolution expressing the sense of the Senate regarding the need for the President to seek the advice and consent of the Senate to the ratification of the United Nations Convention on the Rights of the Child.

SENATE RESOLUTION 79

At the request of Mr. FEINGOLD, the names of the Senator from South Dakota [Mr. PRESSLER], and the Senator from Mississippi [Mr. COCHRAN] were added as cosponsors of Senate Resolution 79, a resolution expressing the Sense of the Senate concerning the United Nation's arms embargo against Bosnia-Herzegovina, a nation's right to self-defense, and peace negotiations.

AMENDMENTS SUBMITTED

EMERGENCY SUPPLEMENTAL APPROPRIATIONS

SPECTER AMENDMENT NO. 274

(Ordered to lie on the table.)

Mr. SPECTER submitted an amendment intended to be proposed by him to the bill (H.R. 1335) making emergency supplemental appropriations for fiscal year ending September 30, 1993, and for other purposes, as follows:

At the appropriate place, insert the following:

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(A) SHORT TITLE.—This Act may be cited as the "Comprehensive Access and Affordability Health Care Act of 1993".

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

TITLE I—MANAGED COMPETITION IN HEALTH CARE PLANS

Sec. 100. Block grant program.

Subtitle A—Health Plan Purchasing Cooperatives

Sec. 101. Establishment and organization; HPPC area.
Sec. 102. Agreements with accountable health plans (AMPs).
Sec. 103. Agreements with employers.
Sec. 104. Enrolling individuals in accountable health plans through a HPPC.
Sec. 105. Receipt of premiums.
Sec. 106. Coordination among HPPCs.

Subtitle B—Accountable Health Plans (AHPs)

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SEC. 2. DEFINITIONS.

(a) ELIGIBILITY.—As used in this Act:

(1) ELIGIBLE INDIVIDUAL.—The term "eligible individual" means, with respect to a HPPC area, an individual who—

(A) is an eligible employee;

(B) is an eligible resident; or

(C) an eligible family member of an eligible employee or eligible resident.

(2) ELIGIBLE EMPLOYEE.—The term "eligible employee" means, with respect to a HPPC area, an individual residing in the area who is the employee of a small employer.

(3) ELIGIBLE FAMILY MEMBER.—The term "eligible family member" means, with respect to an eligible employee or other principal enrollee, an individual who—

(A)(i) is the spouse of the employee or principal enrollee; or

(ii) is an unmarried dependent child under 22 years of age; including—

(I) an adopted child or recognized natural child; and

(II) a stepchild or foster child but only if the child lives with the employee or principal enrollee in a regular parent-child relationship;

or such an unmarried dependent child regardless of age who is incapable of self-support because of mental or physical disability which existed before age 22;

(B) is a citizen or national of the United States, an alien lawfully admitted to the United States for permanent residence, or an alien otherwise lawfully residing permanently in the United States under color of law; and

(C) with respect to an eligible resident, is not a medicare-eligible individual.

(4) ELIGIBLE RESIDENT.—

(A) IN GENERAL.—The term "eligible resident" means, with respect to a HPPC area,

an individual who is not an eligible employee, is residing in the area, and is a citizen or national of the United States, an alien lawfully admitted for permanent residence, and an alien otherwise permanently residing in the United States under color of law.

(B) EXCLUSION OF CERTAIN INDIVIDUALS OFFERED COVERAGE THROUGH A LARGE EMPLOYER.—The term "eligible resident" does not include an individual who—

(i) is covered under an AHP pursuant to an offer made under section 105(b)(1)(A); or

(ii) could be covered under an AHP as the principal enrollee pursuant to such an offer if such offer had been accepted.

(C) TREATMENT OF MEDICARE BENEFICIARIES.—The term "eligible resident" does not include a medicare-eligible beneficiary.

(5) ENROLLEE UNIT.—The term "enrollee unit" means one unit in the case of coverage on an individual basis or in the case of coverage on a family basis.

(6) MEDICARE BENEFICIARY.—The term "medicare beneficiary" means an individual who is entitled to benefits under part A of title XVIII of the Social Security Act, including an individual who is entitled to such benefits pursuant to an enrollment under section 1818 or 1818A of such Act.

(7) MEDICARE-ELIGIBLE INDIVIDUAL.—The term "medicare-eligible individual" means an individual who—

(A) is a medicare beneficiary; or

(B) is not a medicare beneficiary but is eligible to enroll under part A or part B of title XVIII of the Social Security Act.

(b) ABBREVIATIONS.—As used in this Act:

(1) AHP; ACCOUNTABLE HEALTH PLAN.—The terms "accountable health plan" and "AHP" mean a health plan registered with the Board under section 111(a).

(2) BOARD.—The term "Board" means the Federal Health Board established under subtitle C of title I.

(3) HPPC; HEALTH PLAN PURCHASING COOPERATIVE.—The terms "health plan purchasing cooperative" and "HPPC" mean a health plan purchasing cooperative established under subtitle A of title I.

(4) CLOSED AND OPEN PLANS.—

(A) CLOSED.—A plan is 'closed' if the plan is limited by structure or law to a particular employer or industry or is organized on behalf of a particular group. A plan maintained pursuant to one or more collective bargaining agreements between one or more employee organizations and one or more employers shall be considered to be a closed plan.

(B) OPEN.—A plan is "open" if the plan is not closed (within the meaning of subparagraph (A)).

(c) OTHER TERMS.—As used in this Act:

(1) HEALTH PLAN.—The term "health plan" means a plan that provides health benefits, whether directly, through insurance, or otherwise, and includes a policy of health insurance, a contract of a service benefit organization, or a membership agreement with a health maintenance organization or other prepaid health plan, and also includes an employee welfare benefit plan or a multiple employer welfare plan (as such terms are defined in section 3 of the Employee Retirement Income Security Act of 1974).

(2) SMALL EMPLOYER.—

(A) IN GENERAL.—Subject to subparagraph (B), the term "small employer" means an employer that normally employed fewer than 100 employees during a typical business day in the previous year.

(B) SPECIAL RULE FOR LARGE EMPLOYERS.—Subject to subparagraph (C), the Board shall provide a procedure by which, in the case of an employer that is not a small employer but normally employs fewer than 100 employees in a HPPC area (or other locality identified by the Board) during a typical business day, the employer, upon application, would be considered to be a small employer with respect to such employees in the HPPC area (or other locality). Such procedure shall be designed so as to prevent the adverse selection of employees with respect to which the previous sentence is applied.

(C) STATE ELECTION.—Subject to section 101(a)(3), a State may by law, with respect to employers in the State, substitute for "100" in subparagraphs (A) and (B) any greater number (not to exceed 10,001), so long as such number is applied uniformly to all employers in a HPPC area.

(3) HPPC STANDARD PREMIUM AMOUNT.—The term "HPPC standard premium amount" means, with respect to an AHP offered by a HPPC, the sum of—

(A) the standard premium amount established by the AHP under section 115, and

(B) the HPPC overhead amount established under section 104(a)(3).

(4) PREMIUM CLASS.—The term "premium class" means a class established under section 115(a)(2).

(5) STATE.—The term "State" includes the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands.

(6) TYPE OF ENROLLMENT.—There are 4 "types of enrollment":

(A) Coverage only of an individual (referred to in this Act as enrollment "on an individual basis").

(B) Coverage of an individual and the individual's spouse.

(C) Coverage of an individual and one child.

(D) Coverage of an individual and more than one eligible family member.

The types of coverage described in subparagraphs (B) through (D) are collectively referred to in this Act as enrollment "on a family basis".

(7) UNIFORM SET OF EFFECTIVE BENEFITS.—The term "uniform set of effective benefits" means, for a year, such set of benefits as specified by the Board under section 132(a).

TITLE I—MANAGED COMPETITION IN HEALTH CARE PLANS

SEC. 100. BLOCK GRANT PROGRAM.

(a) IN GENERAL.—The Secretary shall award grants to States to enable such State to defray the costs associated with the implementation and administration of the requirements of this title in such States.

(b) AMOUNT OF GRANTS.—The amount of a grant awarded to a State under this section shall be determined by the Secretary according to a formula developed by the Secretary to take into consideration the population, health care availability, and geographic make-up of the State as compared to other States.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to enable the Secretary to award grants under subsection (a), such sums as may be necessary for each fiscal year.

Subtitle A—Health Plan Purchasing Cooperatives

SEC. 101. ESTABLISHMENT AND ORGANIZATION; HPPC AREAS.

(a) HPPC AREAS.—

(1) IN GENERAL.—For purposes of carrying out this title, subject to paragraphs (2) and (3), each State shall be considered a HPPC area.

(2) ALTERNATIVE, INTRASTATE AREAS.—Each State may provide for the division of the State into HPPC areas so long as—

(A) all portions of each metropolitan statistical area in a State are within the same HPPC area; and

(B) the number of individuals residing within a HPPC area is not less than 100,000.

(3) ALTERNATIVE, INTERSTATE AREAS.—In accordance with rules established by the Board, one or more contiguous States may provide for the establishment of a HPPC area that includes adjoining portions of the States so long as such area, if it includes any part of a metropolitan statistical area, includes all of such area. In the case of a HPPC serving a multi-state area, section 2(c)(2)(C) shall only apply to the area if all the States encompassed in the area agree to the number to be substituted.

(b) ESTABLISHMENT OF HPPCS.—

(1) IN GENERAL.—Each State shall provide, by legislation or otherwise, for the establishment by not later than July 1, 1994, as a not-for-profit corporation, with respect to each HPPC area (specified under subsection (a)) of a health plan purchasing cooperative (each in this subtitle referred to as a "HPPC").

(2) SINGLE ORGANIZATION SERVING MULTIPLE HPPC AREAS.—Nothing in this subsection shall be construed as preventing—

(A) a single corporation from being the HPPC for more than one HPPC area; or

(B) a State from coordinating, through a single entity, the activities of one or more HPPCs in the State.

(3) INTERSTATE HPPC AREAS.—HPPCs with respect to interstate areas specified under subsection (a)(3) shall be established in accordance with rules of the Board.

(c) BOARD OF DIRECTORS.—Each HPPC shall be governed by a Board of Directors appointed by the Governor or other chief executive officer of the State (or as otherwise provided under State law or by the Board in the case of a HPPC described in subsection (b)(3)).

(d) DUTIES OF HPPCS.—Each HPPC shall—

(1) enter into agreements with accountable health plans under section 102;

(2) enter into agreements with small employers under section 103;

(3) enroll individuals under accountable health plans, in accordance with section 104;

(4) receive and forward adjusted premiums, in accordance with section 105, including the reconciliation of low-income assistance among accountable health plans;

(5) provide for coordination with other HPPCs, in accordance with section 106; and

(6) carry out other functions provided for under this title.

SEC. 102. AGREEMENTS WITH ACCOUNTABLE HEALTH PLANS (AHPS).

(a) AGREEMENTS.—

(1) OPEN AHPS.—Each HPPC for a HPPC area shall enter into an agreement under this section with each open accountable health plan registered with the Board under subtitle B, that serves residents of the area. Each such agreement under this section, between an open AHP and a HPPC shall include (as specified by the Board) provisions consistent with the requirements of the succeeding subsections of this section. Except as provided in paragraph (3)(A), a HPPC may not refuse to enter into such an agreement with an open AHP which is registered with the Board under subtitle B.

(2) CLOSED AHPS.—Each HPPC for a HPPC area shall enter into a special agreement under this paragraph with each closed AHP that serves residents of the area, in order to carry out subsection (e). Except as otherwise

specifically provided, any reference in this Act to an agreement under this section shall not be considered to be a reference to an agreement under this paragraph.

(3) TERMINATION OF AGREEMENT.—In accordance with regulations of the Board—

(A) the HPPC may terminate an agreement under paragraph (1) if the AHP's registration under subtitle B is terminated or for other good cause shown; and

(B) the AHP may terminate either such agreement only upon sufficient notice in order to provide for the orderly enrollment of enrollees under other AHPs.

The Board shall establish a process for the termination of agreements under this paragraph.

(b) OFFER OF ENROLLMENT OF INDIVIDUALS.—

(1) IN GENERAL.—Under an agreement under this section between an AHP and a HPPC, the HPPC shall offer, on behalf of the AHP, enrollment in the AHP to eligible individuals (as defined in section 2(a)(1)) at the applicable monthly premium rates (specified under section 105(a)).

(2) TIMING OF OFFER.—The offer of enrollment shall be available—

(A) to eligible individuals who are employees of small employers, during the 30-day period beginning on the date of commencement of employment; and

(B) to other eligible individuals, at such time (including an annual open enrollment period specified by the Board) as the HPPC shall specify, consistent with section 104(b).

(c) RECEIPT OF GROSS PREMIUMS.—

(1) IN GENERAL.—Under an agreement under this section between a HPPC and an AHP, payment of premiums shall be made, by individuals or employers on their behalf, directly to the HPPC for the benefit of the AHP.

(2) TIMING OF PAYMENT OF PREMIUMS.—Premiums shall be payable on a monthly basis (or, at the option of an eligible individual described in section 2(a)(2)(B), on a quarterly basis). The HPPC may provide for penalties and grace periods for late payment.

(3) AHPS RETAIN RISK OF NONPAYMENT.—Nothing in this subsection shall be construed as placing upon a HPPC any risk associated with failure to make prompt payment of premiums (other than the portion of the premium representing the HPPC overhead amount). Each eligible individual who enrolls with an AHP through the HPPC is liable to the AHP for premiums.

(d) FORWARDING OF ADJUSTED PREMIUMS.—

(1) IN GENERAL.—Under an agreement under this section between an AHP and a HPPC, subject to section 115(b), the HPPC shall forward to each AHP in which an eligible individual has been enrolled an amount equal to the sum of—

(A) the standard premium rate (established under section 115) received for type of enrollment, and

(B) the product of—

(i) the lowest standard premium rate offered by an open AHP for the type of enrollment; and

(ii) a risk-adjustment factor (determined and adjusted in accordance with section 136(b)).

(2) PAYMENTS.—Payments shall be made by the HPPC under this subsection within a period (specified by the Board and not to exceed 7 days) after receipt of the premium from the employer of the eligible individual or the eligible individual, as the case may be.

(3) ADJUSTMENTS FOR DIFFERENCES IN NONPAYMENT RATES.—In accordance with rules established by the Board, each agreement between an AHP and a HPPC under this section shall provide that, if a HPPC determines that the rates of nonpayment of premiums during grace periods established under subsection (c)(2) vary appreciably among AHPs, the HPPC shall provide for such adjustments in the payments made under this subsection as will place each AHP in the same position as if the rates of nonpayment were the same.

SEC. 103. AGREEMENTS WITH EMPLOYERS.

(a) IN GENERAL.—Each HPPC for a HPPC area shall offer each small employer that employs individuals in the area the opportunity to enter into an agreement under this section. Each agreement under this section, between an employer and a HPPC shall include (as specified by the Board) provisions consistent with the requirements specified in the succeeding subsections of this section.

(b) FORWARDING INFORMATION ON ELIGIBLE EMPLOYEES.—

(1) IN GENERAL.—Under an agreement under this section between a small employer and a HPPC, the employer must forward to the appropriate HPPC the name and address (and other identifying information required by the HPPC) of each employee (including part-time and seasonal employees).

(2) APPROPRIATE HPPC.—In this subsection, the term "appropriate HPPC" means the HPPC for the principal place of business of the employer or (at the option of an employee) the HPPC serving the place of residence of the employee.

(c) PAYROLL DEDUCTION.—

(1) IN GENERAL.—Under an agreement under this section between a small employer and a HPPC, if the HPPC indicates to the employer that an eligible employee is enrolled in an AHP through the HPPC, the employer shall provide for the deduction, from the employee's wages or other compensation, of the amount of the premium due (less any employer contribution). In the case of an employee who is paid wages or other compensation on a monthly or more frequent basis, an employer shall not be required to provide for payment of amounts to a HPPC other than at the same time at which the amounts are deducted from wages or other compensation. In the case of an employee who is paid wages or other compensation less frequently than monthly, an employer may be required to provide for payment of amounts to a HPPC on a monthly basis.

(2) ADDITIONAL PREMIUMS.—If the amount withheld under paragraph (1) is not sufficient to cover the entire cost of the premiums, the employee shall be responsible for paying directly to the HPPC the difference between the amount of such premiums and the amount withheld.

(d) LIMITED EMPLOYER OBLIGATIONS.—Nothing in this section shall be construed as—

(1) requiring an employer to provide directly for enrollment of eligible employees under an accountable health plan or other health plan;

(2) requiring the employer to make, or preventing the employer from making, information about such plans available to such employees; or

(3) requiring the employer to make, or preventing the employer from making, an employer contribution for coverage of such individuals under such a plan.

SEC. 104. ENROLLING INDIVIDUALS IN ACCOUNTABLE HEALTH PLANS THROUGH A HPPC.

(a) IN GENERAL.—Each HPPC shall offer in accordance with this section eligible individuals the opportunity to enroll in an AHP for the HPPC area in which the individual resides.

(b) ENROLLMENT PROCESS.—

(1) IN GENERAL.—Each HPPC shall establish an enrollment process in accordance with rules established by the Board consistent with this subsection.

(2) INITIAL ENROLLMENT PERIOD.—Each eligible individual, at the time the individual first becomes an eligible individual in a HPPC area of a HPPC, have an initial enrollment period (of not less than 30 days) in which to enroll in an AHP.

(3) GENERAL ENROLLMENT PERIOD.—Each HPPC shall establish an annual period, of not less than 30 days, during which eligible individuals may enroll in an AHP or change in the AHP in which the individual is enrolled.

(4) SPECIAL ENROLLMENT PERIODS.—In the case of individuals who—

(A) through marriage, divorce, birth or adoption of a child, or similar circumstances, experience a change in family composition; or

(B) experience a change in employment status (including a significant change in the terms and conditions of employment);

each HPPC shall provide for a special enrollment period in which the individual is permitted to change the individual or family basis of coverage or the AHP in which the individual is enrolled. The circumstances under which such special enrollment periods are required and the duration of such periods shall be specified by the Board.

(5) TRANSITIONAL ENROLLMENT PERIOD.—Each HPPC shall provide for a special transitional enrollment period (during a period beginning in the months of October through December of 1994 as specified by the Board) during which eligible individuals may first enroll.

(c) DISTRIBUTION OF COMPARATIVE INFORMATION.—Each HPPC shall distribute, to eligible individuals and employers, information, in comparative form, on the prices, outcomes, enrollee satisfaction, and other information pertaining to the quality of the different AHPs for which it is offering enrollment. Each HPPC also shall make such information available to other interested persons.

(d) PERIOD OF COVERAGE.—

(1) INITIAL ENROLLMENT PERIOD.—In the case of an eligible individual who enrolls with an AHP through a HPPC during an initial enrollment period, coverage under the plan shall begin on such date (not later than the first day of the first month that begins at least 15 days after the date of enrollment) as the Board shall specify.

(2) GENERAL ENROLLMENT PERIODS.—In the case of an eligible individual who enrolls with an AHP through a HPPC during a general enrollment period, coverage under the plan shall begin on the 1st day of the 1st month beginning at least 15 days after the end of such period.

(3) SPECIAL ENROLLMENT PERIODS.—

(A) IN GENERAL.—In the case of an eligible individual who enrolls with an AHP during a special enrollment period described in subsection (b)(4), coverage under the plan shall begin on such date (not later than the first day of the first month that begins at least 15 days after the date of enrollment) as the Board shall specify, except that coverage of family members shall begin as soon as possible on or after the date of the event that gives rise to the special enrollment period.

(B) TRANSITIONAL SPECIAL ENROLLMENT PERIOD.—In the case of an eligible individual who enrolls with an AHP during the transitional special enrollment period described in subsection (b)(5), coverage under the plan shall begin on January 1, 1995.

(4) MINIMUM PERIOD OF ENROLLMENT.—In order to avoid adverse selection, each HPPC may require, consistent with rules of the National Board, that enrollments with AHPs be for not less than a specified minimum enrollment period (with exceptions permitted for such exceptional circumstances as the Board may recognize).

SEC. 105. RECEIPT OF PREMIUMS.

(a) ENROLLMENT CHARGE.—The amount charged by a HPPC for coverage under an AHP in a HPPC area is equal to the sum of—

(1) the standard premium rate established by the AHP under section 115 for such coverage; and

(2) the HPPC overhead amount established under subsection (b)(3) for enrollment of individuals in the HPPC area.

(b) HPPC OVERHEAD AMOUNT.—

(1) HPPC BUDGET.—Each HPPC shall establish a budget for each year for each HPPC area in accordance with regulations established by the Board.

(2) HPPC OVERHEAD PERCENTAGE.—The HPPC shall compute for each HPPC area an overhead percentage which, when applied to the standard premium amount for individual coverage for each enrollee unit, will provide for revenues equal to the budget for the HPPC area for the year. Such percentage may in no case exceed 5 percentage points.

(3) HPPC OVERHEAD AMOUNT.—The HPPC overhead amount for enrollment, whether on an individual or family basis, in an AHP for a HPPC area for a month is equal to the applicable HPPC overhead percentage (computed under paragraph (2)) multiplied by the standard premium amount for individual coverage under the AHP for the month.

SEC. 106. COORDINATION AMONG HPPCS.

(a) IN GENERAL.—The Board shall establish rules consistent with this section for coordination among HPPCs in cases where small employers are located in one HPPC area and their employees reside in a different HPPC area (and are eligible for enrollment with AHPs located in the other area).

(b) COORDINATION RULES.—Under the rules established under subsection (a)(1)—

(1) HPPC FOR EMPLOYER.—The HPPC for the principal place of business of a small employer shall be responsible—

(A) for providing information to the employer's employees on AHPs for areas in which employees reside;

(B)(i) for enrolling employees under the AHP selected (even if the AHP selected is not in the same HPPC area as the HPPC) and (ii) if the AHP chosen is not in the same HPPC area as the HPPC, for forwarding the enrollment information to the HPPC for the area in which the AHP selected is located; and

(C) in the case of premiums to be paid through payroll deduction, to receive such premiums and forward them to the HPPC for the area in which the AHP selected is located.

(2) HPPC FOR EMPLOYEE RESIDENCE.—The HPPC for the HPPC area in which an employee resides shall be responsible for providing other HPPCs with information concerning AHPs being offered in other HPPC areas within the State.

Subtitle B—Accountable Health Plans (AHPs)

PART 1—REQUIREMENTS FOR ACCOUNTABLE HEALTH PLANS

SEC. 111. REGISTRATION PROCESS; QUALIFICATIONS.

(a) IN GENERAL.—The Board shall provide a process whereby a health plan (as defined in section 2(c)(1)) may be registered with the Board by its sponsor as an accountable health plan.

(b) QUALIFICATIONS.—In order to be eligible to be registered, a plan must—

(1) provide, in accordance with section 112, for coverage of the uniform set of effective benefits specified by the Board;

(2) provide, in accordance with section 113, for the collection and reporting to the Board of certain information regarding its enrollees and provision of services;

(3) not discriminate in enrollment or benefits, as required under section 114;

(4) establish standard premiums for the uniform set of effective benefits, in accordance with section 115;

(5) meet financial solvency requirements, in accordance with section 116;

(6) provide for effective grievance procedures and restrict certain physician incentive plans, in accordance with section 117; and

(7) in the case of an open plan (as defined in section 2(b)(4)(B)), meet certain additional requirements under section 118 (relating to acceptance of enrollees and participation as a plan under the medicare program under the Social Security Act and under the Federal employees health benefits program).

(c) MINIMUM SIZE FOR CLOSED PLANS.—No plan may be registered as a closed AHP under this section unless the plan covers at least a number of employees greater than the applicable number of employees specified in section 2(c)(2).

(d) MEDICARE REQUIREMENT.—No plan may be registered as an AHP under this section unless the plan—

(1) meets the requirement of section 118(c); or

(2) provides for payment of the medicare adjustment amount under section 119.

SEC. 112. SPECIFIED UNIFORM SET OF EFFECTIVE BENEFITS.

(a) BENEFITS.—The Board shall not accept the registration of a health plan as an accountable health plan unless, subject to subsection (b), the plan—

(1) offers only the uniform set of effective benefits, specified by Board under section 132(a);

(2) has entered into arrangements with a sufficient number and variety of providers to provide for its enrollees the uniform set of effective benefits without imposing cost-sharing in excess of the cost-sharing described in paragraph (3);

(3)(A) provides, subject to subsection (c), for imposition of uniform cost-sharing (such as deductibles and copayments), specified under such subsection as part of such set of benefits; and

(B) does not permit providers participating in the plan under paragraph (2) to charge for covered services amounts in excess of such cost-sharing; and

(4) provides, in the case of individuals covered under more than one accountable health plan, for coordination of coverage under such plans in an equitable manner.

(b) TREATMENT OF ADDITIONAL BENEFITS.—

(1) IN GENERAL.—Subject to paragraph (2), subsection (a) shall not be construed as preventing an AHP from offering benefits in addition to the uniform set of effective benefits or for reducing the cost-sharing below the uniform cost-sharing, if such additional benefits or reductions in cost-sharing are offered, and priced, separately from the benefits described in subsection (a).

(2) NO DUPLICATIVE BENEFITS.—An AHP may not offer under paragraph (1) any additional benefits that have the effect of duplicating the benefits required under subsection (a).

SEC. 113. COLLECTION AND PROVISION OF STANDARDIZED INFORMATION.

(a) PROVISION OF INFORMATION.—

(1) IN GENERAL.—Each AHP must provide the Board (at a time, not less frequently than annually, and in an electronic, standardized form and manner specified by the Board) such information as the Board determines to be necessary, consistent with this subsection and section 137, to evaluate the performance of the AHP in providing the uniform set of effective benefits to enrollees.

(2) INFORMATION TO BE INCLUDED.—Subject to paragraph (3), information to be reported under this subsection shall include at least the following:

(A) Information on the characteristics of enrollees that may affect their need for or use of health services.

(B) Information on the types of treatments and outcomes of treatments with respect to the clinical health, functional status, and well-being of enrollees.

(C) Information on enrollee satisfaction, based on standard surveys prescribed by the Board.

(D) Information on health care expenditures, volume and prices of procedures, and use of specialized centers of care (for which information is submitted under section 138).

(E) Information on the flexibility permitted by plans to enrollees in their selection of providers.

(3) SPECIAL TREATMENT.—The Board may waive the provision of such information under paragraph (2), or require such other information, as the Board finds appropriate in the case of newly established AHP for which such information is not available.

(b) CONDITIONING CERTAIN PROVIDER PAYMENTS.—

(1) IN GENERAL.—In order to assure the collection of all information required from the direct providers of services for which benefits are available through an AHP, each AHP may not provide payment for services (other than emergency services) furnished by a provider to meet the uniform set of effective benefits unless the provider has given the AHP (or has given directly to the National Board) standard information (specified by the Board) respecting the services.

(2) FORWARDING INFORMATION.—If information under paragraph (1) is given to the AHP, the AHP is responsible for forwarding the information to the Board.

SEC. 114. PROHIBITION OF DISCRIMINATION BASED ON HEALTH STATUS FOR CERTAIN CONDITIONS; LIMITATION ON PRE-EXISTING CONDITION EXCLUSIONS.

(a) IN GENERAL.—Except as provided under subsection (b), an AHP may not deny, limit, or condition the coverage under (or benefits of) the plan based on the health status, claims experience, receipt of health care, medical history, or lack of evidence of insurability, of an individual.

(b) TREATMENT OF PREEXISTING CONDITION EXCLUSIONS FOR SERVICES.—

(1) IN GENERAL.—Subject to the succeeding provisions of this subsection, an AHP may exclude coverage with respect to services related to treatment of a preexisting condition, but the period of such exclusion may not exceed 6 months beginning on the date of coverage under the plan. The exclusion of coverage shall not apply to services furnished to newborns and to pregnant women.

(2) CREDITING OF PREVIOUS COVERAGE.—

(A) IN GENERAL.—An AHP shall provide that if an enrollee is in a period of continuous coverage (as defined in subparagraph (B)(i)) as of the date of initial coverage under such plan, any period of exclusion of cov-

erage with respect to a preexisting condition for such services or type of services shall be reduced by 1 month for each month in the period of continuous coverage.

(B) DEFINITIONS.—As used in this paragraph:

(i) PERIOD OF CONTINUOUS COVERAGE.—The term "period of continuous coverage" means the period beginning on the date an individual is enrolled under an AHP (or, before July 1, 1994, under any health plan that provides benefits with respect to such services) and ends on the date the individual is not so enrolled for a continuous period of more than 3 months.

(ii) PREEXISTING CONDITION.—The term "preexisting condition" means, with respect to coverage under an AHP, a condition which has been diagnosed or treated during the 3-month period ending on the day before the first date of such coverage (without regard to any waiting period).

(3) LIMITATION.—This subsection shall not apply to treatment which is not within the uniform set of effective benefits.

SEC. 115. USE OF STANDARD PREMIUMS.

(a) STANDARD PREMIUMS FOR OPEN AHPS.—

(1) IN GENERAL.—Subject to subsection (b), each open AHP shall establish a standard premium for the uniform set of effective benefits within each HPPC area in which the plan is offered. The amount of premium applicable for all individuals within a premium class (established under paragraph (2)) is the standard premium amount multiplied by the premium class factor specified by the Board for that class under paragraph (2)(B). Within a HPPC area for individuals within a premium class, the standard premium for all individuals in the class shall be the same.

(2) PREMIUM CLASSES.—

(A) IN GENERAL.—The Board shall establish premium classes—

(i) based on types of enrollment (described in section 2(c)(6)); and

(ii) within each type of enrollment, based on age of principal enrollee.

In carrying out clause (ii), the Board shall establish reasonable age bands within which premium amounts will not vary for a type of enrollment.

(B) PREMIUM CLASS FACTORS.—

(i) IN GENERAL.—For each premium class established under subparagraph (A), the Board shall establish a premium class factor that reflects, subject to clause (ii), the relative actuarial value of benefits for that class compared to the actuarial value of benefits for an average class.

(ii) LIMIT ON VARIATION IN PREMIUM CLASS FACTORS.—The highest premium class factor may not exceed twice the lowest premium class factor and the weighted average of the premium class factors shall be 1.

(3) METHODOLOGY.—Standard premiums are subject to adjustment in accordance with section 102(d)(1).

(b) LIMITATION ON PREMIUM INCREASES.—

(1) BOARD ACTION.—The Board shall establish annual limits on the permissible percentage rate of increase for premiums with respect to AHP's providing the uniform set of effective benefits.

(2) INCREASES.—Annual increases in premiums for an AHP may not exceed the percentage limit established by the Board under paragraph (1).

SEC. 116. FINANCIAL SOLVENCY REQUIREMENTS.

(a) SOLVENCY PROTECTION.—

(1) FOR INSURED PLANS.—In the case of an AHP that is an insured plan (as defined by the Board) and is issued in a State, in order for the plan to be registered under this subtitle the Board must find that the State has established satisfactory protection of enrollees with respect to potential insolvency.

(2) FOR OTHER PLANS.—In the case of an AHP that is not an insured plan, the Board may require the plan to provide for such bond or provide other satisfactory assurances that enrollees under the plan are protected with respect to potential insolvency of the plan.

(b) PROTECTION AGAINST PROVIDER CLAIMS.—In the case of a failure of an AHP to make payments with respect to the uniform set of basic benefits, under standards established by the Board, an individual who is enrolled under the plan is not liable to any health care provider or practitioner with respect to the provision of health services within such uniform set for payments in excess of the amount for which the enrollee would have been liable if the plan were to have made payments in a timely manner.

SEC. 117. GRIEVANCE MECHANISMS; ENROLLEE PROTECTIONS; WRITTEN POLICIES AND PROCEDURES RESPECTING ADVANCE DIRECTIVES; AGENT COMMISSIONS.

(a) EFFECTIVE GRIEVANCE PROCEDURES.—Each AHP shall provide for effective procedures for hearing and resolving grievances between the plan and individuals enrolled under the plan, which procedures meet standards specified by the Board.

(b) RESTRICTION ON CERTAIN PHYSICIAN INCENTIVE PLANS.—

(1) IN GENERAL.—A health plan may not be registered as an AHP if it operates a physician incentive plan (as defined in paragraph (2)) unless the requirements specified in clauses (i) through (iii) of section 1876(i)(8)(A) of the Social Security Act are met (in the same manner as they apply to eligible organizations under section 1876 of such Act).

(2) PHYSICIAN INCENTIVE PLAN DEFINED.—In this subsection, the term "physician incentive plan" means any compensation or other financial arrangement between the AHP and a physician or physician group that may directly or indirectly have the effect of reducing or limiting services provided with respect to individuals enrolled under the plan.

(c) WRITTEN POLICIES AND PROCEDURES RESPECTING ADVANCE DIRECTIVES.—A health plan may not be registered as an AHP unless the plan meets the requirements of section 1866(f) of the Social Security Act (relating to maintaining written policies and procedures respecting advance directives), insofar as such requirements would apply to the plan if the plan were an eligible organization.

(d) PAYMENT OF AGENT COMMISSIONS.—An AHP—

(1) may pay a commission or other remuneration to an agent or broker in marketing the plan to individuals or groups; but

(2) may not vary such remuneration based, directly or indirectly, on the anticipated or actual claims experience associated with the group or individuals to which the plan was sold.

SEC. 118. ADDITIONAL REQUIREMENTS OF OPEN AHPS.

(a) REQUIREMENT OF AGREEMENT WITH HPPC.—In the case of a health plan which is an open plan (as defined in section 2(b)(4)(B)), in order to be registered as an AHP the plan must have in effect an agreement (described in section 102) with each HPPC for each HPPC area in which it is offered.

(b) REQUIREMENT OF OPEN ENROLLMENT.—

(1) IN GENERAL.—In the case of a health plan which is an open health plan, in order to be registered as an AHP the plan must, subject to paragraph (3), not reject the enrollment of any eligible individual whom a HPPC is authorized to enroll under an agreement referred to in subsection (a) if the individual applies for enrollment during an enrollment period.

(2) LIMITATION ON TERMINATION.—Subject to paragraph (3), coverage of eligible individuals under an open AHP may not be refused nor terminated except for—

(A) nonpayment of premiums;

(B) fraud or misrepresentation; or

(C) termination of the plan at the end of a year (after notice and in accordance with standards established by the Board).

(3) TREATMENT OF NETWORK PLANS.—

(A) GEOGRAPHIC LIMITATIONS.—

(i) IN GENERAL.—An AHP which is a network plan (as defined in subparagraph (D)) may deny coverage under the plan to an eligible individual who is located outside a service area of the plan, but only if such denial is applied uniformly, without regard to health status or insurability of individuals.

(ii) SERVICE AREAS.—The Board shall establish standards for the designation by network plans of service areas in order to prevent discrimination based on health status of individuals or their need for health services.

(B) SIZE LIMITS.—Subject to subparagraph (C), an AHP which is a network plan may apply to the Board to cease enrolling eligible individuals under the AHP (or in a service area of the plan) if—

(i) it ceases to enroll any new eligible individuals; and

(ii) it can demonstrate that its financial or administrative capacity to serve previously covered groups or individuals (and additional individuals who will be expected to enroll because of affiliation with such previously covered groups or individuals) will be impaired if it is required to enroll other eligible individuals.

(C) FIRST-COME-FIRST-SERVED.—A network plan is only eligible to exercise the limitations provided for in subparagraphs (A) and (B) if it provides for enrollment of eligible individuals on a first-come-first-served basis.

(D) NETWORK PLAN.—In this paragraph, the term "network plan" means an eligible organization (as defined in section 1876(b) of the Social Security Act) and includes a similar organization, specified in regulations of the Board, as requiring a limitation on enrollment of employer groups or individuals due to the manner in which the organization provides health care services.

(c) REQUIREMENT OF PARTICIPATION IN MEDICARE RISK-BASED CONTRACTING.—

(1) IN GENERAL.—In the case of a health plan which is an open health plan and which is an eligible organization (as defined in section 1876(b) of the Social Security Act), in order to be registered as an AHP the plan must enter into a risk-sharing contract under section 1876 of the Social Security Act for the offering of benefits to medicare beneficiaries in accordance with such section.

(2) EXPANSION OF MEDICARE SELECT PROGRAM.—Subsection (c) of section 4358 of the Omnibus Budget Reconciliation Act of 1990 (104 Stat. 1388-137) is amended by striking "only apply in 15 States" and all that follows through the end and inserting "on and after January 1, 1992.".

(d) PARTICIPATION IN FEHBP.—

(1) IN GENERAL.—In the case of a health plan which is an open health plan, in order to be registered as an AHP the plan must have entered into an agreement with the Office of Personnel Management to offer a health plan to Federal employees and annuitants, and family members, under the Fed-

eral Employees Health Benefits Program under chapter 89 of title 5, United States Code, under the same terms and conditions offered by the AHP for enrollment of individuals and small employers through HPPCs.

(2) CHANGE IN CONTRIBUTION AND OTHER FEHBP RULES.—Notwithstanding any other provision of law, effective January 1, 1994—

(A) enrollment shall not be permitted under a health benefits plan under chapter 89 of title 5, United States Code, unless the plan is an AHP, and

(B) the amount of the Federal Government contribution under such chapter—

(i) for any premium class shall be the same for all AHPs in a HPPC area,

(ii) for any premium class shall not exceed the base individual premium (as defined in section 229(c)(3)), and

(iii) in the aggregate for any fiscal year shall be equal to the aggregate amount of Government contributions that would have been made but for this section.

SEC. 119. ADDITIONAL REQUIREMENT OF CERTAIN AHPS.

(a) MEDICARE ADJUSTMENT PAYMENT REQUIRED.—Each AHP which does not meet the requirement of section 148(c) shall provide for payment to the Board of such amounts as may be required as to put the plan in the same financial position as the AHP would be in if it met such requirement.

(b) REDISTRIBUTION OF PAYMENTS TO PLANS.—The Board shall provide for the distribution among AHPs meeting the requirement of section 148(c) of amounts paid under subsection (a) in such manner as reflects the relative financial impact of such requirement among such plans.

PART 2—PREEMPTION OF STATE LAWS FOR ACCOUNTABLE HEALTH PLANS

SEC. 120. PREEMPTION FROM STATE BENEFIT MANDATES.

Effective as of January 1, 1994, no State shall establish or enforce any law or regulation that—

(1) requires the offering, as part of an AHP, of any services, category of care, or services of any class or type of provider that is different from the uniform set of effective benefits;

(2) specifies the individuals to be covered under an AHP or the duration of such coverage; or

(3) requires a right of conversion from a group health plan that is an AHP to an individual health plan.

SEC. 121. PREEMPTION OF STATE LAW RESTRICTIONS ON NETWORK PLANS.

(a) LIMITATION ON RESTRICTIONS ON NETWORK PLANS.—Effective as of January 1, 1994—

(1) A State may not by law or regulation prohibit or unreasonably limit a network plan from including incentives for enrollees to use the services of participating providers.

(2) A State may not prohibit or unreasonably limit a network plan from limiting coverage of services to those provided by a participating provider.

(3)(A) Subject to subparagraph (B), a State may not prohibit or unreasonably limit the negotiation of rates and forms of payments for providers under a network plan.

(B) Subparagraph (A) shall not apply where the amount of payments with respect to a category of services or providers is established under a Statewide system applicable to all non-Federal payors with respect to such services or providers.

(4) A State may not prohibit or unreasonably limit a network plan from limiting the number of participating providers.

(5) A State may not prohibit or unreasonably limit a network plan from requiring that services be provided (or authorized) by a practitioner selected by the enrollee from a list of available participating providers.

(b) DEFINITIONS.—As used in this section:

(1) NETWORK PLAN.—The term "network plan" means an AHP—

(A) which—

(i) limits coverage of the uniform set of basic benefits to those provided by participating providers; or

(ii) provides, with respect to such services provided by persons who are not participating providers, for deductibles or other cost-sharing which are in excess of those permitted under the uniform set of basic benefits for participating providers;

(B) which has a sufficient number and distribution of participating providers to assure that the uniform set of basic benefits is—

(i) available and accessible to each enrollee, within the area served by the plan, with reasonable promptness and in a manner which assures continuity; and

(ii) when medically necessary, available and accessible 24 hours a day and seven days a week; and

(C) which provides benefits for the uniform set of basic benefits not furnished by participating providers if the services are medically necessary and immediately required because of an unforeseen illness, injury, or condition.

(2) PARTICIPATING PROVIDER.—The term "participating provider" means an entity or individual which provides, sells, or leases health care services under a contract with a network plan, which contract does not permit—

(A) cost-sharing in excess of the cost-sharing permitted under the uniform set of basic benefits with respect to basic benefits; and

(B) any enrollee charges (for such services covered under such set) in excess of such cost-sharing.

SEC. 122. PREEMPTION OF STATE LAWS RESTRICTING UTILIZATION REVIEW PROGRAMS.

(a) IN GENERAL.—Effective January 1, 1994, no State law or regulation shall prohibit or regulate activities under a utilization review program (as defined in subsection (b)).

(b) UTILIZATION REVIEW PROGRAM DEFINED.—In this section, the term "utilization review program" means a system of reviewing the medical necessity and appropriateness of patient services (which may include inpatient and outpatient services) using specified guidelines. Such a system may include preadmission certification, the application of practice guidelines, continued stay review, discharge planning, preauthorization of ambulatory procedures, and retrospective review.

Subtitle C—Federal Health Board

SEC. 131. ESTABLISHMENT OF FEDERAL HEALTH BOARD.

(a) IN GENERAL.—There is hereby established a Federal Health Board.

(b) COMPOSITION AND TERMS.—

(1) APPOINTMENT.—The Board shall be composed of 5 members appointed by the President by and with the advice and consent of the Senate. In appointing members to the Board, the President shall provide that all members shall demonstrate experience with and knowledge of the health care system.

(2) CHAIRPERSON.—The President shall designate one of the members to be Chairperson of the Board.

(3) TERMS.—Each member of the Board shall be appointed for a term of 7 years, except that, of the members first appointed, 1 shall each be appointed for terms of 3, 4, 5, 6, and 7 years, as designated by the President at the time of appointment. Members appointed to fill vacancies shall serve for the remainder of the terms of the vacating members.

(4) PARTY AFFILIATION.—Not more than 3 members of the Board shall be of the same political party.

(5) OTHER EMPLOYMENT PROHIBITED.—A member of the Board may not, during the term as a member, engage in any other business, vocation, profession, or employment.

(6) QUORUM.—Three members of the Board shall constitute a quorum, except that 2 members may hold hearings.

(7) MEETINGS.—The Board shall meet at the call of the Chairman or 3 members of the Board.

(8) COMPENSATION.—Each member of the Board shall be entitled to compensation at the rate provided for level II of the Executive Schedule, subject to such amounts as are provided in advance in appropriation Acts.

(c) PERSONNEL.—

(1) IN GENERAL.—The Board shall appoint an Executive Director and such additional officers and employees as it considers necessary to carry out its functions under this Act. Except as otherwise provided in any other provision of law, such officers and employees shall be appointed, and their compensation shall be fixed, in accordance with title 5, United States Code.

(2) EXPERTS AND CONSULTANTS.—The Board may procure the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code.

(d) MISCELLANEOUS PROVISIONS.—

(1) GIFTS, BEQUESTS, AND DEVISES.—The Board may accept, use, and dispose of gifts, bequests, or devises of services or property for the purpose of aiding or facilitating its work.

(2) MAILS.—The Board may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

SEC. 132. SPECIFICATION OF UNIFORM SET OF EFFECTIVE BENEFITS.

(a) SPECIFICATION OF UNIFORM SET OF EFFECTIVE BENEFITS.—

(1) IN GENERAL.—The Board shall specify, by not later than October 1 of each year (beginning with 1993), the uniform set of effective benefits to apply under this title for the following year.

(2) SPECIFICATION OF HEALTH CARE CONDITIONS.—

(A) IN GENERAL.—Such benefits shall include the full range of legally authorized treatment for any health condition for which the Board determines a treatment has been shown to reasonably improve or significantly ameliorate the condition. The Board may exclude health conditions the treatment of which do not impact on clinical health or functional status of individuals.

(B) COVERAGE OF CLINICAL PREVENTIVE SERVICES.—Such benefits shall include the full range of effective clinical preventive services (including appropriate screening, counseling, and immunization and chemoprophylaxis), specified by the Board, appropriate to age and other risk factors.

(C) COVERAGE FOR PERSONS WITH SEVERE MENTAL ILLNESS.—The Board shall establish guidelines concerning nondiscrimination towards individuals with severe mental illnesses and coverage for the treatment of severe mental illnesses. Such guidelines shall ensure that coverage of such individuals is equitable and commensurate with the coverage provided to other individuals.

(D) EXCLUSION FOR INEFFECTIVE TREATMENTS.—The Board may exclude from the benefits such treatments as the Board deter-

mines, based on clinical information, have not been reasonably shown to improve a health condition or significantly ameliorate a health condition. Except as specifically excluded, the actual specific treatments, procedures, and care (such as the use of particular providers or services) which may be used under a plan or be used with respect to health conditions shall be left up to the plan.

(E) NONDISCRIMINATION.—In determining the uniform set of effective benefits, the Board shall not discriminate against individuals with serious mental illnesses.

(3) DEDUCTIBLES AND COST-SHARING.—

(A) IN GENERAL.—Subject to subparagraph (B), such set shall include uniform deductibles and cost-sharing associated with such benefits.

(B) TREATMENT OF NETWORK PLANS.—In the case of a network plan (as defined in section 121(b)), the plan may provide for charging deductibles and cost-sharing in excess of the uniform deductibles and cost-sharing under subparagraph (A) in the case of services provided by providers that are not participating providers (as defined in such section).

(b) BASIS FOR BENEFITS.—In establishing such set, the Board shall judge medical treatments, procedures, and related health services based on—

(1) their effectiveness in improving the health status of individuals; and

(2) their long-term impact on maintaining and improving health and productivity and on reducing the consumption of health care services.

(c) BASIS FOR COST-SHARING.—In establishing cost-sharing that is part of the uniform set of effective benefits, the Board shall—

(1) include only such cost-sharing as will restrain consumers from seeking unnecessary services;

(2) not impose cost-sharing for covered clinical preventive services;

(3) balance the effect of the cost-sharing in reducing premiums and in affecting utilization of appropriate services; and

(4) limit the total cost-sharing that may be incurred by an individual (or enrollee unit) in a year.

SEC. 133. HEALTH BENEFITS AND DATA STANDARDS BOARD.

(a) ESTABLISHMENT.—The Board shall provide for the initial organization, as a nonprofit corporation in the District of Columbia, of the Health Benefits and Data Standards Board (in this section referred to as the "Benefits and Data Board"), under the direction of a board of directors consisting of 5 directors.

(b) APPOINTMENT OF DIRECTORS.—

(1) SOLICITATION.—The Board shall solicit nominations for the initial board of directors of the Benefits and Data Board from organizations that represent the various groups with an interest in the health care system and the functions of the Board.

(2) CONTINUATION.—The by-laws of the Benefits and Data Board shall provide for the board of directors subsequently to be appointed by the board in a manner that ensures a broad range of representation of through groups with an interest in providing and purchasing health care.

(3) TERMS OF DIRECTORS.—The term of each member of the board of directors shall be for 7 years, except that in order to provide for staggered terms, the terms of the members initially appointed shall be for 3, 4, 5, 6, and 7 years. In the case of a vacancy by death or resignation, the replacement shall be appointed for the remainder of the term. No individual may serve as a director of the board for more than 14 years.

(c) FUNCTIONS.—

(1) IN GENERAL.—The Benefits and Data Board shall make recommendations to the Board concerning each of the following:

(A) The uniform set of effective benefits.

(B) The standards for information collection from AHPs.

(C) Auditing standards to ensure the accuracy of such information.

Before making recommendations concerning the standards described in subparagraph (B), the Benefits and Data Board shall consult with the Agency for Health Care Policy and Research regarding the Agency's need for information in performing its activities.

(2) ASSESSMENTS.—The Benefits and Data Board shall provide the Board with its assessment of—

(A) medical technology;

(B) practice variations;

(C) the effectiveness of medical practices and drug therapies based on research performed by the Agency for Health Care Policy and Research;

(D) information from clinical and epidemiologic studies; and

(E) information provided by AHPs, including AHP-specific information on clinical health, functional status, well-being, and plan satisfaction of enrolled individuals.

(3) NATIONAL HEALTH DATA SYSTEM.—The Benefits and Data Board shall provide the Board with its assistance in the development of the standards for the national data reporting system under section 137.

(d) FUNDING.—

(1) IN GENERAL.—In order to provide funding for the Benefits and Data Board, the National Health Board shall establish an annual registration fee for AHPs which is imposed on a per-covered-individual-basis and is sufficient, in the aggregate, to provide each year for not more than the amount specified in paragraph (2) for the operation of the Benefits and Data Board.

(2) AMOUNT OF FUNDS.—The amount specified in this paragraph for each of fiscal years 1994 and 1995, is $50,000,000, and, for each succeeding fiscal year, is $25,000,000.

SEC. 134. HEALTH PLAN STANDARDS BOARD.

(a) ESTABLISHMENT.—The Board shall provide for the initial organization, as a nonprofit corporation in the District of Columbia, of the Health Plan Standards Board (in this section referred to as the "Plan Standards Board"), under the direction of a board of directors consisting of 5 directors.

(b) APPOINTMENT OF DIRECTORS.—

(1) SOLICITATION.—The Board shall solicit nominations for the initial board of directors of the Plan Standards Board from organizations that represent the various groups with an interest in the health care system and the functions of the Board.

(2) CONTINUATION.—The by-laws of the Plan Standards Board shall provide for the board of directors subsequently to be appointed by the board in a manner that ensures a broad range of representation of through groups with an interest in providing and purchasing health care.

(3) TERMS OF DIRECTORS.—The term of each member of the board of directors shall be for 7 years, except that in order to provide for staggered terms, the terms of the members initially appointed shall be for 3, 4, 5, 6, and 7 years. In the case of a vacancy by death or resignation, the replacement shall be appointed for the remainder of the term. No individual may serve as a director of the board for more than 12 years.

(c) FUNCTIONS.—

(1) IN GENERAL.—The Plan Standards Board shall make recommendations to the Board concerning the standards for AHPs (other than standards relating to the uniform set of effective benefits and the national health data system) and for HPPCs.

(2) ASSESSMENT OF RISK-ADJUSTMENT FACTORS.—The Plan Standards Board shall provide the Board with its assessment of the risk-adjustment factors under section 136.

(d) FUNDING.—In order to provide funding for the Plan Standards Board, the National Health Board shall establish an annual registration fee for AHPs which is imposed on a per-covered-individual-basis and is sufficient, in the aggregate, to provide each year for not more than 60 percent of the amount specified in section 133(d)(2) for the operation of the Plan Standards Board.

SEC. 135. REGISTRATION OF ACCOUNTABLE HEALTH PLANS.

(a) IN GENERAL.—The Board shall register those health plans that meet the standards under subtitle B.

(b) TREATMENT OF STATE CERTIFICATION.—If the Board determines that a State superintendent of insurance, State insurance commissioner, or other State official provides for the imposition of standards that the Board finds are equivalent to the standards established under subtitle B for registration of a health benefit plan as an AHP, the Board may provide for registration as AHPs of health plans that such official certifies as meeting the standards for registration. Nothing in this subsection shall require a health plan to be certified by such an official in order to be registered by the Board.

(c) MEDICAID WAIVER.—The Board shall develop criteria and procedures under which the Secretary may grant a waiver to a State to permit that State to enroll individuals, otherwise eligible for enrollment under title XIX of the Social Security Act, under ACP's through a HPPC. The waiver shall permit the State to use funds made available under such title XIX for the enrollment of medicaid eligible individuals through a HPPC. The State shall ensure that individuals enrolled in a AHP under such a waiver are guaranteed at least those minimum benefits that such individual would have been entitled to under such title XIX.

SEC. 136. SPECIFICATION OF RISK-ADJUSTMENT FACTORS.

(a) IN GENERAL.—The Board shall establish rules for the process of risk-adjustment of premiums among AHPs by HPPCs under section 102(d).

(b) PROCESS.—

(1) IDENTIFICATION OF RELATIVE RISK.—The Board shall determine risk-adjustment factors that are correlated with increased or diminished risk for consumption of the type of health services included in the uniform set of effective benefits. To the maximum extent practicable, such factors shall be determined without regard to the methodology used by individual AHPs in the provision of such benefits. In determining such factors, with respect to an individual who is identified as having—

(A) a lower-than-average risk for consumption of the services, the factor shall be a number, less than zero, reflecting the degree of such lower risk;

(B) an average risk for consumption of the services, the factor shall be zero; or

(C) a higher-than-average risk for consumption of the services, the factor shall be a number, greater than zero, reflecting the degree of such higher risk.

(2) ADJUSTMENT OF FACTORS.—In applying under section 102(d)(1)(B) the risk-adjustment factors determined under paragraph (1), each HPPC shall adjust such factors, in

accordance with a methodology established by the Board, so that the sum of such factors is zero for all enrollee units in each HPPC area for which a premium payment is forwarded under section 102(d) for each premium payment period.

SEC. 137. NATIONAL HEALTH DATA SYSTEM.

(a) STANDARDIZATION OF INFORMATION.—

(1) IN GENERAL.—The Board shall establish standards for the periodic reporting by AHPs of information under section 113(a).

(2) PATIENT CONFIDENTIALITY.—The standards shall be established in a manner that protects the confidentiality of individual enrollees, but may provide for the disclosure of information which discloses particular providers within an AHP.

(b) ANALYSIS OF INFORMATION.—The Board shall analyze the information reported in order to distribute it in a form, consistent with subsection (a)(2), that—

(1) reports, on a national, State, and community basis, the levels and trends of health care expenditures, the rates and trends in the provision of individual procedures, and the price levels and rates of price change for such procedures; and

(2) permits the direct comparison of different AHPs on the basis of the ability of the AHPs to maintain and improve clinical health, functional status, and well-being and to satisfy enrolled individuals.

The reports under paragraph (1) shall include both aggregate and per capita measures for areas and shall include comparative data of different areas. The comparison under paragraph (2) may also be made to show changes in the performance of AHPs over time.

(c) DISTRIBUTION OF INFORMATION.—

(1) IN GENERAL.—The Board shall provide, through the HPPCs and directly to AHPs, for the distribution of its analysis on individual AHPs. Such distribution shall occur at least annually before each general enrollment period.

(2) ANNUAL REPORT ON EXPENDITURES.—The Board shall publish annually (beginning with 1996) a report on expenditures on, and volumes and prices of, procedures. Such report shall be distributed to each AHP, each HPPC, each Governor, and each State legislature.

(3) ANNUAL REPORTS.—The Board shall also publish an annual report, based on analyses under this section, that identifies—

(A) procedures for which, as reflected in variations in use or rates of increase, there appear to be the greatest need to develop valid clinical protocols for clinical decision-making and review;

(B) procedures for which, as reflected in price variations and price inflation, there appear to be the greatest need for strengthening competitive purchasing; and

(C) States and localities for which, as reflected in expenditure levels and rates of increase, there appear to be the greatest need for additional cost control measures.

(4) SPECIAL DISTRIBUTIONS.—The Board may, whenever it deems appropriate, provide for the distribution—

(A) to an AHP of such information relating to the plan as may be appropriate in order to encourage the plan to improve its delivery of care; and

(B) to business, consumer, and other groups and individuals of such information as may improve their ability to effect improvements in the outcomes, quality, and efficiency of health services.

(5) ACCESS BY AGENCY FOR HEALTH CARE POLICY AND RESEARCH.—The Board shall make available to the Agency for Health Care Policy and Research information obtained under section 113(a) in a manner consistent with subsection (a)(2).

(d) STANDARDIZED FORMS.—Not later than October 1, 1994, the Board, in consultation with representatives of local governments, insurers, health care providers, and consumers shall develop a plan to accelerate electronic billing and computerization of medical records and shall develop standardized claim forms and billing procedures for use by all AHP's under this title.

SEC. 138. MEASURES OF QUALITY OF CARE OF SPECIALIZED CENTERS OF CARE.

(a) COLLECTION OF INFORMATION.—The Board shall provide a process whereby a specialized center of care (as defined in subsection (c)) may submit to the Board such clinical and other information bearing on the quality of care provided with respect to the uniform set of effective benefits at the center as the Board may specify. Such information shall include sufficient information to take into account outcomes and the risk factors associated with individuals receiving care through the center. Such information shall be provided at such frequency (not less often than annually) as the Board specifies.

(b) MEASURES OF QUALITY.—Using information submitted under subsection (a) and information reported under section 137, the Board shall—

(1) analyze the performance of such centers with respect to the quality of care provided;

(2) rate the performance of such a center with respect to a class of services relative to the performance of other specialized centers of care and relative to the performance of AHPs generally; and

(3) publish such ratings.

(c) USE OF SERVICE MARK FOR SPECIALIZED CENTERS OF CARE.—The Board may establish a service mark for specialized centers of care the performance of which has been rated under subsection (b). Such service mark shall be registrable under the Trademark Act of 1946, and the Board shall apply for the registration of such service mark under such Act. For purposes of such Act, such service mark shall be deemed to be used in commerce. For purposes of this subsection, the "Trademark Act of 1946" refers to the Act entitled "An Act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of international conventions, and for other purposes", approved July 5, 1946 (15 U.S.C. 1051 et seq.).

(d) SPECIALIZED CENTER OF CARE DEFINED.—In this section, the term "specialized center of care" means an institution or other organized system for the provision of specific services, which need not be multi-disciplinary, and does not include (except as the Board may provide) individual practitioners.

SEC. 139. REPORT ON IMPACT OF ADVERSE SELECTION; RECOMMENDATIONS ON MANDATED PURCHASE OF COVERAGE.

(a) STUDY.—The Board shall study—

(1) the extent to which those eligible individuals (as defined in subsection (c)) who enroll with AHPs have significantly greater needs for health care services than the population of eligible individuals as a whole; and

(2) methods for reducing adverse impacts that may result from such adverse selection.

(b) REPORT.—By not later than January 1, 1996, the Board shall submit to Congress a report on the study under subsection (a) and on appropriate methods for reducing adverse impacts that may result from adverse selection in enrollment. The report shall specifically include—

(1) an examination of the impact of establishing a requirement that all eligible individuals obtain health coverage through enrollment with an AHP; and

(2) a recommendation as to whether (and, if so, how) to impose such a requirement.

(c) ELIGIBLE INDIVIDUAL DEFINED.—In this section, the term "eligible individual"—

(1) includes individuals who would be eligible individuals but for section 2(a)(4)(B), but

(2) does not include individuals eligible to enroll for benefits under part B of title XVIII of the Social Security Act.

TITLE II—PRIMARY AND PREVENTIVE CARE SERVICES

SEC. 201. MATERNAL AND INFANT CARE COORDINATION.

(a) PURPOSE.—It is the purpose of this section to assist States in the development and implementation of coordinated, multidisciplinary, and comprehensive primary health care and social services, and health and nutrition education programs, designed to improve maternal and child health.

(b) GRANTS FOR IMPLEMENTATION OF PROGRAMS.—

(1) AUTHORITY.—The Secretary of Health and Human Services (hereafter referred to in this section as the "Secretary") is authorized to award grants to States to enable such States to plan and implement coordinated, multidisciplinary, and comprehensive primary health care and social service programs targeted to pregnant women and infants.

(2) ELIGIBILITY.—To be eligible to receive a grant under this section, a State shall—

(A) prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require;

(B) provide assurances that under the program established with amounts received under a grant, individuals will have access (without any barriers) to comprehensive family planning counseling, pregnancy testing, prenatal care, delivery, intrapartum and postpartum care, pediatric care for infants, and social services as appropriate, including outreach activities, home visits, child care, transportation, risk assessment, nutrition counseling, dental care, mental health services, substance abuse services, services relating to HIV infection, and prevention counseling;

(C) provide assurances that under the program individuals will have access, without any barriers, to the full range of pediatric services provided by pediatric nurse practitioners and clinical nurse specialists, including in-home services for low birth weight babies;

(D) as part of the State application, submit a plan for providing incentive payments of up to $500 to pregnant women who—

(i) have not attained age 20;

(ii) are at risk of having low birth weight babies;

(iii) agree to attend not less than 5 prenatal visits and 1 postnatal visit; and

(iv) agree to attend a requisite number of prenatal care and parenting classes, as determined by the State;

(E) as part of the State application, submit a plan for the coordination and maximization of existing and proposed Federal and State resources, including amounts provided under the medicaid program under title XIX of the Social Security Act, the special supplemental food program under section 17 of the Child Nutrition Act of 1966, family planning programs, substance abuse programs, State maternal and child health programs funded under title V of the Social Security Act, community and migrant health center programs under the Public Health Service

Act, and other publicly, or where practicable, privately supported programs;

(F) demonstrate that the major service providers to be involved, including private nonprofit entities committed to improving maternal and infant health, are committed to and involved in the program to be funded with amounts received under the grant;

(G) with respect to States with high infant mortality rates among minority populations, demonstrate the involvement of major health, multiservice, professional, or civic group representatives of such minority groups in the planning and implementation of the State program; and

(H) demonstrate that health promotion and outreach activities under the State program are targeted to women of childbearing age, particularly those at risk for having low birth weight babies.

(3) TERM OF GRANT.—A grant awarded under this subsection shall be for a period of 5 years.

(4) USE OF AMOUNTS.—Amounts received by a State under a grant awarded under this subsection shall be used to establish a State program to provide coordinated, multidisciplinary, and comprehensive primary health care and social services, and health and nutrition education program services, that are designed to improve maternal and child health.

(5) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection, $100,000,000 for fiscal year 1994, $300,000,000 for fiscal year 1995, and $500,000,000 for each of the fiscal years 1996 through 1998.

(c) MODEL HEALTH AND NUTRITION EDUCATION CURRICULA.—

(1) AUTHORITY.—The Secretary, in conjunction with the Secretary of Education and the Secretary of Agriculture, is authorized to award grants, on a competitive basis, to public or nonprofit private entities to enable such entities to develop model health and nutrition education curricula for children in grades kindergarten through twelfth.

(2) APPLICATION.—To be eligible to receive a grant under paragraph (1), an entity shall prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

(3) CURRICULA.—Curricula developed under paragraph (1) should be consistent with the goals of "Healthy People 2000: National Health Promotion and Disease Prevention Objectives", published by the Department of Health and Human Services in September 1990, and shall address the cultural and lifestyle realities of racial and ethnic minority populations.

(4) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection, $10,000,000 for fiscal year 1994.

SEC. 202. REAUTHORIZATION OF CERTAIN PROGRAMS PROVIDING PRIMARY AND PREVENTIVE CARE.

(a) IMMUNIZATION PROGRAMS.—Section 317(j)(1)(A) of the Public Health Service Act (42 U.S.C. 247b(j)(1)(A)) is amended—

(1) by striking "and such sums" and inserting "such sums"; and

(2) by striking "each of the fiscal years 1992 through 1995" and inserting "each of the fiscal years 1992 and 1993, $380,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1998".

(b) TUBERCULOSIS PREVENTION GRANTS.—Section 317(j)(2) of the Public Health Service Act (42 U.S.C. 247b(j)(2)) is amended—

(1) by striking "and such sums" and inserting "such sums"; and

(2) by striking "each of the fiscal years 1992 through 1995" and inserting "each of the fiscal years 1992 and 1993, $30,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1998".

(c) SEXUALLY TRANSMITTED DISEASES.—Section 318(d)(1) of the Public Health Service Act (42 U.S.C. 247c(d)(1)) is amended—

(1) by striking "and such sums" and inserting "such sums"; and

(2) by inserting before the first period the following: "$125,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1998".

(d) MIGRANT HEALTH CENTERS.—Section 329(h)(1)(A) of the Public Health Service Act (42 U.S.C. 254b(h)(1)(A)) is amended by striking "and 1991, and such sums as may be necessary for each of the fiscal years 1992 through 1994" and inserting "through 1993, $80,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1998".

(e) COMMUNITY HEALTH CENTERS.—Section 330(g)(1)(A) of the Public Health Service Act (42 U.S.C. 254c(g)(1)(A)) is amended by striking "and 1991, and such sums as may be necessary for each of the fiscal years 1992 through 1994" and inserting "through 1993, $700,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1998".

(f) HEALTH CARE SERVICES FOR THE HOMELESS.—Section 340(q)(1) of the Public Health Service Act (42 U.S.C. 256(q)(1)) is amended by striking "and such sums" and all that follows through the period and inserting "$90,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1998.".

(g) FAMILY PLANNING PROJECT GRANTS.—Section 1001(d) of the Public Health Service Act (42 U.S.C. 300(d)) is amended—

(1) by striking "and $158,400,000" and inserting "$158,400,000"; and

(2) by inserting before the period the following: ", $200,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1998".

(h) BREAST AND CERVICAL CANCER PREVENTION.—Section 1509(a) of the Public Health Service Act (42 U.S.C. 300n-5(a)) is amended—

(1) by striking "and such sums" and inserting "such sums"; and

(2) by striking "for each of the fiscal years 1992 and 1993" and inserting "for each of the fiscal years 1992 and 1993, $100,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1998".

(i) PREVENTIVE HEALTH AND HEALTH SERVICES BLOCK GRANT.—Section 1901(a) of the Public Health Service Act (42 U.S.C. 300w(a)) is amended by striking "$205,000,000" and inserting "$235,000,000".

(j) HIV EARLY INTERVENTION.—Section 2655 of the Public Health Service Act (42 U.S.C. 300ff-55) is amended—

(1) by striking "and such sums" and inserting "such sums"; and

(2) by striking "each of the fiscal years 1992 through 1995" and inserting "each of fiscal years 1992 and 1993, $310,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1998".

(k) MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT.—Section 501(a) of the Social Security Act (42 U.S.C. 701(a)) is amended by striking "$686,000,000 for fiscal year 1990 and each fiscal year thereafter" and inserting "$800,000,000 for fiscal year 1994, and such sums as may be necessary in each of the fiscal years 1995 through 1998".

SEC. 203. COMPREHENSIVE SCHOOL HEALTH EDUCATION PROGRAM.

Section 4605 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 3155) is amended to read as follows:

"SEC. 4605. COMPREHENSIVE SCHOOL HEALTH EDUCATION PROGRAMS.

"(a) PURPOSE.—It is the purpose of this section to establish a comprehensive school health education and prevention program for elementary and secondary school students.

"(b) PROGRAM AUTHORIZED.—The Secretary, through the Office of Comprehensive School Health Education established in subsection (e), shall award grants to States from allotments under subsection (c) to enable such States to—

"(1) award grants to local or intermediate educational agencies, and consortia thereof, to enable such agencies or consortia to establish, operate and improve local programs of comprehensive health education and prevention, early health intervention, and health education, in elementary and secondary schools (including preschool, kindergarten, intermediate, and junior high schools); and

"(2) develop training, technical assistance and coordination activities for the programs assisted pursuant to paragraph (1).

"(c) RESERVATIONS AND STATE ALLOTMENTS.—

"(1) RESERVATIONS.—From the sums appropriated pursuant to the authority of subsection (f) for any fiscal year, the Secretary shall reserve—

"(A) 1 percent for payments to Guam, American Samoa, the Virgin Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, the Northern Mariana Islands, and the Republic of Palau, to be allotted in accordance with their respective needs; and

"(B) 1 percent for payments to the Bureau of Indian Affairs.

"(2) STATE ALLOTMENTS.—From the remainder of the sums not reserved under paragraph (1), the Secretary shall allot to each State an amount which bears the same ratio to the amount of such remainder as the school-age population of the State bears to the school-age population of all States, except that no State shall be allotted less than an amount equal to 0.5 percent of such remainder.

"(3) REALLOTMENT.—The Secretary may reallot any amount of any allotment to a State to the extent that the Secretary determines that the State will not be able to obligate such amount within 2 years of allotment. Any such reallotment shall be made on the same basis as an allotment under paragraph (2).

"(d) USE OF FUNDS.—Grant funds provided to local or intermediate educational agencies, or consortia thereof, under this section may be used to improve elementary and secondary education in the areas of—

"(1) personal health and fitness;

"(2) prevention of chronic diseases;

"(3) prevention and control of communicable diseases;

"(4) nutrition;

"(5) substance use and abuse;

"(6) accident prevention and safety;

"(7) community and environmental health;

"(8) mental and emotional health;

"(9) parenting and the challenges of raising children; and

"(10) the effective use of the health services delivery system.

"(e) OFFICE OF COMPREHENSIVE SCHOOL HEALTH EDUCATION.—The Secretary shall establish within the Office of the Secretary an Office of Comprehensive School Health Education which shall have the following responsibilities:

"(1) To recommend mechanisms for the coordination of school health education programs conducted by the various departments and agencies of the Federal Government.

"(2) To advise the Secretary on formulation of school health education policy within the Department of Education.

"(3) To disseminate information on the benefits to health education of utilizing a comprehensive health curriculum in schools.

"(f) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—There are authorized to be appropriated $50,000,000 for fiscal year 1994 and such sums as may be necessary for each of the fiscal years 1995 and 1996 to carry out this section.

"(2) AVAILABILITY.—Funds appropriated pursuant to the authority of paragraph (1) in any fiscal year shall remain available for obligation and expenditure until the end of the fiscal year succeeding the fiscal year for which such funds were appropriated.".

SEC. 204. COMPREHENSIVE EARLY CHILDHOOD HEALTH EDUCATION PROGRAM.

(a) PURPOSE.—It is the purpose of this section to establish a comprehensive early childhood health education program.

(b) PROGRAM.—The Secretary of Health and Human Services shall conduct a program of awarding grants to agencies conducting Head Start training to enable such agencies to provide training and technical assistance to Head Start teachers and other child care providers. Such program shall—

(1) establish a training system through the Head Start agencies and organizations conducting Head Start training for the purpose of enhancing teacher skills and providing comprehensive early childhood health education curriculum;

(2) enable such agencies and organizations to provide training to day care providers in order to strengthen the skills of the early childhood workforce in providing health education;

(3) provide technical support for health education programs and curricula; and

(4) provide cooperation with other early childhood providers to ensure coordination of such programs and the transition of students into the public school environment.

(c) USE OF FUNDS.—Grant funds under this section may be used to provide training and technical assistance in the areas of—

(1) personal health and fitness;

(2) prevention of chronic diseases;

(3) prevention and control of communicable diseases;

(4) dental health;

(5) nutrition;

(6) substance use and abuse;

(7) accident prevention and safety;

(8) community and environmental health;

(9) mental and emotional health; and

(10) strengthening the role of parent involvement.

(d) RESERVATION FOR INNOVATIVE PROGRAMS.—The Secretary shall reserve 5 percent of the funds appropriated pursuant to the authority of subsection (e) in each fiscal year for the development of innovative model health education programs or curricula.

(e) AUTHORIZATION OF APPROPRIATIONS.—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 to carry out this section.

SEC. 205. DISEASE PREVENTION AND HEALTH PROMOTION PROGRAMS TREATED AS MEDICAL CARE.

(a) IN GENERAL.—For purposes of section 213(d)(1) of the Internal Revenue Code of 1986 (defining medical care), qualified expenditures (as defined by the Secretary of Health and Human Services) for disease prevention and health promotion programs shall be considered amounts paid for medical care.

(b) EFFECTIVE DATE.—Subsection (a) shall apply to amounts paid in taxable years beginning after December 31, 1992.

SEC. 206. WORKSITE WELLNESS GRANT PROGRAM.

(a) GRANTS.—The Secretary of Health and Human Services (hereafter referred to as the "Secretary") shall award grants to States (through State health departments or other State agencies working in consultation with the State health agency) to enable such States to provide assistance to businesses with not to exceed 100 employees for the establishment and operation of worksite wellness programs for their employees.

(b) APPLICATION.—To be eligible for a grant under subsection (a), a State shall prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require, including—

(1) a description of the manner in which the State intends to use amounts received under the grant; and

(2) assurances that the State will only use amounts provided under such grant to provide assistance to businesses that can demonstrate that they are in compliance with minimum program characteristics (relative to scope and regularity of services offered) that are developed by the Secretary in consultation with experts in public health and representatives of small business.

Grants shall be distributed to States based on the population of individuals employed by small businesses.

(c) PROGRAM CHARACTERISTICS.—In developing minimum program characteristics under subsection (b)(2), the Secretary shall ensure that all activities established or enhanced under a grant under this section have clearly defined goals and objectives and demonstrate how receipt of such assistance will help to achieve established State or local health objectives based on the National Health Promotion and Disease Prevention Objectives.

(d) USE OF FUNDS.—Amounts received under a grant awarded under subsection (a) shall be used by a State to provide grants to businesses (as described in subsection (a)), nonprofit organizations, or public authorities, or to operate State-run worksite wellness programs.

(e) SPECIAL EMPHASIS.—In funding business worksite wellness projects under this section, a State shall give special emphasis to—

(1) the development of joint wellness programs between employers;

(2) the development of employee assistance programs dealing with substance abuse;

(3) maximizing the use and coordination with existing community resources such as nonprofit health organizations; and

(4) encourage participation of dependents of employees and retirees in wellness programs.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, such sums as may be necessary in each of the fiscal years 1994 through 1998.

TITLE III—TAX INCENTIVES TO INCREASE HEALTH CARE ACCESS

SEC. 301. CREDIT FOR ACCOUNTABLE HEALTH PLAN COSTS.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to refundable personal credits) is amended by inserting after section 34 the following new section:

"SEC. 34A. ACCOUNTABLE HEALTH PLAN COSTS.

"(a) ALLOWANCE OF CREDIT.—

"(1) IN GENERAL.—In the case of an eligible individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the applicable percentage of the accountable health plan costs paid by such individual during the taxable year.

"(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the term 'applicable percentage' means 60 percent reduced (but not below zero) by 10 percentage points for each $1,000 (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year exceeds the applicable dollar amount.

"(3) APPLICABLE DOLLAR AMOUNT.—For purposes of this subsection, the term 'applicable dollar amount' means—

"(A) in the case of a taxpayer filing a joint return, $28,000,

"(B) in the case of any other taxpayer (other than a married individual filing a separate return), $18,000, and

"(C) in the case of a married individual filing a separate return, zero.

For purposes of this subsection, the rule of section 219(g)(4) shall apply.

"(b) ACCOUNTABLE HEALTH PLAN COSTS.—For purposes of this section—

"(1) IN GENERAL.—The term 'accountable health plan costs' means amounts paid during the taxable year for insurance which constitutes medical care (within the meaning of section 213(g)). For purposes of the preceding sentence, the rules of section 213(d)(6) shall apply.

"(2) DOLLAR LIMIT ON ACCOUNTABLE HEALTH PLAN COSTS.—The amount of the accountable health care costs paid during any taxable year which may be taken into account under subsection (a)(1) shall not exceed the reference premium amount for the taxable year.

"(3) ELECTION NOT TO TAKE CREDIT.—A taxpayer may elect for any taxable year to have amounts described in paragraph (1) not treated as accountable health plan costs.

"(4) DEFINITION.—As used in paragraph (2), the term 'reference premium rate amount' means, with respect to an individual in a HPPC area, the lowest premium established by an open accountable health plan and offered in the area for the premium class applicable to such individual (including, if appropriate, the HPPC overhead amount established under section 105(b)(3)) of this Act applied for the taxable year period involved.

"(c) ELIGIBLE INDIVIDUAL.—For purposes of this section, the term 'eligible individual' means, with respect to any period, an individual who is not covered during such period by a health plan maintained by an employer of such individual or such individual's spouse.

"(d) SPECIAL RULES.—For purposes of this section—

"(1) COORDINATION WITH ADVANCE PAYMENT AND MINIMUM TAX.—Rules similar to the rules of subsections (g) and (h) of section 32 shall apply to any credit to which this section applies.

"(2) MEDICARE-ELIGIBLE INDIVIDUALS.—No expense shall be treated as an accountable

health plan cost if it is an amount paid for insurance for an individual for any period with respect to which such individual is entitled (or, on application without the payment of an additional premium, would be entitled to) benefits under part A of title XVIII of the Social Security Act.

"(3) SUBSIDIZED EXPENSES.—No expense shall be treated as an accountable health plan cost to the extent—

"(A) such expense is paid, reimbursed, or subsidized (whether by being disregarded for purposes of another program or otherwise) by the Federal Government, a State or local government, or any agency or instrumentality thereof, and

"(B) the payment, reimbursement, or subsidy of such expense is not includible in the gross income of the recipient.

"(e) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section.".

(b) ADVANCE PAYMENT OF CREDIT.—

(1) IN GENERAL.—Chapter 25 of the Internal Revenue Code of 1986 is amended by inserting after section 3507 the following new section:

"SEC. 3507A. ADVANCE PAYMENT OF ACCOUNTABLE HEALTH PLAN COSTS.

"(a) GENERAL RULE.—Except as otherwise provided in this section, every employer making payment of wages with respect to whom an accountable health plan costs eligibility certificate is in effect shall, at the time of paying such wages, make an additional payment equal to such employee's accountable health plan costs advance amount.

"(b) ACCOUNTABLE HEALTH PLAN COSTS ELIGIBILITY CERTIFICATE.—For purposes of this title, an accountable health plan costs eligibility certificate is a statement furnished by an employee to the employer which—

"(1) certifies that the employee will be eligible to receive the credit provided by section 34A for the taxable year,

"(2) certifies that the employee does not have an accountable health plan costs eligibility certificate in effect for the calendar year with respect to the payment of wages by another employer,

"(3) states whether or not the employee's spouse has an accountable health plan costs eligibility certificate in effect, and

"(4) estimates the amount of accountable health plan costs (as defined in section 34A(b)) for the calendar year.

For purposes of this section, a certificate shall be treated as being in effect with respect to a spouse if such a certificate will be in effect on the first status determination date following the date on which the employee furnishes the statement in question.

"(c) ACCOUNTABLE HEALTH PLAN COSTS ADVANCE AMOUNT.—

"(1) IN GENERAL.—For purposes of this title, the term 'accountable health plan costs advance amount' means, with respect to any payroll period, the amount determined—

"(A) on the basis of the employee's wages from the employer for such period,

"(B) on the basis of the employee's estimated accountable health plan costs included in the accountable health plan costs eligibility certificate, and

"(C) in accordance with tables provided by the Secretary.

"(2) ADVANCE AMOUNT TABLES.—The tables referred to in paragraph (1)(D) shall be similar in form to the tables prescribed under section 3402 and, to the maximum extent feasible, shall be coordinated with such tables and the tables prescribed under section 3507(c).

"(d) OTHER RULES.—For purposes of this section, rules similar to the rules of subsections (d) and (e) of section 3507 shall apply.

"(e) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section.".

(2) CONFORMING AMENDMENT.—The table of sections for chapter 25 of such Code is amended by adding after the item relating to section 3507 the following new item:

"Sec. 3507A. Advance payment of accountable health plan costs credit.".

(c) COORDINATION WITH DEDUCTIONS FOR HEALTH INSURANCE EXPENSES.—

(1) SELF-EMPLOYED INDIVIDUALS.—Section 162(l) of the Internal Revenue Code of 1986, as amended by section 303, is further amended by adding after paragraph (5) the following new paragraph:

"(6) COORDINATION WITH HEALTH INSURANCE PREMIUM CREDIT.—Paragraph (1) shall not apply to any amount taken into account in computing the amount of the credit allowed under section 34A.".

(2) MEDICAL, DENTAL, ETC., EXPENSES.—Subsection (e) of section 213 of such Code is amended by inserting "or section 34A" after "section 21".

(d) TERMINATION OF HEALTH INSURANCE CREDIT.—Section 32 of the Internal Revenue Code of 1986 (relating to earned income credit) is amended by adding at the end thereof the following new subsection:

"(d) TERMINATION OF HEALTH INSURANCE CREDIT.—In the case of taxable years beginning after December 31, 1991, the health insurance credit percentage shall be equal to 0 percent."

(e) CLERICAL AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 34 the following new item:

"Sec. 34A. Accountable health plan costs.".

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1993.

SEC. 302. NO DEDUCTION FOR EMPLOYER HEALTH PLAN EXPENSES IN EXCESS OF ACCOUNTABLE HEALTH PLAN COSTS.

(a) IN GENERAL.—Section 162 of the Internal Revenue Code of 1986 (relating to trade or business expenses) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

"(m) GENERAL RULE.—

"(1) LIMITATION ON DEDUCTION.—No deduction shall be allowed under this section for the excess health plan expenses of any employer.

"(2) EXCESS HEALTH PLAN EXPENSES.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'excess health plan expenses' means health plan expenses paid or incurred by the employer for any month with respect to any covered individual to the extent such expenses do not meet the requirements of subparagraphs (B), (C), and (D).

"(B) LIMIT TO ACCOUNTABLE HEALTH PLANS.—Health plan expenses meet the requirements of this subparagraph only if the expenses are attributable to—

"(i) coverage of the covered individual under an accountable health plan, or

"(ii) in the case of a small employer, payment to a health plan purchasing cooperative for coverage under an accountable health plan.

"(C) LIMIT ON PER EMPLOYEE CONTRIBUTION.—

"(i) IN GENERAL.—Health plan expenses with respect to any employee meet the requirements of this subparagraph for any month only to the extent that the amount of such expenses does not exceed the reference premium rate amount for the month.

"(ii) TREATMENT OF HEALTH PLANS OUTSIDE THE UNITED STATES.—For purposes of clause (i), in the case of an employee residing outside the United States, there shall be substituted for the reference premium rate such reasonable amounts as the Federal Health Board determines to be comparable to the limit imposed under clause (i).

"(iii) DEFINITION.—As used in clause (i), the term 'reference premium rate amount' means, with respect to an individual in a HPPC area, the lowest premium established by an open accountable health plan and offered in the area for the premium class applicable to such individual (including, if appropriate, the HPPC overhead amount established under section 105(b)(3) of this Act.

"(D) REQUIREMENT OF LEVEL CONTRIBUTION.—Health plan expenses meet the requirements of this subparagraph for any month only if the amount of the employer contribution (for a premium class) does not vary based on the accountable health plan selected.

"(3) EXCEPTION FOR MEDICARE-ELIGIBLE RETIREES.—Paragraphs (1) and (2) shall not apply to health plan expenses with respect to an individual who is eligible for benefits under part A of title XVIII of the Social Security Act if such expenses are for a health plan that is not a primary payor under section 1862(b) of such Act.

"(4) SPECIAL RULES.—

"(A) TREATMENT OF SELF-INSURED PLANS.—In the case of a self-insured health plan, the amount of contributions per employee shall be determined for purposes of paragraph (2)(C) in accordance with rules established by the Federal Health Board which are based on the principles of section 4980B(f)(4)(B) (as in effect before the date of the enactment of this subsection).

"(B) CONTRIBUTIONS TO CAFETERIA PLANS.—Contributions under a cafeteria plan on behalf of an employee that may be used for a group health plan coverage shall be treated for purposes of this section as health plan expenses paid or incurred by the employer.

"(5) EMPLOYEES HELD HARMLESS.—Nothing in this section shall be construed as affecting the exclusion from gross income of an employee under section 106.

"(6) OTHER DEFINITIONS.—For purposes of this subsection—

"(A) COVERED INDIVIDUAL.—The term 'covered individual' means any beneficiary of a group health plan.

"(B) GROUP HEALTH PLAN.—The term 'group health plan' has the meaning given such term by section 5000(b)(1).

"(C) HEALTH PLAN EXPENSES.—

"(i) IN GENERAL.—The term 'health plan expenses' means employer expenses for any group health plan, including expenses for premiums as well as payment of deductibles and coinsurance that would otherwise be applicable.

"(ii) EXCLUSION OF CERTAIN DIRECT EXPENSES.—Such term does not include expenses for direct services which are determined by the Federal Health Board to be primarily aimed at workplace health care and health promotion or related population-based preventive health activities.

"(D) ACCOUNTABLE HEALTH PLAN.—The term 'accountable health plan' has the

meaning given such term by section 2(b)(1) of this Act.

"(E) SMALL EMPLOYER.—The term 'small employer' means, for a taxable year, an employer that is a small employer (within the meaning of section 2(c)(2) of this Act for the most recent calendar year ending before the end of the taxable year.".

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to expenses incurred for the provision of health services for periods after December 31, 1993.

(2) TRANSITION FOR COLLECTIVE BARGAINING AGREEMENTS.—The amendments made by this section shall not apply to employers with respect to their employees, insofar as such employees are covered under a collective bargaining agreement ratified before the date of the enactment of this Act, earlier than the date of termination of such agreement (determined without regard to any extension thereof agreed to after the date of the enactment of this Act), or January 1, 1996, whichever is earlier.

SEC. 303. INCREASE IN DEDUCTION FOR HEALTH PLAN PREMIUM EXPENSES OF SELF-EMPLOYED INDIVIDUALS.

(a) INCREASING DEDUCTION TO 100 PERCENT.—Paragraph (1) of section 162(l) of the Internal Revenue Code of 1986 (relating to special rules for health insurance costs of self-employed individuals) is amended by striking "25 percent of".

(b) MAKING PROVISION PERMANENT.—Section 162(l) of such Code is amended by striking paragraph (6).

(c) LIMITATION TO ACCOUNTABLE HEALTH PLANS.—Paragraph (2) of section 162(l) of such Code is amended by adding at the end thereof the following new subparagraph:

"(C) DEDUCTION LIMITED TO ACCOUNTABLE HEALTH PLAN COSTS.—No deduction shall be allowed under this section for any amount which would be excess health plan expenses (as defined in subsection (m)(2), determined without regard to subparagraph (D) thereof) if the taxpayer were an employer.".

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to taxable years beginning after December 31, 1993.

(2) EXCEPTION.—The amendment made by subsection (c) shall apply to expenses for periods of coverage beginning on or after January 1, 1994.

SEC. 304. DEDUCTION FOR HEALTH PLAN PREMIUM EXPENSES OF INDIVIDUALS.

(a) IN GENERAL.—Section 213 of the Internal Revenue Code of 1986 (relating to medical, dental, etc., expenses) amended by adding at the end the following new subsection:

"(g) SPECIAL RULES FOR HEALTH PLAN PREMIUM EXPENSES.—

"(1) IN GENERAL.—The deduction under subsection (a) shall be determined without regard to the limitation based on adjusted gross income with respect to amounts paid for premiums for coverage under an accountable health plan.

"(2) LIMIT.—The amount allowed as a deduction under paragraph (1) with respect to the cost of providing coverage for any individual shall not exceed the applicable limit specified in section 162(m)(2)(C) reduced by the aggregate amount paid by all other entities (including any employer or any level of government) for coverage of such individual under any health plan.

"(3) DEDUCTION ALLOWED AGAINST GROSS INCOME.—The deduction under this subsection shall be taken into account in determining adjusted gross income under section 62(a).

"(4) TREATMENT OF MEDICARE PROGRAM.—Coverage under part A or part B of title XVIII of the Social Security Act shall not be considered for purposes of this subsection to be coverage under an accountable health plan.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1993.

SEC. 305. EXCLUSION FROM GROSS INCOME FOR EMPLOYER CONTRIBUTIONS TO ACCOUNTABLE HEALTH PLANS.

(a) IN GENERAL.—Section 106 of the Internal Revenue Code of 1986 (relating to contributions by employers to accident and health plans) is amended to read as follows:

"Gross income of an employee does not include employer-provided basic coverage under an accountable health plan (as defined in section 162(m)(2)(B)).".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1993.

TITLE IV—DISCLOSURE OF CERTAIN INFORMATION TO BENEFICIARIES UNDER THE MEDICARE AND MEDICAID PROGRAMS

SEC. 401. REGULATIONS REQUIRING DISCLOSURE OF CERTAIN INFORMATION TO BENEFICIARIES UNDER THE MEDICARE AND MEDICAID PROGRAMS.

Part A of title XI of the Social Security Act (42 U.S.C. 1301 et seq.) is amended by adding at the end the following new section:

"DISCLOSURE OF CERTAIN INFORMATION TO BENEFICIARIES UNDER THE MEDICARE AND MEDICAID PROGRAMS

"SEC. 1144. (a) ANNUAL REPORTS.—

"(1) INSTITUTIONAL HEALTH CARE PROVIDERS.—

"(A) IN GENERAL.—The Secretary shall issue regulations requiring that each institutional health care provider receiving payment for services provided under title XVIII or XIX shall make an annual report available to the recipients of services under such title.

"(B) CONTENTS OF REPORT.—The annual report referred to in subparagraph (A) shall include—

"(i) mortality rates relating to services provided to individuals, including incidence and outcomes of surgical and other invasive procedures;

"(ii) nosocomial infection rates;

"(iii) a list of routine preoperative tests and other frequently performed medical tests, including blood tests, chest x-rays, magnetic resonance imaging, computerized axial tomography, urinalysis, and heart catherizations, and the cost of such tests;

"(iv) the number and types of malpractice claims against the provider decided or settled for the year; and

"(v) such other information as the Secretary shall require.

"(2) NONINSTITUTIONAL HEALTH CARE PROVIDERS.—

"(A) IN GENERAL.—The Secretary shall issue regulations requiring that each noninstitutional provider receiving payment for services provided under title XVIII or XIX shall make an annual report available to the recipients of services under such title.

"(B) CONTENTS OF REPORT.—The report referred to in subparagraph (A) shall include—

"(i) information regarding the provider's education, experience, qualifications, board certification, and license to provide health care services, including a list of the States in which such provider is licensed and any limitations on such provider's license;

"(ii) any disciplinary actions taken against the provider by any health care facility, State medical agency, or medical organization which result in a finding of improper conduct;

"(iii) any malpractice action against the provider decided or settled;

"(iv) a disclosure of any ownership interest the provider may have in any health care facility, laboratory, or health care supply company; and

"(v) such other information as the Secretary shall require.

"(b) DISCLOSURE OF INFORMATION REGARDING HEALTH CARE PROCEDURES AND FORMS.—

"(1) INFORMATION REGARDING HEALTH CARE PROCEDURES AND FORMS.—The Secretary shall issue regulations requiring that each institutional and noninstitutional health care provider receiving payment for services under title XVIII or XIX shall make available any forms required in connection with the receipt of services under such title which consist of any diagnostic, surgical, or other invasive procedure, prior to the performance of such procedure.

"(2) INFORMATION PROVIDED BEFORE PERFORMANCE OF PROCEDURE.—The Secretary shall issue regulations requiring each institutional and noninstitutional health care provider receiving payment for services provided under title XVIII or XIX to disclose to any individual receiving any surgical, palliative, or other health care procedure or any drug therapy or other treatment, the following information prior to the performance of such procedure or treatment:

"(A) The nature of the procedure or treatment.

"(B) A description of the procedure or treatment.

"(C) The risk and benefits associated with the procedure or treatment.

"(D) The success rate for the procedure or treatment generally, and for the provider.

"(E) The provider's cost range for the procedure or treatment.

"(F) Any alternative treatment which may be available to such individual.

"(G) Any known side effects of any medications required in connection with the procedure or treatment.

"(H) The interactive effect of the complete regimen of medications associated with the procedure.

"(I) The availability of the information under this subsection and under subsections (a) and (c).

"(J) Such other information as the Secretary shall require.

"(3) EMERGENCIES.—The Secretary shall issue regulations with respect to the waiver of any requirement established under paragraphs (1) and (2) in a case where emergency health care is needed.

"(c) PATIENT'S RIGHT TO REFUSE INFORMATION AND TREATMENT.—The Secretary shall issue regulations requiring each institutional and noninstitutional health care provider receiving payment for services provided under title XVIII or XIX to inform any individual receiving services under such title of such individual's right—

"(1) to refuse any information which is available to such individual under the regulations described in subsections (a) and (b);

"(2) to refuse any procedure or treatment;

"(3) to refuse attendance by any such provider; or

"(4) to leave the premises of any such provider.

"(d) DEFINITIONS.—As used in this section—

"(1) INSTITUTIONAL HEALTH CARE PROVIDER.—The term 'institutional health care provider' means any hospital, clinic, skilled nursing facility, comprehensive outpatient

rehabilitation facility, home health agency, hospice program, or other facility receiving payment for services provided under title XVIII or XIX, as determined by the Secretary.

"(2) NONINSTITUTIONAL HEALTH CARE PROVIDER.—The term 'noninstitutional health care provider' means any physician, physician assistant, nurse practitioner, certified nurse midwife, certified registered nurse anesthetist, or other individual receiving payment for services provided under title XVIII or XIX, as determined by the Secretary.

"(e) COMPLIANCE.—

"(1) PENALTIES FOR FAILURE TO COMPLY.—The Secretary shall issue regulations establishing appropriate penalties for any failure to comply with the regulations issued under this section.

"(2) WAIVER OF COMPLIANCE.—The Secretary may waive any of the requirements under the regulations issued under this section if a health care provider demonstrates that such requirements will result in an undue burden on such provider.".

SEC. 402. OUTREACH ACTIVITIES.

(a) MEDICARE PROGRAM.—

(1) GRANTS TO NONPROFIT PRIVATE ENTITIES FOR OUTREACH ACTIVITIES.—

(A) AUTHORITY.—The Secretary of Health and Human Services (hereafter referred to in this paragraph as the "Secretary"), is authorized to award grants, on a competitive basis, to nonprofit private entities to enable such entities to develop outreach activities to inform beneficiaries under title XVIII of the Social Security Act of the information available to such beneficiaries pursuant to regulations issued by the Secretary under section 1144 of the Social Security Act as added by section 301 of this Act.

(B) APPLICATION.—To be eligible to receive a grant under subparagraph (A), an entity shall prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

(C) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $5,000,000 for fiscal year 1994, $5,000,000 for fiscal year 1995, and $5,000,000 for fiscal year 1996.

(2) OUTREACH THROUGH NOTICE OF MEDICARE BENEFITS.—Section 1804 of the Social Security Act (42 U.S.C. 1395b-2) is amended—

(A) in paragraph (2), by striking ", and" and inserting a comma,

(B) in paragraph (3), by striking the period and inserting ", and", and

(C) by inserting after paragraph (3), the following new paragraph:

"(4) a description of the information available to beneficiaries under this title pursuant to regulations issued by the Secretary under section 1144.".

(b) MEDICAID PROGRAM.—

(1) IN GENERAL.—Section 1902(a) of the Social Security Act (42 U.S.C. 1396a(a)), is amended—

(A) by striking "and" at the end of paragraph (54),

(B) by striking the period at the end of paragraph (58) (as added by section 4751(a)(1)(C) of the Omnibus Budget Reconciliation Act of 1990) and inserting a semicolon,

(C) by redesignating the second paragraph (58) (as added by section 4752(c)(1)(C) of the Omnibus Budget Reconciliation Act of 1990) as paragraph (59) and by striking the period at the end and inserting "; and", and

(D) by adding at the end the following new paragraph:

"(60) provide for an outreach program informing individuals who receive medical assistance under this title of the information available to such individuals pursuant to regulations issued by the Secretary under section 1144.".

(2) EFFECTIVE DATE.—

(A) IN GENERAL.—Paragraph (1) shall apply to calendar quarters beginning on or after January 1, 1994.

(B) GENERAL RULE.—In the case of a State which the Secretary determines requires State legislation (other than legislation authorizing or appropriating funds) in order to comply with paragraph (1), the State shall not be regarded as failing to comply with such paragraph solely on the basis of its failure to meet the requirements of such paragraph before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

TITLE V—COOPERATIVE AGREEMENTS BETWEEN HOSPITALS

SEC. 501. PURPOSE.

It is the purpose of this title to encourage cooperation between hospitals in order to contain costs and achieve a more efficient health care delivery system through the elimination of unnecessary duplication and proliferation of expensive medical or high technology services or equipment.

SEC. 502. HOSPITAL TECHNOLOGY AND SERVICES SHARING PROGRAM.

Part D of title VI of the Public Health Service Act (42 U.S.C. 291k et seq.) is amended by adding at the end thereof the following new section:

"SEC. 647. HOSPITAL TECHNOLOGY AND SERVICES SHARING DEMONSTRATION PROGRAM.

"(a) WAIVER.—The Attorney General, acting through the Secretary, may grant a waiver of the anti-trust laws, to permit two or more hospitals to enter into a voluntary cooperative agreement under which such hospitals provide for the sharing of medical technology and services.

"(b) ELIGIBLE APPLICANTS.—

"(1) IN GENERAL.—To be eligible to receive a waiver under subsection (a), an entity shall be a hospital and shall prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require, including—

"(A) a statement that such hospital desires to negotiate and enter into a voluntary cooperative agreement with at least one other hospital operating in the State or region of the applicant hospital for the sharing of medical technology or services;

"(B) a description of the nature and scope of the activities contemplated under the cooperative agreement and any consideration that may pass under such agreement to any other hospital that may elect to become a party to the agreement; and

"(C) any other information determined appropriate by the Secretary.

"(2) DEVELOPMENT OF EVALUATION GUIDELINES.—Not later than 90 days after the date of enactment of this section, the Administrator of the Agency for Health Care Policy and Research shall develop evaluation guidelines with respect to applications submitted under paragraph (1).

"(3) EVALUATIONS OF APPLICATIONS.—The Secretary, in consultation with the Administrator of the Agency for Health Care Policy and Research, shall evaluate applications submitted under paragraph (1). In determining which applications to approve for purposes of granting waivers under subsection (a), the Secretary shall consider whether the cooperative agreement described in each such application is likely to result in—

"(A) a reduction of costs and an increase in access to care;

"(B) the enhancement of the quality of hospital or hospital-related care;

"(C) the preservation of hospital facilities in geographical proximity to the communities traditionally served by such facilities;

"(D) improvements in the cost-effectiveness of high-technology services by the hospitals involved;

"(E) improvements in the efficient utilization of hospital resources and capital equipment; or

"(F) the avoidance of duplication of hospital resources.

"(c) MEDICAL TECHNOLOGY AND SERVICES.—

"(1) IN GENERAL.—Cooperative agreements facilitated under this section shall provide for the sharing of medical or high technology equipment or services among the hospitals which are parties to such agreements.

"(2) MEDICAL TECHNOLOGY.—For purposes of this section, the term 'medical technology' shall include the drugs, devices, and medical and surgical procedures utilized in medical care, and the organizational and support systems within which such care is provided.

"(3) ELIGIBLE SERVICES.—With respect to services that may be shared under an agreement entered into under this section, such services shall—

"(A) either have high capital costs or extremely high annual operating costs; and

"(B) be services with respect to which there is a reasonable expectation that shared ownership will avoid a significant degree of the potential excess capacity of such services in the community or region to be served under such agreement.

Such services may include mobile clinic services.

"(d) REPORT.—Not later than 5 years after the date of enactment of this section, the Secretary shall prepare and submit to the appropriate committees of Congress, a report concerning the potential for cooperative agreements of the type entered into under this section to—

"(1) contain health care costs;

"(2) increase the access of individuals to medical services; and

"(3) improve the quality of health care.

Such report shall also contain the recommendations of the Secretary with respect to future programs to facilitate cooperative agreements.

"(e) DEFINITION.—For purposes of this section, the term 'antitrust laws' means—

"(1) the Act entitled 'An Act to protect trade and commerce against unlawful restraints and monopolies', approved July 2, 1890, commonly known as the 'Sherman Act' (26 Stat. 209; chapter 647; 15 U.S.C. 1 et seq.);

"(2) the Federal Trade Commission Act, approved September 26, 1914 (38 Stat. 717; chapter 311; 15 U.S.C. 41 et seq.);

"(3) the Act entitled 'An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes', approved October 15, 1914, commonly known as the 'Clayton Act' (38 Stat. 730; chapter 323; 15 U.S.C. 12 et seq.; 18 U.S.C. 402, 660, 3285, 3691; 29 U.S.C. 52, 53); and

"(4) any State antitrust laws that would prohibit the activities described in subsection (a).".

TITLE IV—PATIENT'S RIGHT TO DECLINE MEDICAL TREATMENT

SEC. 401. RIGHT TO DECLINE MEDICAL TREATMENT.

(a) RIGHTS OF COMPETENT ADULTS.—

(1) IN GENERAL.—Except as provided in paragraph (2), a State may not restrict the right of a competent adult to consent to, or to decline, medical treatment.

(2) LIMITATIONS.—

(A) AFFECT ON THIRD PARTIES.—A State may impose limitations on the right of a competent adult to decline treatment if such limitations protect third parties (including minor children) from harm.

(B) TREATMENT WHICH IS NOT MEDICALLY INDICATED.—Nothing in this section shall be construed to require that any individual be offered, or that any individual may demand, medical treatment which the health care provider does not have available, or which is futile, or which is otherwise not medically indicated.

(b) RIGHTS OF INCAPACITATED ADULTS.—

(1) IN GENERAL.—Notwithstanding incapacity, each adult has a right to consent to, or to decline, medical treatment. Except as provided in subsection (a)(2)(A), States may not restrict the right to consent to, or to decline, medical treatment as exercised by an adult through the documents specified in this subsection, or through similar documents or other written methods of directive which clearly and convincingly evidence the adult's treatment choices.

(2) ADVANCE DIRECTIVES AND POWERS OF ATTORNEY.—

(A) IN GENERAL.—In order to facilitate the communication, despite incapacity, of an adult's treatment choices, the Secretary of Health and Human Services (hereafter in this title referred to as the "Secretary"), in consultation with the Attorney General, shall develop a national advance directive form that—

(i) shall not limit or otherwise restrict, except as provided in subsection (a)(2)(A), an adult's right to consent to, or to decline, medical treatment; and

(ii) shall, at minimum—

(I) provide the means for an adult to declare such adult's own treatment choices in the event of a terminal condition;

(II) provide the means for an adult to declare, at such adult's option, treatment choices in the event of other conditions (such as persistent vegetative state) which are chronic and debilitating, which are medically incurable, and from which such adult likely will not recover; and

(III) provide the means by which an adult may, at such adult's option, declare such adult's wishes with respect to all forms of medical treatment, including forms of medical treatment such as the provision of nutrition and hydration by artificial means which may be, in some circumstances, relatively nonburdensome.

(B) NATIONAL DURABLE POWER OF ATTORNEY FORM.—The Secretary, in consultation with the Attorney General, shall develop a national durable power of attorney form for health care decisionmaking. The form shall provide a means for any adult to designate another adult or adults to exercise the same decisionmaking powers which would, under State law, otherwise be exercised by next of kin.

(C) HONORED BY ALL HEALTH CARE PROVIDERS.—The national advance directive and durable power of attorney forms developed by the Secretary shall be honored by all health care providers.

(D) LIMITATIONS.—No individual shall be required to execute an advance directive. This title makes no presumption concerning the intention of an individual who has not executed an advance directive. An advance directive shall be sufficient, but not necessary, proof of an adult's treatment choices with respect to the circumstances addressed in the advance directive.

(3) DEFINITION.—For purposes of this subsection, the term "incapacity" means the inability to understand the nature and consequences of health care decisions (including the intended benefits and foreseeable risks of, and alternatives to, proposed treatment options), and to reach informed decisions concerning health care. Individuals who are incapacitated include adjudicated incompetents and individuals who have not been adjudicated incompetent but who, nonetheless, lack the capacity to formulate or communicate decisions concerning health care.

(c) HEALTH CARE PROVIDERS.—

(1) IN GENERAL.—No health care provider may provide treatment to an adult contrary to the adult's wishes as expressed personally, by an advance directive as provided for in subsection (b)(2), or by a similar written advance directive form or another written method of directive which clearly and convincingly evidence the adult's treatment choices. A health provider who acts in good faith pursuant to the preceding sentence shall be immune from criminal or civil liability or discipline for professional misconduct.

(2) HEALTH CARE PROVIDERS UNDER THE MEDICARE AND MEDICAID PROGRAMS.—Any health care provider who knowingly provides services to an adult contrary to the adult's wishes as expressed personally, by an advance directive as provided for in subsection (b)(2), or by a similar written advance directive form or another written method of directive which clearly and convincingly evidence the adult's treatment choices, shall be denied payment for such services under titles XVIII and XIX of the Social Security Act.

(3) TRANSFERS.—Health care providers who object to the provision of medical care in accordance with an adult's wishes shall transfer the adult to the care of another health care provider.

(d) DEFINITION.—For purposes of this section, the term "adult" means an individual who is 18 years of age or older.

SEC. 602. FEDERAL RIGHT ENFORCEABLE IN FEDERAL COURTS.

The rights recognized in this title may be enforced by filing a civil action in an appropriate district court of the United States.

SEC. 603. SUICIDE AND HOMICIDE.

Nothing in this title shall be construed to permit, condone, authorize, or approve suicide or mercy killing, or any affirmative act to end a human life.

SEC. 604. RIGHTS GRANTED BY STATES.

Nothing in this title shall impair or supersede rights granted by State law which exceed the rights recognized by this title.

SEC. 605. EFFECT ON OTHER LAWS.

(a) IN GENERAL.—Except as specified in subsection (b), written policies and written information adopted by health care providers pursuant to sections 4206 and 4751 of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101-508), shall be modified within 6 months of enactment of this title to conform to the provisions of this title.

(b) DELAY PERIOD FOR UNIFORM FORMS.—Health care providers shall modify any written forms distributed as written information under sections 4206 and 4751 of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101-508) not later than 6 months after promulgation of the forms referred to in subparagraphs (A) and (B) of section 601(b)(2) by the Secretary.

SEC. 606. INFORMATION PROVIDED TO CERTAIN INDIVIDUALS.

The Secretary shall provide on a periodic basis written information regarding an individual's right to consent to, or to decline, medical treatment as provided in this title to individual's who are beneficiaries under titles II, XVI, XVIII, and XIX of the Social Security Act.

SEC. 607. RECOMMENDATIONS TO THE CONGRESS ON ISSUES RELATING TO A PATIENT'S RIGHT OF SELF-DETERMINATION.

Not later than 180 days after the date of the enactment of this Act the Secretary shall provide recommendations to the Congress concerning the medical, legal, ethical, social, and educational issues related to this title. In developing recommendations under this section the Secretary shall address the following issues:

(1) the contents of the forms referred to in subparagraphs (A) and (B) of section 601(b)(2);

(2) issues pertaining to the education and training of health care professionals concerning patients' self-determination rights;

(3) issues pertaining to health care professionals' duties with respect to patients' rights, and health care professionals' roles in identifying, assessing, and presenting for patient consideration medically indicated treatment options; and

(4) such other issues as the Secretary may identify.

SEC. 608. EFFECTIVE DATE.

This title shall take effect on the date that is 6 months after the date of enactment of this Act.

SEC. 701. QUALIFIED HEALTH INSURANCE PLANS.

(a) REQUIREMENT.—The Social Security Act (42 U.S.C. 301 et seq.) is amended by adding at the end thereof the following new title:

"TITLE XXI—HEALTH INSURANCE

"PART A—GENERAL PROVISIONS

"SEC. 2101. DEFINITIONS.

"As used in this title:

"(1) APPLICABLE REGULATORY AUTHORITY.—The term 'applicable regulatory authority' means—

"(A) in the case of a health insurance plan offered in a State with a program meeting the requirements of this title, the State commissioner or superintendent of insurance or other State authority responsible for regulation of health insurance; or

"(B) in the case of a health insurance plan certified by the Secretary under section 2121(a)(2), the Secretary.

"(2) COMMISSION.—The term 'Commission' means the Health Insurance Standards Commission established under section 2111.

"(3) ELIGIBLE EMPLOYEE.—The term 'eligible employee' means, with respect to an employer, an employee who normally performs on a monthly basis at least 30 hours of service per week for that employer.

"(4) HEALTH INSURANCE PLAN.—The term 'health insurance plan' means any hospital or medical expense incurred policy or certificate, hospital or medical service plan contract or health maintenance organization group contract, multiple employer welfare arrangement, or any other health insurance arrangement, including an employment-related reinsurance plan. Such term does not include any of the following that is offered by an insurer—

"(i) accident only, dental only, or disability income only insurance;

"(ii) coverage issued as a supplement to liability insurance;

"(iii) worker's compensation or similar insurance; or

"(iv) automobile medical-payment insurance.

"(5) HEALTH MAINTENANCE ORGANIZATION.—The term 'health maintenance organization' has the meaning given the term 'eligible organization' in section 1876(b) of this Act.

"(6) INSURER.—The term 'insurer' means any person that offers a health insurance plan.

"(7) QUALIFIED HEALTH INSURANCE PLAN.—The term 'qualified health insurance plan' means a health insurance benefit plan that—

"(A) meets the Federal standards and guidelines described in part C; and

"(B) is accredited by the appropriate State insurance commission for the State involved according to standards promulgated by the Secretary under part B.

"PART B—HEALTH INSURANCE STANDARDS COMMISSION

"SEC. 2111. ESTABLISHMENT OF HEALTH INSURANCE STANDARDS COMMISSION.

"(a) IN GENERAL.—The Secretary shall establish a commission, to be known as the 'Health Insurance Standards Commission', to carry out the activities described in section 2112.

"(b) COMPOSITION.—

"(1) IN GENERAL.—The Commission shall be composed of 15 members to be appointed by the Secretary not later than June 1, 1992, in accordance with this subsection. The members of the Commission shall annually elect a member to serve as the chairperson of the Commission.

"(2) MEMBERS.—Individuals appointed by the Secretary under paragraph (1) shall be appropriately qualified independent experts with respect to the provision and financing of health care, and shall include physicians, registered nurses, registered pharmacists, consumers of health care, employers, third party payors, a representative from the American Standards Committee (ASCX 12) of the American National Standards Institute, individuals skilled in the conduct and interpretation of health economics research, and individuals having expertise in the research and development of technological and scientific advances in health care.

"(3) NOMINATIONS.—In determining those individuals to appoint to the Commission under paragraph (1), the Secretary shall seek nominations from a wide range of groups including—

"(A) national organizations representing physicians, including medical specialty organizations and registered professional nurses, registered pharmacists and other skilled health professionals;

"(B) national organizations representing hospitals, including teaching hospitals;

"(C) national organizations representing the manufacture of health care products;

"(D) national organizations representing the business community, health benefit programs, labor and the elderly;

"(E) national organizations for standards development; and

"(F) consumer organizations.

"(4) TERMS.—Individuals shall be appointed to the Commission for a term of three years, except that the Secretary shall, with respect to the initial members of the Commission, provide for the appointment of such initial members for shorter terms in a manner to insure that, on a continuing basis, the terms of not more than seven members expire in any one year.

"(5) COMPENSATION.—While serving on the business of the Commission (including travel time) a member of the Commission shall be entitled to compensation at the per diem equivalent of the rate provided for individuals under level IV of the Executive Schedule under section 5315 of title 5, United States Code, and while so serving away from the home or regular place of business of the member, a member may be allowed travel expenses, as authorized by the Chairperson of the Commission.

"(c) ADMINISTRATIVE POWERS.—Subject to such review as the Secretary determines necessary to assure the efficient administration of the Commission, the Commission may—

"(1) employ and fix the compensation of such personnel (not to exceed 25 individuals) as may be necessary to enable the Commission to carry out its duties;

"(2) seek such assistance and support as may be required in the performance of its duties from appropriate Federal departments and agencies and from experts from the private sector;

"(3) enter into contracts or make other arrangements, as may be necessary for the conduct of the work of the Commission;

"(4) make advance, progress, and other payments which relate to the work of the Commission;

"(5) provide transportation and subsistence for persons serving without compensation; and

"(6) prescribe such rules and regulations as the Commission determines necessary with respect to the internal organization and operation of the Commission.

"SEC. 2112. DUTIES AND ACTIVITIES OF COMMISSION.

"(a) RECOMMENDATION FOR IMPLEMENTATION OF TITLE.—

"(1) IN GENERAL.—Not later than September 30, 1992, the Commission shall prepare and submit to the Secretary a report containing the recommendations of the Commission concerning regulations for the implementation of the requirements of this title, including the long-term plan and uniform standards described in subsection (b)(1).

"(2) PUBLICATION OF REVISIONS.—The Secretary shall, not later than 60 days before the promulgation of final regulations under this title, cause to have published for public comment in the Federal Register the recommendations of the Commission under paragraph (1).

"(b) UNIFORM COMPUTERIZED BILLING SYSTEM AND STANDARDS FOR ELECTRONIC DATA INTERCHANGE.—

"(1) IN GENERAL.—The Commission shall develop a long-term plan for the implementation of computerized billing, eligibility, and any other activity that the Commission determines to be appropriate and uniform standards for electronic data interchange, to be applied as provided for in paragraph (6). Such long-term plan and standards shall include—

"(A) online communications standards;

"(B) specific designs for a standardized electronic uniform claim form;

"(C) the standards and plan for electronic data interchange and other measure derived from the Secretary's Work Group on Electronic Data Interchange;

"(D) any other standards or requirements determined appropriate by the Secretary; and

"(E) a plan to incorporate all insurance plans into the computerized system and standards including self-insured plans.

"(2) ELECTRONIC DATA INTERCHANGE.—The Commission shall acquire from the American National Standards Institute reports concerning the progress of such Institute in developing electronic data interchange. Based on such reports, the Commission shall, on an annual basis, adopt additional electronic data interchange standards, if necessary, and incorporate such additional standards into the implementation plan referred to in paragraph (1).

"(3) RECOMMENDATIONS.—Not later than 1 year after the date of enactment of this title, the Commission shall make recommendations to the Secretary concerning components of the long-term implementation plan and uniform standards for electronic data interchange developed under paragraph (1), based on the feasibility of health insurance plans to be able to comply as a qualified health insurance plan under part C.

"(4) REVIEW.—Taking into consideration the recommendations of the Commission, the Secretary shall review the proposed requirements of the Commission under paragraph (3) and determine the appropriate requirements necessary for the implementation of efficient, cost effective computerization under paragraph (1) and for requiring that a health insurance plan meet such requirements in order to be a qualified health insurance plan under this part.

"(5) PUBLICATION OF REQUIREMENTS.—The Secretary shall cause to be published for public comment in the Federal Register, not later than—

"(A) three months after receiving recommendations from the Commission under paragraph (2), the proposed requirements of the Secretary with respect to the computerization and standards for electronic data interchange and the proposed requirements of a qualified health insurance plan; and

"(B) six months after receiving recommendations from the Commission under paragraph (2), and after such consideration of public comment on the proposals under subparagraph (A) as is feasible in the time available, the final determinations of the Secretary with respect to the requirements for computerization and standards for electronic data interchange and the requirements of a qualified health insurance plan.

"(6) REQUIREMENTS.—A system established under this section should—

"(A) use online communication for health providers to access in determining a patient's eligibility for benefits under the patient's health insurance plan;

"(B) provide each member covered under a qualified health insurance plan with a plastic card or other similar form of identification that shall serve as the mechanism to supply health insurance identification numbers and other information as the Secretary may determine appropriate to the health provider; and

"(C) not be a mandatory requirement with respect to a health provider whose place of business is located in a whole-county nonmetropolitan Health Professional Shortage Area as defined in section 332 as a condition of such provider's participation in a qualified health insurance plan.

"(7) MEDICARE AND MEDICAID.—A system established under this section shall apply with respect to particpants under titles XVIII and XIX.

"(c) RECOMMENDATION FOR REVISIONS IN STANDARDS.—

"(1) IN GENERAL.—The Commission shall annually recommend to the Secretary revisions that should be made in the standards and requirements that a health insurance plan must meet, in addition to those described in part C, to be accredited as a quali-

fied health insurance plan under this part, revisions that should be made in the long-term plan for implementation and uniform standards for electronic data interchange, and changes in the requirements for qualified health insurance plans with respect to additional components of the long-term plan for implementation and uniform standards for electronic data interchange that should be required of such plans based on the feasibility of such plans to comply. In making such recommendations, the Commission shall take into consideration the need to maintain broad coverage of quality medical services, the need to implement effective long-term management practices with respect to health care costs including the ability to manage the price, utilization and quality of health care services, the need to reduce administrative costs to insurers and health providers, and the need to reduce billing fraud. Such recommendations shall include any measures necessary to further reduce the administrative costs of health care, where feasible, by requiring—

"(A) additional efforts to reduce the costs of claims processing and billing through the standardization and automation, including the use of smart cards or other technology; and

"(B) simplified utilization review by processes that may include the implementation of the use of a uniform clinical data set.

"(2) ANNUAL REVIEW BY SECRETARY.—Taking into consideration the recommendations of the Commission under paragraph (1), the Secretary shall annually review the requirements with respect to qualified health insurance plans and determine appropriate revisions in such requirements necessary to maintain the efficient and effective delivery of medically appropriate and necessary care that is of high quality and the reductions in administrative costs. Such standards may not include the setting of minimum benefits.

"(3) PUBLICATION OF REVISIONS.—The Secretary shall cause to have published for public comment in the Federal Register, not later than—

"(A) May 15 of each fiscal year referred to in paragraph (1), the proposed revisions of the Secretary in the standards or requirements with respect to qualified health insurance plans for such fiscal year, including, the report of the Commission under paragraph (1); and

"(B) July 15 of each fiscal year referred to in paragraph (1), and after the consideration of the public comment under subparagraph (A) as is feasible in the time available, the final determinations of the Secretary with respect to such revisions.

"(d) COLLECTION AND REVIEW OF INFORMATION.—

"(1) APPROPRIATE USES OF HEALTH RESOURCES.—In order to identify patterns of medically appropriate uses of health resources, the Commission shall collect and review information concerning medical and surgical procedures and services, including regional variations, giving special attention to treatment patterns for conditions that appear to involve excessively costly or inappropriate services not adding to the quality of care provided.

"(2) EFFECTIVENESS OF COMPUTERIZED BILLING.—The Commission shall collect and review data concerning the effectiveness and efficiency of the current health insurance claims billing system and the proposed computerized billing under subsection (b).

"(3) COST-CONTAINMENT METHODS.—The Commission shall collect and review data concerning methods of health care cost-containment that maintain high quality care and the right of the patient to choose their doctor or hospital.

"(4) ADMINISTRATIVE REQUIREMENTS.—In collecting and assessing information under this subsection, the Commission shall—

"(A) utilize existing information, both published and unpublished, where possible, collected and reviewed either by its staff or under other arrangements made in accordance with this paragraph;

"(B) carry out, or award grants or contracts for, original research and experimentation and demonstration projects, including clinical research, where existing information is inadequate for the development and use and valid guidelines for the Commission; and

"(C) adopt procedures permitting any interested party to submit information with respect to unnecessary administrative burdens on business, hospitals, physicians or consumers arising from health care administration, medical and surgical procedures and services (including new practices, such as the use of new technologies and treatment modalities) and information on proposed methods of health care cost-containment that maintain high quality care and the right of the patient to choose their own doctor or hospital, which information the Commission shall consider in making reports and recommendations to the Secretary and Congress.

"(5) ACCESS TO INFORMATION.—The Commission shall have access to such relevant information and data as may be available from appropriate Federal agencies.

"(j) ADMINISTRATION.—

"(1) ANNUAL REPORT.—The Secretary shall annually prepare and submit to the appropriate committees of Congress, a report concerning the functioning and progress of the Commission and the status of the Commission's work.

"(2) ACCESS.—The Secretary shall have unrestricted access to all deliberations, records, and data of the Commission, immediately upon its request.

"(3) EXPENSES.—In order to carry out its duties under this part, the Commission is authorized to expend reasonable and necessary funds as mutually agreed upon by the Secretary and the Commission. The Secretary shall be reimbursed for such funds by the Commission from the appropriations made with respect to the Commission.

"(4) AUDIT.—The Commission shall be subject to periodic audit by the General Accounting Office.

TITLE VIII—CHILDREN'S HEALTH CARE

SEC. 801. ESTABLISHMENT OF PROGRAM.

(a) IN GENERAL.—The Secretary of Education, in consultation with the Secretary of Health and Human Services, shall establish a program under which local educational agencies (as such term is defined in section 1471(12) of the Elementary and Secondary Education Act of 1965) shall offer basic health insurance coverage to eligible students in such schools.

(b) REQUIREMENTS.—

(1) APPLICABILITY.—The provisions of this section shall apply to each local education agency that receives Federal educational assistance.

(2) STATE EDUCATION DEPARTMENTS.—

(A) POLICIES.—The department of education for a State shall determine the types of health insurance policies that should be offered under this section by local education agencies of such State. In making such determination, the department shall ensure that coverage under a fee-for-service plan and a managed care plan is available to the local educational agencies in the State.

(B) ANNUAL REPORTS.—The department of education for a State shall annually prepare and submit to the Secretary of Education a report that describes the health insurance policies offered under this section in the public schools in such State.

(3) HEALTH INSURANCE COVERAGE.—The Secretary of Health and Human Services, shall determine the minimum requirements that any health insurance plan offered under this section must meet, including—

(A) the primary, preventative, medical, emergency and surgical care services and benefits to be covered under such plan; and

(B) any other matter determined appropriate by such Secretary.

(4) LOCAL ADMINISTRATION.—The department of education for a State shall administer the requirements of this section through the local educational agencies.

(c) ELIGIBLE STUDENTS.—To be eligible to be covered under a health insurance plan offered by a local educational agency, an individual shall—

(1) not be more than 18 years of age and reside in the school district;

(2) be uninsured for a period of not less than 6 months prior to the date on which coverage under the plan offered by such school would commence;

(3) not be covered or enrolled under title XIX of the Social Security Act or under any other public health insurance program; and

(4) meet any other requirements determined appropriate by the State department of education or the Secretary of Education.

(d) ENFORCEMENT.—If the Secretary determines that a local educational agency is not in compliance with the requirements of this section, the Secretary may withhold, or request a remittance, of not to exceed 10 percent of the total amount of Federal educational assistance to be made available, or previously made available, to such local educational agency for the fiscal year during which such noncompliance is occurring.

(f) CONSTRUCTION.—This section shall not be construed as requiring the purchase of policies under this section.

(g) ADMINISTRATIVE SUPPORT.—The Secretary may provide assistance to local educational agencies to assist such agencies in off-setting the additional administrative costs to such agencies in complying with this section.

(h) REGULATIONS.—Not later than 180 days after the date of enactment of this Act, the Secretary of Education shall promulgate regulations necessary to carry out this section.

SEC. 802. REFUNDABLE TAX CREDIT FOR CHILDREN'S HEALTH INSURANCE EXPENSES.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to refundable personal credits) is amended by inserting after section 34 the following new section:

"SEC. 34A. CHILDREN'S HEALTH INSURANCE EXPENSES.

"(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the qualified health insurance expenses paid by such individual during the taxable year.

"(b) QUALIFIED HEALTH INSURANCE EXPENSES.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified health insurance expenses' means amounts paid during the taxable year for medical care (within the meaning of section 213(d)(1)(C))

with respect to insurance policies issued pursuant to any program approved under section 101 of the Children's Health Care Improvement Act. For purposes of the preceding sentence, the rules of section 213(d)(6) shall apply.

"(2) DOLLAR LIMIT ON QUALIFIED HEALTH INSURANCE EXPENSES.—The amount of the qualified health insurance expenses paid during any taxable year which may be taken into account under subsection (a) shall not exceed $1,000 per qualifying child adjusted under regulations promulgated by the Secretary to reflect any increase in the consumer price index.

"(3) PHASEOUT.—In the case of any taxpayer whose adjusted gross income exceeds 100 percent of the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to a family of the size involved, the dollar amount under paragraph (2) shall be reduced (but not below zero) by the percentage by which such income exceeds such poverty line.

"(4) ELECTION NOT TO TAKE CREDIT.—A taxpayer may elect for any taxable year to have amounts described in paragraph (1) not treated as qualified health insurance expenses.

"(5) COORDINATION WITH HEALTH INSURANCE PREMIUM CREDIT.—Paragraph (1) shall not apply to any amount taken into account in computing the amount of the credit allowed under section 32.

"(6) SUBSIDIZED EXPENSES.—No expense shall be treated as a qualified health insurance expense if—

"(A) such expense is paid, reimbursed, or subsidized (whether by being disregarded for purposes of another program or otherwise) by the Federal Government, a State or local government, or any agency or instrumentality thereof under title XIX of the Social Security Act, and

"(B) the payment, reimbursement, or subsidy of such expense is not includible in the gross income of the recipient.

"(c) QUALIFYING CHILD.—For purposes of this section, the term 'qualifying child' has the meaning given to such term by section 32(c)(3) (determined without regard to subparagraph (A)(iii)).

"(d) COORDINATION WITH ADVANCE PAYMENTS OF CREDIT.—

"(1) RECAPTURE OF EXCESS ADVANCE PAYMENTS.—If any payment in excess of the amount of the credit allowable under this section is made to the individual under 7524 during any calendar year, then the tax imposed by this chapter for the individual's last taxable year beginning in such calendar year shall be increased by the aggregate amount of such payments.

"(2) RECONCILIATION OF PAYMENTS ADVANCED AND CREDIT ALLOWED.—Any increase in tax under paragraph (1) shall not be treated as tax imposed by this chapter for purposes of determining the amount of any credit (other than the credit allowed by subsection (a)) allowable under this subpart.

"(f) REDUCTION OF CREDIT TO TAXPAYERS SUBJECT TO ALTERNATIVE MINIMUM TAX.—The credit allowed under this section for the taxable year shall be reduced by the amount of tax imposed by section 55 (relating to alternative minimum tax) with respect to such taxpayer for such taxable year.

"(d) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section."

(b) ADVANCE PAYMENT OF CREDIT.—

(1) IN GENERAL.—Chapter 77 of the Internal Revenue Code of 1986 (relating to miscellaneous provisions) is amended by inserting after section 7523 the following new section:

"SEC. 7524. ADVANCE PAYMENT OF CREDIT FOR CHILDREN'S HEALTH INSURANCE EXPENSES.

"(a) GENERAL RULE.—The Secretary of the Treasury shall make advance payments of refunds to which eligible taxpayers are entitled by reason of section 34A.

"(b) ELIGIBLE TAXPAYER.—For purposes of this section, the term 'eligible taxpayer' means, with respect to any taxable year, any taxpayer if the taxpayer furnishes, at such time and in such manner as the Secretary may prescribe, to the Secretary such information as the Secretary may require in order to—

"(1) determine if the individual will be eligible to receive the credit provided by section 34A for the taxable year, and

"(2) estimate the amount of qualified health insurance expenses (as defined in section 34A(b)) for the calendar year.

"(c) PAYMENTS.—The Secretary shall make payment of the amount determined under subsection (b)(2) upon receipt of the information described in subsection (b).

"(d) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section."

(c) CONFORMING AMENDMENT.—Section 213 of the Internal Revenue Code of 1986 (relating to deduction for medical, dental, etc., expenses) is amended by adding the following new subsection:

"(g) COORDINATION WITH HEALTH INSURANCE EXPENSES CREDIT UNDER SECTION 34A.—The amount otherwise taken into account under subsection (a) as expenses paid for medical care shall be reduced by the amount (if any) of the children's health insurance expenses credit allowable to the taxpayer for the taxable year under section 34A."

(d) TECHNICAL AMENDMENT.—Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting before the period "or from section 34A of such Code".

(e) CLERICAL AMENDMENTS.—

(1) The table of sections for subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 34 the following new item:

"Sec. 34A. Children's health insurance expenses."

(2) The table of sections for chapter 77 of such Code is amended by inserting after the item relating to section 7523 the following new item:

"Sec. 7524. Advance payment of credit for children's health insurance expenses."

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1992.

SEC. 803.—WIC PROGRAM, MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT PROGRAM, AND MEDICAID

(a) UNIFORM MODEL APPLICATION FORM AND PROCESS.—The Secretary of Health and Human Services (hereafter referred to in this title as the "Secretary"), working in consultation with the Secretary of Agriculture, shall develop a single model uniform application form and process to be utilized in applying for and obtaining benefits under the Special Supplemental Food Program under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), the Maternal and Child Health Services Block Grant Program under title V of the Social Security Act (42 U.S.C. 701 et seq.), and the medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et. seq.). The Secretary of Health and Human Services shall provide any waivers necessary to carry out this section.

(b) AVAILABILITY OF FORM AND PROCESS.—The single model uniform application form and process shall be made available to States electing to adopt such form and process for use in applying for and obtaining benefits under such programs.

(c) OUTREACH PROGRAM.—The Secretary, working in consultation with the Secretary of Agriculture, shall provide an outreach program for States electing to adopt the single model uniform application form and process. The outreach program shall be designed to inform recipients and potential recipients of benefits under the Special Supplemental Food Program under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), the Maternal and Child Health Services Block Grant Program under title V of the Social Security Act (42 U.S.C. 701 et seq.), and the medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) of the option to apply for benefits under those programs using the single model uniform application form and process.

(a) IN GENERAL.—The Secretary shall make grants to not more than five States to enable such States to conduct demonstration projects for the purpose of encouraging women to obtain prenatal and well-baby care under the Special Supplemental Food Program under section 17 the Child Nutrition Act of 1966 (42 U.S.C. 1786), the Maternal and Child Health Services Block Grant Program under title V of the Social Security Act (42 U.S.C. 701 et seq.), and the medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.).

(b) APPLICATION.—

(1) SUBMISSION OF APPLICATION.—To be eligible to receive a grant under this section a State shall prepare and submit to the Secretary an application at such time, in such form, and containing such information as the Secretary may require.

(2) REVIEW AND APPROVAL OF APPLICATION.—The Secretary shall review and approve each application submitted pursuant to paragraph (1) in accordance with such criteria as the Secretary finds appropriate.

(c) AMOUNT OF GRANT.—The amount of a grant to a State under this section shall be an amount that the Secretary finds reasonable and necessary for the development and implementation of the State's demonstration program.

There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this title.

TITLE IX—IMPROVED ACCESS TO HEALTH CARE FOR RURAL AND UNDERSERVED AREAS

Subtitle A—Revenue Incentives for Practice in Rural Areas

SEC. 901. REVENUE INCENTIVES FOR PRACTICE IN RURAL AREAS.

(a) NONREFUNDABLE CREDIT FOR CERTAIN PRIMARY HEALTH SERVICES PROVIDERS.—

(1) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to nonrefundable personal credits) is amended by inserting after section 25 the following new section:

"SEC. 25A. PRIMARY HEALTH SERVICES PROVIDERS.

"(a) ALLOWANCE OF CREDIT.—In the case of a qualified primary health services provider,

there is allowed as a credit against the tax imposed by this chapter for any taxable year in a mandatory service period an amount equal to the product of—

"(1) the lesser of—

"(A) the number of months of such period occurring in such taxable year, or

"(B) 36 months, reduced by the number of months taken into account under this paragraph with respect to such provider for all preceding taxable years (whether or not in the same mandatory service period), multiplied by

"(2) $1,000 ($500 in the case of a qualified health services provider who is a physician assistant or a nurse practitioner).

"(b) QUALIFIED PRIMARY HEALTH SERVICES PROVIDER.—For purposes of this section, the term 'qualified primary health services provider' means any physician, physician assistant, or nurse practitioner who for any month during a mandatory service period is certified by the Bureau to be a primary health services provider who—

"(1) is providing primary health services—

"(A) full time, and

"(B) to individuals at least 80 percent of whom reside in a rural health professional shortage area,

"(2) is not receiving during such year a scholarship under the National Health Service Corps Scholarship Program or a loan repayment under the National Health Service Corps Loan Repayment Program,

"(3) is not fulfilling service obligations under such Programs, and

"(4) has not defaulted on such obligations.

"(c) MANDATORY SERVICE PERIOD.—For purposes of this section, the term 'mandatory service period' means the period of 60 consecutive calendar months beginning with the first month the taxpayer is a qualified primary health services provider.

"(d) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) BUREAU.—The term 'Bureau' means the Bureau of Health Care Delivery and Assistance, Health Resources and Services Administration of the United States Public Health Service.

"(2) PHYSICIAN.—The term 'physician' has the meaning given to such term by section 1861(r) of the Social Security Act.

"(3) PHYSICIAN ASSISTANT; NURSE PRACTITIONER.—The terms 'physician assistant' and 'nurse practitioner' have the meanings given to such terms by section 1861(aa)(3) of the Social Security Act.

"(4) PRIMARY HEALTH SERVICES PROVIDER.—The term 'primary health services provider' means a provider of primary health services (as defined in section 330(b)(1) of the Public Health Service Act).

"(5) RURAL HEALTH PROFESSIONAL SHORTAGE AREA.—The term 'rural health professional shortage area' means—

"(A) a class 1 or class 2 health professional shortage area (as defined in section 332(a)(1)(A) of the Public Health Service Act) in a rural area (as determined under section 1886(d)(2)(D) of the Social Security Act), or

"(B) an area which is determined by the Secretary of Health and Human Services as equivalent to an area described in subparagraph (A) and which is designated by the Bureau of the Census as not urbanized.

"(e) RECAPTURE OF CREDIT.—

"(1) IN GENERAL.—If, during any taxable year, there is a recapture event, then the tax of the taxpayer under this chapter for such taxable year shall be increased by an amount equal to the product of—

"(A) the applicable percentage, and

"(B) the aggregate unrecaptured credits allowed to such taxpayer under this section for all prior taxable years.

"(2) APPLICABLE RECAPTURE PERCENTAGE.—

"(A) IN GENERAL.—For purposes of this subsection, the applicable recapture percentage shall be determined from the following table:

"If the recapture event occurs during:	The applicable recapture percentage is:
Months 1–24	100
Months 25–36	75
Months 37–48	50
Months 49–60	25
Months 61 and thereafter	0.

"(B) TIMING.—For purposes of subparagraph (A), month 1 shall begin on the first day of the mandatory service period.

"(3) RECAPTURE EVENT DEFINED.—

"(A) IN GENERAL.—For purposes of this subsection, the term 'recapture event' means the failure of the taxpayer to be a qualified primary health services provider for any month during any mandatory service period.

"(B) CESSATION OF DESIGNATION.—The cessation of the designation of any area as a rural health professional shortage area after the beginning of the mandatory service period for any taxpayer shall not constitute a recapture event.

"(C) SECRETARIAL WAIVER.—The Secretary may waive any recapture event caused by extraordinary circumstances.

"(4) NO CREDITS AGAINST TAX.—Any increase in tax under this subsection shall not be treated as a tax imposed by this chapter for purposes of determining the amount of any credit under subpart A, B, or D of this part.".

(2) CLERICAL AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 25 the following new item:

"Sec. 25A. Primary health services providers.".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 1993.

(b) NATIONAL HEALTH SERVICE CORPS LOAN REPAYMENTS EXCLUDED FROM GROSS INCOME.—

(1) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to items specifically excluded from gross income) is amended by redesignating section 136 as section 137 and by inserting after section 135 the following new section:

"SEC. 136. NATIONAL HEALTH SERVICE CORPS LOAN REPAYMENTS.

"(a) GENERAL RULE.—Gross income shall not include any qualified loan repayment.

"(b) QUALIFIED LOAN REPAYMENT.—For purposes of this section, the term 'qualified loan repayment' means any payment made on behalf of the taxpayer by the National Health Service Corps Loan Repayment Program under section 338B(g) of the Public Health Service Act.".

(2) CONFORMING AMENDMENT.—Paragraph (3) of section 338B(g) of the Public Health Service Act is amended by striking "Federal, State, or local" and inserting "State or local".

(3) CLERICAL AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by striking the item relating to section 136 and inserting the following:

"Sec. 136. National Health Service Corps loan repayments.

"Sec. 137. Cross references to other Acts.".

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply to payments made under section 338B(g) of the Public Health Service Act after the date of the enactment of this Act.

(c) EXPENSING OF MEDICAL EQUIPMENT.—

(1) IN GENERAL.—Section 179 of the Internal Revenue Code of 1986 (relating to election to expense certain depreciable business assets) is amended—

(A) by striking paragraph (1) of subsection (b) and inserting the following:

"(1) DOLLAR LIMITATION.—

"(A) GENERAL RULE.—The aggregate cost which may be taken into account under subsection (a) for any taxable year shall not exceed $10,000.

"(B) RURAL HEALTH CARE PROPERTY.—In the case of rural health care property, the aggregate cost which may be taken into account under subsection (a) for any taxable year shall not exceed $25,000, reduced by the amount otherwise taken into account under subsection (a) for such year."; and

(B) by adding at the end of subsection (d) the following new paragraph:

"(11) RURAL HEALTH CARE PROPERTY.—For purposes of this section, the term 'rural health care property' means section 179 property used by a physician (as defined in section 1861(r) of the Social Security Act) in the active conduct of such physician's full-time trade or business of providing primary health services (as defined in section 330(b)(1) of the Public Health Service Act) in a rural health professional shortage area (as defined in section 25A(d)(5)).".

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to property placed in service after December 31, 1993, in taxable years ending after such date.

(d) DEDUCTION FOR STUDENT LOAN PAYMENTS BY MEDICAL PROFESSIONALS PRACTICING IN RURAL AREAS.—

(1) INTEREST ON STUDENT LOANS NOT TREATED AS PERSONAL INTEREST.—Section 163(h)(2) of the Internal Revenue Code of 1986 (defining personal interest) is amended by striking "and" at the end of subparagraph (D), by striking the period at the end of subparagraph (E) and inserting ", and", and by adding at the end thereof the following new subparagraph:

"(F) any qualified medical education interest (within the meaning of subsection (k)).".

(2) QUALIFIED MEDICAL EDUCATION INTEREST DEFINED.—Section 163 of such Code (relating to interest expenses) is amended by redesignating subsection (k) as subsection (l) and by inserting after subsection (j) the following new subsection:

"(k) QUALIFIED MEDICAL EDUCATION INTEREST OF MEDICAL PROFESSIONALS PRACTICING IN RURAL AREAS.—

"(1) IN GENERAL.—For purposes of subsection (h)(2)(F), the term 'qualified medical education interest' means an amount which bears the same ratio to the interest paid on qualified educational loans during the taxable year by an individual performing services under a qualified rural medical practice agreement as—

"(A) the number of months during the taxable year during which such services were performed, bears to

"(B) the number of months in the taxable year.

"(2) DOLLAR LIMITATION.—The aggregate amount which may be treated as qualified medical education interest for any taxable year with respect to any individual shall not exceed $5,000.

"(3) QUALIFIED RURAL MEDICAL PRACTICE AGREEMENT.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'qualified rural medical practice agreement' means a written agreement between an individual and an applicable rural community under which the individual agrees—

"(i) in the case of a medical doctor, upon completion of the individual's residency (or internship if no residency is required), or

"(ii) in the case of a registered nurse, nurse practitioner, or physician's assistant, upon completion of the education to which the qualified education loan relates,

to perform full-time services as such a medical professional in the applicable rural community for a period of 24 consecutive months. An individual and an applicable rural community may elect to have the agreement apply for 36 consecutive months rather than 24 months.

"(B) SPECIAL RULE FOR COMPUTING PERIODS.—An individual shall be treated as meeting the 24 or 36 consecutive month requirement under subparagraph (A) if, during each 12-consecutive month period within either such period, the individual performs full-time services as a medical doctor, registered nurse, nurse practitioner, or physician's assistant, whichever applies, in the applicable rural community during 9 of the months in such 12-consecutive month period. For purposes of this subsection, an individual meeting the requirements of the preceding sentence shall be treated as performing services during the entire 12-month period.

"(C) APPLICABLE RURAL COMMUNITY.—The term 'applicable rural community' means—

"(i) any political subdivision of a State which—

"(I) has a population of 5,000 or less, and

"(II) has a per capita income of $15,000 or less, or

"(ii) an Indian reservation which has a per capita income of $15,000 or less.

"(4) QUALIFIED EDUCATIONAL LOAN.—The term 'qualified educational loan' means any indebtedness to pay qualified tuition and related expenses (within the meaning of section 117(b)) and reasonable living expenses—

"(A) which are paid or incurred—

"(i) as a candidate for a degree as a medical doctor at an educational institution described in section 170(b)(1)(A)(ii), or

"(ii) in connection with courses of instruction at such an institution necessary for certification as a registered nurse, nurse practitioner, or physician's assistant, and

"(B) which are paid or incurred within a reasonable time before or after such indebtedness is incurred.

"(5) RECAPTURE.—If an individual fails to carry out a qualified rural medical practice agreement during any taxable year, then—

"(A) no deduction with respect to such agreement shall be allowable by reason of subsection (h)(2)(F) for such taxable year and any subsequent taxable year, and

"(B) there shall be included in gross income for such taxable year the aggregate amount of the deductions allowable under this section (by reason of subsection (h)(2)(F)) for all preceding taxable years.

"(6) DEFINITIONS.—For purposes of this subsection, the terms 'registered nurse', 'nurse practitioner', and 'physician's assistant' have the meaning given such terms by section 1861 of the Social Security Act.".

(3) DEDUCTION ALLOWED IN COMPUTING ADJUSTED GROSS INCOME.—Section 62(a) of such Code is amended by inserting after paragraph (13) the following new paragraph:

"(14) INTEREST ON STUDENT LOANS OF RURAL HEALTH PROFESSIONALS.—The deduction allowable by reason of section 163(h)(2)(F) (relating to student loan payments of medical professionals practicing in rural areas).".

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 1993.

Subtitle B—Public Health Service Act Provisions

SEC. 911. NATIONAL HEALTH SERVICE CORPS.

Section 338H(b) of the Public Health Service Act (42 U.S.C. 254q(b)) is amended—

(1) in paragraph (1), by striking "and such sums" and all that follows through the end thereof and inserting "$118,900,000 for each of the fiscal years 1993 through 1996."; and

(2) in paragraph (2)—

(A) by redesignating subparagraphs (A) and (B) as subparagraphs (B) and (C), respectively; and

(B) by inserting before subparagraph (B) (as so redesignated) the following new subparagraph:

"(A) IN GENERAL.—Of the amount appropriated under paragraph (1) for each fiscal year, the Secretary shall utilize 25 percent of such amount to carry out section 338A and 75 percent of such amount to carry out section 338B.".

SEC. 912. ESTABLISHMENT OF GRANT PROGRAM.

Subpart I of part D of title III of the Public Health Service Act (42 U.S.C. 254b et seq.) is amended by adding at the end thereof the following new section:

"SEC. 330A. COMMUNITY BASED PRIMARY HEALTH CARE GRANT PROGRAM.

"(a) ESTABLISHMENT.—The Secretary shall establish and administer a program to provide allotments to States to enable such States to provide grants for the creation or enhancement of community based primary health care entities that provide services to pregnant women and children up to age three.

"(b) ALLOTMENTS TO STATES.—

"(1) IN GENERAL.—From the amounts available for allotment under subsection (h) for a fiscal year, the Secretary shall allot to each State an amount equal to the product of the grant share of the State (as determined under paragraph (2)) multiplied by the amount available for allotment for such fiscal year.

"(2) GRANT SHARE.—

"(A) IN GENERAL.—For purposes of paragraph (1), the grant share of a State shall be the product of the need-adjusted population of the State (as determined under subparagraph (B)) multiplied by the Federal matching percentage of the State (as determined under subparagraph (C)), expressed as a percentage of the sum of the products of such factors for all States.

"(B) NEED-ADJUSTED POPULATION.—

"(i) IN GENERAL.—For purposes of subparagraph (A), the need-adjusted population of a State shall be the product of the total population of the State (as estimated by the Secretary of Commerce) multiplied by the need index of the State (as determined under clause (ii)).

"(ii) NEED INDEX.—For purposes of clause (i), the need index of a State shall be the ratio of—

"(I) the weighted sum of the geographic percentage of the State (as determined under clause (iii)), the poverty percentage of the State (as determined under clause (iv)), and the multiple grant percentage of the State (as determined under clause (v)); to

"(II) the general population percentage of the State (as determined under clause (vi)).

"(iii) GEOGRAPHIC PERCENTAGE.—

"(I) IN GENERAL.—For purposes of clause (ii)(I), the geographic percentage of the State shall be the estimated population of the State that is residing in nonurbanized areas (as determined under subclause (II)) expressed as a percentage of the total nonurbanized population of all States.

"(II) NONURBANIZED POPULATION.—For purposes of subclause (I), the estimated population of the State that is residing in non-urbanized areas shall be one minus the urbanized population of the State (as determined using the most recent decennial census), expressed as a percentage of the total population of the State (as determined using the most recent decennial census), multiplied by the current estimated population of the State.

"(iv) POVERTY PERCENTAGE.—For purposes of clause (ii)(I), the poverty percentage of the State shall be the estimated number of people residing in the State with incomes below 200 percent of the income official poverty line (as determined by the Office of Management and Budget) expressed as a percentage of the total number of such people residing in all States.

"(v) MULTIPLE GRANT PERCENTAGE.—For purposes of clause (ii)(I), the multiple grant percentage of the State shall be the amount of Federal funding received by the State under grants awarded under sections 329, 330 and 340, expressed as a percentage of the total amounts received under such grants by all States. With respect to a State, such amount shall not exceed twice the general population percentage of the State under clause (vi) or be less than one half of the States general population percentage.

"(vi) GENERAL POPULATION PERCENTAGE.—For purposes of clause (ii)(II), the general population percentage of the State shall be the total population of the State (as determined by the Secretary of Commerce) expressed as a percentage of the total population of all States.

"(C) FEDERAL MATCHING PERCENTAGE.—

"(i) IN GENERAL.—For purposes of subparagraph (A), the Federal matching percentage of the State shall be equal to one less the State matching percentage (as determined under clause (ii)).

"(ii) STATE MATCHING PERCENTAGE.—For purposes of clause (ii), the State matching percentage of the State shall be 0.25 multiplied by the ratio of the total taxable resource percentage (as determined under clause (iii)) to the need-adjusted population of the State (as determined under subparagraph (B)).

"(iii) TOTAL TAXABLE RESOURCE PERCENTAGE.—For purposes of clause (ii), the total taxable resources percentage of the State shall be the total taxable resources of a State (as determined by the Secretary of the Treasury) expressed as a percentage of the sum of the total taxable resources of all States.

"(3) ANNUAL ESTIMATES.—

"(A) IN GENERAL.—If the Secretary of Commerce does not produce the annual estimates required under paragraph (2)(B)(iv), such estimates shall be determined by multiplying the percentage of the population of the State that is below 200 percent of the income official poverty line as determined using the most recent decennial census by the most recent estimate of the total population of the State. Except as provided in subparagraph (B), the calculations required under this subparagraph shall be made based on the most recent 3 year average of the total taxable resources of individuals within the State.

"(B) DISTRICT OF COLUMBIA.—Notwithstanding subparagraph (A), the calculations required under such subparagraph with re-

spect to the District of Columbia shall be based on the most recent 3 year average of the personal income of individuals residing within the District as a percentage of the personal income for all individuals residing within the District, as determined by the Secretary of Commerce.

"(4) MATCHING REQUIREMENT.—A State that receives an allotment under this section shall make available State resources (either directly or indirectly) to carry out this section in an amount that shall equal the State matching percentage for the State (as determined under paragraph (2)(C)(II)) divided by the Federal matching percentage (as determined under paragraph (2)(C)).

"(c) APPLICATION.—

"(1) IN GENERAL.—To be eligible to receive an allotment under this section, a State shall prepare and submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may by regulation require.

"(2) ASSURANCES.—A State application submitted under paragraph (1) shall contain an assurance that—

"(A) the State will use amounts received under it's allotment consistent with the requirements of this section; and

"(B) the State will provide, from non-Federal sources, the amounts required under subsection (b)(4).

"(d) USE OF FUNDS.—

"(1) IN GENERAL.—The State shall use amounts received under this section to award grants to eligible public and nonprofit private entities, or consortia of such entities, within the State to enable such entities or consortia to provide services of the type described in paragraph (2) of section 329(h) to pregnant women and children up to age three.

"(2) ELIGIBILITY.—To be eligible to receive a grant under paragraph (1), an entity or consortium shall—

"(A) prepare and submit to the administering entity of the State, an application at such time, in such manner and containing such information as such administering entity may require, including a plan for the provision of services;

"(B) provide assurances that services will be provided under the grant at fee rates established or determined in accordance with section 330(e)(3)(F); and

"(C) provide assurances that in the case of services provided to individuals with health insurance, such insurance shall be used as the primary source of payment for such services.

"(3) TARGET POPULATIONS.—Entities or consortia receiving grants under paragraph (1) shall, in providing the services described in paragraph (3), substantially target populations of pregnant women and children within the State who—

"(A) lack the health care coverage, or ability to pay, for primary or supplemental health care services; or

"(B) reside in medically underserved or health professional shortage areas, areas certified as underserved under the rural health clinic program, or other areas determined appropriate by the State, within the State.

"(4) PRIORITY.—In awarding grants under paragraph (1), the State shall—

"(A) give priority to entities or consortia that can demonstrate through the plan submitted under paragraph (2) that—

"(i) the services provided under the grant will expand the availability of primary care services to the maximum number of pregnant women and children who have no access to such care on the date of the grant award; and

"(ii) the delivery of services under the grant will be cost-effective; and

"(B) ensure that an equitable distribution of funds is achieved among urban and rural entities or consortia.

"(e) REPORTS AND AUDITS.—Each State shall prepare and submit to the Secretary annual reports concerning the State's activities under this section which shall be in such form and contain such information as the Secretary determines appropriate. Each such State shall establish fiscal control and fund accounting procedures as may be necessary to assure that amounts received under this section are being disbursed properly and are accounted for, and include the results of audits conducted under such procedures in the reports submitted under this subsection.

"(f) PAYMENTS.—

"(1) ENTITLEMENT.—Each State for which an application has been approved by the Secretary under this section shall be entitled to payments under this section for each fiscal year in an amount not to exceed the State's allotment under subsection (b) to be expended by the State in accordance with the terms of the application for the fiscal year for which the allotment is to be made.

"(2) METHOD OF PAYMENTS.—The Secretary may make payments to a State in installments, and in advance or, by way of reimbursement, with necessary adjustments on account of overpayments or underpayments, as the Secretary may determine.

"(3) STATE SPENDING OF PAYMENTS.—Payments to a State from the allotment under subsection (b) for any fiscal year must be expended by the State in that fiscal year or in the succeeding fiscal year.

"(g) DEFINITION.—As used in this section, the term 'administering entity of the State' means the agency or official designated by the chief executive officer of the State to administer the amounts provided to the State under this section.

"(h) FUNDING.—Notwithstanding any other provision of law, the Secretary shall use 50 percent of the amounts that the Secretary is required to utilize under section 330B(h) in each fiscal year to carry out this section.".

SEC. 913. ESTABLISHMENT OF NEW PROGRAM TO PROVIDE FUNDS TO ALLOW FEDERALLY QUALIFIED HEALTH CENTERS AND OTHER ENTITIES OR ORGANIZATIONS TO PROVIDE EXPANDED SERVICES TO MEDICALLY UNDERSERVED INDIVIDUALS.

(a) IN GENERAL.—Subpart I of part D of title III of the Public Health Service Act (42 U.S.C. 254b et seq.) (as amended by section 912) is further amended by adding at the end thereof the following new section:

"SEC. 330B. ESTABLISHMENT OF NEW PROGRAM TO PROVIDE FUNDS TO ALLOW FEDERALLY QUALIFIED HEALTH CENTERS AND OTHER ENTITIES OR ORGANIZATIONS TO PROVIDE EXPANDED SERVICES TO MEDICALLY UNDERSERVED INDIVIDUALS.

"(a) ESTABLISHMENT OF HEALTH SERVICES ACCESS PROGRAM.—From amounts appropriated under this section, the Secretary shall, acting through the Bureau of Health Care Delivery Assistance, award grants under this section to federally qualified health centers (hereinafter referred to in this section as 'FQHC's') and other entities and organizations submitting applications under this section (as described in subsection (c)) for the purpose of providing access to services for medically underserved populations (as defined in section 330(b)(3)) or in high impact areas (as defined in section 329(a)(5)) not currently being served by a FQHC.

"(b) ELIGIBILITY FOR GRANTS.—

"(1) IN GENERAL.—The Secretary shall award grants under this section to entities or organizations described in this paragraph and paragraph (2) which have submitted a proposal to the Secretary to expand such entities or organizations operations (including expansions to new sites (as determined necessary by the Secretary)) to serve medically underserved populations or high impact areas not currently served by a FQHC and which—

"(A) have as of January 1, 1992, been certified by the Secretary as a FQHC under section 1905(l)(2)(B) of the Social Security Act; or

"(B) have submitted applications to the Secretary to qualify as FQHC's under such section 1905(l)(2)(B); or

"(C) have submitted a plan to the Secretary which provides that the entity will meet the requirements to qualify as a FQHC when operational.

"(2) NON FQHC ENTITIES.—

"(A) ELIGIBILITY.—The Secretary shall also make grants under this section to public or private nonprofit agencies, health care entities or organizations which meet the requirements necessary to qualify as a FQHC except, the requirement that such entity have a consumer majority governing board and which have submitted a proposal to the Secretary to provide those services provided by a FQHC as defined in section 1905(l)(2)(B) of the Social Security Act and which are designed to promote access to primary care services or to reduce reliance on hospital emergency rooms or other high cost providers of primary health care services, provided such proposal is developed by the entity or organizations (or such entities or organizations acting in a consortium in a community) with the review and approval of the Governor of the State in which such entity or organization is located.

"(B) LIMITATION.—The Secretary shall provide in making grants to entities or organizations described in this paragraph that no more than 10 percent of the funds provided for grants under this section shall be made available for grants to such entities or organizations.

"(c) APPLICATION REQUIREMENTS.—

"(1) IN GENERAL.—In order to be eligible to receive a grant under this section, a FQHC or other entity or organization must submit an application in such form and at such time as the Secretary shall prescribe and which meets the requirements of this subsection.

"(2) REQUIREMENTS.—An application submitted under this section must provide—

"(A)(i) for a schedule of fees or payments for the provision of the services provided by the entity designed to cover its reasonable costs of operations; and

"(ii) for a corresponding schedule of discounts to be applied to such fees or payments, based upon the patient's ability to pay (determined by using a sliding scale formula based on the income of the patient);

"(B) assurances that the entity or organization provides services to persons who are eligible for benefits under title XVIII of the Social Security Act, for medical assistance under title XIX of such Act or for assistance for medical expenses under any other public assistance program or private health insurance program; and

"(C) assurances that the entity or organization has made and will continue to make every reasonable effort to collect reimbursement for services—

"(i) from persons eligible for assistance under any of the programs described in subparagraph (B); and

"(ii) from patients not entitled to benefits under any such programs.

"(d) LIMITATIONS ON USE OF FUNDS.—

"(1) IN GENERAL.—From the amounts awarded to an entity or organization under this section, funds may be used for purposes of planning but may only be expended for the costs of—

"(A) assessing the needs of the populations or proposed areas to be served;

"(B) preparing a description of how the needs identified will be met;

"(C) development of an implementation plan that addresses—

"(i) recruitment and training of personnel; and

"(ii) activities necessary to achieve operational status in order to meet FQHC requirements under section 1905(l)(2)(B) of the Social Security Act.

"(2) RECRUITING, TRAINING AND COMPENSATION OF STAFF.—From the amounts awarded to an entity or organization under this section, funds may be used for the purposes of paying for the costs of recruiting, training and compensating staff (clinical and associated administrative personnel (to the extent such costs are not already reimbursed under title XIX of the Social Security Act or any other State or Federal program)) to the extent necessary to allow the entity to operate at new or expanded existing sites.

"(3) FACILITIES AND EQUIPMENT.—From the amounts awarded to an entity or organization under this section, funds may be expended for the purposes of acquiring facilities and equipment but only for the costs of—

"(A) construction of new buildings (to the extent that new construction is found to be the most cost-efficient approach by the Secretary);

"(B) acquiring, expanding, or modernizing of existing facilities;

"(C) purchasing essential (as determined by the Secretary) equipment; and

"(D) amortization of principal and payment of interest on loans obtained for purposes of site construction, acquisition, modernization, or expansion, as well as necessary equipment.

"(4) SERVICES.—From the amounts awarded to an entity or organization under this section, funds may be expended for the payment of services but only for the costs of—

"(A) providing or arranging for the provision of all services through the entity necessary to qualify such entity as a FQHC under section 1905(l)(2)(B) of the Social Security Act;

"(B) providing or arranging for any other service that a FQHC may provide and be reimbursed for under title XIX of such Act; and

"(C) providing any unreimbursed costs of providing services as described in section 330(a) to patients.

"(e) PRIORITIES IN THE AWARDING OF GRANTS.—

"(1) CERTIFIED FQHC'S.—The Secretary shall give priority in awarding grants under this section to entities which have, as of January 1, 1992, been certified as a FQHC under section 1905(l)(2)(B) of the Social Security Act and which have submitted a proposal to the Secretary to expand their operations (including expansion to new sites) to serve medically underserved populations for high impact areas not currently served by a FQHC. The Secretary shall give first priority in awarding grants under this section to those FQHCs or other entities which propose to serve populations with the highest degree of unmet need, and which can demonstrate the ability to expand their operations in the most efficient manner.

"(2) QUALIFIED FQHC'S.—The Secretary shall give second priority in awarding grants to entities which have submitted applications to the Secretary which demonstrate that the entity will qualify as a FQHC under section 1905(l)(2)(B) of the Social Security Act before it provides or arranges for the provision of services supported by funds awarded under this section, and which are serving or proposing to serve medically underserved populations or high impact areas which are not currently served (or proposed to be served) by a FQHC.

"(3) EXPANDED SERVICES AND PROJECTS.—The Secretary shall give third priority in awarding grants in subsequent years to those FQHCs or other entities which have provided for expanded services and project and are able to demonstrate that such entity will incur significant unreimbursed costs in providing such expanded services.

"(f) RETURN OF FUNDS TO SECRETARY FOR COSTS REIMBURSED FROM OTHER SOURCES.—To the extent that an entity or organization receiving funds under this section is reimbursed from another source for the provision of services to an individual, and does not use such increased reimbursement to expand services furnished, areas served, to compensate for costs of unreimbursed services provided to patients, or to promote recruitment, training, or retention of personnel, such excess revenues shall be returned to the Secretary.

"(g) TERMINATION OF GRANTS.—

"(1) FAILURE TO MEET FQHC REQUIREMENTS.—

"(A) IN GENERAL.—With respect to any entity that is receiving funds awarded under this section and which subsequently fails to meet the requirements to qualify as a FQHC under section 1905(l)(2)(B) or is an entity that is not required to meet the requirements to qualify as a FQHC under section 1905(l)(2)(B) of the Social Security Act but fails to meet the requirements of this section, the Secretary shall terminate the award of funds under this section to such entity.

"(B) NOTICE.—Prior to any termination of funds under this section to an entity, the entities shall be entitled to 60 days prior notice of termination and, as provided by the Secretary in regulations, an opportunity to correct any deficiencies in order to allow the entity to continue to receive funds under this section.

"(2) REQUIREMENTS.—Upon any termination of funding under this section, the Secretary may (to the extent practicable)—

"(A) sell any property (including equipment) acquired or constructed by the entity using funds made available under this section or transfer such property to another FQHC, provided, that the Secretary shall reimburse any costs which were incurred by the entity in acquiring or constructing such property (including equipment) which were not supported by grants under this section; and

"(B) recoup any funds provided to an entity terminated under this section.

"(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $400,000,000 for fiscal year 1993, $800,000,000 for fiscal year 1994, $1,200,000,000 for fiscal year 1995, $1,600,000,000 for fiscal year 1996, and $1,600,000,000 for fiscal year 1997.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall become effective with respect to services furnished by a federally qualified health center or other qualifying entity described in this section beginning on or after October 1, 1993.

(c) STUDY AND REPORT ON SERVICES PROVIDED BY COMMUNITY HEALTH CENTERS AND HOSPITALS.—

(1) IN GENERAL.—The Secretary of Health and Human Services (hereinafter referred to in this subsection as the "Secretary") shall provide for a study to examine the relationship and interaction between community health centers and hospitals in providing services to individuals residing in medically underserved areas. The Secretary shall ensure that the National Rural Research Centers participate in such study.

(2) REPORT.—The Secretary shall provide to the appropriate committees of Congress a report summarizing the findings of the study within 90 days of the end of each project year and shall include in such report recommendations on methods to improve the coordination of and provision of services in medically underserved areas by community health centers and hospitals.

(3) AUTHORIZATION.—There are authorized to be appropriated to carry out the study provided for in this subsection $150,000 for each of fiscal years 1993 and 1994.

SEC. 914. RURAL MENTAL HEALTH OUTREACH GRANTS.

Part D of title V of the Public Health Service Act (42 U.S.C. 290dd et seq.) is amended by adding at the end thereof the following new section:

"SEC. 544. RURAL MENTAL HEALTH OUTREACH GRANTS.

"(a) IN GENERAL.—The Secretary may award competitive grants to eligible entities to enable such entities to develop and implement a plan for mental health outreach programs in rural areas.

"(b) ELIGIBLE ENTITIES.—To be eligible to receive a grant under subsection (a) an entity shall—

"(1) prepare and submit to the Secretary an application at such time, in such form and containing such information as the Secretary may require, including a description of the activities that the entity intends to undertake using grant funds; and

"(2) meet such other requirements as the Secretary determines appropriate.

"(c) PRIORITY.—In awarding grants under subsection (a), the Secretary shall give priority to applications that place emphasis on mental health services for the elderly or children. Priority shall also be given to applications that involve relationships between the applicant and rural managed care cooperatives.

"(d) MATCHING REQUIREMENT.—An entity that receives a grant under subsection (a) shall make available (directly or through donations from public or private entities), non-Federal contributions toward the costs of the operations of the network in an amount equal to the amount of the grant.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $5,000,000 for each of the fiscal years 1993 through 1997.".

SEC. 915. HEALTH PROFESSIONS TRAINING.

(a) MEDICALLY UNDERSERVED AREA TRAINING INCENTIVES.—Subsection (a) of section 791 of the Public Health Service Act (42 U.S.C. 292 et seq.) is amended to read as follows:

"(a) PRIORITIES IN AWARDING OF GRANTS.—

"(1) ALLOCATION OF COMPETITIVE GRANT FUNDS.—In awarding competitive grants under this title or title VIII, the Secretary shall, among applicants that meet the eligibility requirements under such titles, give

priority to entities submitting applications that—

"(A) can demonstrate that such entities—

"(i) have a high permanent rate for placing graduates in practice settings which serve residents of medically underserved communities; and

"(ii) have a curriculum that includes—

"(I) the rotation of medical students and residents to clinical settings the focus of which is to serve medically underserved communities;

"(II) the appointment of health professionals whose practices serve medically underserved communities to act as preceptors to supervise training in such settings;

"(III) classroom instruction on practice opportunities involving medically underserved communities;

"(IV) service contingent scholarship or loan repayment programs for students and residents to encourage practice in or service to underserved communities;

"(V) the recruitment of students who are most likely to elect to practice in or provide service to medically underserved communities;

"(VI) other training methodologies that demonstrate a significant commitment to the expansion of the proportion of graduates that elect to practice in or serve the needs of medically underserved communities; or

"(B) contain an organized plan for the expeditious development of the placement rate and curriculum described in subparagraph (A).

"(2) SERVICE IN MEDICALLY UNDERSERVED COMMUNITIES.—Not less than 50 percent of the amounts appropriated for fiscal year 1996, and for each subsequent fiscal year, for competitive grants under this title or title VIII, shall be used to award grants to institutions that are otherwise eligible for grants under such titles, and that can demonstrate that—

"(A) not less than 15 percent of the graduates of such institutions during the preceding 2-year period are engaged in full-time practice serving the needs of medically underserved communities; or

"(B) the number of the graduates of such institutions that are practicing in a medically underserved community has increased by not less than 50 percent over that proportion of such graduates for the previous 2-year period.

"(3) WAIVERS.—A health professions school may petition the Secretary for a temporary waiver of the priorities of this subsection. Such waiver shall be approved if the health professions school demonstrates that the State in which such school is located is not suffering from a shortage of primary care providers, as determined by the Secretary. Such waiver shall not be for a period in excess of 2 years.

"(4) DEFINITIONS.—As used in this subsection:

"(A) GRADUATE.—The term 'graduate' means, unless otherwise specified, an individual who has successfully completed all training and residency requirements necessary for full certification in the health professions discipline that such individual has selected.

"(B) MEDICALLY UNDERSERVED COMMUNITY.—The term 'medically underserved community' means—

"(i) an area designated under section 332 as a health professional shortage area;

"(ii) an area designated as a medically underserved area under this Act;

"(iii) populations served by migrant health centers under section 329, community health centers under section 330, or Federally qualified health centers under section 1905(l)(2)(B) of the Social Security Act;

"(iv) a community that is certified as underserved by the Secretary for purposes of participation in the rural health clinic program under title XVIII of the Social Security Act; or

"(v) a community that meets the criteria for the designation described in subparagraph (A) or (B) but that has not been so designated.".

(b) MEDICALLY UNDERSERVED AREA TRAINING GRANTS.—Part E of title VII of such Act is amended by adding at the end thereof the following new section:

"SEC. 779. MEDICALLY UNDERSERVED AREA TRAINING GRANT PROGRAM.

"(a) GRANTS.—The Secretary shall award grants to health professions institutions to expand training programs that are targeted at those individuals desiring to practice in or serve the needs of medically underserved communities.

"(b) PLAN.—As part of an application submitted for a grant under this section, the applicant shall prepare and submit a plan that describes the proposed use of funds that may be provided to the applicant under the grant.

"(c) PRIORITY.—In awarding grants under this section, the Secretary shall give priority to applicants that demonstrate the greatest likelihood of expanding the proportion of graduates who choose to practice in or serve the needs of medically underserved areas.

"(d) USE OF FUNDS.—An institution that receives a grant under this section shall use amounts received under such grant to establish or enhance procedures or efforts to—

"(1) rotate health professions students from such institution to clinical settings the focus of which is to serve the residents of medically underserved communities;

"(2) appoint health professionals whose practices serve medically underserved areas to serve as preceptors to supervise training in such settings;

"(3) provide classroom instruction on practice opportunities involving medically underserved communities;

"(4) provide service contingent scholarship or loan repayment programs for students and residents to encourage practice in or service to underserved communities;

"(5) recruit students who are most likely to elect to practice in or provide service to medically underserved communities; or

"(6) provide other training methodologies that demonstrate a significant commitment to the expansion of the proportion of graduates that elect to practice in or serve the needs of medically underserved communities.

"(e) ADMINISTRATION.—

"(1) REQUIRED CONTRIBUTION.—An institution that receives a grant under this section shall contribute, from non-Federal sources, either in cash or in-kind, an amount equal to the amount of the grant to the activities to be undertaken with the grant funds.

"(2) LIMITATION.—An institution that receives a grant under this section, shall use amounts received under such grant to supplement, not supplant, amounts made available by such institution for activities of the type described in subsection (d) in the fiscal year preceding the year for which the grant is received.

"(f) DEFINITIONS.—As used in this section:

"(1) GRADUATE.—The term 'graduate' means, unless otherwise specified, an individual who has successfully completed all training and residency requirements necessary for full certification in the health professions discipline that such individual has selected.

"(2) MEDICALLY UNDERSERVED COMMUNITY.—The term 'medically underserved community' means—

"(A) an area designated under section 332 as a health professional shortage area;

"(B) an area designated as a medically underserved area under this Act;

"(C) populations served by migrant health centers under section 329, community health centers under section 330, or Federally qualified health centers under section 1905(l)(2)(B) of the Social Security Act;

"(D) a community that is certified as underserved by the Secretary for purposes of participation in the rural health clinic program under title XVIII of the Social Security Act; or

"(E) a community that meets the criteria for the designation described in subparagraph (A) or (B) but that has not been so designated.

"(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $15,000,000 for each of the fiscal years 1993 and 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1997.".

(c) HEALTH PROFESSIONS TRAINING GRANTS.—Part E of title VII of such Act (as amended by subsection (b)) is further amended by adding at the end thereof the following new section:

"SEC. 780. HEALTH PROFESSIONS INTEGRATION GRANT PROGRAM.

"(a) GRANTS.—The Secretary shall award grants to eligible regional consortia to enhance and expand coordination among various health professions programs, particularly in medically underserved rural areas.

"(b) ELIGIBLE REGIONAL CONSORTIUM.—

"(1) IN GENERAL.—To be eligible to receive a grant under subsection (a), an entity must—

"(A) be a regional consortium consisting of at least one medical school and at least one other health professions school that is not a medical school; and

"(B) prepare and submit an application containing a plan of the type described in paragraph (2).

"(2) PLAN.—As part of the application submitted by a consortium under paragraph (1)(B), the consortium shall prepare and submit a plan that describes the proposed use of funds that may be provided to the consortium under the grant.

"(c) USE OF FUNDS.—A consortium that receives a grant under this section shall use amounts received under such grant to establish or enhance—

"(1) strategies for better clinical cooperation among different types of health professionals;

"(2) classroom instruction on integrated practice opportunities, particularly targeted toward rural areas;

"(3) integrated clinical clerkship programs that make use of students in differing health professions schools; or

"(4) other training methodologies that demonstrate a significant commitment to the expansion of clinical cooperation among different types of health professionals, particularly in underserved rural areas.

"(d) LIMITATION.—A consortium that receives a grant under this section, shall use amounts received under such grant to supplement, not supplant, amounts made available by such institution for activities of the type described in subsection (c) in the fiscal year preceding the year for which the grant is received.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $7,000,000 for each of the fiscal years 1993 and 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1997.".

SEC. 916. RURAL HEALTH EXTENSION NETWORKS.

Title XVII of the Public Health Service Act (42 U.S.C. 300u et seq.) is amended by adding at the end thereof the following new section:

"SEC. 1709. RURAL HEALTH EXTENSION NETWORKS.

"(a) GRANTS.—The Secretary, acting through the Health Resources and Services Administration, may award competitive grants to eligible entities to enable such entities to facilitate the development of networks among rural and urban health care providers to preserve and share health care resources and enhance the quality and availability of health care in rural areas. Such networks may be statewide or regionalized in focus.

"(b) ELIGIBLE ENTITIES.—To be eligible to receive a grant under subsection (a) an entity shall—

"(1) be a rural health extension network that meets the requirements of subsection (c);

"(2) prepare and submit to the Secretary an application at such time, in such form and containing such information as the Secretary may require; and

"(3) meets such other requirements as the Secretary determines appropriate.

"(c) NETWORKS.—For purposes of subsection (b)(1), a rural health extension network shall be an association or consortium of three or more rural health care providers, and may include one or more urban health care provider, for the purposes of applying for a grant under this section and using amounts received under such grant to provide the services described in subsection (d).

"(d) SERVICES.—

"(1) IN GENERAL.—An entity that receives a grant under subsection (a) shall use amounts received under such grant to—

"(A) provide education and community decision-making support for health care providers in the rural areas served by the network;

"(B) utilize existing health care provider education programs, including but not limited to, the program for area health education centers under section 746, to provide educational services to health care providers in the areas served by the network;

"(C) make appropriately trained facilitators available to health care providers located in the areas served by the network to assist such providers in developing cooperative approaches to health care in such area;

"(D) facilitate linkage building through the organization of discussion and planning groups and the dissemination of information concerning the health care resources where available, within the area served by the network;

"(E) support telecommunications and consultative projects to link rural hospitals and other health care providers, and urban or tertiary hospitals in the areas served by the network; or

"(F) carry out any other activity determined appropriate by the Secretary.

"(2) EDUCATION.—In carrying out activities under paragraph (1)(B), an entity shall support the development of an information and resource sharing system, including elements targeted towards high risk populations and focusing on health promotion, to facilitate the ability of rural health care providers to have access to needed health care information. Such activities may include the provision of training to enable individuals to serve as coordinators of health education programs in rural areas.

"(3) COLLECTION AND DISSEMINATION OF DATA.—The chief executive officer of a State shall designate a State agency that shall be responsible for collecting and regularly disseminating information concerning the activities of the rural health extension networks in that State.

"(e) MATCHING REQUIREMENT.—An entity that receives a grant under subsection (a) shall make available (directly or through donations from public or private entities), non-Federal contributions towards the costs of the operations of the network in an amount equal to the amount of the grant.

"(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $10,000,000 for each of the fiscal years 1993 through 1997.

"(g) DEFINITION.—As used in this section and section 1710, the term 'rural health care providers' means health care professionals and hospitals located in rural areas. The Secretary shall ensure that for purposes of this definition, rural areas shall include any area that meets any applicable Federal or State definition of rural area.".

SEC. 917. RURAL MANAGED CARE COOPERATIVES.

Title XVII of the Public Health Service Act (42 U.S.C. 300u et seq.) as amended by section 916 is further amended by adding at the end thereof the following new section:

"SEC. 1710. RURAL MANAGED CARE COOPERATIVES.

"(a) GRANTS.—The Secretary, acting through the Health Resources and Services Administration, may award competitive grants to eligible entities to enable such entities to develop and administer cooperatives in rural areas that will establish an effective case management and reimbursement system designed to support the economic viability of essential public or private health services, facilities, health care systems and health care resources in such rural areas.

"(b) ELIGIBLE ENTITIES.—To be eligible to receive a grant under subsection (a) an entity shall—

"(1) prepare and submit to the Secretary an application at such time, in such form and containing such information as the Secretary may require, including a description of the cooperative that the entity intends to develop and operate using grant funds; and

"(2) meet such other requirements as the Secretary determines appropriate.

"(c) COOPERATIVES.—

"(1) IN GENERAL.—Amounts provided under a grant awarded under subsection (a) shall be used to establish and operate a cooperative made up of all types of health care providers, hospitals, primary access hospitals, other alternate rural health care facilities, physicians, rural health clinics, rural nurse practitioners and physician assistant practitioners, public health departments and others located in, but not restricted to, the rural areas to be served by the cooperative.

"(2) BOARD OF DIRECTORS.—A cooperative established under paragraph (1) shall be administered by a board of directors elected by the members of the cooperative, a majority of whom shall represent rural providers from the local community and include representatives from the local community. Such directors shall serve at the pleasure of such members.

"(3) EXECUTIVE DIRECTOR.—The members of a cooperative established under paragraph (1) shall elect an executive director who shall serve as the chief operating officer of the cooperative. The executive director shall be responsible for conducting the day to day operation of the cooperative including—

"(A) maintaining an accounting system for the cooperative;

"(B) maintaining the business records of the cooperative;

"(C) negotiating contracts with provider members of the cooperative; and

"(D) coordinating the membership and programs of the cooperative.

"(4) REIMBURSEMENTS.—

"(A) NEGOTIATIONS.—A cooperative established under paragraph (1) shall facilitate negotiations among member health care providers and third party payers concerning the rates at which such providers will be reimbursed for services provided to individuals for which such payers may be liable.

"(B) AGREEMENTS.—Agreements reached under subparagraph (A) shall be binding on the members of the cooperative.

"(C) EMPLOYERS.—Employer entities may become members of a cooperative established under paragraph (a) in order to provide, through a member third party payer, health insurance coverage for employees of such entities. Deductibles shall only be charged to employees covered under such insurance if such employees receive health care services from a provider that is not a member of the cooperative if similar services would have been available from a member provider.

"(D) MALPRACTICE INSURANCE.—A cooperative established under subsection (a) shall be responsible for identifying and implementing a malpractice insurance program that shall include a requirement that such cooperative assume responsibility for the payment of a portion of the malpractice insurance premium of providers members.

"(5) MANAGED CARE AND PRACTICE STANDARDS.—A cooperative established under paragraph (1) shall establish joint case management and patient care practice standards programs that health care providers that are members of such cooperative must meet to be eligible to participate in agreements entered into under paragraph (4). Such standards shall be developed by such provider members and shall be subject to the approval of a majority of the board of directors. Such programs shall include cost and quality of care guidelines including a requirement that such providers make available preadmission screening, selective case management services, joint patient care practice standards development and compliance and joint utilization review.

"(6) CONFIDENTIALITY.—Patients records, records of peer review, utilization review, and quality assurance proceedings conducted by the cooperative should be considered confidential and protected from release outside of the cooperative. The provider members of the cooperative shall be indemnified by the cooperative for the good faith participation by such members in such the required activities.

"(d) LINKAGES.—A cooperative shall create linkages among member health care providers, employers, and payers for the joint consultation and formulation of the types, rates, costs, and quality of health care provided in rural areas served by the cooperative.

"(e) MATCHING REQUIREMENT.—An entity that receives a grant under subsection (a) shall make available (directly or through do-

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nations from public or private entities), non-Federal contributions towards the costs of the operations of the network in an amount equal to the amount of the grant.

"(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $15,000,000 for each of the fiscal years 1993 through 1997.".

TITLE X—PRIMARY AND PREVENTIVE CARE PROVIDERS

SEC. 1001. INCREASING PAYMENTS TO CERTAIN NONPHYSICIAN PROVIDERS UNDER THE MEDICARE PROGRAM.

(a) INCREASE IN PAYMENTS TO NURSE PRACTITIONERS, CLINICAL NURSE SPECIALISTS, CERTIFIED NURSE MIDWIVES, AND PHYSICIAN ASSISTANTS.—

(1) IN GENERAL.—Section 1833(a)(1) of the Social Security Act (42 U.S.C. 1395l(a)(1)) is amended—

(A) in subparagraph (K), by striking "80 percent" and all that follows through "physician)" and inserting "97 percent of the fee schedule amount provided under section 1848 for the same service performed by a physician";

(B) by redesignating subparagraph (M) the second place it appears and subparagraph (N), as subparagraphs (N) and (O), respectively; and

(C) by amending subparagraph (N), as redesignated, to read as follows: "(N) with respect to services described in section 1861(s)(2)(K) (relating to services provided by a nurse practitioner, clinical nurse specialist, or physician assistant) the amounts paid shall be 97 percent of the fee schedule amount provided under section 1848 for the same service performed by a physician,".

(2) NURSE PRACTITIONERS AND PHYSICIAN ASSISTANTS.—Section 1842(b)(12) of such Act (42 U.S.C. 1395u(b)(12)) is amended to read as follows:

"(12) With respect to services described in clauses (i), (ii), or (iv) of section 1861(s)(2)(K) (relating to physician assistants and nurse practitioners)—

"(A) payment under this part may only be made on an assignment-related basis; and

"(B) the prevailing charges determined under paragraph (3) shall not exceed—

"(i) in the case of services performed as an assistant at surgery, 97 percent of the amount that would otherwise be recognized if performed by a physician who is serving as an assistant at surgery, or

"(ii) in other cases, 97 percent of the fee schedule amount specified in section 1848 for such services performed by physicians who are not specialists.".

(3) DIRECT PAYMENT FOR ALL NURSE PRACTITIONERS OR CLINICAL NURSE SPECIALISTS.—Section 1832(a)(2)(B)(iv) of such Act (42 U.S.C. 1395k(a)(2)(B)(iv)) is amended by striking "provided in a rural area (as defined in section 1886(d)(2)(D))".

(4) REMOVAL OF RESTRICTIONS ON SETTINGS.—Section 1861(s)(2)(K) of such Act (42 U.S.C. 1395x(s)(2)(K)) is amended—

(A) in clause (i), by striking "(I) in a hospital" and all that follows through "professional shortage area,";

(B) in clause (ii), by striking "in a skilled" and all that follows through "1919(a)"; and

(C) in clause (iii), by striking "in a rural" and all that follows through "(d)(2)(D))".

(b) BONUS PAYMENT FOR SERVICES PROVIDED IN HEALTH PROFESSIONAL SHORTAGE AREAS.—Section 1833(m) of the Social Security Act (42 U.S.C. 1395l(m)) is amended—

(1) by inserting "(1)" after "(m)"; and

(2) by adding at the end the following new paragraph:

"(2) In the case of services of a nurse practitioner, clinical nurse specialist, physician assistant, certified nurse midwife, or certified registered nurse anesthetist furnished to an individual described in paragraph (1) in an area that is a health professional shortage area as described in such paragraph, in addition to the amount otherwise paid under this part, there shall also be paid to such service provider (or to an employer in the cases described in subparagraph (C) of section 1842(b)(6)) (on a monthly or quarterly basis) from the Federal Supplementary Medical Trust Fund an amount equal to 10 percent of the payment amount for such services under this part.".

SEC. 1002. REQUIRING COVERAGE OF CERTAIN NONPHYSICIAN PROVIDERS UNDER THE MEDICAID PROGRAM.

Section 1905(a) of the Social Security Act (42 U.S.C. 1396d(a)) is amended—

(1) in paragraph (21), by striking "; and" and inserting a semicolon;

(2) in paragraph (24), by striking the period at the end and inserting a semicolon;

(3) by redesignating paragraphs (22), (23), and (24) as paragraphs (25), (22), and (23), respectively;

(4) by inserting after paragraph (23) the following new paragraph:

"(24) services furnished by a physician assistant, nurse practitioner, clinical nurse specialist (as defined in section 1861(aa)(5)), and certified registered nurse anesthetist (as defined in section 1861(bb)(2)); and";

(5) by striking the semicolon at the end of paragraph (25), as redesignated, and inserting a period; and

(6) by transferring and inserting paragraph (25), as redesignated, after paragraph (24).

SEC. 1003. MEDICAL STUDENT TUTORIAL PROGRAM GRANTS.

Part C of title VII of the Public Health Service Act is amended by adding at the end thereof the following new section:

"SEC. 753. MEDICAL STUDENT TUTORIAL PROGRAM GRANTS.

"(a) ESTABLISHMENT.—The Secretary shall establish a program to award grants to eligible schools of medicine or osteopathic medicine to enable such schools to provide medical students for tutorial programs or as participants in clinics designed to interest high school or college students in careers in general medical practice.

"(b) APPLICATION.—To be eligible to receive a grant under this section, a school of medicine or osteopathic medicine shall prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require, including assurances that the school will use amounts received under the grant in accordance with subsection (c).

"(c) USE OF FUNDS.—

"(1) IN GENERAL.—Amounts received under a grant awarded under this section shall be used to—

"(A) fund programs under which students of the grantee are provided as tutors for high school and college students in the areas of math, science, health promotion and prevention, first aide, nutrition and prenatal care;

"(B) fund programs under which students of the grantee are provided as participants in clinics and seminars in the areas described in paragraph (1); and

"(C) conduct summer institutes for high school and college students to promote careers in medicine.

"(2) DESIGN OF PROGRAMS.—The programs, institutes and other activities conducted by grantees under paragraph (1) shall be designed to—

"(A) give medical students desiring to practice general medicine access to the local community;

"(B) provide information to high school and college students concerning medical school and the general practice of medicine; and

"(C) promote careers in general medicine.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $5,000,000 for fiscal year 1994, and such sums as may be necessary for fiscal year 1995.".

SEC. 1004. GENERAL MEDICAL PRACTICE GRANTS.

Part C of title VII of the Public Health Service Act (as amended by section 503) is further amended by adding at the end thereof the following new section:

"SEC. 754. GENERAL MEDICAL PRACTICE GRANTS.

"(a) ESTABLISHMENT.—The Secretary shall establish a program to award grants to eligible public or private nonprofit schools of medicine or osteopathic medicine, hospitals, residency programs in family medicine or pediatrics, or to a consortium of such entities, to enable such entities to develop effective strategies for recruiting medical students interested in the practice of general medicine and placing such students into general practice positions upon graduation.

"(b) APPLICATION.—To be eligible to receive a grant under this section, an entity of the type described in subsection (a) shall prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require, including assurances that the entity will use amounts received under the grant in accordance with subsection (c).

"(c) USE OF FUNDS.—Amounts received under a grant awarded under this section shall be used to fund programs under which effective strategies are developed and implemented for recruiting medical students interested in the practice of general medicine and placing such students into general practice positions upon graduation.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $25,000,000 for each of the fiscal years 1994 through 1998, and such sums as may be necessary for fiscal years thereafter.".

SEC. 1005. PAYMENTS FOR DIRECT AND INDIRECT GRADUATE MEDICAL EDUCATION COSTS.

(a) DIRECT MEDICAL EDUCATION COSTS.—Section 1886(h) of the Social Security Act (42 U.S.C. 1395ww(h)) is amended—

(1) in paragraph (1)—

(A) by striking "hospitals for direct medical education costs" and inserting "hospitals and public and private nonprofit entities with approved medical residency training programs for direct medical education costs"; and

(B) by striking "hospitals associated" and inserting "hospitals and public and private nonprofit entities with approved medical residency training programs associated";

(2) in paragraph (2)—

(A) in the matter preceding subparagraph (A) by striking "each hospital" and inserting "each hospital or public or private nonprofit entity";

(B) in subparagraph (A)—

(i) in the heading, by striking "HOSPITAL'S";

(ii) by striking "the hospital's" and inserting "the hospital's or entity's"; and

(iii) by striking "the hospital" and inserting "the hospital or entity";

(C) in clause (ii) of subparagraph (B), by striking "a hospital if the hospital's" and inserting "a hospital or entity if the hospital's or entity's";

(D) in subparagraph (C), by striking "the hospital" each place it appears and inserting "the hospital or the entity";

(E) in subparagraph (D), by striking "the hospital" and inserting "the hospital or the entity"; and

(F) in subparagraph (E), by striking "a hospital" and inserting "a hospital or entity";

(3) in paragraph (3)—

(A) in the heading, by striking "HOSPITAL";

(B) in subparagraph (A),

(i) in the matter preceding clause (i), by striking "hospital cost reporting period" and inserting "cost reporting period of a hospital or a public or private nonprofit entity"; and

(ii) in clause (ii), by striking "the hospital's" and inserting "the hospital's or entity's";

(C) in subparagraph (B),

(i) in the matter preceding clause (i), by striking "hospital cost reporting period" and inserting "cost reporting period of a hospital or a public or private nonprofit entity"; and

(ii) in clauses (i) and (ii), by striking "hospital's" each place it appears and inserting "hospital's or entity's"; and

(D) in subparagraph (C), by striking "hospital's cost reporting period" and inserting "cost reporting period of a hospital or a public or private nonprofit entity"; and

(4) in paragraph (4)—

(A) in subparagraph (B), by striking "hospital" each place it appears and inserting "hospital or public or private nonprofit entity"; and

(B) in subparagraph (E), by striking "hospital" and inserting "hospital or public or private nonprofit entity".

(b) INDIRECT MEDICAL EDUCATION COSTS.—

(1) IN GENERAL.—Section 1848 of such Act (42 U.S.C. 1395w-4) is amended—

(A) by redesignating subsection (j) as subsection (k); and

(B) by inserting after subsection (i) the following new subsection:

"(j) PAYMENTS FOR INDIRECT GRADUATE MEDICAL EDUCATION COSTS.—

"(1) IN GENERAL.—The Secretary shall provide for an additional payment for indirect costs of medical education in an amount equal to the product of—

"(A) the amount determined under subsection (a)(1) for qualified physician's services (as defined in paragraph (2)), and

"(B) the indirect teaching adjustment factor determined in accordance with section 1886(d)(5)(B)(ii) with 'r' equal to .2.

"(2) QUALIFIED PHYSICIAN'S SERVICES.—

"(A) IN GENERAL.—For purposes of paragraph (1), the term 'qualified physician's services' means physician's services (as defined in subsection (k)(3)) that are—

"(i) provided during the course of clinical training by medical residents in the initial 3 years of postgraduate medical training in approved medical residency training programs in the fields of family medicine (as defined by the Secretary), general internal medicine (as defined by the Secretary), and general pediatrics (as defined by the Secretary), and

"(ii) provided at clinical training sites affiliated with approved medical residency training programs in family medicine, general internal medicine, and general pediatrics.

"(B) CERTAIN SERVICES EXCLUDED.—For purposes of paragraph (1), the term 'qualified physician's services' shall not include services provided during an inpatient hospital stay for which payment is made under part A of this title.".

(2) CONFORMING AMENDMENTS.—Section 1848 of such Act (42 U.S.C. 1395w-4) is amended—

(A) in subsection (a)(1), by striking "subsection (j)(3)" and inserting "subsection (k)(3)";

(B) in subsection (b)(1), by striking "subsection (j)(2)" and inserting "(k)(2)"; and

(C) in subparagraphs (C) and (D) of subsection (d)(2), by striking "subsection (j)(1)" and inserting "subsection (k)(1)".

(c) SUBSECTION (d) HOSPITALS.—Section 1886(d)(5)(B) of such Act (42 U.S.C. 1395ww(d)(5)(B)) is amended by adding at the end the following new clause:

"(v) In determining such adjustment the Secretary shall count only those interns and residents who are in the initial 3 years of postgraduate medical training.".

(d) EFFECTIVE DATE.—The amendments made by this section shall be effective for cost reporting periods beginning on or after October 1, 1993.

TITLE XI—MALPRACTICE REFORM

SEC. 1101. PRELITIGATION SCREENING PANEL GRANTS.

Part B of title IX of the Public Health Service Act (42 U.S.C. 299b et seq.) is amended by adding at the end the following new section:

"SEC. 915. PRELITIGATION SCREENING PANEL GRANTS.

"(a) ESTABLISHMENT.—The Assistant Secretary, acting through the Administrator, shall establish a program of grants to assist States in establishing prelitigation panels.

"(b) USE OF FUNDS.—A State may use a grant awarded under subsection (a) to establish prelitigation panels that—

"(1) identify claims of professional negligence that merit compensation;

"(2) encourage early resolution of meritorious claims prior to commencement of a lawsuit; and

"(3) encourage early withdrawal or dismissal of nonmeritorious claims.

"(c) AWARD OF GRANTS.—The Secretary shall allocate grants under this section in accordance with criteria issued by the Secretary.

"(d) APPLICATION.—To be eligible to receive a grant under this section, a State, acting through the appropriate State health authority, shall submit an application at such time, in such manner, and containing such agreements, assurances, and information as the Assistant Secretary determines to be necessary to carry out this section.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for each of the 1994 through 1997 fiscal years.".

TITLE XII—MEDICARE PREFERRED PROVIDER DEMONSTRATION PROJECTS

SEC. 1201. ESTABLISHMENT OF MEDICARE PRIMARY AND SPECIALTY PREFERRED PROVIDER ORGANIZATION DEMONSTRATION PROJECTS.

(a) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act the Secretary of Health and Human Services (hereafter referred to in this section as the "Secretary") shall provide for up to 10 demonstration projects to test the effectiveness of providing payment under the medicare program under title XVIII of the Social Security Act for primary and specialty procedures and services (as determined appropriate by the Secretary) furnished by preferred provider organizations. The demonstration projects provided for under this section by the Secretary shall—

(1) test the cost-effectiveness of preferred provider organizations furnishing primary and specialty services in controlling the volume of such services performed or ordered by physicians, and nonphysician providers such as nurse practitioners, clinical nurse specialists, certified nurse midwives, certified registered nurse anesthetists, and physician assistants, for which payment is made under title XVIII of the Social Security Act;

(2) gather information on factors which may encourage medicare beneficiaries to participate in a preferred provider organizational network;

(3) examine the efficacy of permanently establishing managed care networks of primary and specialty service providers; and

(4) examine the factors necessary to increase the quality and efficiency of primary and specialty services furnished by preferred provider networks in order to realize increased savings under the medicare program and to increase medicare beneficiary participation in such networks.

(b) WAIVER OF MEDICARE REQUIREMENTS.—The Secretary may waive such requirements of title XVIII of the Social Security Act as the Secretary determines necessary in conducting demonstration programs under this section, including—

(1) coinsurance requirements;

(2) provider payment arrangements;

(3) beneficiary deductibles; and

(4) reimbursement for nonphysician providers.

(c) DURATION OF PROJECTS.—The demonstration projects provided for under this section shall be conducted for a period not to exceed 3 years from the date of the enactment of this Act.

(d) REPORT.—Not later than 180 days after the date of expiration of the demonstration projects conducted under this section the Secretary shall report to the Congress on the results of the demonstration projects including recommendations for modifications in the medicare program to increase the utilization of preferred provider organizations in providing primary and specialty services under such program.

TITLE XIII—TREATMENT AND OUTCOMES RESEARCH

SEC. 1301. NEW DRUG CLINICAL TRIALS PROGRAM.

Part B of title IV of the Public Health Service Act (42 U.S.C. 284 et seq.) is amended by adding at the end the following new section:

"SEC. 409A. NEW DRUG CLINICAL TRIALS PROGRAM.

"(a) IN GENERAL.—The Director of the National Institutes of Health (hereafter referred to in this section as the 'Director') is authorized to establish and implement a program for the conduct of clinical trials with respect to new drugs and disease treatments determined to be promising by the Director. In determining the drugs and disease treatments that are to be the subject of such clinical trials, the Director shall give priority to those drugs and disease treatments targeted toward the diseases determined—

"(1) to be the most costly to treat;

"(2) to have the highest mortality; or

"(3) to affect the greatest number of individuals.

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $120,000,000 for fiscal year 1994, and such sums as may be necessary in each of the fiscal years 1995 through 1998.".

SEC. 1302. MEDICAL TREATMENT EFFECTIVENESS.

(a) RESEARCH ON COST-EFFECTIVE METHODS OF HEALTH CARE.—Section 926 of the Public Health Service Act (42 U.S.C. 299c-5) is amended—

(1) in subsection (a), by striking "and $115,000,000 for fiscal year 1993" and inserting "$115,000,000 for fiscal year 1993, and such sums as may be necessary for each of the fiscal years 1994 through 1997"; and

(2) by adding at the end the following new subsection:

"(f) USE OF ADDITIONAL APPROPRIATIONS.—Within amounts appropriated under subsection (a) for each of the fiscal years 1993 through 1996 that are in excess of the amounts appropriated under such subsection for fiscal year 1992, the Secretary shall give priority to expanding research conducted to determine the most cost-effective methods of health care and for developing and disseminating new practice guidelines related to such methods. In utilizing such amounts, the Secretary shall give priority to diseases and disorders that the Secretary determines are the most costly to the United States and evidence a wide variation in current medical practice.".

(b) RESEARCH ON MEDICAL TREATMENT OUTCOMES.—

(1) IMPOSITION OF TAX ON HEALTH INSURANCE POLICIES.—

(A) IN GENERAL.—Chapter 36 of the Internal Revenue Code of 1986 (relating to certain other excise taxes) is amended by adding at the end thereof the following new subchapter:

"Subchapter G—Tax on Health Insurance Policies

"Sec. 4501. Imposition of tax.

"Sec. 4502. Liability for tax.

"SEC. 4501. IMPOSITION OF TAX.

"(a) GENERAL RULE.—There is hereby imposed a tax equal to .001 cent on each dollar, or fractional part thereof, of the premium paid on a policy of health insurance.

"(b) DEFINITION.—For purposes of subsection (a), the term 'policy of health insurance' means any policy or other instrument by whatever name called whereby a contract of insurance is made, continued, or renewed with respect to the health of an individual or group of individuals.

"SEC. 4502. LIABILITY FOR TAX.

"The tax imposed by this subchapter shall be paid, on the basis of a return, by any person who makes, signs, issues, or sells any of the documents and instruments subject to the tax, or for whose use or benefit the same are made, signed, issued or sold. The United States or any agency or instrumentality thereof shall not be liable for the tax.".

(B) CONFORMING AMENDMENT.—The table of subchapters for chapter 36 of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new item:

"SUBCHAPTER G. Tax on health insurance policies.".

(2) ESTABLISHMENT OF TRUST FUND.—

(A) IN GENERAL.—Subchapter A of chapter 98 of such Code (relating to trust fund code) is amended by adding at the end thereof the following new section:

"SEC. 9512. TRUST FUND FOR MEDICAL TREATMENT OUTCOMES RESEARCH.

"(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the 'Trust Fund for Medical Treatment Outcomes Research' (hereafter referred to in this section as the 'Trust Fund'), consisting of such amounts as may be appropriated or credited to the Trust Fund as provided in this section or section 9602(b).

"(b) TRANSFERS TO TRUST FUND.—There is hereby appropriated to the Trust Fund an amount equivalent to the taxes received in the Treasury under section 4501 (relating to tax on health insurance policies).

"(c) DISTRIBUTION OF AMOUNTS IN TRUST FUND.—On an annual basis the Secretary shall distribute the amounts in the Trust Fund to the Secretary of Health and Human Services. Such amounts shall be available to the Secretary of Health and Human Services to pay for research activities related to medical treatment outcomes.".

(B) CONFORMING AMENDMENT.—The table of sections for subchapter A of chapter 98 of such Code is amended by adding at the end thereof the following new item:

"Sec. 9512. Trust Fund for Medical Treatment Outcomes Research.".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to policies issued after December 31, 1993.

SEC. 1303. TREATMENT PRACTICE GUIDELINES AS A LEGAL STANDARD.

Section 912 of the Public Health Service Act (42 U.S.C. 299b-1) is amended by adding at the end thereof the following new subsection:

"(g) TREATMENT PRACTICE GUIDELINES AS A LEGAL STANDARD.—

"(1) IN GENERAL.—Except as provided in paragraph (2) and notwithstanding any other provision of law, guidelines established under this section may not be introduced in evidence or used in any action brought in a Federal or State court arising from the provision of a health care service to an individual.

"(2) PROVISION OF HEALTH CARE UNDER GUIDELINES.—Notwithstanding any other provision of law, in any action brought in a Federal or State court arising from the provision of a health care service to an individual, if the service was provided to the individual in accordance with guidelines established under this section, the guidelines—

"(A) may be introduced by a provider who is a party to the action; and

"(B) if introduced, shall establish a rebuttable presumption that the service prescribed by the guidelines is the appropriate standard of medical care.".

TITLE XIV—LONG-TERM CARE

Subtitle A—Tax Treatment of Qualified Long-Term Care Insurance Policies

SEC. 1401. AMENDMENT OF 1986 CODE.

Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

SEC. 1402. DEFINITIONS OF QUALIFIED LONG-TERM CARE INSURANCE AND PREMIUMS.

(a) IN GENERAL.—Chapter 79 (relating to definitions) is amended by adding at the end the following new section:

"SEC. 7705. QUALIFIED LONG-TERM CARE INSURANCE AND PREMIUMS.

"(a) QUALIFIED LONG-TERM CARE INSURANCE.—

"(1) IN GENERAL.—For purposes of this title, the term 'qualified long-term care insurance' means insurance under a policy or rider, issued by a qualified issuer, which—

"(A) provides coverage for not less than 12 consecutive months for each covered person,

"(B) provides benefits on an expense incurred, indemnity, disability, prepaid, capitation, or other basis,

"(C) provides benefits for—

"(i) medically necessary diagnostic, preventive, therapeutic, rehabilitation, or maintenance services,

"(ii) personal care services necessitated by physical disability, or

"(iii) preventive, therapeutic, rehabilitation, maintenance, or personal care services necessitated by cognitive impairment or the loss of functional capacity,

when provided in a nursing home, a respite care facility, the home of the covered individual, or any other setting which is not an acute care unit of a hospital or a medical clinic, and

"(D) provides coverage for care described in subparagraph (C) (other than nursing home care) equal to not less than 47.5 percent of the national median cost of nursing care coverage, as determined by the Secretary.

"(2) QUALIFIED ISSUER.—For purposes of paragraph (1), the term 'qualified issuer' means any of the following, if subject to the jurisdiction and regulation of at least 1 State insurance department:

"(A) Private insurance company.

"(B) Fraternal benefit society.

"(C) Nonprofit health corporation.

"(D) Nonprofit hospital corporation.

"(E) Nonprofit medical service corporation.

"(F) Prepaid health plan.

"(b) QUALIFIED LONG-TERM CARE PREMIUMS.—

"(1) IN GENERAL.—For purposes of this title, the term 'qualified long-term care premiums' means the amount paid during a taxable year for qualified long-term care insurance covering an individual, to the extent such amount does not exceed the limitation determined under the following table:

"In the case of an individual with an attained age before the close of the taxable year of:	The limitation is:
40 or less	$200
More than 40 but not more than 50	375
More than 50 but not more than 60	750
More than 60 but not more than 70	1,600
More than 70	2,000.

"(2) INDEXING.—

"(A) IN GENERAL.—In the case of any taxable year beginning after December 31, 1993, each dollar amount contained in paragraph (1) shall be increased by the medical care cost adjustment for such taxable year. If any increase determined under the preceding sentence is not a multiple of $10, such increase shall be rounded to the nearest multiple of $10.

"(B) MEDICAL CARE COST ADJUSTMENT.—For purposes of subparagraph (A), the medical care cost adjustment for any taxable year is the percentage (if any) by which—

"(i) the medical care component of the Consumer Price Index (as defined in section 1(f)(5)) for August of the calendar year preceding the calendar year in which the taxable year begins, exceeds

"(ii) such component for August of 1992.".

(b) CLERICAL AMENDMENT.—The table of sections for chapter 79 is amended by inserting after the item relating to section 7704 the following new item:

"Sec. 7705. Qualified long-term care insurance and premiums.".

SEC. 1403. TREATMENT OF QUALIFIED LONG-TERM CARE INSURANCE AS ACCIDENT AND HEALTH INSURANCE FOR PURPOSES OF TAXATION OF INSURANCE COMPANIES.

(a) IN GENERAL.—Section 818 (relating to other definitions and special rules) is amend-

ed by adding at the end the following new subsection:

"(g) QUALIFIED LONG-TERM CARE INSURANCE TREATED AS ACCIDENT OR HEALTH INSURANCE.—For purposes of this subchapter, any reference to noncancellable accident or health insurance contracts shall be treated as including a reference to qualified long-term care insurance.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1992.

SEC. 1404. TREATMENT OF ACCELERATED DEATH BENEFITS UNDER LIFE INSURANCE CONTRACTS.

(a) EXCLUSION OF AMOUNTS RECEIVED.—Section 101 (relating to certain death benefits) is amended by adding at the end the following new subsection:

"(g) TREATMENT OF CERTAIN ACCELERATED DEATH BENEFITS.—

"(1) IN GENERAL.—For purposes of this section, any amount paid to an individual under a life insurance contract on the life of an insured who is a terminally ill individual, who has a dread disease, or who has been permanently confined to a nursing home shall be treated as an amount paid by reason of the death of such insured.

"(2) TERMINALLY ILL INDIVIDUAL.—For purposes of this subsection, the term 'terminally ill individual' means an individual who has been certified by a physician, licensed under State law, as having an illness or physical condition which can reasonably be expected to result in death in 12 months or less.

"(3) DREAD DISEASE.—For purposes of this subsection, the term 'dread disease' means a medical condition which has required or requires extraordinary medical intervention without which the insured would die, or a medical condition which would, in the absence of extensive or extraordinary medical treatment, result in a drastically limited life span.

"(4) PERMANENTLY CONFINED TO A NURSING HOME.—For purposes of this subsection, an individual has been permanently confined to a nursing home if the individual is presently confined to a nursing home and has been certified by a physician, licensed under State law, as having an illness or physical condition which can reasonably be expected to result in the individual remaining in a nursing home for the rest of the individual's life.".

(b) TREATMENT OF QUALIFIED ACCELERATED DEATH BENEFIT RIDERS AS LIFE INSURANCE.—

(1) IN GENERAL.—Section 818 (relating to other definitions and special rules), as amended by section 803, is amended by adding at the end the following new subsection:

"(h) QUALIFIED ACCELERATED DEATH BENEFIT RIDERS TREATED AS LIFE INSURANCE.—For purposes of this part—

"(1) IN GENERAL.—Any reference to a life insurance contract shall be treated as including a reference to a qualified accelerated death benefit rider on such contract.

"(2) QUALIFIED ACCELERATED DEATH BENEFIT RIDER.—For purposes of this subsection, the term 'qualified accelerated death benefit rider' means any rider or addendum on, or other provision of, a life insurance contract which provides for payments to an individual on the life of an insured upon such insured becoming a terminally ill individual (as defined in section 101(g)(2)), incurring a dread disease (as defined in section 101(g)(3)), or being permanently confined to a nursing home (as defined in section 101(g)(4)).".

(2) DEFINITIONS OF LIFE INSURANCE AND MODIFIED ENDOWMENT CONTRACTS.—

(A) RIDER TREATED AS QUALIFIED ADDITIONAL BENEFIT.—Subparagraph (A) of section 7702(f)(5) (relating to definition of life insurance contract) is amended by striking "or" at the end of clause (iv), by redesignating clause (v) as clause (vi), and by inserting after clause (iv) the following new clause:

"(v) any qualified accelerated death benefit rider (as defined in section 818(h)(2)), or any qualified long-term care insurance which reduces the death benefit, or".

(B) TRANSITIONAL RULE.—For purposes of applying section 7702 or 7702A of the Internal Revenue Code of 1986 to any contract (or determining whether either such section applies to such contract), the issuance of a rider or addendum on, or other provision of, a life insurance contract permitting the acceleration of death benefits (as described in section 101(g)) or for qualified long-term care insurance shall not be treated as a modification or material change of such contract.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1992.

Subtitle B—Tax Incentives for Purchase of Qualified Long-Term Care Insurance

SEC. 1411. CREDIT FOR QUALIFIED LONG-TERM CARE PREMIUMS.

(a) GENERAL RULE.—Subpart C of part IV of subchapter A of chapter 1 (relating to refundable credits) is amended by redesignating section 35 as section 36 and by inserting after section 34 the following new section:

"SEC. 35. LONG-TERM CARE INSURANCE CREDIT.

"(a) GENERAL RULE.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the applicable percentage of the qualified long-term care premiums (as defined in section 7705(b)) paid during such taxable year for such individual or the spouse of such individual.

"(b) APPLICABLE PERCENTAGE.—

"(1) IN GENERAL.—For purposes of this section, the term 'applicable percentage' means 28 percent reduced (but not below zero) by 1 percentage point for each $1,000 (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year exceeds the base amount.

"(2) BASE AMOUNT.—For purposes of paragraph (1) the term 'base amount' means—

"(A) except as otherwise provided in this paragraph, $25,000,

"(B) $40,000 in the case of a joint return, and

"(C) zero in the case of a taxpayer who—

"(i) is married at the close of the taxable year (within the meaning of section 7703) but does not file a joint return for such taxable year, and

"(ii) does not live apart from his or her spouse at all times during the taxable year.

"(c) COORDINATION WITH MEDICAL EXPENSE DEDUCTION.—Any amount allowed as a credit under this section shall not be taken into account under section 213.".

(b) CLERICAL AMENDMENT.—The table of sections for subpart C of part IV of subchapter A of chapter 1 is amended by striking the item relating to section 35 and inserting the following:

"Sec. 35. Long-term care insurance credit.

"Sec. 36. Overpayments of tax.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1992.

SEC. 1412. DEDUCTION FOR EXPENSES RELATING TO QUALIFIED LONG-TERM CARE.

(a) DEDUCTION FOR QUALIFIED LONG-TERM CARE PREMIUMS.—Subparagraph (C) of section 213(d)(1) (relating to the definition of medical care) is amended by striking "aged)" and inserting the following: "aged, and amounts paid as qualified long-term care premiums (as defined in section 7705(b))".

(b) DEDUCTION FOR LONG-TERM CARE EXPENSES FOR PARENT OR GRANDPARENT.—Section 213 (relating to deduction for medical expenses) is amended by adding at the end the following new subsection:

"(g) SPECIAL RULE FOR CERTAIN LONG-TERM CARE EXPENSES.—For purposes of subsection (a), the term 'dependent' shall include any parent or grandparent of the taxpayer for whom the taxpayer has long-term care expenses described in section 7705(a)(1)(C), but only to the extent of such expenses.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1992.

SEC. 1413. EXCLUSION FROM GROSS INCOME OF BENEFITS RECEIVED UNDER QUALIFIED LONG-TERM CARE INSURANCE.

(a) IN GENERAL.—Section 105 (relating to amounts received under accident and health plans) is amended by adding at the end the following new subsection:

"(j) SPECIAL RULES RELATING TO QUALIFIED LONG-TERM CARE INSURANCE.—For purposes of section 104, this section, and section 106—

"(1) BENEFITS TREATED AS PAYABLE FOR SICKNESS, ETC.—Any benefit received through qualified long-term care insurance shall be treated as amounts received through accident or health insurance for personal injuries or sickness.

"(2) EXPENSES FOR WHICH REIMBURSEMENT PROVIDED UNDER QUALIFIED LONG-TERM CARE INSURANCE TREATED AS INCURRED FOR MEDICAL CARE OR FUNCTIONAL LOSS.—

"(A) EXPENSES.—Expenses incurred by the taxpayer or spouse, or by the dependent, parent, or grandparent of either, to the extent of benefits paid under qualified long-term care insurance shall be treated for purposes of subsection (b) as incurred for medical care (as defined in section 213(d)).

"(B) BENEFITS.—Benefits received under qualified long-term care insurance shall be treated for purposes of subsection (c) as payment for the permanent loss or loss of use of a member or function of the body or the permanent disfigurement of the taxpayer or spouse, or the dependent, parent, or grandparent of either.

"(3) REFERENCES TO ACCIDENT AND HEALTH PLANS.—

"(A) IN GENERAL.—Any reference to an accident or health plan shall be treated as including a reference to a plan providing qualified long-term care insurance.

"(B) LIMITATION.—Subparagraph (A) shall apply for purposes of section 106 only to the extent of qualified long-term care premiums (as defined in section 7705(b)).".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1992.

SEC. 1414. EMPLOYER DEDUCTION FOR CONTRIBUTIONS MADE FOR LONG-TERM CARE INSURANCE.

(a) IN GENERAL.—Subparagraph (B) of section 404(b)(2) (relating to plans providing certain deferred benefits) is amended to read as follows:

"(B) EXCEPTIONS.—Subparagraph (A) shall not apply to—

"(i) any benefit provided through a welfare benefit fund (as defined in section 419(e)), or

"(ii) any benefit provided under qualified long-term care insurance through the payment (in whole or in part) of qualified long-term care premiums (as defined in section 7705(b)) by an employer pursuant to a plan for its active or retired employees, but only

if any refund or premium is applied to reduce the future costs of the plan or increase benefits under the plan.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1992.

SEC. 1415. INCLUSION OF QUALIFIED LONG-TERM CARE INSURANCE IN CAFETERIA PLANS.

(a) IN GENERAL.—Paragraph (2) of section 125(d) (relating to the exclusion of deferred compensation) is amended by adding at the end the following new subparagraph:

"(D) EXCEPTION FOR LONG-TERM CARE INSURANCE CONTRACTS.—For purposes of subparagraph (A), amounts paid or incurred for any long-term care insurance contract shall not be treated as deferred compensation to the extent section 404(b)(2)(A) does not apply to such amounts by reason of section 404(b)(2)(B)(ii).".

(b) CONFORMING AMENDMENT.—Subsection (f) of section 125 (relating to qualified benefits) is amended by striking "and such term includes" and inserting the following: ", qualified long-term care insurance, and".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1992.

SEC. 1416. EXCLUSION FROM GROSS INCOME FOR AMOUNTS WITHDRAWN FROM INDIVIDUAL RETIREMENT PLANS AND SECTION 401(k) PLANS FOR QUALIFIED LONG-TERM CARE PREMIUMS AND EXPENSES.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 (relating to items specifically excluded from gross income) is amended by redesignating section 136 as section 137 and by inserting after section 135 the following new section:

"SEC. 136. DISTRIBUTIONS FROM INDIVIDUAL RETIREMENT PLANS AND SECTION 401(k) PLANS FOR QUALIFIED LONG-TERM CARE PREMIUMS AND EXPENSES.

"(a) GENERAL RULE.—In the case of an individual, gross income shall not include any qualified distribution.

"(b) QUALIFIED DISTRIBUTION.—For purposes of this section, the term 'qualified distribution' means any amount distributed from an individual retirement plan or a section 401(k) plan during the taxable year if such amount is used during such year—

"(1) to pay qualified long-term care premiums (as defined in section 7705(b)) for the benefit of the payee or distributee or the spouse of the payee or distributee, if such policy may not be surrendered for cash, or

"(2) to pay long-term care expenses (as described in section 7705(a)(1)(C)) of such an individual.

"(c) SPECIAL RULES.—For purposes of this section—

"(1) QUALIFIED DISTRIBUTIONS FROM IRA DEEMED MADE FIRST FROM DESIGNATED NONDEDUCTIBLE CONTRIBUTIONS.—For purposes of section 72, qualified distributions from an individual retirement plan shall be treated as made from designated nondeductible contributions to the extent thereof and then from other amounts.

"(2) SPECIAL RULES FOR SECTION 401(k) PLANS.—

"(A) QUALIFIED DISTRIBUTIONS FROM SECTION 401(k) PLAN MAY NOT EXCEED ELECTIVE DEFERRALS.—This section shall not apply to any distribution from a section 401(k) plan to the extent the aggregate amount of such distributions for the use described in subsection (a) exceeds the aggregate employer contributions made pursuant to the employee's election under section 401(k)(2) (and the income thereon).

"(B) WITHDRAWALS NOT TO CAUSE DISQUALIFICATION.—A plan shall not be treated as failing to satisfy the requirements of section 401, and an arrangement shall not be treated as failing to be a qualified cash or deferred arrangement (as defined in section 401(k)(2)), merely because under the plan or arrangement distributions are permitted which are excludable from gross income by reason of this section.

"(d) SECTION 401(k) PLAN.—For purposes of this section, the term 'section 401(k) plan' means any employer plan which meets the requirements of section 401(a) and which includes a qualified cash or deferred arrangement (as defined in section 401(k)).".

(b) CONFORMING AMENDMENTS.—

(1) Subsection (k) of section 401 is amended by adding at the end the following new paragraph:

"(11) CROSS REFERENCE.—

"For provision permitting tax-free withdrawals for qualified long-term care premiums and expenses, see section 136.".

(2) Subsection (d) of section 408 is amended by adding at the end the following new paragraph:

"(8) CROSS REFERENCE.—

"For provision permitting tax-free withdrawals for qualified long-term care premiums and expenses, see section 136.".

(3) The table of sections for such part III is amended by striking the item relating to section 136 and inserting the following new items:

"Sec. 136. Distributions from individual retirement plans and section 401(k) plans for qualified long-term care premiums and expenses.

"Sec. 137. Cross references to other Acts.".

(c) INCREASE IN AMOUNT OF DEDUCTIBLE CONTRIBUTIONS TO INDIVIDUAL RETIREMENT PLANS.—

(1) IN GENERAL.—Subparagraph (A) of section 219(b)(1) (relating to maximum amount of deduction) is amended by striking "$2,000" and inserting "$4,000".

(2) SPOUSAL IRA.—Paragraph (2) of section 219(c) (relating to special rules for certain married individuals) is amended by striking "$2,250" and "$2,000" and inserting "$4,500" and "$4,000", respectively.

(3) CONFORMING AMENDMENTS.—

(A) Section 408(a)(1) is amended by striking "in excess of $2,000 on behalf of any individual" and inserting "on behalf of any individual in excess of the amount in effect for such taxable year under section 219(b)(1)(A)".

(B) Section 408(b)(2)(B) is amended by striking "$2,000" and inserting "the dollar amount in effect under section 219(b)(1)(A)".

(C) Section 408(j) is amended by striking "$2,000".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1992.

SEC. 1417. EXCLUSION FROM GROSS INCOME FOR AMOUNTS RECEIVED ON CANCELLATION OF LIFE INSURANCE POLICIES AND USED FOR QUALIFIED LONG-TERM CARE INSURANCE.

(a) IN GENERAL.—

(1) EXCLUSION FROM GROSS INCOME.—

(A) IN GENERAL.—Part III of subchapter B of chapter 1 (relating to items specifically excluded from gross income), as amended by section 216, is further amended by redesignating section 137 as section 138 and by inserting after section 136 the following new section:

"SEC. 137. AMOUNTS RECEIVED ON CANCELLATION, ETC. OF LIFE INSURANCE CONTRACTS AND USED TO PAY PREMIUMS FOR QUALIFIED LONG-TERM CARE INSURANCE.

"No amount (which but for this section would be includible in the gross income of an individual) shall be included in gross income on the whole or partial surrender, cancellation, or exchange of any life insurance contract during the taxable year if—

"(1) such individual has attained age 59½ on or before the date of the transaction, and

"(2) the amount otherwise includible in gross income is used during such year to pay for any policy of qualified long-term care insurance which—

"(A) is for the benefit of such individual or the spouse of such individual if such spouse has attained age 59½ on or before the date of the transaction, and

"(B) may not be surrendered for cash.".

(B) CLERICAL AMENDMENT.—The table of sections for such part III is amended by striking the last item and inserting the following new items:

"Sec. 137. Amounts received on cancellation, etc. of life insurance contracts and used to pay premiums for qualified long-term care insurance.

"Sec. 138. Cross references to other Acts.".

(2) CERTAIN EXCHANGES NOT TAXABLE.—Subsection (a) of section 1035 (relating to certain exchanges of insurance contracts) is amended by striking the period at the end of paragraph (3) and inserting "; or", and by adding at the end the following new paragraph:

"(4) in the case of an individual who has attained age 59½, a contract of life insurance or an endowment or annuity contract for a policy of qualified long-term care insurance, if such policy may not be surrendered for cash.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1992.

SEC. 1418. USE OF GAIN FROM SALE OF PRINCIPAL RESIDENCE FOR PURCHASE OF QUALIFIED LONG-TERM HEALTH CARE INSURANCE.

(a) IN GENERAL.—Subsection (d) of section 121 (relating to one-time exclusion of gain from sale of principal residence by individual who has attained age 55) is amended by adding at the end the following new paragraph:

"(10) ELIGIBILITY OF HOME EQUITY CONVERSION SALE-LEASEBACK TRANSACTION FOR EXCLUSION.—

"(A) IN GENERAL.—For purposes of this section, the term 'sale or exchange' includes a home equity conversion sale-leaseback transaction.

"(B) HOME EQUITY CONVERSION SALE-LEASEBACK TRANSACTION.—For purposes of subparagraph (A), the term 'home equity conversion sale-leaseback' means a transaction in which—

"(i) the seller-lessee—

"(I) has attained the age of 55 before the date of the transaction,

"(II) sells property which during the 5-year period ending on the date of the transaction has been owned and used as a principal residence by such seller-lessee for periods aggregating 3 years or more,

"(III) uses a portion of the proceeds from such sale to purchase a policy of qualified long-term care insurance, which policy may not be surrendered for cash,

"(IV) obtains occupancy rights in such property pursuant to a written lease requiring a fair rental, and

"(V) receives no option to repurchase the property at a price less than the fair market

price of the property unencumbered by any leaseback at the time such option is exercised, and

"(ii) the purchaser-lessor—

"(I) is a person,

"(II) is contractually responsible for the risks and burdens of ownership and receives the benefits of ownership (other than the seller-lessee's occupancy rights) after the date of such transaction, and

"(III) pays a purchase price for the property that is not less than the fair market price of such property encumbered by a leaseback, and taking into account the terms of the lease.

"(C) ADDITIONAL DEFINITIONS.—For purposes of subparagraph (B)—

"(i) OCCUPANCY RIGHTS.—The term 'occupancy rights' means the right to occupy the property for any period of time, including a period of time measured by the life of the seller-lessee on the date of the sale-leaseback transaction (or the life of the surviving seller-lessee, in the case of jointly held occupancy rights), or a periodic term subject to a continuing right of renewal by the seller-lessee (or by the surviving seller-lessee, in the case of jointly held occupancy rights).

"(ii) FAIR RENTAL.—The term 'fair rental' means a rental for any subsequent year which equals or exceeds the rental for the first year of a sale-leaseback transaction.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to sales after December 31, 1992, in taxable years beginning after such date.

Subtitle C—Medicaid Amendments

SEC. 1421. EXPANSION OF MEDICAID ELIGIBILITY FOR LONG-TERM CARE BENEFITS.

(a) IN GENERAL.—Title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) is amended by adding at the end the following new section:

"ELIGIBILITY FOR LONG-TERM CARE BENEFITS

"SEC. 1931. (a) ELIGIBILITY FOR NURSING FACILITY SERVICES.—Any individual—

"(1) who is 65 years of age or older,

"(2) who has resources (including resources of the individual's spouse) which do not exceed the resource limitation specified in subsection (c)(1),

"(3) who is not otherwise eligible for medical assistance for nursing facility services under this title, and

"(4) who has been provided 30 months of nursing facility services (during a period in which the individual required the level of care provided in a nursing facility) during the previous 48 months (or, with respect to the application of subsection (e), 72 months), is eligible, notwithstanding any other provisions of this title, for medical assistance under this title for nursing facility services so long as the individual continues to meet the requirements of this subsection (other than paragraph (4)) and is confined to a nursing facility or otherwise requires the same level of care as is provided in a nursing facility.

"(b) ELIGIBILITY FOR HOME AND COMMUNITY-BASED CARE.—Any individual—

"(1) who is 65 years of age or older,

"(2) who has resources (including resources of the individual's spouse) which do not exceed the resource limitation specified in subsection (c)(1), and

"(3) who is not otherwise eligible for medical assistance for home and community-based long-term care under this title,

is eligible, notwithstanding any other provisions of this title, for medical assistance under this title for home and community-based long-term care so long as the individual continues to meet the requirements of this subsection and requires the same level of care as is provided in a nursing facility.

"(c) RESOURCE LIMITATION.—

"(1) IN GENERAL.—For purposes of this section, the resource limitation specified in this subsection is $500,000, increased, for each year after 1993, by the percentage increase in the Consumer Price Index for All Urban Consumers (all items; U.S. city average) from July 1992 to July of the previous year, rounded (if not a multiple of $1,000) to the nearest $1,000.

"(2) CERTAIN PERSONAL PROPERTY NOT INCLUDED.—Personal property items with a fair market value less than $5,000 in the aggregate shall not be included in any calculation of resources under subsections (a) and (b) which are subject to the resource limitation specified in paragraph (1).

"(d) TREATMENT OF LEVEL OF CARE.—

"(1) IN GENERAL.—For purposes of subsections (a) and (b), an individual is considered to require the level of care provided in a nursing facility if the individual cannot perform (without substantial human assistance) at least 3 activities of daily living or needs substantial human assistance because of cognitive or other mental impairment (including Alzheimer's disease).

"(2) ACTIVITIES OF DAILY LIVING DEFINED.—The 'activities of daily living' referred to in paragraph (1) are the following: eating, bathing, dressing, toileting, and transferring in and out of a bed or in and out of a chair.

"(e) SUBSTITUTION OF EXPENSES INCURRED FOR QUALIFIED HOME CARE FOR MONTHS IN NURSING FACILITY.—

"(1) IN GENERAL.—In determining whether an individual has been provided 30 months of nursing facility services under subsection (a)(4), expenses incurred (whether paid for by insurance, themselves, or relatives but not including expenses for which payment is made under this title, by the Department of Veterans Affairs, the Department of Defense, or other Federal programs) for qualified home care (as defined in paragraph (3)) shall be taken into account in the manner specified in paragraph (2).

"(2) CONVERTING EXPENSES TO MONTHS.—Expenses described in paragraph (1) shall be converted to months of nursing facility services by dividing such expenses by the national median monthly cost (as determined by the Secretary, and using a weighted average for both public and private nursing facilities) for nursing facility services in the month in which the expenses are incurred.

"(3) QUALIFIED HOME CARE DEFINED.—In this subsection, the term 'qualified home care' means home and community-based services described in section 1915(d).".

(b) CONFORMING AMENDMENTS.—Section 1902(a) of such Act (42 U.S.C. 1396a(a)), as amended by section 302, is further amended—

(1) in paragraph (10)—

(A) in clause (i) of subparagraph (A), by striking "or" at the end of subclause (VI), by striking the semicolon at the end of subclause (VII) and inserting ", or", and by adding at the end the following:

"(VIII) who are described in subsections (a) and (b) of section 1931;"; and

(B) in the matter following subparagraph (F)—

(i) by striking "; and (XI)"; and inserting ", (XI);

(ii) by striking ", and (XI)" and inserting ", (XII); and

(iii) by inserting before the semicolon at the end the following: ", and (XIII) the making available of medical assistance for certain nursing facility services and home and community-based long-term care in accordance with section 1931 shall not, by reason of this paragraph, require such assistance to be made available to other individuals";

(2) in paragraph (59), by striking "; and" and inserting a semicolon,

(3) in paragraph (60), by striking the period at the end and inserting "; and", and

(4) by adding at the end the following new paragraph:

"(61) provides for medical assistance for certain nursing facility services and home and community-based long-term care in accordance with section 1931.".

SEC. 1422. EFFECTIVE DATE.

(a) IN GENERAL.—The amendments made by this subtitle apply (except as provided under subsection (b)) to payments under title XIX of the Social Security Act for calendar quarters beginning on or after 1 year after the date of the enactment of this Act, without regard to whether regulations to implement such amendments are promulgated by such date.

(b) DELAY PERMITTED IF STATE LEGISLATION REQUIRED.—In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation authorizing or appropriating funds) in order for the plan to meet the additional requirements imposed by the amendments made by this subtitle, the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

(c) TRANSITION.—In applying the amendments made by this subtitle, only months beginning after the date of the enactment of this Act may be counted toward meeting the 30-month deductible described in section 1931(a)(4) of the Social Security Act, as added by this subtitle.

TITLE XV—FINANCING

SEC. 1501. REPEAL OF DOLLAR LIMITATION ON AMOUNT OF WAGES SUBJECT TO HOSPITAL INSURANCE TAX.

(a) HOSPITAL INSURANCE TAX.—

(1) Paragraph (1) of section 3121(a) of the Internal Revenue Code of 1986 (defining wages) is amended—

(A) by inserting "in the case of the taxes imposed by sections 3101(a) and 3111(a)" after "(1)",

(B) by striking "applicable contribution base (as determined under subsection (x))" each place it appears and inserting "contribution and benefit base (as determined under section 230 of the Social Security Act)", and

(C) by striking "such applicable contribution base" and inserting "such contribution and benefit base".

(2) Section 3121 of such Code is amended by striking subsection (x).

(b) SELF-EMPLOYMENT TAX.—

(1) Subsection (b) of section 1402 of such Code is amended—

(A) by striking "(1) that part of net" and inserting "(1) in the case of the tax imposed by section 1401(a), that part of net",

(B) by striking "applicable contribution base (as determined under subsection (k))" and inserting "contribution and benefit base

(as determined under section 230 of the Social Security Act)",

(C) by inserting "and" after "section 3121(b),", and

(D) by striking "and (C) includes" and all that follows through "3111(b)".

(2) Section 1402 of such Code is amended by striking subsection (k).

(c) RAILROAD RETIREMENT TAX.—

(1) Subparagraph (A) of section 3231(e)(2) of such Code is amended by adding at the end thereof the following new clause:

"(iii) HOSPITAL INSURANCE TAXES.—Clause (i) shall not apply to—

"(I) so much of the rate applicable under section 3201(a) or 3221(a) as does not exceed the rate of tax in effect under section 3101(b), and

"(II) so much of the rate applicable under section 3211(a)(1) as does not exceed the rate of tax in effect under section 1402(b)."

(2) Clause (i) of section 3231(e)(2)(B) of such Code is amended to read as follows:

"(i) TIER 1 TAXES.—Except as provided in clause (ii), the term 'applicable base' means for any calendar year the contribution and benefit base determined under section 230 of the Social Security Act for such calendar year."

(d) INCREASED REVENUES NOT DEPOSITED IN HOSPITAL INSURANCE TRUST FUND.—Section 1817(a) of the Social Security Act (42 U.S.C. 1395i(a)) is amended by adding at the end the following new sentence: "For purposes of this subsection, the amount of taxes imposed by sections 1401(b), 3101(b), 3111(b) of the Internal Revenue Code of 1986 shall be determined without regard to the amendments made by section 221 of the Managed Competition Act of 1992.".

(e) TECHNICAL AMENDMENTS.—

(1) Paragraph (1) of section 6413(c) of the Internal Revenue Code of 1986 is amended by striking "section 3101 or section 3201" and inserting "section 3101(a) or section 3201(a) (to the extent the rate applicable under section 3201(a) as does not exceed the rate of tax in effect under section 3101(a))".

(2) Subparagraphs (B) and (C) of section 6413(c)(2) of such Code are each amended by striking "section 3101" each place it appears and inserting "section 3101(a)".

(3) Subsection (c) of section 6413 of such Code is amended by striking paragraph (3).

(4) Sections 3122 and 3125 of such Code are each amended by striking "applicable contribution base limitation" and inserting "contribution and benefit base limitation".

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to 1994 and later calendar years.

TITLE XVI—RESPONSIBILITIES UNDER UNIFORM SET OF EFFECTIVE BENEFITS

SEC. 1601. EMPLOYER RESPONSIBILITIES.

The Board shall require the following:

(1) NO DISCRIMINATION BASED ON HEALTH STATUS FOR CERTAIN SERVICES.—An employment-related health plan may not deny, limit, or condition coverage based on the health status, claims experience, receipt of health care, medical history, or lack of evidence of insurability, of an individual.

(2) TREATMENT OF PREEXISTING CONDITION EXCLUSIONS.—An employment-related health plan may not exclude or otherwise discourage coverage with respect to services related to treatment of a preexisting condition.

(3) TREATMENT OF WAITING PERIODS.—An employment-related health plan may not impose waiting periods of any length.

(4) NO DISCRIMINATION BASED ON INCOME LEVEL.—An employment-related health plan shall apply equally to employees of all income levels.

(5) EQUAL CONTRIBUTION LEVELS.—The total amount of an employer's contribution to the cost of coverage under an employment-related health plan for employees with incomes less than 200 percent of the income official poverty line shall equal or exceed such total amount for employees with incomes greater than 200 percent of such income official poverty line.

SEC. 1602. INDIVIDUAL RESPONSIBILITIES.

The Board shall require that to be eligible for benefits under a Federal program, an individual seeking benefits under such program shall certify to the administrator of such program that such individual and the dependents of such individual possess health insurance coverage that meets the applicable minimum standards under this title.

This section shall not apply to persons eligible for enrollment in—

(1) the medicare program under title XVIII of the Social Security Act,

(2) the veterans health care program under chapter 17 of title 38, United States Code,

(3) the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS), as defined in section 1073(4) of title 10, United States Code,

(4) the Indian health service program under the Indian Health Care Improvement Act (25 U.S.C. 1601 et seq.), and

(5) the Federal employees program under chapter 89 of title 5, United States Code.

SEC. 1603. SELF-INSURED PLAN REQUIREMENTS.

(a) IN GENERAL.—The Board shall require that in order to obtain certification as a health plan, a self-insured health benefit plan must demonstrate to the satisfaction of the Board that—

(1) the benefits and conditions of such plan (including copayments and deductibles) are substantially equivalent to those of a uniform set of effective benefits as provided under this Act;

(2) the self-insuring entity is adhering to non-discrimination standards substantially equivalent to those provided for carriers described in subsection (b);

(3) the average per capita cost of providing equivalent benefits to enrollees in the self-insured plan differs no more than 10 percent (either above or below) from the average per capita cost of providing uniform set of effective benefits to non-self-insured beneficiaries in the community (or communities) in which the self-insured group is located (without taking into account any reductions in costs due to health promotion activities of the employer); and

(4) the self-insuring entity possesses adequate financial reserves, as determined by the Board, to assure the immediate and long-term solvency of the entity and the benefits of individuals receiving coverage through such entity.

(b) STANDARDS DESCRIBED.—Standards described in this subsection shall include (but are not limited to) the following:

(1) NO DISCRIMINATION BASED ON HEALTH STATUS.—No self-insured health plan may deny, limit, or condition the coverage under (or benefits of) the plan with respect to health status, claims experience, receipt of health care, medical history, or lack of evidence of insurability, of an individual or group.

(2) TREATMENT OF PREEXISTING CONDITIONS.—No self-insured health plan may exclude or otherwise discourage coverage with respect to services related to treatment of a preexisting condition.

(3) WAITING PERIODS.—No self-insured health plan may impose waiting periods of any length.

SEC. 1604. PROVIDER RESPONSIBILITIES.

The Commission shall require as a condition of participation in the health plan by any health care provider the acceptance by such provider of any payment as specified by the Board as full payment for the service performed.

TITLE XVII—ENFORCEMENT PROVISIONS

SEC. 1701. ENFORCEMENT PROVISIONS FOR CARRIERS, PROVIDERS, AND EMPLOYERS.

(a) IN GENERAL.—Chapter 47 of the Internal Revenue Code of 1986 (relating to excise taxes on qualified pensions, etc. plans) is amended by striking section 5000 and section 5000A (as added by section 106) and inserting the following new sections:

"SEC. 5000. FAILURE OF CARRIERS WITH RESPECT TO THE UNIFORM SET OF EFFECTIVE BENEFITS.

"(a) GENERAL RULE.—In the case of any carrier offering any health plan, there is hereby imposed a tax on such carrier if such plan fails to qualify as a uniform set of effective benefits.

"(b) AMOUNT OF TAX.—

"(1) IN GENERAL.—The amount of tax imposed by subsection (a) by reason of 1 or more failures during a taxable year shall be equal to 50 percent of the gross premiums received during such taxable year with respect to all health plans issued by the carrier on whom such tax imposed.

"(2) GROSS PREMIUMS.—For purposes of paragraph (1), gross premiums shall include any consideration received with respect to any health contract.

"(3) CONTROLLED GROUPS.—For purposes of paragraph (1)—

"(A) CONTOLLED GROUP OF CORPORATIONS.—All corporations which are members of the same controlled group of corporations shall be treated as 1 carrier. For purposes of the preceding sentence, the term 'controlled group of corporations' has the meaning given to such term by section 1563(a), except that—

"(i) 'more than 50 percent' shall be substituted for 'at least 80 percent' each place it appears in section 1563(a)(1), and

"(ii) the determination shall be made without regard to subsections (a)(4) and (e)(3)(C) of section 1563.

"(B) PARTNERSHIPS, PROPRIETORSHIPS, ETC., WHICH ARE UNDER COMMON CONTROL—Under regulations prescribed by the Secretary, all trades or businesses (whether or not incorporated) which are under common control shall be treated as 1 carrier. The regulations prescribed under this subparagraph shall be based on principles similar to the principles which apply in the case of subparagraph (A).

"(c) LIMITATION ON TAX.—

"(1) TAX NOT TO APPLY WHERE FAILURE NOT DISCOVERED EXERCISING REASONABLE DILIGENCE.—No tax shall be imposed by subsection (a) with respect to any failure for which it is established to the satisfaction of the Secretary that the carrier on whom the tax is imposed did not know, and exercising reasonable diligence would not have known, that such failure existed.

"(2) TAX NOT TO APPLY WHERE FAILURES CORRECTED WITHIN 30 DAYS.—No tax shall be imposed by subsection (a) with respect to any failure if—

"(A) such failure was due to reasonable cause and not to willful neglect, and

"(B) such failure is corrected during the 30-day period beginning on the 1st date any of the carriers on whom the tax is imposed knew, or exercising reasonable diligence would have known, that such failure existed.

"(3) WAIVER BY SECRETARY.—In the case of a failure which is due to reasonable cause

and not to willful neglect, the Secretary may waive part or all of the tax imposed by subsection (a) to the extent that the payment of such tax would be excessive relative to the failure involved.

"(d) COMPLIANCE DETERMINATION.—

"(1) IN GENERAL.—The Federal Health Board (hereafter in this subsection referred to as the 'Board' shall determine whether any health plan qualifies as a uniform set of effective benefits.

"(2) STATE AGREEMENTS.—

"(A) IN GENERAL.—The Board may, in its discretion, enter into an agreement with any State to provide for the State to make the initial determination described in paragraph (1).

"(B) STANDARDS.—An agreement may be entered into under subparagraph (A) only if—

"(i) the chief executive officer of the State requests such agreement be entered into,

"(ii) the Board determines that the State agreement will apply to substantially all health plans issued in such State, and

"(iii) the Board determines that the application of the State agreement will carry out the purposes of this section.

"(3) TERMINATION.—The Board shall terminate any agreement if the Board determines that the application of the State agreement ceases to carry out the purposes of this section.

"(e) DEFINITIONS.—For purposes of this section the term 'health plan' shall have the same meaning given such term under section 2, the term 'uniform set of effective benefits' as defined under section 132(a) of this Act and shall also meet the requirements under sections 112, 114, 115(b), and 116.

"SEC. 5000A. FAILURE OF PROVIDERS WITH RESPECT TO UNIFORM BENEFITS.

"(a) GENERAL RULE.—There is hereby imposed a tax on the failure of any person who provides any service under a uniform set of effective benefits to comply with the requirements of section 1604 of this Act.

"(b) AMOUNT OF TAX.—

"(1) IN GENERAL.—The amount of tax imposed by subsection (a) by reason of 1 or more failures during a taxable year shall be equal to 50 percent of the gross income received during such taxable year with respect to all services provided by the person on whom such tax is imposed.

"(2) CONTROLLED GROUPS.—For purposes of paragraph (1)—

"(A) CONTROLLED GROUP OF CORPORATIONS.—All corporations which are members of the same controlled group of corporations shall be treated as 1 person. For purposes of the preceding sentence, the term 'controlled group of corporations' has the meaning given to such term by section 1563(a), except that—

"(i) 'more than 50 percent' shall be substituted for 'at least 80 percent' each place it appears in section 1563(a)(1), and

"(ii) the determination shall be made without regard to subsections (a)(4) and (e)(3)(C) of section 1563.

"(B) PARTNERSHIPS, PROPRIETORSHIPS, ETC., WHICH ARE UNDER COMMON CONTROL.—Under regulations prescribed by the Secretary, all trades or business (whether or not incorporated) which are under common control shall be treated as 1 person. The regulations prescribed under this subparagraph shall be based on principles similar to the principles which apply in the case of subparagraph (A).

"(c) LIMITATION ON TAX.—

"(1) TAX NOT TO APPLY WHERE FAILURE NOT DISCOVERED EXERCISING REASONABLE DILIGENCE.—No tax shall be imposed by subsection (a) with respect to any failure for which it is established to the satisfaction of the Secretary that the person on whom the tax is imposed did not know, and exercising reasonable diligence would not have known, that such failure existed.

"(2) TAX NOT TO APPLY WHERE FAILURES CORRECTED WITHIN 30 DAYS.—No tax shall be imposed by subsection (a) with respect to any failure if—

"(A) such failure was due to reasonable cause and not to willful neglect, and

"(B) such failure is corrected during the 30-day period beginning on the 1st date any of the persons on whom the tax is imposed knew, or exercising reasonable diligence would have known, that such failure existed.

"(3) WAIVER BY SECRETARY.—In the case of a failure which is due to reasonable cause and not to willful neglect, the Secretary may waive part or all of the tax imposed by subsection (a) to the extent that the payment of such tax would be excessive relative to the failure involved.

"(d) COMPLIANCE DETERMINATION.—

"(1) IN GENERAL.—The Federal Health Board (hereafter in this subsection referred to as the 'Board' shall determine compliance with the requirements of section 1604 of this Act.

"(2) STATE AGREEMENTS.—

"(A) IN GENERAL.—The Board may, in its discretion, enter into an agreement with any State to provide for the State to make the initial determination described in paragraph (1).

"(B) STANDARDS.—An agreement may be entered into under subparagraph (A) only if—

"(i) the chief executive officer of the State requests such agreement be entered into,

"(ii) the Board determines that the State agreement will apply to substantially all providers of services under health benefit plans issued in such State, and

"(iii) the Board determines that the application of the State agreement will carry out the purposes of this section.

"(3) TERMINATION.—The Board shall terminate any agreement if the Board determines that the application of the State agreement ceases to carry out the purposes of this section.

"(e) DEFINITIONS.—For purposes of this section the term 'health plan' shall have the same meaning given such term under section 2, the term 'uniform set of effective benefits' as defined under section 132(a) of this Act and shall also meet the requirements under sections 112, 114, 115(b), and 116.

"SEC. 5000B. FAILURE OF EMPLOYERS WITH RESPECT TO UNIFORM BENEFITS.

"(a) GENERAL RULE.—There is hereby imposed a tax on the failure of any person to comply with the requirements of sections 1601 and 1603 of this Act.

"(b) AMOUNT OF TAX.—

"(1) IN GENERAL.—The amount of the tax imposed by subsection (a) on any failure with respect to a full-time employee shall be $50 for each day in the noncompliance period with respect to such failure.

"(2) NONCOMPLIANCE PERIOD.—For purposes of this section, the term 'noncompliance period' means, with respect to any failure, the period—

"(A) beginning on the date such failure first occurs, and

"(B) ending on the date such failure is corrected.

"(3) CORRECTION.—A failure of a person to comply with the requirements of sections 1601 and 1603 of this Act with respect to any full-time employee of the person shall be treated as corrected if—

"(A) such failure is retroactively undone to the extent possible, and

"(B) the employee is placed in a financial position which is as good as such employee would have been in had such failure not occurred.

For purposes of applying subparagraph (B), the employee shall be treated as if the employee had elected the most favorable coverage in light of the expenses incurred since the failure first occurred.

"(c) LIMITATIONS ON AMOUNT OF TAX.—

"(1) TAX NOT TO APPLY WHERE FAILURE NOT DISCOVERED EXERCISING REASONABLE DILIGENCE.—No tax shall be imposed by subsection (a) on any failure during any period for which it is established to the satisfaction of the Secretary that none of the persons referred to in subsection (d) knew, or exercising reasonable diligence would have known, that such failure existed.

"(2) TAX NOT TO APPLY TO FAILURES CORRECTED WITHIN 30 DAYS.—No tax shall be imposed by subsection (a) on any failure if—

"(A) such failure was due to reasonable cause and not to willful neglect, and

"(B) such failure is corrected during the 30-day period beginning on the first date any of the persons referred to in subsection (d) knew, or exercising reasonable diligence would have known, that such failure existed.

"(3) WAIVER BY SECRETARY.—In the case of a failure which is due to reasonable cause and not to willful neglect, the Secretary may waive part or all of the tax imposed by subsection (a) to the extent that the payment of such tax would be excessive relative to the failure involved.

"(d) LIABILITY FOR TAX.—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, the following shall be liable for the tax imposed by subsection (a) on a failure:

"(A) In the case of a uniform set of effective benefits other than a multiemployer plan, the employer.

"(B) In the case of a multiemployer plan, the plan.

"(C) Each person who is responsible (other than in a capacity as an employee) for administering or providing benefits under the uniform set of effective benefits and whose act or failure to act caused (in whole or in part) the failure.

"(2) SPECIAL RULES FOR PERSONS DESCRIBED IN PARAGRAPH (1)(C).—A person described in subparagraph (C) (and not in subparagraphs (A) and (B)) of paragraph (1) shall be liable for the tax imposed by subsection (a) on any failure only if such person assumed (under a legally enforceable written agreement) responsibility for the performance of the act to which the failure relates.

"(e) DEFINITIONS.—For purposes of this section, the terms 'uniform set of effective benefits' as defined under section 132(a) of this Act and shall also meet the requirements under section 112, 114, 115(b), and 116. The term 'full time employee' shall mean an employee who performs on a monthly basis at least 30 hours of service per week."

(b) CLERICAL AMENDMENTS.—The table of sections for such chapter 47 is amended by adding at the end thereof the following new items:

"Sec. 5000. Failure of carriers with respect to uniform benefits insurance.

"Sec. 5000A. Failure of providers with respect to uniform benefits insurance.

"Sec. 5000B. Failure of employers with respect to uniform benefits insurance.".

SEC. 1702. ENFORCEMENT PROVISION FOR INDIVIDUALS.

"(a) IN GENERAL.—Subsection (d) of section 151 of the Internal Revenue Code of 1986 (relating to allowance of deductions for personal exemptions) is amended by adding at the end thereof the following new paragraph:

"(5) EXEMPTION AMOUNT DISALLOWED FOR UNINSURED INDIVIDUALS.—The exemption amount for any individual for such individual's taxable year shall be zero, unless the policy number of the health plan for such individual is included in the return claiming such exemption amount for such individual.".

BREAUX (AND OTHERS) AMENDMENTS NOS. 275–276

(Ordered to lie on the table.)

Mr. BREAUX (for himself, Mr. BOREN, and Mr. BRYAN) submitted two amendments intended to be proposed by them to the bill H.R. 1335, supra, as follows:

AMENDMENT NO. 275

On page 58, line 22, [SEC. 201.] strike "herein." and insert "herein: *Provided*, That no appropriation contained in this Act may be made available for obligation until August 1, 1993, except that (1) $3,600,000,000 of the additional amounts under the heading "ADVANCES TO THE UNEMPLOYMENT TRUST FUND AND OTHERS FUNDS" under the Department of Labor, (2) $1,268,000,000 of the additional amounts under the heading "COMMUNITY DEVELOPMENT BLOCK GRANTS" under the heading "COMMUNITY PLANNING AND DEVELOPMENT" under the Department of Housing and Urban Development, (3) all of the additional amounts under the heading "TRAINING AND EMPLOYMENT SERVICES" under the heading "EMPLOYMENT AND TRAINING ADMINISTRATION" under the Department of Labor, (4) all of the additional amounts under the heading "CHILDREN AND FAMILIES SERVICES PROGRAMS" under the heading "ADMINISTRATION FOR CHILDREN AND FAMILIES" under the Department of Health and Human Services, (5) all of the additional amounts under the heading "CHILD NUTRITION PROGRAMS" under the heading "FOOD AND NUTRITION SERVICE" of the Department of Agriculture, (6) $500,000,000 of the additional amounts for concentration grants under section 1006 under the heading "COMPENSATORY EDUCATION FOR THE DISADVANTAGED" under the Department of Education, (7) all of the additional amounts under the headings "MANAGEMENT OF LANDS AND RESOURCES" and "OREGON AND CALIFORNIA GRANT LANDS" under the heading "BUREAU OF LAND MANAGEMENT", $53,081,000 of amounts under the heading "UNITED STATES FISH AND WILDLIFE SERVICE RESOURCE MANAGEMENT" for Habitat Conservation and Refuges and Wildlife, and all of the amounts under the heading "OPERATION OF THE NATIONAL PARK SYSTEM" and "CONSTRUCTION" under the heading "NATIONAL PARK SERVICE", all under the Department of the Interior, (8) all of the additional amounts under the heading "COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS" under the Department of Labor, (9) all of the additional amounts under the heading "GRANTS-IN-AID FOR AIRPORTS (LIQUIDATION OF CONTRACT AUTHORIZATION) (AIRPORT AND AIRWAY TRUST FUND)" under the heading "FEDERAL AVIATION ADMINISTRATION" under the Department of Transportation and Related Agencies, (10) all of the additional amounts under the heading "FEDERAL-AID HIGHWAYS (LIQUIDATION OF CONTRACT AUTHORIZATION) (HIGHWAY TRUST FUND)" under the heading "FEDERAL HIGHWAY ADMINISTRATION" under the Department of Transportation and Related Agencies, (11) all of the additional amounts under the headings "FORMULA GRANTS" and "TRUST FUND SHARE OF TRANSIT PROGRAMS (LIQUIDATION OF CONTRACT AUTHORIZATION) (HIGHWAY TRUST FUND)" under the heading "FEDERAL TRANSIT ADMINISTRATION" under the Department of Transportation and Related Agencies, (12) $70,000,000 of the additional amounts under the heading "BUSINESS LOANS PROGRAM ACCOUNT" under the heading "SMALL BUSINESS ADMINISTRATION" under Related Agencies, and (13) $150,000,000 of the additional amounts under the heading "OFFICE OF THE ASSISTANT SECRETARY FOR HEALTH" under the heading "ASSISTANT SECRETARY FOR HEALTH" under the Department of Health and Human Services, shall be available immediately.".

AMENDMENT NO. 276

On page 53 the committee of reported substitute strike lines 8 through 17 and insert the following:

$43,600,000 to fund procurement of computer and telecommunications equipment and services: *Provided:* That no appropriation contained in this Act may be made available for obligation until the date on which a reconciliation bill consistent with the requirements of the concurrent resolution on the budget for fiscal year 1994 is enacted into law except that (1) $3,600,000,000 of the additional amounts under the heading "ADVANCES TO THE UNEMPLOYMENT TRUST FUND AND OTHER FUNDS" under the Department of Labor, (2) $1,268,000,000 of the additional amounts under the heading "COMMUNITY DEVELOPMENT BLOCK GRANTS" under the heading "COMMUNITY PLANNING AND DEVELOPMENT" under the Department of Housing and Urban Development, (3) all of the additional amounts under the heading "TRAINING AND EMPLOYMENT SERVICES" under the heading "EMPLOYMENT AND TRAINING ADMINISTRATION" under the Department of Labor, (4) all of the additional amounts under the heading "CHILDREN AND FAMILIES SERVICES PROGRAMS" under the heading "ADMINISTRATION FOR CHILDREN AND FAMILIES" under the Department of Health and Human Services, (5) all of the additional amounts under the heading "CHILD NUTRITION PROGRAMS" under the heading "FOOD AND NUTRITION SERVICE" of the Department of Agriculture, (6) $500,000,000 of the additional amounts for concentration grants under section 1006 under the heading "COMPENSATORY EDUCATION FOR THE DISADVANTAGED" under the Department of Education, (7) all of the additional amounts under the headings "MANAGEMENT OF LANDS AND RESOURCES" and "OREGON AND CALIFORNIA GRANT LANDS" under the heading "BUREAU OF LAND MANAGEMENT", $53,081,000 of amounts under the heading "UNITED STATES FISH AND WILDLIFE SERVICE RESOURCE MANAGEMENT" for Habitat Conservation and Refuges and Wildlife, and all of the amounts under the heading "OPERATION OF THE NATIONAL PARK SYSTEM" and "CONSTRUCTION" under the heading "NATIONAL PARK SERVICE", all under the Department of the Interior, (8) all of the additional amounts under the heading "COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS" under the Department of Labor, (9) all of the additional amounts under the heading "GRANTS-IN-AID FOR AIRPORTS (LIQUIDATION OF CONTRACT AUTHORIZATION) (AIRPORT AND AIRWAY TRUST FUND)" under the heading "FEDERAL AVIATION ADMINISTRATION" under the Department of Transportation and Related Agencies, (10) all of the additional amounts under the heading "FEDERAL-AID HIGHWAYS (LIQUIDATION OF CONTRACT AUTHORIZATION) (HIGHWAY TRUST FUND)" under the heading "FEDERAL HIGHWAY ADMINISTRATION" under the Department of Transportation and Related Agencies, (11) all of the additional amounts under the heading "FORMULA GRANTS" and "TRUST FUND SHARE OF TRANSIT PROGRAMS (LIQUIDATION OF CONTRACT AUTHORIZATION) (HIGHWAY TRUST FUND)" under the heading "FEDERAL TRANSIT ADMINISTRATION" under the Department of Transportation and Related Agencies, (12) $70,000,000 of the additional under the heading "BUSINESS LOANS PROGRAM ACCOUNT" under the heading "SMALL BUSINESS ADMINISTRATION" under Related Agencies, and (13) $150,000,000 of the additional amounts under the heading "OFFICE OF THE ASSISTANT SECRETARY FOR HEALTH under the heading "ASSISTANT SECRETARY FOR HEALTH" under the Department of Health and Human Services, shall be available immediately.

COHEN (AND DECONCINI) AMENDMENT NO. 277

(Ordered to lie on the table.)

Mr. COHEN (for himself and Mr. DECONCINI), submitted an amendment intended to be proposed by them to the bill (H.R. 1335), supra, as follows:

At the end of the bill add the following new section:

SEC. . (a) The Senate finds that—

(1) the Federal Government owns over 400,000 buildings that cost the taxpayers hundreds of billions of dollars;

(2) the Federal Government is the largest single tenant and builder of office space in the United States;

(3) the Federal Government currently has $11,400,000,000 of construction in the works which, when completed, will add approximately 23,000,000 square feet of office space;

(4) the Federal Government is constructing, or entering into long-term leases for buildings constructed expressly for the Federal Government, in areas with building vacancy rates as high as 30 percent;

(5) significant budget savings can be achieved if, before considering new construction, Federal agencies aggressively explore the possibilities of purchasing or leasing suitable office buildings available in the market or acquiring suitable real estate under the control of the Federal Deposit Insurance Corporation or Resolution Trust Corporation;

(6) the physical space requirements of Federal agencies and the judiciary are too often overstated and inflexible and, therefore, do not permit the acquisition or lease of existing properties which may be suitable and cost-effective;

(7) the Office of Management and Budget scorekeeping rules may be discouraging agencies from entering into the most responsible arrangements for securing office space (for example, in some cases, a lease/purchase agreement may be most cost-effective but the Office of Management and Budget scorekeeping rules require that the budget authority and outlays for the entire obligation, paid over a period of years, be scored in the year the contract is signed); and

(8) the Federal Buildings Fund, established in 1972 as a revolving fund to cover the General Services Administration's cost of rent,

repairs, renovations, and to pay for the construction of new Federal buildings, and funded by the rent agencies pay to the General Services Administration, has failed to be self-sustaining and has required billions in appropriations to finance new construction.

(b) It is the sense of the Senate that—

(1) the President should direct the Office of Management and Budget to review Federal property management policies to ensure better coordination, maximize efficiency, and achieve cost savings;

(2) the Director of the Office of Management and Budget should encourage the General Services Administration, the Department of Defense, the Postal Service, and all other Federal agencies and the Judiciary, when appropriate and based on the cost-effectiveness, to modify building requirements in such a way as to allow for the purchase, lease, or lease/purchase of existing buildings at market rates, or to purchase Resolution Trust Corporation-owned and Federal Deposit Insurance Corporation-owned real estate rather than seek new construction of buildings;

(3) the Director of the Office of Management and Budget should review scorekeeping rules for Federal property leasing, lease/purchase, construction and acquisition to permit flexibility and improve long-term cost-effectiveness; and

(4) the Director of the Office of Management and Budget should review the General Services Administration's management of the Federal Buildings Fund to determine why the Fund is not self-sustaining and has not met its objectives, and, if necessary, recommend policy changes to enable the Fund to become self-sustaining.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate Friday, March 26, 1993, at 10 a.m. to conduct hearings on the nominations of Terrence Duvernay to be Deputy Secretary of HUD; Jean Nolan to be an Assistant Secretary of HUD; and Lawrence Summers, to be Under Secretary of the Treasury.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Friday, March 26 at 10 a.m. to hold nomination hearings on Thomas Donilon, to be Assistant Secretary of State for Public Affairs.

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

SUBCOMMITTEE ON FEDERAL SERVICES, POST OFFICE, AND CIVIL SERVICE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Federal Services, Post Office, and Civil Service of the Governmental Affairs Committee be authorized to meet on Friday, March 26, at 10 a.m., for a hearing on the subject: Review of firearms import licensing and policies.

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

ADDITIONAL STATEMENTS

DURENBERGER AMENDMENT ON ETHANOL BTU EXEMPTION

• Mr. DASCHLE. Mr. President, although I am known as one of the Senate's many ethanol supporters, I was one of the majority of Senators who could not support the amendment offered Wednesday night by the senior Senator from Minnesota exempting ethanol from the Btu tax.

As the sponsors of this amendment know, I, and many stalwart supporters of ethanol who voted for Senator WELLSTONE's amendment yesterday, were forced to oppose this second approach. We believe that the budget resolution simply cannot dictate to the Finance Committee what revenues to raise to meet a particular target, as this amendment did. We are concerned that mandating unspecified domestic discretionary spending cuts, as this amendment did, is an irresponsible shot in the dark that could hurt people who desperately need help.

And so I simply want to state for the record, on behalf of the dozens of ethanol supporters who could not support this amendment, that we opposed it for reasons unrelated to ethanol.

Finally, and perhaps most importantly, I wish to make clear that the reports of the bipartisan ethanol coalition's demise have been way off the mark.

Between the two ethanol amendments considered this week, which addressed the same substantive end through varying means, the bottom line is that 79 Senators went on record as having supported exempting ethanol from the Btu tax.

Seventy-nine Senators, Mr. President.

Despite the confusing political and procedural jockeying of the last few days, our bipartisan coalition remains very much in tact, and the support for ethanol remains stronger than ever.•

MONTANA STATE UNIVERSITY COLLEGE OF AGRICULTURE—A CENTENNIAL

• Mr. BURNS. Mr. President, today I rise to pay tribute to an institution that has done great things for agriculture in both Montana and the entire Nation. This week the College of Agriculture at Montana State University will celebrate its centennial. Having come from an agriculture background, I realize the importance of agriculture research. The type of research done at MSU is broad. Farming and ranching activities in our country are changing rapidly, and this is the direct result of the people and facilities in our university systems.

At MSU, the College of Agriculture has worked on projects ranging from safflowers to weed management techniques at the bioscience center. The college has done well in the past, and the entire MSU community—and the whole State of Montana—should be proud.

In addition, the college has taken an active role in helping nations around the world learn more effective farming techniques. I have heard from MSU faculty members visiting places like the former Soviet Union where they are sharing with, and learning from, people—this interaction is important for all parties involved.

Also, the college has done tremendous research on the economic side of agriculture. Often, policymakers in Washington do not understand the complex issues which make up agriculture economics. Studies at MSU have helped to shed light on many issues before Congress.

Montanans have their work cut out in trying to give the Ag school every advantage possible for the future. Currently, the college is in the capable hands of Barry Jacobsen. As dean, he has set the agenda for the future, and I look forward to continuing to support this institution.

There are events planned this week to mark the 100th birthday of the College of Agriculture at MSU. People in Bozeman have much to celebrate about the college, and I wish them the best in years ahead.•

HONORING THE VICTIMS OF THE MARCH 25, 1949, BALTIC DEPORTATIONS

• Mr. RIEGLE. Mr. President, yesterday marked the 44th anniversary of a tragic period in the history of the Baltic peoples. On the night of March 24 through the morning of the 25th, 1949, tens of thousands of men, women, and children were taken from their homes and deported to Siberia under the barbaric rule of Stalinist Russia. Over 600,000 people lost their lives in this horrendous act of cruelty.

This attempt to break the spirit of the Baltic people and bring about their subservience to the Soviet occupation did not succeed. The spirit of the Baltic people would not die. Their desire for freedom was not quenched until their independence was finally restored after the August coup in the former Soviet Union. Latvians, Lithuanians, and Estonians will not soon forget this great tragedy in their lives, despite their recently declared independence. The deportations serve as a symbol to the Baltic people that they can not take their freedom for granted and that independence and human rights are to be cherished and ardently protected.

While the Baltic States have finally freed themselves from the grip of Soviet rule, they still have a hard road to travel. The current economic challenges which they face are formidable and intricate. As I have in the past, I once again call upon the United States to support the economic reforms and advances pursued by these new States. Through technological and other aid, we must make sure that Lithuania, Estonia, and Latvia each have the chance to enjoy the sovereignty and democratic freedom for which they fought for so long.

At this time, I also call for the removal of the remaining Russian military forces from the Baltic countries. These forces represent a continuing violation of Baltic sovereignty and represent a constant reminder of the indignities of foreign control. Not until these forces are removed can the Baltic States truly free themselves from the bonds of the past. I urge President Clinton to raise this issue with Boris Yeltsin during the upcoming summit.

Once again on this anniversary of the Baltic deportations, let us not forget the harsh struggle which Lithuania, Latvia, and Estonia had to endure. We must honor the Balts' bravery and courage. And in commemorating them, let us provide the support to enable them to take a prominent position among the growing list of democratic, independent nations.•

WARSAW GHETTO REMEMBRANCE DAY IN NEW YORK STATE

• Mr. D'AMATO. Mr. President, I rise today to commemorate the upcoming 50th anniversary of the Warsaw ghetto uprising, the observance of which will occur on April 18, 1993. We must all recognize that as this marks the figurative half-century mark since the greatest crimes in the history of man, that the remaining survivors are aging—many have passed on. It is our sacred duty to pass on the lessons of the Holocaust to the future generations. As our sages remind us, "Forgetfulness is exile, remembrance is the key to redemption."

The Warsaw ghetto uprising was the first organized civilian resistance in Nazi Europe, in which a handful of Jewish men and women, boys and girls, gave new meaning to self-sacrifice by rising up against a powerful German army. In the end, nothing remained of the ghetto but smoke and rubble. Yet the courage and spirit of those Jews who fought a desperate struggle for freedom half a century ago still echo down the years. They demand that those who lived through the horrors of the Holocaust—and all generations to come—remember, record, and teach its lessons.

Particularly today, anti-Semitism and other hatred continues unabated here in our own New York and the world over, as documented by the Anti-Defamation League. Whether we speak of the Crown Heights, Brooklyn Pogrom of 2 years ago or the ethnic cleansing in Bosnia and Herzegovina or world terrorism or any other measure of man's inhumanity to man, the lessons of the Holocaust provide a rare opportunity for man's salvation.

As thousands will gather in New York City's Madison Square Garden on Sunday, April 18, 1993, in solemn commemoration of the 50th anniversary of the Warsaw ghetto uprising and in remembrance of the 6 million Jews who lost their lives in the sanctification of the Lord's name, I urge all New Yorkers to observe that day as Warsaw Ghetto Remembrance Day.•

GREEK INDEPENDENCE DAY

• Mr. RIEGLE. Mr. President, I rise to commemorate Greek Independence day. One hundred seventy-two years ago, the Greek people began a revolution which eventually freed them from the grip of the Ottoman Empire. This revolution ended over 400 years of Ottoman rule which deprived Greeks of their basic human rights and independence. During the 1820's, with the moral support of the United States Government and the active participation of several United States citizens, the Greek people eventually succeeded in throwing off their foreign yoke and reestablished their sovereign country. Because of this victory and the profound democratic tradition it represents, we today celebrate the anniversary of the establishment of the modern Greek state.

America and Greece share a common heritage. We both base our governmental systems upon the ancient Greek concept of democracy. Indeed, our Founding Fathers drew heavily from Greek tradition to form the cornerstone of our new country and representative democracy. Madison, Hamilton, and Jefferson all stressed the Greek contribution to their efforts and viewed the ancient Greeks as their guiding light in developing our new government during the constitutional Congress. It is perhaps ironic, but also highly appropriate, that the Greeks used the American Revolution as a model for their own struggle and the United States Declaration of Independence as the basis for their own declaration. In a sense, our traditions have been intertwined since James Madison and the other Founding Fathers built the Constitution around ancient Greek notions of justice and democratic government.

Greece has continually manifested a commitment to uphold its long tradition of democracy. In addition to fighting bravely on the side of the allies during World War I and World War II, Greece endured one of the more brutal occupations during the latter war. Following World War II, the Greek people, with the help of the American Marshall plan, fought off a Communist insurgency, earning the admiration of Presidents Harry S. Truman and Dwight D. Eisenhower. As stated by Eisenhower at the time:

> Greece asked no favor except the opportunity to stand for those rights [for] which it believed, and it gave to the world an example of battle . . . a battle that thrilled the hearts of all free men and free women everywhere.

Today, Greece's position in NATO has won the respect of its allies and has proven an ongoing commitment to its ancient ideals.

Because America has such an historic and close relationship with Greece, it is imperative that we carefully analyze the situation in the former Yugoslav republic of Macedonia and its dispute with Greece. It is my belief that the United States should not hastily recognize this new republic without fully considering the concerns of Greece and its people.

As we celebrate the 172nd anniversary of Greek Independence, let us recognize the contribution of Greek tradition to the American cultural mosaic. Much of what we learn in philosophy, math and science is based upon the theories and findings of the ancient Greeks. In addition, much of our art and sculpture also has its basis in Greek tradition. In my home State of Michigan, we have Greektown, where one can sample some of the best tasting Greek food anywhere while surrounded by one of the strongest Greek communities in the country. It is this rich Greek tradition which so permeates the American experience and culture. And so, on this anniversary of Greek independence, let us honor and support the democracies which have been newly established across the globe. As one of the first constitutional democracies, it is our duty to help those others who are trying to establish democracies in their countries. So, on this day of celebration of democracy, let us recall the Greek experience as we seek to assist other nations now travelling the difficult road to freedom.•

AGRICULTURE HALL OF FAME

• Mr. BUMPERS. Mr. President, today five individuals who have provided outstanding leadership in the growth and development of Arkansas' agriculture industry will be inducted into the Arkansas Agriculture Hall of Fame.

The Agriculture Hall of Fame is a statewide recognition program sponsored by the Greater Little Rock Chamber of Commerce and honors individual contributions to Arkansas agriculture and community economic development.

The five 1992 inductees are James T. "Red" Hudson, Dr. Harry Rosen (posthumously), L.F. "Fred" Seidenstricker, John H. Stephens, and I.I. "Ish" Stivers.

Red Hudson of Rogers, AR, has devoted his entire adult life to a number of agribusiness operations. From modest beginnings as a clerk in a major feed store, Red has founded a near billion dollar food company. Hudson Company operates 15 processing plants and provides employment for over 8,500 people.

Dr. Harry Rosen of Fayetteville was a pioneer in agricultural research. From 1918 until his death in 1962, his research efforts resulted in the development of a number of disease-resistant varieties of oats, wheat and roses. Dr. Rosen's labors added undetermined increased yields in small grain crops.

Fred Seidenstricker of Hazen has spent his life on the Grand Prairie, but his influence has been felt around the world. He has been an innovator in production and marketing practices of all the crops produced in the area of our State where his family settled in 1900. He was instrumental in forming the Arkansas Grain Corporation and the Soybean Division of Riceland Foods. The Seidenstrickers are consummate hosts to farm groups, from both this country and abroad. Their ability to roll out the red carpet to foreign visitors has resulted in numerous orders for Arkansas-produced grains when their guests have returned home.

John Stephens of Marion has been devoted to helping farmers utilize proven innovative techniques in agriculture. As a cooperative extension agent, he conducted the first anhydrous ammonia and cotton picker demonstrations in Arkansas. He helped organize a cotton compress and a grain marketing co-op. As an employee of the American Soybean Association, he helped organize soybean associations in Arkansas and in 15 other states.

Ish Stivers of Hot Springs spent 20 years teaching vocational agriculture and almost 200 of his students have attended college in some field of agriculture. His was one of the top 10 Future Farmers of America chapters in the country for 10 years. As a vice-president and loan officer for a local bank, he has helped many young farmers establish or expand their family farming operations. He has served as a board member of Southern Nazarene University, Garland County Community College and Quapaw Vo-Tech School.

Mr. President, I am proud of the accomplishments of these Arkansans who have dedicated themselves to the promotion of Arkansas agriculture. I join their many friends, colleagues and relatives in saluting them as they are tapped for membership into the Arkansas Agriculture Hall of Fame.●

GREEK INDEPENDENCE DAY

● Mr. SIMON. Mr. President, I am pleased to join with my colleagues in commemorating Greek Independence Day. I am also pleased to note that Senate Joint Resolution 22 marking this day became law earlier this month.

Yesterday marks the 172d anniversary of the beginning of the revolution that freed the Greek people from the Ottoman Empire. We welcome and salute this anniversary and look forward to the next 172 years of Greek democracy and prosperity.

Our Nation has welcomed and benefited from the rich tradition and ideas brought forth by countless Greek immigrants through the years. Greek-Americans have adapted and succeeded in the United States. Their contributions are numerous and have greatly enriched the American experience. And not just American life; all of western civilization derives much of its genius from the ancient Greeks. The British romantic poet, Percy Bysshe Shelley, said, "We are all Greeks! Our laws, our literature, our religion, our art, have their roots in Greece."

Let us join Greek-Americans and Greeks around the world in celebrating Greek Independence Day.●

TRIBUTE TO RANDALL L. TOBIAS

● Mr. BRADLEY. Mr. President, I rise today to pay tribute to a distinguished citizen of New Jersey, Randall L. Tobias, chairman of AT&T.

Mr. Tobias is being honored tonight at the University of Indiana on the eve of the dedication of the new Wendell W. Wright Education Building. This state-of-the-art facility will be a national center to develop, demonstrate and disseminate products and practices relating to educational technology for instruction. Mr. Tobias, as chairman of AT&T, is being recognized as a major force in making this important teaching resource a reality.

The new building and the programs it will make available are a powerful testimonial to what can be accomplished when an academic institution, the government and the private sector work together. The beneficiaries will be our educational system, our children and our future. I salute Randall Tobias for his vision and for his successful leadership in this impressive project.●

THE CALENDAR

Mr. MITCHELL. Madam President, I ask unanimous consent that the Senate proceed, en bloc, to the immediate consideration of Calendar Nos. 46, 47, 48, 49, 50 and 51, that the joint resolutions and bill, be deemed read three times, passed; and the motion to reconsider the passage of these measures be laid upon the table, en bloc; that the preambles be agreed to, en bloc; further that the consideration of these items appear individually in the RECORD; and any statements appear at the appropriate place.

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

PUBLIC SERVICE RECOGNITION WEEK

The joint resolution (S.J. Res. 11) to designate May 3, 1993, through May 9, 1993, as "Public Service Recognition Week," was considered, ordered to be engrossed for a third reading, read the third time, and passed; as follows:

S.J. RES. 11

Whereas public employees at every level of government faithfully serve their fellow Americans—9 million employees in local government, 4 million employees in State government, and over 3 million civilian workers and 2 million military employees in the Federal Government.

Whereas Americans are aware of the many contributions public employees have made to the quality of their lives, in occupations that run the gamut from astronauts to zoologists, including scientists, police officers, teachers, doctors, forest rangers, engineers, food inspectors, researchers, and foreign service agents, among others;

Whereas the Nation should value a professional civil service whose highest principle is one of patriotism, whose foremost commitment is to excellence, and whose experience and expertise are a national resource to be used and respected;

Whereas the millions of workers who serve our country are men and women of knowledge, ability, and integrity who deserve to be recognized for their dedicated service; and

Whereas designating a week to honor these employees will provide a dual opportunity to pay tribute to our public employees and to inform the American people about the scope and importance of public service, including the range of employment opportunities available to our young people; Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of May 3 through May 9, 1993, is designated as "Public Service Recognition Week". The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe the week with appropriate programs, ceremonies, and activities.

JEWISH HERITAGE WEEK

The joint resolution (S.J. Res. 30) to designate the weeks of April 25 through

May 2, 1993, and April 10 through 17, 1994, as "Jewish Heritage Week," was considered, ordered to be engrossed for a third reading, read the third time, and passed; as follows:

S.J. RES. 30

Whereas April 26, 1993, and April 14, 1994, mark the forty-fifth and forty-sixty anniversaries of the founding of the State of Israel;

Whereas the months of April and May contain events of major significance in the Jewish calendar, including Passover, in 1993, the fiftieth anniversary of the Warsaw Ghetto Uprising and the opening of the Holocaust Memorial Museum in Washington, DC, Holocaust Memorial Day, and Jerusalem Day;

Whereas the Congress recognizes that an understanding of the heritage of all ethnic groups in the Nation contributes to the unity of this Nation; and

Whereas understanding among ethnic groups in this Nation may be advanced further through and appreciation of the culture, history, and traditions of the Jewish community and the contributions of the Jewish people of this Nation: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the weeks of April 25 through May 2, 1993, and April 10 through April 17, 1994, are designated as "Jewish Heritage Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States, departments and agencies of State and local governments, and interested organizations to observe such a week with appropriate ceremonies, activities, and programs.

CIVIL WAR HISTORY MONTH

The joint resolution (S.J. Res. 42) to designate the month of April 1993 as "Civil War History Month," was considered, ordered to be engrossed for a third reading, read the third time, and passed; as follows:

S.J. RES. 42

Whereas the period of American history known as the "Civil War" is universally recognized as one of the most significant landmark eras in our Nation's heritage;

Whereas the continuous growth of the public's awareness of and interest in the Civil War period remains an integral part of America's cultural heritage;

Whereas the study, preservation, and interpretation of literature and sites associated with this period are imbedded in the educational and cultural heritage of our country;

Whereas the beginning of the Civil War occurred in April of 1861 with the firing on Fort Sumter in Charleston, South Carolina, and the effective ending of the Civil War occurred in April of 1865 with the surrender of the Army of Northern Virginia at Appomattox, Virginia, making April the most important month of the year in Civil War history; and

Whereas the heritage of the Civil War deserves the attention and respect of all individuals in the United States: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That April of 1993 is designated as "Civil War History Month", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe the month with appropriate ceremonies and activities.

LYME DISEASE AWARENESS WEEK

The joint resolution (S.J. Res. 43) designating the week beginning June 6, 1993, and June 5, 1994, "Lyme Disease Awareness Week," was considered, ordered to be engrossed for a third reading, read the third time, and passed; as follows:

S.J. RES. 43

Whereas Lyme disease (borreliosis) is spread primarily by the bite of four types of ticks infected with the bacteria Borrelia burgdorferi;

Whereas Lyme disease-carrying ticks can be found across the country—in woods, mountains, beaches, even in our yards, and no effective tick control measures currently exist;

Whereas infected ticks can be carried by animals such as cats, dogs, horses, cows, goats, birds, and transferred to humans;

Whereas our pets and livestock can be infected with Lyme disease by ticks;

Whereas Lyme disease was first discovered in Europe in 1883 and scientists have recently proven its presence on Long Island as early as the 1940's;

Whereas Lyme disease was first found in Wisconsin in 1969, and derives its name from the diagnosis of a cluster of cases in the mid-1970's in Lyme, Connecticut;

Whereas forty-nine states reported more than forty thousand cases of Lyme disease from 1982 through 1991;

Whereas Lyme disease knows no season—the peak west coast and southern season is November to June, the peak east coast and northern season is April to October, and victims suffer all year round;

Whereas Lyme disease, easily treated soon after the bite with oral antibiotics, can be difficult to treat (by painful intravenous injections) if not discovered in time, and for some may be incurable;

Whereas Lyme disease is difficult to diagnose because there is no reliable test that can directly detect when the infection is present;

Whereas the early symptoms of Lyme disease may include rashes, severe headaches, fever, fatigue, and swollen glands;

Whereas if left untreated Lyme disease can affect every body system causing severe damage to the heart, brain, eyes, joints, lungs, liver, spleen, blood vessels, and kidneys;

Whereas the bacteria can cross the placenta and affect fetal development;

Whereas our children are the most vulnerable and most widely affected group;

Whereas the best cure for Lyme disease is prevention;

Whereas prevention of Lyme disease depends upon public awareness; and

Whereas education is essential to making the general public health care professionals, employers, and insurers more knowledgeable about Lyme disease and its debilitating side effects: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning June 6, 1993, and June 5, 1994, is designated as "Lyme Disease Awareness Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate programs, ceremonies, and activities.

DISTANCE LEARNING WEEK

The joint resolution (S.J. Res. 49) to designate the week of March 28, 1993, through April 3, 1993, as "Distance Learning Week," was considered, ordered to be engrossed for a third reading, read the third time, and passed; as follows:

S.J. RES. 49

Whereas the delivery of education and training through electronically mediated instruction has opened new opportunities for kindergarten through twelfth grade education, higher education, and the retraining of America's workforce;

Whereas the United States Distance Learning Association has played a leadership role in legislative and policy initiatives to expand the awareness and use of distance learning;

Whereas the United States Distance Learning Association has chosen the week of March 28, 1993, through April 3, 1993, as a week of special recognition for the achievements of distance learning professionals; and

Whereas April 1, 2, and 3, 1993, will be the dates of the Third Annual International Distance Learning Conference, which will convene in the Washington, D.C. area: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of March 28, 1993, through April 3, 1993, is designated as "Distance Learning Week". The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe the week with appropriate ceremonies and activities.

NATIONAL FORMER PRISONER OF WAR RECOGNITION DAY

The joint resolution (S.J. Res. 54) designating April 9, 1993, and April 9, 1994, as "National Former Prisoner of War Recognition Day" was considered, ordered to be engrossed for a third reading, read the third time, and passed; as follows:

S.J. RES. 54

Whereas the United States has fought in many wars;

Whereas thousands of members of the Armed Forces of the United States who served in such wars were captured by the enemy and held as prisoners of war;

Whereas many such prisoners of war were subjected to brutal and inhumane treatment by their captors in violation of international codes and customs for the treatment of prisoners of war and died, or were disabled, as a result of such treatment; and

Whereas the great sacrifices of such prisoners of war and their families deserve national recognition: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That April 9, 1993, and April 9, 1994, is designated as "National Former Prisoner of War Recognition Day" in honor of the members of the Armed Forces of the United States who have been held as prisoners of war, and the President is authorized and requested to issue a proclamation calling upon the people of the United States to commemorate such day with appropriate ceremonies and activities.

EDUCATION AND SHARING DAY, U.S.A.

Mr. MITCHELL. Madam President, I ask unanimous consent that the Senate proceed to the immediate consideration of House Joint Resolution 150, a joint resolution designating April 2, as Education and Sharing Day; that the resolution be read three times, passed, that the preamble be agreed to; that the motion to reconsider be laid upon the table and that any statements appear at the appropriate place in the RECORD.

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

The joint resolution (H.J. Res. 150) was deemed read the third time and passed.

The preamble was agreed to.

ORDERS FOR MONDAY

Mr. MITCHELL. Madam President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 12 noon, Monday, March 29; that 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 there then be a period for morning business, not to extend beyond 12:30 p.m., with Senators permitted to speak therein for up to 5 minutes each; with Senator GRAMM recognized for up to 10 minutes and Senator COHEN for up to 15 minutes; that at 12:30 p.m., the Senate resume consideration of H.R. 1335, the emergency supplemental appropriations bill.

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

RECESS UNTIL MONDAY, MARCH 29, 1993

Mr. MITCHELL. Madam President, if there is no further business to come before the Senate today, and no other Senator is seeking recognition, I ask unanimous consent that the Senate stand in recess, as previously ordered.

There being no objection, the Senate, at 4:50 p.m., recessed until Monday, March 29, 1993, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate March 26, 1993:

DEPARTMENT OF THE TREASURY

EUGENE ALLAN LUDWIG, OF PENNSYLVANIA, TO BE COMPTROLLER OF THE CURRENCY FOR A TERM OF 5 YEARS, VICE ROBERT LOGAN CLARKE.

DEPARTMENT OF DEFENSE

JAMIE S. GORELICK, OF MARYLAND, TO BE GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE, VICE DAVID SPEARS ADDINGTON, RESIGNED.

CONFIRMATIONS

Executive nomination confirmed by the Senate March 26, 1993:

IN THE AIR FORCE

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. ALBERT J. EDMONDS [redacted] U.S. AIR FORCE.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. EUGENE E. HABIGER [redacted] U.S. AIR FORCE.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. CARL G. O'BERRY [redacted] U.S. AIR FORCE.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE OF BRIGADIER GENERAL UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 624:

To be brigadier general

COL. CHARLES R. HOLLAND [redacted] REGULAR AIR FORCE.

IN THE ARMY

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601 AND SECTION 3034:

To be general

To be Vice Chief of Staff, U.S. Army

LT. GEN. J.H. BINFORD PEAY II [redacted] U.S. ARMY.

THE FOLLOWING-NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be general

GEN. DENNIS J. REIMER [redacted] U.S. ARMY.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. JOHN H. TILELLI, JR [redacted] U.S. ARMY.

IN THE NAVY

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF VICE ADMIRAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be vice admiral

REAR ADM. DAVID B. ROBINSON, U.S. NAVY [redacted]

IN THE MARINE CORPS

THE FOLLOWING-NAMED OFFICERS FOR APPOINTMENT IN THE U.S. MARINE CORPS UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 624:

To be major general

BRIG. GEN. JEFFREY W. OSTEH [redacted]
BRIG. GEN. PAUL K. VAN RIPE [redacted]
BRIG. GEN. JAMES R. DAVIS [redacted]
BRIG. GEN. PAUL A. FRATARANGELO [redacted]
BRIG. GEN. MARVIN T. HOPGOOD, JR [redacted]
BRIG. GEN. RICHARD I. NEAL [redacted]
BRIG. GEN. DAVID A. RICHWIN [redacted]
BRIG. GEN. ANTHONY C. ZINN [redacted]
BRIG. GEN. JOSEPH D. STEWART [redacted]
BRIG. GEN. BERTIE D. LYNCH [redacted]
BRIG. GEN. JOHN H. ADMIR [redacted]