

## SENATE—Tuesday, April 27, 1993

(Legislative day of Monday, April 19, 1993)

The Senate met at 10:30 a.m., on the expiration of the recess, and was called to order by the Honorable CHARLES S. ROBB, a Senator from the State of Virginia.

## PRAYER

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

Let us pray: *The earth is the Lord's, and the fulness thereof; the world, and they that dwell therein.*—Psalm 24:1.

Eternal God, omnipotent, omniscient, and omnipresent, because this is Your world it cannot be what it ought to be when we reject You—militantly or with indifference. The greatness of our Nation from its conception has been built on faith in God, in spiritual and moral reality. Recovery of our disintegrating culture requires a renaissance of the faith of our fathers.

That faith was clearly proclaimed by Gen. Robert E. Lee who " \* \* \* issued orders to the army, directing the observance of April 8, 1864, 'as a day of fasting, humiliation, and prayer,' in accordance with a proclamation by Confederate President Davis. He concluded: 'Soldiers! Let us humble ourselves before the Lord, our God, asking through Christ, the forgiveness of our sins, beseeching the aid of the God of our forefathers in the defense of our homes and our liberties, thanking Him for His past blessings, and imploring their continuance upon our cause and our people.'"

Gracious Father, awaken us to this need. Grant grace that we may repent as a nation and be restored to our spiritual roots.

In the name of Jesus. 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, April 27, 1993.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable CHARLES S. ROBB, a Senator from the State of Virginia, to perform the duties of the Chair.

ROBERT C. BYRD,  
President pro tempore.

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

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Washington [Mr. GORTON].

## TIME OF ROLLCALL VOTES TODAY

Mr. GORTON. Mr. President, on behalf of the majority leader, I ask unanimous consent that no rollcall votes occur prior to 3:30 p.m. today and that the vote on or in relation to the Roth amendment occur at that time.

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

## RESERVATION OF LEADER TIME

Mr. GORTON. Mr. President, I now ask unanimous consent that the time for the two leaders be reserved for their use later on in the day.

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

## MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 11:30 a.m. with Senators permitted to speak for not to exceed 5 minutes each.

Who seeks recognition?

Mr. GORTON addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Washington [Mr. GORTON].

## THE NORTH AMERICAN FREE-TRADE AGREEMENT

Mr. GORTON. Mr. President, one of the fastest growing sectors of the American economy is exports, and the fastest growing single market in the world for American goods is Mexico.

For that reason, this Senator was particularly disturbed to read this morning the comments of the President's Budget Director to the effect that, for the time being at least, the North American Free-Trade Agreement is dead.

That free-trade agreement almost certainly will produce a net gain of 175,000 jobs for the United States in the course of the first 5 years after its implementation. It will take an American trade surplus with Mexico and make that surplus larger than it is today while it increases trade on both sides of the border.

The agreement will also, not at all incidentally, be perhaps the single most effective control over illegal immigration which could be devised by this administration or by the Congress. And it will also give our consumers cheaper and better goods and services.

It's likely that the total increase in exports to Mexico as a result of the passage of NAFTA will be some \$17 billion 5 years down the road. Mexico's exports to the United States will likely increase some \$8 billion in that same period of time.

During the course of the campaign, President Clinton asserted his support for the North American Free-Trade Agreement, after listening to intense debate and affording the issue careful study.

Since he has been inaugurated, however, he has done nothing to advance its cause. Little has been accomplished with respect to the side agreements about which he spoke during and after the campaign. We have slid into the situation in which the opponents of that agreement seem to be gaining the great bulk of its publicity.

If the President's Budget Director is correct, it is a true indictment of Presidential leadership that we cannot pass an agreement that will create real, tangible good-paying private sector jobs, that will reduce our trade deficit, and that will help ensure prosperity for two nations.

Mr. President, this Senator does not believe that the President's Budget Director is correct. This Senator can assert with confidence that the great majority of the Members of the Senate on this side of the aisle will support the President of the United States when he submits the North American Free-Trade Agreement to us for our ratification. This Senator also chooses to believe that a significant majority of the Members on the other side of the aisle will follow the President's leadership, whatever their private reservations, should he exercise that leadership on behalf of the North American Free-Trade Agreement.

It is the view of this Senator that that agreement should be submitted to the Congress for ratification promptly and enthusiastically and should be given at least a portion of the leadership which the President has devoted toward an economic program which has been regarded dubiously by Members on this side of the aisle and by most economists throughout the country.

Mr. President, it is encouraging, of course, to see now that Members on

this side of the aisle are to be consulted on important questions. On this question, that consultation will without question result in very, very strong support.

It will be a disaster for the United States and, I am afraid a disaster for this administration, if the President does not step forward, show leadership, and ask for the ratification of an agreement which is very much in the interest of this country, very much in the interest of his administration, and very much one on which bipartisan consultation and debate will be of great help in moving this country forward.

#### CONSULTATION ON HEALTH CARE

Mr. GORTON. Mr. President, this Senator has noted with some interest that that consultation is supposedly taking place at the present time or will in the immediate future with respect to health care. So far, this Senator would have to say that consultation has not been visible to the naked eye. Republican Members, under the leadership of the distinguished Senator from Rhode Island [Mr. CHAFEE] have been working in this connection in this most complicated area literally for years. So far, "the consultation," and I put that word in quotation marks, has consisted of one short get-acquainted meeting between Mrs. Clinton and the Republican leader and one approximately 1 hour of questions and answers in his office between Mrs. Clinton and any Republican Senator who wished to attend.

That, Mr. President, is not the kind of consultation which is likely to lead to a successful and bipartisan effort to solve perhaps the most complicated and most serious domestic problem facing this country.

I hope that what we read in the news will soon become reality on the ground. It is clear that it has not done so to this point during the course of this Congress and this administration.

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

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mrs. BOXER). Without objection, it is so ordered.

#### THANKING CARL ROWAN, OF GAMER'S CONFECTIONERY

Mr. BAUCUS. Mr. President, Butte, MT, is a can-do city. There is not a tough time that this community cannot get through. And the people of Butte have proven themselves to be among the best, most innovative, and resourceful small business people in

our country. One of the toughest small businessmen I have ever met is Mr. Carl Rowan from Butte. Carl owns and operates Gamer's Confectionery in historic downtown Butte, where he serves up some of the best Cornish pastries, chicken pies, and coffee west of the Mississippi River. Gamer's Confectionery has been in business since 1905, and Carl took over the restaurant in 1944. Not only did Carl's business survive some of the toughest times Montana has ever known; his restaurant's good food and good company helped other Montanans make it through the tough times as well. And I am sure it will continue to do so.

Most people do not think of Carl as a successful small businessman, they think of him as one of the most caring, genuine people in the world. Whether you are a first time guest, or an old time customer, you are a friend of Carl's, because Carl loves people, all people. That is why he trusts people to pay their own bills and make their own change. And that is why people love Carl from Boston to San Diego, Miami to Seattle.

Now that Carl has decided to retire at age 83, I hope that he takes some time to celebrate the wonderful life he leads. We will miss you Carl, and we will remember your warm smile and wonderful food forever.

#### RUNAWAY SPENDING MAKING UNITED STATES A SLAVE TO DEBT

Mr. HELMS. Mr. President, I have at hand the text of an address by a former colleague whom I consider to be one of the finest Senators ever to be a Member of this body, Harry F. Byrd, Jr., was, like his father, a Senator's Senator, meaning that he earned the total admiration of his fellow Senators because of his wisdom, courage, and integrity.

Senator Harry F. Byrd, Jr., spoke on April 21 to the board of directors of the Virginia State Chamber of Commerce. I believe all Senators should take note of Senator Byrd's comments because they are both eloquent and accurate.

I therefore ask unanimous consent, Mr. President, that the text of Senator Harry F. Byrd's address be printed in the RECORD at the conclusion of my remarks.

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

#### RUNAWAY SPENDING MAKING THE NATION A SLAVE TO DEBT

(By Harry F. Byrd, Jr.)

Your chairman thought it might be of interest for me to give my view of President Clinton and his new program.

I must say frankly that during the campaign last fall I found it difficult to put much confidence in Gov. Clinton. It was nothing specific, but rather a feeling, an instinct.

Following the election, however, I warmed to him. His speeches seemed more reasonable. He is an attractive political personality. He is highly articulate.

I began to feel that he just might tackle the nation's basic problem with the enthusiasm and energy that comes with the youthful age of 46. The question mark in my mind was: Does he have the depth, the courage, the judgment, or even the desire to tackle this nation's number-one problem?

To me, our basic problem, the one that overrides all others, is unrestrained federal spending leading to such huge deficits that today the interest cost on the national debt—just the interest cost—is greater than was the total cost of government 20 years ago.

I had some hope that President Clinton just might have the determination to get this country off its spendaholic binge.

Then two events occurred. President Clinton began to appoint the key people around him—and began to shape his economic program. I lost some of my newly acquired hope.

Seeking diversity, he established a quota system—and appointed mostly academics and activists for various causes. Only a woman could be nominated attorney general; the Cabinet must be 25 percent black; Hispanics must be put in key positions; Diversity replaced qualification as the major criteria for appointment.

There is nothing wrong with diversity. Find me a woman with the qualifications of Margaret Thatcher, for example, and I will support her for president with great enthusiasm. Incidentally, I feel confident we will have a woman president before two decades pass.

The Clinton program needs careful examination.

The news media make much of the fact that the Congress passed so quickly the Congressional Budget Resolution. But what is not generally recognized is that the Budget Resolution merely outlines a concept. It was sold as one that would reduce the deficit by reducing spending and increasing taxes on the wealthy.

This rhetoric has appeal. As Mr. Clinton defined wealthy, he was not risking much politically, as relatively few would feel the impact of an increase in taxes. That feeling is what he conveyed; that was before details became available and his definition of wealthy reached far down the economic scale.

Sooner or later, spending must be paid for through taxes. For more than 25 years our government has been mortgaging the future of our young people.

So, my quarrel with the Clinton program is not so much with taxes but rather with spending. In presenting his 1994 budget on April 9, the administration acknowledged that domestic spending under Clinton's plan would exceed the limits that Congress set in 1990 and reaffirmed this year. In just six weeks—from February to April—Mr. Clinton's own projection for the deficit over five years has grown by \$31 billion.

For every dollar of increase in taxes, he proposes a \$3 increase in spending.

In preparing for these comments tonight, I refreshed my memory on past budget history and found that President Clinton offers more of the same.

In six years of the past 12, beginning in 1982, the budget proposals have promised spending reductions in exchange for tax increases. Yet the deficit, which was considered huge and dangerous in 1982, something over \$100 billion, has now grown to \$300 billion. The national debt has increased from \$1

trillion to \$4 trillion. In each of the six years that taxes have been increased, the deficit has grown greater.

Mr. Clinton acknowledges that under his own figures, the debt will grow by an additional trillion dollars by the end of his four-year term, averaging \$250 billion per year, and this does not include the cost of whatever his health program may be.

If our nation's spending problem is not effectively tackled this year—this year 1993—it will be a long time, in my judgment, before another opportunity presents itself.

Ross Perot rendered the American people an important service when he forced both candidates, President Bush and Gov. Clinton, to focus on spending, something neither wanted to do. President Clinton himself, in selling his budget, focused on the need to reduce spending. But the facts are that spending is being increased. Increased taxes are being used not to reduce the deficit but rather to increase spending.

The fact is that the legislation now before the Senate, the first piece of legislation specifically dealing with his budget concept, is legislation which itself adds new spending programs.

Opponents of this new \$16 billion spending package proposed a compromise which would approve his proposed new spending provided that increase was offset by a reduction elsewhere. It was defeated by a straight party-line vote with only one Democrat—Sen. Richard Shelby of Alabama—voting to reduce spending.

This is not a very good beginning in the effort to control spending.

Ladies and gentleman, let me at this point cite the first of the high-level budget deals that have taken place over the last decade. I cite this as I myself was a conferee and because it dramatizes, I believe, why our nation finds itself in its unenviable position.

In October of 1982, because of the impending deficit of \$127 billion, President Reagan made a deal with the Democratic leaders in which he would agree to a \$1 tax increase for every \$3 of spending reductions.

I thought that reasonable, and I voted for it when it passed the Senate.

Since the Republican Senate and the Democratic House of Representatives were not in agreement on the total program, the proposed legislation went to a Committee of Conference between House and Senate. I was a Senate conferee.

After days and nights of wrangling, Republican conferees for the Senate gave in to House Democrats. The final version was the exact opposite to what President Reagan had originally agreed. It provided \$1 spending reduction for every \$3 of tax increases. I refused to sign the conference report.

Later when the Senate was voting whether to accept the conference report, President Reagan called me off the Senate floor saying he knew I was not happy about what the conferees had done, but he hoped I would vote for it anyway.

I said, Mr. President, let me see whether I understand your position:

You agreed to accept \$1 of tax increases for every \$3 of spending cuts. He responded that my understanding was correct.

I told him the proposal he was now asking me to vote for did just the opposite—\$3 of tax increases for every \$1 of spending cuts. I told him I could not vote for such a proposal, and five minutes later voted against it, that being the last vote I cast during my 18 years in the Senate. I feel I was right, as the next year the deficit increased by \$80 billion to \$208 billion. That set the tone for future budgets.

To get back to the present, let me say this. Although I was elected to public office seven times as a Democrat (and two additional terms as an Independent), I must say that in this year 1993 the nation's best hope in bringing some fiscal sanity to the federal government lies with the 43 Republicans in the Senate.

The only way Mr. Clinton's new spending programs can be enacted is by the Democratic majority voting cloture, namely, shutting off debate. That requires 60 votes; there are 57 Democrats. To date, the 43 Republicans have held firm in demanding that any new spending be paid for—not added to debt.

Sen. (Robert) Dole, the Republican leader, is a legislator of much ability. He is more important in this fight for fiscal sanity than is the President, the Secretary of the Treasury or the Senate Majority Leader. The Dole proposal is reasonable, understandable, sound. It would require that the \$16 billion of new spending be matched by reductions elsewhere. It is important that this principle be held. The \$16 billion fight is just the first of many—and it will set the tone for subsequent spending votes.

Just as an alcoholic cannot drink himself sober, our spendaholic nation cannot solve its problems by more spending. Overspending in my judgment has put this nation in crisis.

You may think "crisis" is too strong a word but I use it advisedly: (a) this nation has balanced its budget only three times in the past 40 years, and not once during the past 25 years; (b) the nation's debt has grown from \$1 trillion to \$4 trillion during the past 11 years; (c) a study of Clinton's 1,478-page budget shows that of every income tax dollar paid into the federal treasury, 57 cents of that tax dollar goes to pay the interest on the debt—which debt Mr. Clinton himself acknowledges will increase by 25 percent over the next four years.

Having spend a few days in Washington, talking individually with many of my colleagues, I came away with these observations:

1. Reliable reports indicate the White House is in confusion. Its inexperience but enthusiastic young staff, under age 24, are going in various directions, seemingly without focus.

2. The Secretary of Labor, in an effort to help sell the President's new spending program, admitted giving the public "inappropriate" figures—a polite way of saying he falsified the February job report.

3. I find there is more quiet opposition to the Clinton program than appears on the surface. Already his creditability has been damaged. His tactics and his strategy, during his first 100 days in office, have not been to his benefit. He is likely to suffer further in public support as he finds it impossible to fulfill his many promises to a multitude of diverse groups.

4. Yet, when I left the Senate Monday afternoon, I was optimistic that Republicans would stand firm in demanding that the cost of any new spending program be offset by an equal amount elsewhere. I am convinced too, that as the days go by a few Democrats will come to realize the dangers of additional spending.

I end with this thought:

One hundred million Americans pay income taxes—and 57 cents of every tax dollar goes to pay the interest cost on the nation's debt—a debt that is increasing daily. Now—not later—is the time to reverse course. To paraphrase Patrick Henry, I would hope that every person voting on this vital issue will ask himself or herself:

Is party politics so dear  
And political reward so sweet  
As to be purchased  
At the price of slavery to an everincreasing  
debt?

#### IRRESPONSIBLE CONGRESS? HERE IS TODAY'S BOXSCORE

Mr. HELMS. Mr. President, as anyone even remotely familiar with the U.S. Constitution knows, no President can spend a dime of federal tax money that has not first been approved by Congress, both the House of Representatives and the U.S. Senate.

So when you hear a politician or an editor or a commentator declare that "Reagan ran up the Federal debt" or that "Bush ran it up," bear in mind that it was the Constitutional duty of Congress to control Federal spending. Congress has failed miserably for about 50 years.

The fiscal irresponsibility of Congress has created a Federal debt which stood at \$4,228,120,864,442.92 as of the close of business on Thursday, April 22. Averaged out, every man, woman, and child in America owes a share of this massive debt, and that per capita share is \$16,460.86.

#### CLINTON ADMINISTRATION TO RESTORE UNITED STATES' ACTIVE ROLE ON LAW OF THE SEA

Mr. PELL. Mr. President, I am delighted to report to my colleagues the announcement in New York today by Ambassador Madeleine Albright that the Clinton administration will take an active role in law of the sea negotiations.

I enthusiastically support this decision and welcome the announcement that the United States is prepared to work with other governments toward the solution of the problems that have prevented agreement on the deep seabed mining provisions of the Law of the Sea Convention.

The result of this decision is that the United States will participate fully in the 10th round of informal consultations convened by the Secretary General in New York.

As Ambassador Albright said, "The time has come to reaffirm our commitment to the objective of a widely accepted Convention."

My support for a Law of the Sea Treaty began in 1967 when I introduced the first Senate resolution calling on the President to negotiate a Law of the Sea Convention.

That resolution and a draft treaty that I proposed in 1969 led to the Seabed Arms Control Treaty which was ratified by the Senate in 1972. That treaty has permanently removed nuclear weapons and other weapons of mass destruction from the seabed floor, which is 70 percent of the Earth's surface.

Just 11 years ago, on May 6, 1982, I reported to the Senate with much regret that after 9 years of negotiations, the United States was not able to support the Law of the Sea Treaty that had been agreed to by 130 nations.

The Clinton administration's decision to resume an active role in the consultations in New York restores the promise of U.S. adherence to a Law of the Sea Treaty that supports American national interests and the common interest of all mankind.

U.S. participation will be on the basis of a realistic assessment of the issues that have long held up agreement, and I have no doubt that changes will be required in the language worked out in the past.

But I am heartened by the announcement that the United States looks forward to playing a constructive role in the negotiations.

I ask unanimous consent that the text of Ambassador Albright's statement at the United Nations, April 27, 1993, on this subject be printed in the RECORD at this point.

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

STATEMENT BY AMBASSADOR MADELEINE K. ALBRIGHT, U.S. PERMANENT REPRESENTATIVE TO THE UNITED NATIONS, AT THE SECRETARY-GENERAL'S CONSULTATIONS ON THE DEEP SEABED MINING PROVISIONS ON THE U.N. CONVENTION ON THE LAW OF THE SEA, APRIL 27, 1993

Mr. Secretary-General, I am particularly pleased to have the opportunity to participate in this the 10th round of informal consultations on the problems of the Deep Seabed Mining Provisions of the Law of the Sea Convention. When last the United States was actively engaged in the search for a widely acceptable convention, I was a participant in the Public Advisory Committee that assisted the government in developing its positions. It has long disappointed me that the unsatisfactory provisions on Deep Seabed Mining have prevented us from achieving the goal of a generally accepted convention. Therefore, I take special pleasure in informing you and the participants in the consultations of the Clinton administration's intention to take a more active role in the search for a solution that can open the way to achievement of that goal.

The Law of the Sea Convention is an historic document and the balance it succeeded in achieving between the interests of Coastal States in controlling activities occurring in adjacent offshore areas and those of Maritime States in freedom of commercial and military navigation is of critical importance in an increasingly interdependent world. As a state which possesses both sets of interests, the United States has a special appreciation of the significance of this balance and the difficulty of maintaining it in the face of competing demands. We owe a great debt of gratitude to those who labored long and hard at the Third UN Conference on the Law of the Sea to produce the Convention, some of whom are present among us today.

Mr. Secretary-General the time has come to reaffirm our commitment to the objective of a widely accepted convention. Although this objective has been a consistent element of U.S. oceans policy throughout the past

two decades, it was not until your predecessor initiated these consultations that it appeared that achievement of a widely accepted convention might be possible in the near term. Mr. Secretary-General, you and your predecessor have spoken eloquently of the changing political and economic circumstances that have produced this opportunity to reevaluate the Seabed Mining Provisions. Most significant among these in our view has been increasing awareness of the importance of free market principles in promoting economic development. This recognition is evident in a number of approaches to solving the problems of the Seabed Mining provisions that are under consideration and has been a major factor in our assessment that more active U.S. involvement is justified.

On the other hand we need to be realistic. Our shared hopes for a generally agreed solution should not obscure the real difficulties before us. Some may be tempted to see in the change of U.S. administrations a fundamental shift in the policy regarding the specific objections we have with the Convention's Seabed Mining provisions. Such an assessment would be incorrect. The United States continues to believe that there are serious problems with those provisions. To successfully resolve these problems, substantial changes will be required. Regardless of whether all these changes are accomplished now or some issues are addressed on the basis of general principles that would be further elaborated later, a legally binding instrument that alters the present Seabed Mining provisions of the Convention in important respects will be necessary.

Mr. Secretary-General, my delegation looks forward to playing a constructive role in the consultations. We have begun a thorough evaluation of the substantive proposals reflected in your information note. Although our basic objections to the Seabed Mining provisions remain unchanged, we will need time to consider the merits of these proposals. We are mindful as well that, the information note for the first time outlines various procedural approaches for embodying any substantive understandings we may reach in an agreement that meets the needs of all the parties. My Delegation looks forward to the next two days of consultations and is prepared to explore these proposals as well as those on the substantive issues on the basis of longstanding U.S. concerns. Based on the results of our discussions at this meeting we intend to prepare more detailed positions for the next round of consultations.

Again I would like to thank you and the members of your staff for their efforts and to assure you of our cooperation.

Thank you, Mr. Secretary-General.

#### TRIBUTE TO DEAN GEORGE PACKARD

Mr. SARBANES, Mr. President, on June 30, 1993, Dr. George Packard will be stepping down after well over a decade as dean of the Paul H. Nitze School of Advanced International Studies [SAIS] of the Johns Hopkins University. As a member of the SAIS Advisory Council, I have worked with Dr. Packard for many years and witnessed his remarkable achievements as dean. His 14 years of distinguished service in that capacity will always be remembered as an era of sustained academic

excellence and growing international prestige.

In July 1979, Dr. Packard became the fourth dean of SAIS, later renamed the Nitze School. He immediately began his concentration on strengthening the school's faculty and expanding its international exchange and studies programs. He recruited nationally known lecturers and professors, giving greater depth to the faculty. He initiated exchange programs with Senegal, Jordan, France, and Japan. He founded the Johns Hopkins Foreign Policy Institute, revived the SAIS Review, and established the Edwin O. Reischauer Center for East Asian Studies. One of his boldest initiatives was the successful effort to establish in 1986 the Hopkins-Nanjing Center for Chinese and American Studies at Nanjing University, China.

During his tenure as dean of SAIS, Dr. Packard undertook a \$40 million fundraising campaign, expanded the school's physical plant by purchasing the Benjamin T. Rome Building on Massachusetts Avenue, and raised the funds to endow four new faculty chairs. Student applications to SAIS have been rising steadily under his stewardship, reaching an all-time high in 1992 at 1,409 applications. SAIS has produced leaders in government, business, journalism, and nonprofit organizations, both in this country and abroad. Its faculty is drawn from among the Nation's best known experts in public policy, foreign affairs and international relations. Dean Packard's leadership has made possible the outstanding contributions of SAIS faculty and graduates not only to academia, but to our country's conduct of foreign policy across the board.

On announcing Dean Packard's retirement, Johns Hopkins President William C. Richardson attributed the outstanding reputation of SAIS to Dr. Packard's hard work and dedication, stating, "Clearly, the preeminence enjoyed by SAIS in the field of international studies is a direct result of Dean Packard's energy, creativity and superb leadership." Fortunately, Dr. Packard's talents will not be lost to SAIS. After a year's sabbatical, he will rejoin the SAIS faculty as professor of East Asian studies and director of the Edwin O. Reischauer Center for East Asian Studies. In addition, he will serve as chairman of the Johns Hopkins Foreign Policy Institute.

Let me once again express my deep appreciation for all Dr. Packard has done to make SAIS one of the world's preeminent centers for the study of international relations. I congratulate him on his achievements as dean and wish him a long and fruitful continuing association with SAIS.

### TRIBUTE TO THE CATHOLIC WORKERS

Mr. DURENBERGER. Mr. President, I would like to recognize Dorothy Day and the organization she founded, the Catholic Workers. In 1933, Dorothy Day, an American journalist, together with Peter Maurin founded their movement which supports social reform. As a result, today there are over a hundred houses of hospitality across the United States that reach out to those who are suffering.

One of these houses, the Dorothy Day Center in St. Paul, MN, was opened in 1981, the year after her death. Located near St. Joseph's Hospital, the center is open for others to drop in for coffee and company. Among numerous services they offer food, medical, and drug rehabilitation services.

What makes the Catholic Workers different from other social agencies is the philosophy behind their work. It's nothing elaborate or difficult to understand. In fact, it's rather basic. It's called caring. The Catholic Workers are sincerely committed to others. Those who come to the Catholic Workers' houses are treated as people and not as forms and numbers to be processed. They are concerned with the person's whole welfare—simply satisfying their needs does not solve their problem nor does it satisfy the conscience of the Catholic Workers.

The successful effect of the Catholic Workers' presence makes a statement. It tells us that our focus needs to return to the community; a community—that means all of us together, that is based on caring.

Perhaps what each of us needs to do is become a Dorothy Day. Give up what we don't have in order to become a better person and "be doers of the word and not hearers only." (James 1:22-24)

Mr. President, at this point I ask unanimous consent that the inspiration of this statement, Colman McCarthy's column from the Washington Post dated April 17, be included in its entirety.

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

[From the Washington Post, Apr. 17, 1993]

#### THE CATHOLIC WORKER'S LONG MISSION (By Colman McCarthy)

Bloomington, Ill.—Before homelessness moved from America's skid rows to its downtowns and neighborhoods, which was around 1975, few groups had as deep a commitment to serving people who were broke or broken, or consistently offered them more solace, than members of the Catholic Worker movement.

Instead of homeless shelters—a phrase akin to animal shelters—they sprung for houses of hospitality. These were homes where the vision of Dorothy Day, co-founder of the Catholic Worker, was carried out quietly and emphatically: "The best is none too good for the poor."

The first house of hospitality in the Bowery of New York opened in 1933. Now, 60

years and a few million meals later, some 100 houses are handing out clothes, supplying beds and taking up the slack wherever it's found, which is everywhere. Some are in the large cities—Los Angeles, Chicago—and others are in such towns as out-of-the-way Bloomington, a mid-state community of 50,000 that would have seemed, if any place did, to be fortified against the usual urban blights. Jobs have been plentiful here—State Farm, Mitsubishi and Illinois State University are major employers—and the local paper, the Pantagraph, a fortress of prickly conservatism founded by the family of Adlai Stevenson, is doing well in both ad revenue and circulation.

In a residential neighborhood in Bloomington, the Catholic Worker's Clare House has been a center of mutual aid for 15 years. It opened as a home for battered women, but too many abusive and deranged husbands came around enraged that their wives had escaped and were hiding inside. After three years of chaos—men banging on the front door at all hours, women cowering in closets or hiding under beds and one wild man setting fire to the place—the focus shifted from battered women to homeless women or families.

During a break the other evening at Clare House, Tina Sipula, who took in the first guest in 1978, said that as many as 60 families come twice a week for food, double the number five years ago. Between 40 and 50 people—more and more of them younger—are served meals daily.

Sipula isn't much for dispensing theories on why the homeless population is growing. She is into solutions to the problem, not more useless descriptions of it. The solution? she is asked. "If every church, synagogue or mosque in America had a house of hospitality, we could begin to eliminate welfare."

This ethic of personal responsibility has been at the core of Clare House and all the other Worker houses since the beginning. Dorothy Day, who died in 1980 on the lower East Side of New York after a long and radical life of voluntary poverty, spelled it out in "Loaves and Fishes," a book that Sipula gives to visitors in need of spiritual nourishment: "The greatest challenge of the day is how to bring about a revolution of the heart, a revolution which has a start with each one of us. When we begin to take the lowest place, to wash the feet of others, to love our brothers and sisters with that burning love, that passion, which led to the cross, then we can truly say, 'Now I have begun.'"

Peter Maurin, the street philosopher who with Day founded the Catholic Worker and who believed in "personal responsibility, not state responsibility," is on record with the same thought: "The world would be better off if people tried to become better, and people would become better if they stopped trying to become better off. For when everyone tries to become better off, nobody is better off. But when everyone tries to become better, everybody is better off."

Clare House, which is named for St. Clare of Assisi, the 13th century soul mate of St. Francis, is a Bloomington fixture. Thirty volunteers serve every week, and when people need to get rid of some money—and want to be sure it will be used well—they dispatch a check to Tina Sipula. The most recent newsletter from Clare House, sent from 703 E. Washington Street, Bloomington, Ill., 61701, is adorned by a rabbinical saying: "The rich will throw coins over a wall to the poor but will not pay to have the wall torn down."

That's another longstanding mission of the Catholic Worker: When they see a wall, they take out a brick.

### IN REMEMBRANCE OF MARIAN ANDERSON

Mr. HATFIELD. Mr. President, the world lost a treasure recently with the passing of Marian Anderson. Her spell-binding voice has known few equals in our time.

She began her singing in the Union Baptist Church in Philadelphia. From these modest roots, she later achieved worldwide acclaim as a singer, touring Europe and the United States. Toscanini once commented that her voice was one "heard once in a hundred years." I had the privilege of hearing Ms. Anderson perform during my student days. I was transfixed listening.

Few do not know her story, but let me remind my colleagues of the barriers Ms. Anderson faced in pursuit of her career. In 1939, she, as a black woman, was prohibited from singing in Constitution Hall here in Washington, DC. Yet 75,000 people attended the concert she gave instead at the Lincoln Memorial. Her talents were not limited to music, however. In 1958, she served as the U.S. Ambassador to the United Nations. In 1977, she was awarded the United Nations Peace Prize.

Her musical gift blossomed also in her nephew, Mr. James DePreist, now the music director of the Oregon Symphony Orchestra. I would like to enter into the RECORD today the remarks of Mr. DePreist which appeared in the New York Times in honor of his aunt. Her determination to pursue her dreams in the face of obstructive racial discrimination inspires us all. Her story and her music will live on for generations.

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

[From the New York Times, Apr. 18, 1993]

#### GROUNDING IN FAITH, FREE TO FLY

(By James DePreist)

(The music world and the world at large became poorer places on April 8, when Marian Anderson, the great alto from Philadelphia, died at 96. In 1939, Miss Anderson was refused permission to perform at Constitution Hall in Washington because of her race; backed by Eleanor Roosevelt and others, she sang instead at the Lincoln Memorial to an audience of 75,000. In innumerable other ways as well, she helped pave a career path for later generations of black musicians, including her nephew James DePreist, who is the music director of the Oregon Symphony Orchestra and a poet. Ms. Anderson spent her last months at Mr. DePreist's home in Portland. Here, Mr. DePreist shares memories of his aunt.)

There is not necessarily a correlation between an artist's character and his or her work, but in the case of Marian Anderson, the way she seemed derived from the way she actually was. Even silent, she was a powerful presence; charismatic, simple, radiating grace and compassion. Her character was the inevitable consequence of being the daughter of Anna Deillah Anderson, my grandmother. I had the singular fortune to grow up in that loving home in which the power of prayer and faith in God were axioms for a lifetime.

Faith was the ultimate source of my aunt's power and the reason for her humility. When she was asked why she often referred to herself as "we," her response was for her as obvious as it was genuine: "I don't feel that we ever do anything alone, rather always with the help of Him above. When viewed in this way, the I involved is very small indeed."

It is hard for me to convey fully the unself-conscious power of that humble household. Indeed, gratitude and humility seem most unlikely progenitors of confidence and strength of character. My grandmother could scarcely have dreamed how celebrated, admired and universally loved her first child would become. She could only be certain that Marian was grounded enough to fly without fear.

My first memories of Marian Anderson were as my aunt, my mother Ethel's sister. When she came to Philadelphia to visit or when the family spent summers with her in Danbury, Conn., she did aunt things: ordinary, domestic, familial chores. She spoiled all of us by providing a life of more than adequate comfort. It had not always been like this.

Anna Anderson, a widow, placed God and family first. No job was to menial if it helped provide for her family; her young daughters were mindful of this sacrifice. That is why Aunt Marian, decades of honors later, still regarded as her happiest moment the day she called her mother's employer to say that Mrs. Anderson would not be coming back to work that day or any day. She had liberated her mother, and she became the provider for the family. The correspondence between Aunt Marian and her mother constitutes one of the most poignant and illuminating records of love, devotion and faith one could imagine.

So many memories: a summer's Sunday morning, and through the open windows of the Union Baptist Church across the street the sounds of the choir singing a spiritual—this was the choir of my aunt's beginnings. Those beginnings were a source of wonderful reminiscences in which my mother and Aunt Marian would indulge each summer we were together in Danbury, as recently as 1988. The two sisters laughed until they cried. The memories were fond, warm and indelible.

I owe Aunt Marian so much. Long before I ever imagined becoming a conductor, she gave me my first scores and recordings of Beethoven's Symphonies Nos. 4 and 7 and the Schubert "Unfinished."

When she sang in Philadelphia, she would stay at home with the family. One day, she returned from a rehearsal with the Philadelphia Orchestra and a guest conductor, who seemed intent on dictating her performance rather than accompanying it. She would need all of her serene professionalism that evening. The limousine arrived, and my aunt and I entered. Seated across from me was the conductor: George Szell I'll never forget those eyes.

As a graduation present, she took me with her to the Casals Festival in Puerto Rico. Lunch in the Casals' home was like eavesdropping on the gods at play.

One of the last trips on which I accompanied my aunt was not that unusual for her—singing for the inauguration of a President of the United States. One sensed, however, that John F. Kennedy's inaugural in 1961 was special to her. Twenty-four at the time, I was her rehearsal accompanist as she went over "The Star-Spangled Banner." Hearing her, one wept.

Aunt Marian was approaching the end of her career as I was beginning mine. It was a

time of multiple transitions. My grandmother died in 1964. Her 89 years allowed her to experience the blossoming of her flower Marian. Aunt Marian's sister Alyce died in 1965. Her first concert in Philadelphia after her mother's and sister's deaths was her farewell appearance with the Philadelphia Orchestra. Asked for her choice of conductor, Marian Anderson said that she would very much like to work with the young man who had just won first prize in the Mitropoulos Competition and was about to become Leonard Bernstein's assistant with the New York Philharmonic.

I was overwhelmed. It was my debut with the Philadelphia Orchestra, and the program was an Anderson lover's dream. It included "Ave Maria," Ulrica's scene from "A Masked Ball," Brahms songs, "Mon coeur" from "Samson and Delilah" and a group of spirituals. Onstage, together for the first time, that voice was right beside me.

Some years later, I made my debut with the National Symphony in Washington, and as fate would have it, it was the orchestra's last season in its old home, Constitution Hall. I entered the stage door, conducted my rehearsal and returned to the hotel—three simple, normal acts denied to my aunt in 1939. I called her to tell her how outraged, hurt, sorry and grateful I was. "It is inconceivable that you were not allowed to do what I've now so easily done," I said. "These concerts surely are as much yours as mine." Her response was typical: "Times have changed, and I am very, very happy for you."

A last recollection of Marian Anderson haunts this day without her. She called home one afternoon with a voice that ached from loss. Eleanor Roosevelt had died: the woman whose act of conscience and courage touched my aunt so profoundly. Fate had their extraordinary paths converge and, as a consequence, the social history of this nation was nudged toward justice. "We have lost the great lady," Aunt Marian said. We have, auntie, we have.

#### PETER KINZLER

Mr. DODD. Mr. President, it is with mixed emotions that I rise today to speak about my friend and former staff member, Peter Kinzler.

On the one hand, I am happy for Peter because his new job as staff director of the House Subcommittee on Financial Institutions is a well-deserved reward for his years of outstanding work in Washington. But I am also saddened because I will miss Peter's wise counsel, his sense of humor, and even his unique taste in neckwear.

After graduating from Trinity College in Connecticut, and receiving his law degree from Columbia University, Peter came to Washington in 1967 as an attorney for the National Labor Relations Board. From 1969 to 1974, he served as a legislative assistant to Representative Lud Ashley.

After a brief stint with the Federal Trade Commission, Peter returned to Capitol Hill as a counsel to the House Interstate and Foreign Commerce Committee in 1975. There he developed an impressive portfolio of expertise on Federal Trade Commission legislation, no-fault insurance, and the Superfund.

Peter came to work for me in 1981 as a minority counsel to the Senate Bank-

ing Committee. When Democrats became the majority party in the Senate in 1987, Peter became staff director of the Consumer Affairs Subcommittee, which I was privileged to chair. Peter subsequently served as my legislative director for 3 years.

Mr. President, if there is one guiding principle to Peter's career, it has been his deep commitment to sound policymaking, and to this Nation. Some people come to work in Washington seeking power. But Peter has always been motivated by a desire to better the lives of his fellow Americans. He has labored long and hard on Federal laws governing banking, commerce, and insurance because he knows we can improve our country if we are willing to make the effort.

Peter has made the effort, and has made a real difference. He was in no small measure responsible for the important legislation the Consumer Affairs Subcommittee enacted during the late 1980's, including expedited check clearing and mandated disclosure of credit card and home equity loan terms. Peter has also been instrumental in the progress the Senate has made in recent years on interstate banking, product liability, and financial modernization.

Peter has had such an impact because he is so creative, and is so adept at bringing adversaries together in search of common ground. Time and time again, Peter has seen a problem and has worked to devise an innovative approach to address it. And time and time again, Peter has worked to narrow the gap between people on opposite sides of an issue—which is never an easy task, particularly on contentious financial services issues.

Yet, Peter's most shining trait has long been his kindness toward others. When his fellow staffers seek his counsel on legislative strategy and other policy matters, he is generous with his time and advice.

Peter has always made a special effort to help his younger colleagues. Through the years, he has spent considerable time helping young staffers learn the ropes and avoid Capitol Hill's pitfalls. He has offered support and guidance to numbers too numerous to mention, and has continued to follow their careers with interest, even after they have left Capitol Hill.

Mr. President, no tribute to Peter Kinzler would be complete without mentioning his taste in neckties. Long before the fashion world rediscovered the styles of the 1960's, Peter was sporting neckwear that looked like haute couture a la Peter Max. They always elicited comment, and much though I hate to admit it, I will miss Peter's assaults on fashion sensibilities.

Mr. President, I must admit in closing that Peter is choosing an odd way to begin the second half of his life. He

turned 50 recently, and few sane people I know would choose to mark that milestone by jumping into the battle for Resolution Trust Corporation funding. Still, there is no better person for the job, and it is evidence of Representative NEAL's good judgment that he has chosen Peter for the task.

Mr. President, I am deeply grateful to Peter for all his hard work for me over the past 12 years, and I shall miss him. I wish him great success in all his future endeavors, and I wish health and happiness to his family—his wife Ginny, and his children Samantha, Valerie, Jason, and Kit.

#### HEALTH CARE

Mr. BREAUX. Madam President, I take this time to share with my colleagues some of my thoughts on what I think is one of the more pressing issues facing this Congress and indeed facing every American citizen.

There is no question in my mind that the issue of health care is one of the major priorities that we in this Senate and in the House are going to be dealing with both this year and, I think, probably next year. It is an issue that affects every American, whether they be young or old, a small child or a senior citizen. Everyone is affected by health care and everybody is going to be affected very directly in a very personal way by what we do or what we do not do on the question of health care.

It is clear that is on the minds of all of my constituents. I have just completed a series of six separate hearings in my State of Louisiana in six separate cities on the question of health care and what we should do about it. We had some really interesting conversations and testimony by people who have problems, by hospitals who feel that it is not working. Many medical professionals are uncomfortable with the bureaucracy that dictates that 20 to 30 percent of their costs are not costs they incur in delivering health services but are costs that they have to incur just filling out forms. They think that is time they should be spending on helping people get better.

In 1970, we in this country spent about the same on health care as we spent on all of education. In 1992, just last year, we spent the same amount on health care, both public and private, as we spent on all of education plus all of national defense plus all of the cost of running all of the prisons in all America plus all the money we spent on food stamps, farm programs, plus all of the money we spent on foreign aid combined.

I think that is a frightening realization and factual statement of how much more we are spending on health care in America, and many people feel they still do not have adequate access to quality health care at a price they can afford. While we are spending all of

that money we still have 37 million Americans who do not have any health insurance at all, that have to rely on emergency rooms in order to get treatment.

One of the interesting questions people ask at my hearings—it was asked in more than one forum—is: "Well, Senator, or hospital administrator, why does an aspirin cost \$2 in a hospital? I could buy a bottle and bring it with me and save myself a lot of money." I think many Americans are beginning to question the cost of the services and are now starting to find out that many of those costs are because people do not have insurance. The \$2 aspirin is helping to pay for the hospital's 30 or 40 people they might have seen in the emergency room the night before who have no health care insurance at all. So the point is that we are all paying for a system that in many cases is not working very well.

The point I want to make this morning in the few minutes is this: The administration, under the leadership of Mrs. Clinton and the work that she has done in chairing the Commission on Health Care, I think is right on target. That Commission has had days, hours, weeks, and now indeed months of private meetings and public meetings with medical professionals, with consumers, with just interested citizens who say, "I want to contribute to making our health care system work better than it is working now."

And we are going to be receiving, on May 15, from that Commission and from this President a recommendation. I want to commend the Commission and the work that they have done so far. Some say, well, we do not have enough consumers on the Commission. Some say, well, we do not have enough doctors or enough hospitals on the Commission; we do not have enough of this type of doctor or this type of medical supplier on the Commission.

I emphasize that, while we have 60 medical doctors on the Commission, we have literally hundreds of people serving who represent Members of Congress, who represent our constituents on that Commission. The Commission is just the beginning; it is not the finish. It is just the start; it is not the end of the process. The process just begins with the Commission submitting to the Congress the recommendation. Then we start our public hearings where everybody will be able to come and be represented and have their voices heard as to what they think is right with that recommendation, what they think is wrong with it, whether they like it as it is, or whether they think it can be modified. We will have adequate public hearings where everyone will have a chance to be heard.

The second point I make is that I think the Commission is doing something that should be followed in other legislative efforts. That is advance con-

sultation with Members of Congress, whether they be liberal or whether they be moderate or whether they be conservative, yes, whether they be Democrat or whether they be our colleagues on the Republican side. I want to commend Mrs. Clinton in particular for having the private meetings with Republican Senators, private meetings with Democratic Senators, and private meetings with both Republicans and Democratic Senators sitting together to say, what do you think we should do? And telling them what they have done and what their recommendations are starting to look like and asking for a response.

I suggest that people may not like what this Commission is going to recommend, and I will say something I think needs to be heard, that no one will be able to oppose this recommendation because they have not been consulted. People are being consulted on a daily basis. Meetings are continuing to occur. Members are being asked for their advice regardless of which party or what political perspective they happen to have, to get their input into this process which affects every American. I think that is the right procedure. I think they are right on target. I do not think anyone will be able to say, as a member of our Finance Committee in the Senate who is going to hear this legislation and have our public hearings, that, "I do not want to be part of this plan because I have not been consulted," because they have been consulted.

Everybody has been consulted. I have read in the press, as recently as today, that there have been comments like, "Here is what we are not going to be able to do: We are not going to be able to do NAFTA or health care, and we are not sure about whether we will be able to do a tax proposal."

But I am more optimistic than that. I think that if there is one issue that Americans want Congress to do something about, it is health care. If there is one issue that people think is not right with America, it is the availability of health care that we all need. In a country that is as rich and as strong as the United States, people question why everybody does not have access to quality health care.

I know that when you have a situation, as I perceive it, where doctors, hospitals, and medical professionals, and all of the people involved in this job as suppliers, think that it needs to be changed, when all of the consumers say that, yes, I would like some changes, when they all say the same thing with regard to preserving quality and a value, I think we are developing a consensus. I think that is great news, and I think we are going to have a health plan that will not be necessarily a Democratic plan or a Republican plan. But I suggest that we will be able to write a health plan that will be an

American plan, that will affect us all in a very positive way.

So I wanted to share with my colleagues my feeling as a Member of this body and as a member of the committee that is going to be looking at it directly, the Finance Committee. I am optimistic about it.

We all realize it is not going to be easy. I think it was easy getting in this mess. During the Reagan administration, it was easy and fun being in Congress. President Reagan asked us to do two things: cut taxes, which was easy—everybody in Congress loves to cut taxes—and he asked us to spend more money. That was easy, too. Most Members said, that is a great idea. So we did both of those and now we have the mess we have.

While it was easy getting into the mess, I suggest that it will be very hard getting out of it. Health care is one thing on which it is not going to be easy to bring about a consensus. But I think we are making progress. I am very optimistic, and I feel very positive about the ability of us to come up with a plan that will be adopted in a bipartisan fashion, that will be sent to the President and will be signed. I think we can do it in this Congress—maybe not this year, but certainly in this Congress—which is this year and next year combined. I think when it is finally written about what Congress did, hopefully they will be able to say that we did what was best for America, and we did it in a bipartisan fashion. And guess what? Everybody won. I think Americans want that, and I think we can do that.

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. BREAUX. 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. BREAUX. Madam President, I ask unanimous consent that I may speak as in morning business for not to exceed 5 minutes.

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

The Senator from Louisiana is recognized.

Mr. BREAUX. I thank the Chair.

(The remarks of Mr. BREAUX pertaining to the introduction of S. 822 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

#### CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is now closed.

#### DEPARTMENT OF THE ENVIRONMENT ACT OF 1993

The PRESIDING OFFICER. The Senate will resume consideration of S. 171, which the clerk will report.

The bill clerk read as follows:

A bill (S. 171) to establish the Department of the Environment, provide for a Bureau of Environmental Statistics and a Presidential Commission on Improving Environmental Protection, and for other purposes.

The Senate resumed consideration of the bill.

The PRESIDING OFFICER. Under the previous order, the Senator from Delaware [Mr. ROTH] is recognized to offer a substitute amendment.

Mr. ROTH. Madam President, am I correct in understanding the parliamentary position that we have a full hour to be equally divided, 30 minutes both sides?

The PRESIDING OFFICER. The time until 12:30 will now be equally divided.

Mr. ROTH. Madam President, since it is 11:40, and since we have several speakers that want to speak, I ask unanimous consent that we be given the full hour, if that is satisfactory to the chairman.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

#### AMENDMENT NO. 324

(Purpose: To establish a Department of Environmental Protection, and for other purposes)

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

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Delaware [Mr. ROTH] proposes an amendment numbered 324.

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

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

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Department of Environmental Protection Act".

#### TITLE I—REDESIGNATION OF ENVIRONMENTAL PROTECTION AGENCY AS DEPARTMENT OF ENVIRONMENTAL PROTECTION

##### SEC. 101. REDESIGNATION OF ENVIRONMENTAL PROTECTION AGENCY AS DEPARTMENT OF ENVIRONMENTAL PROTECTION.

(a) REDESIGNATION.—The Environmental Protection Agency is redesignated as the Department of Environmental Protection (hereinafter in this Act referred to as the "Department"), and shall be an executive department in the executive branch of the Government. The Department shall be headquartered at the seat of Government. The official acronym of the Department shall be "D.E.P."

(b) SECRETARY OF THE ENVIRONMENT.—(1) There shall be at the head of the Department a Secretary of Environmental Protection

(hereinafter in this Act referred to as the "Secretary") who shall be appointed by the President, by and with the advice and consent of the Senate.

(2) OFFICE OF THE SECRETARY.—The Office of the Secretary shall consist of the Secretary and the Deputy Secretary appointed under subsection (d), and may include an Executive Secretary.

(c) TRANSFER.—The functions, powers, and duties of the Administrator, other officers and employees of the Environmental Protection Agency, and the various offices and agencies of the Environmental Protection Agency are transferred to and vested in the Secretary.

(d) DEPUTY SECRETARY.—There shall be in the Department a Deputy Secretary of Environmental Protection, who shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Secretary shall perform such functions as the Secretary shall prescribe, and shall act as the Secretary during the absence or disability of the Secretary or in the event of a vacancy in the Office of the Secretary.

(e) DELEGATION OF AUTHORITY.—Except as provided in this Act and other existing laws, the Secretary may delegate any functions, including the making of regulations, to such officers and employees of the Department as the Secretary may designate, and may authorize such successive redelegations of such functions within the Department as the Secretary considers to be necessary or appropriate.

#### SEC. 102. ASSISTANT SECRETARIES.

(a) ESTABLISHMENT OF POSITIONS.—There shall be in the Department such number of Assistant Secretaries, not to exceed 10, as the Secretary shall determine, each of whom—

(1) shall be appointed by the President, by and with the advice and consent of the Senate; and

(2) shall perform such functions as the Secretary shall prescribe.

(b) FUNCTIONS.—The Secretary shall assign to each Assistant Secretary of the Department such functions as the Secretary considers appropriate.

(c) DESIGNATION OF FUNCTIONS PRIOR TO CONFIRMATION.—Whenever the President submits the name of an individual to the Senate for confirmation as an Assistant Secretary under this section, the President shall state the particular functions of the Department (as assigned by the Secretary under subsection (b)) such individual will exercise upon taking office.

#### SEC. 103. DEPUTY ASSISTANT SECRETARIES.

(a) ESTABLISHMENT OF POSITIONS.—There shall be in the Department 20 Deputy Assistant Secretaries, or such number as the Secretary determines is appropriate.

(b) APPOINTMENTS.—Each Deputy Assistant Secretary—

(1) shall be appointed by the Secretary; and

(2) shall perform such functions as the Secretary shall prescribe.

(c) FUNCTIONS.—Functions assigned to an Assistant Secretary under section 102(b) may be performed by one or more Deputy Assistant Secretaries appointed to assist such Assistant Secretary.

#### SEC. 104. OFFICE OF THE GENERAL COUNSEL.

(a) GENERAL COUNSEL.—There shall be in the Department the Office of the General Counsel. There shall be at the head of such office a General Counsel who shall be appointed by the President, by and with the advice and consent of the Senate. The General Counsel shall be the chief legal officer of the Department and shall provide legal assist-

ance to the Secretary concerning the programs and policies of the Department.

**SEC. 105. OFFICE OF INSPECTOR GENERAL.**

The Office of Inspector General of the Environmental Protection Agency, established in accordance with the Inspector General Act of 1978 (5 U.S.C. App.), is redesignated as the Office of Inspector General of the Department of Environmental Protection.

**SEC. 106. REGIONAL OFFICES.**

The Secretary is authorized to establish, alter, discontinue, or maintain such regional or other field offices as he may determine necessary to carry out the functions vested in him or other officials of the Department.

**SEC. 107. CONTINUING PERFORMANCE OF FUNCTIONS.**

(a) **REDESIGNATION OF POSITIONS.**—(1) The Administrator of the Environmental Protection Agency is redesignated as the Secretary of the Department of Environmental Protection.

(2) The Deputy Administrator of such agency is redesignated as the Deputy Secretary of the Department of Environmental Protection.

(3) Each Assistant Administrator of such agency is redesignated as an Assistant Secretary of the Department.

(4) The General Counsel of such agency is redesignated as the General Counsel of the Department.

(5) The Inspector General of such agency is redesignated as the Inspector General of the Department.

(b) **NOT SUBJECT TO RENOMINATION OR RECONFIRMATION.**—An individual serving at the pleasure of the President in a position that is redesignated by subsection (a) may continue to serve in and perform functions of that position after the date of the enactment of this Act without renomination by the President or reconfirmation by the Senate.

**SEC. 108. REFERENCES.**

Reference in any other Federal law, Executive order, rule, regulation, reorganization plan, or delegation of authority, or in any document—

(1) to the Environmental Protection Agency is deemed to refer to the Department of Environmental Protection;

(2) to the Administrator of the Environmental Protection Agency is deemed to refer to the Secretary of Environmental Protection;

(3) to the Deputy Administrator of the Environmental Protection Agency is deemed to refer to the Deputy Secretary of Environmental Protection; and

(4) to an Assistant Administrator of the Environmental Protection Agency is deemed to refer to the corresponding Assistant Secretary of the Department of Environmental Protection who is assigned the functions of that Assistant Administrator.

**SEC. 109. SAVINGS PROVISIONS.**

(a) **CONTINUING EFFECT OF LEGAL DOCUMENTS.**—All orders, determinations, rules, regulations, permits, grants, contracts, certificates, licenses, privileges, and other administrative actions—

(1) which have been issued, made, granted or allowed to become effective by the President, the Administrator or other authorized official of the Environmental Protection Agency, or by a court of competent jurisdiction, which relate to functions of the Administrator or any other officer or agent of the Environmental Protection Agency actions; and

(2) which are in effect at the time this Act takes effect;

shall continue in effect according to their terms until modified, terminated, super-

seded, set aside, or revoked in accordance with law by the President, the Secretary, or other authorized official, by a court of competent jurisdiction, or by operation of law.

(b) **PROCEEDINGS NOT AFFECTED.**—This Act shall not affect any proceeding, proposed rule, or application for any license, permit, certificate, or financial assistance pending before the Environmental Protection Agency at the time this Act takes effect, and such proceedings and applications shall be continued. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this Act had not been enacted, and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law. Nothing in this subsection prohibits the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this Act had not been enacted.

(c) **SUITS NOT AFFECTED.**—This Act shall not affect suits commenced before the effective date of this Act, and in all such suits proceedings shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this Act had not been enacted.

(d) **NONABATEMENT OF ACTIONS.**—No suit, action, or other proceeding commenced by or against the Environmental Protection Agency, or by or against any individual in the official capacity of such individual as an officer of the Environmental Protection Agency, shall be abated by reason of the enactment of this Act.

(e) **PROPERTY AND RESOURCES.**—The contracts, liabilities, records, property, and other assets and interests of the Environmental Protection Agency shall, after the effective date of this Act, be considered to be contracts, liabilities, records, property, and other assets and interests of the Department.

**SEC. 110. CONFORMING AMENDMENTS.**

(a) **PRESIDENTIAL SUCCESSION.**—Section 19(d)(1) of title 3, United States Code, is amended by inserting before the period at the end thereof the following: “, Secretary of Environmental Protection”.

(b) **DEFINITION OF DEPARTMENT IN CIVIL SERVICE LAWS.**—Section 101 of title 5, United States Code, is amended by adding at the end thereof the following: “The Department of Environmental Protection.”

(c) **COMPENSATION, LEVEL I.**—Section 5312 of title 5, United States Code, is amended by adding at the end thereof the following: “Secretary of Environmental Protection.”

(d) **COMPENSATION, LEVEL II.**—Section 5313 of title 5, United States Code, is amended by striking “Administrator of Environmental Protection Agency” and inserting in lieu thereof “Deputy Secretary of Environmental Protection”.

(e) **COMPENSATION, LEVEL IV.**—Section 5315 of title 5, United States Code, is amended—

(1) by striking “Inspector General, Environmental Protection Agency” and inserting in lieu thereof “Inspector General, Department of Environmental Protection”;

(2) by striking each reference to an Assistant Administrator, or Assistant Administrators, of the Environmental Protection Agency; and

(3) by adding at the end thereof the following:

“Assistant Secretaries, Department of Environmental Protection.

“General Counsel, Department of Environmental Protection.”.

(f) **INSPECTOR GENERAL ACT.**—The Inspector General Act of 1978 is amended—

(1) in section 11(1)—

(A) by inserting “Environmental Protection,” after “Energy,”; and

(B) by striking “Environmental Protection,”; and

(2) in section 11(2)—

(A) by inserting “Environmental Protection,” after “Energy,”; and

(B) by striking “the Environmental Protection Agency,”.

**SEC. 111. ADDITIONAL CONFORMING AMENDMENTS.**

After consultation with the Committee on Government Operations of the House of Representatives, the Committee on Governmental Affairs of the Senate, and other appropriate committees of the Congress, the Secretary shall prepare and submit to the Congress proposed legislation containing technical and conforming amendments to the laws of the United States, to reflect the changes made by this Act. Such proposed legislation shall be submitted not later than 1 year after the effective date of this Act.

**TITLE II—ADMINISTRATIVE PROVISIONS**

**SEC. 201. ACQUISITION OF COPYRIGHTS AND PATENTS.**

The Secretary may acquire any of the following rights if the property acquired thereby is for use by or for, or useful to, the Department:

(1) Copyrights, patents, and applications for patents, designs, processes, and manufacturing data.

(2) Licenses under copyrights, patents, and applications for patents.

(3) Releases, before suit is brought, for past infringement of patents or copyrights.

**SEC. 202. GIFTS AND BEQUESTS.**

The Secretary may accept, hold, administer, and utilize gifts, bequests, and devises of real or personal property for the purpose of aiding or facilitating the work of the Department. Gifts, bequests, and devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall be deposited in the Treasury and shall be available for disbursement upon the order of the Secretary.

**SEC. 203. OFFICIAL SEAL OF DEPARTMENT.**

On and after the effective date of this Act, the seal of the Environmental Protection Agency, with appropriate changes, shall be the official seal of the Department, until such time as the Secretary may cause an official seal to be made for the Department of such design as the Secretary shall approve.

**SEC. 204. USE OF LIKENESS OF OFFICIAL SEAL OF DEPARTMENT.**

(a) **DISPLAY OF SEAL.**—Whoever knowingly displays any printed or other likeness of the official seal of the Department, or any facsimile thereof, in or in connection with, any advertisement, poster, circular, book, pamphlet, or other publication, public meeting, play, motion picture, telecast, or other production, or on any building, monument, or stationery, for the purpose of conveying, or in a manner reasonably calculated to convey, a false impression of sponsorship or approval by the Government of the United States or by any department, agency, or instrumentality thereof, shall be fined not more than \$250 or imprisoned not more than 6 months, or both.

(b) **MANUFACTURE, REPRODUCTION, SALE, OR PURCHASES FOR RESALE.**—Except as authorized under regulations promulgated by the Secretary and published in the Federal Reg-

ister, whoever knowingly manufactures, reproduces, sells, or purchases for resale, either separately or appended to any article manufactured or sold, any likeness of the official seal of the Department or any substantial part thereof (except for manufacture or sale of the article for the official use of the Government of the United States), shall be fined not more than \$250 or imprisoned not more than 6 months, or both.

(c) INJUNCTIONS.—A violation of subsection (a) or (b) may be enjoined by an action brought by the Attorney General in the appropriate district court of the United States. The Attorney General shall file such an action upon request of the Secretary or any authorized representative of the Secretary.

**SEC. 205. USE OF STATIONERY, PRINTED FORMS, AND SUPPLIES OF ENVIRONMENTAL PROTECTION AGENCY.**

The Secretary shall ensure that, to the extent practicable, existing stationery, printed forms, and other supplies of the Environmental Protection Agency are used to carry out functions of the Department before procuring new stationery, printed forms, and other supplies for the Department.

Mr. ROTH. Madam President, reflecting upon our previous failures to pass the forerunners of S. 171, I and several of our colleagues suggested that the committee initiate a clean bill strategy, a strategy limited only to elevating the EPA, and that we all band together to resist any and all amendments to a clean bill. I had previously introduced a clean EPA elevation bill (S. 380) with Senators WELLSTONE, CHAFEE, and DURENBERGER. During markup, I offered this approach as a substitute for S. 171. Unfortunately, the committee rejected this proposal, and, instead, accepted the amendment offered by my distinguished chairman which included, in addition to the traditional package of extraneous provisions, a new controversial request to terminate the Council on Environmental Quality.

Why do we suggest the adoption of a clean bill strategy and why is last year's bill not good enough today? To answer that question, I note that our past efforts contained essentially two distinct parts. The first part was elevation of the EPA to cabinet level status. The second part was a series of extraneous environmental proposals such as the creation of a Bureau of Environmental Statistics, a National Academy of Sciences study on data collection, and the establishment of a commission to study our environmental laws.

It is true that I have not opposed these extraneous bureaus, commissions, studies and conferences in the past, although they were of some concern to me. However, during the last two Congresses it was the second part that prevented the first part from achieving enactment into law. Issues extraneous to elevating EPA encourage other amendments to be offered. Then those amendments generate controversy and sink the bill.

In the last Congress, we followed the committee's approval with the result that a controversial amendment was

added on the Senate floor. The amendment then served as an impediment to action by the House of Representatives. It is not unreasonable, at least in my judgment, to worry that past may be prologue, as there are all sorts of amendments in waiting both in the Senate and the House, and I fear it will not take a lot of controversy to sink our efforts.

So I believe it is time that we learned from our mistakes in strategy and initiate and pursue a clean bill strategy—one restricted only to elevating EPA. If we do not do this, we will have no objective basis on which to oppose Senate amendments and House amendments as bad extraneous amendments.

It should be noted in considering this bill's extra baggage that the EPA, like every other Government agency, is under Presidential orders to pare down. The extraneous provisions of S. 171, as amended cost extra money. I appreciate the fact that the chairman has attempted to reduce the costs, both in fact and in appearance, of S. 171, as amended. But the additional costs are still there and according to the CBO are \$8 million per year and \$39 million during the period 1993 to 1998.

The Bureau of Environmental Statistics will cost about \$5.5 million annually.

The National Academy of Sciences study on the adequacy of environmental data would cost one-half million dollars.

Grants to the State for data collection would cost about \$250,000 annually.

The bill also establishes a 13-member commission to examine and make recommendations on measures to improve the ability to protect the environment which would cost \$2 million a year for 2 years.

In addition, according to the Committee on Environment and Public Works, the administration's estimate that eliminating the CEQ saves \$2.6 million and 31 staff positions are inflated because they do not account for the costs associated with the newly created White House Office of Environmental Policy which is estimated to have 10 staff positions. CBO rightly points out that the CEQ costs are merely transferred, not cut. So the new White House positions produce a net increase in costs.

While each of these extraneous provisions may seem like only small steps in the wrong direction, they are in the wrong direction. The American people want us to trim Government's girth not add to its weight. But these provisions are ill-advised not only for creating more Government jobs but for generating controversies that jeopardize the efforts to elevate the EPA.

Madam President, my amendment is the bill that most people think the Senate is acting on. There is very little knowledge or interest in these other provisions that load down S. 171. We

can, by adopting my amendment, elevate the EPA at a cost of less than \$30,000 a year, and with a minimum of controversy. My amendment is a cheaper and safer alternative. What I seek to emphasize is like the chairman—we both want to see this agency elevated into Cabinet status, and again the reason I am offering my proposal is that I believe it offers the best chance of accomplishing that objective.

Madam President, I urge the adoption of my amendment.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. Madam President, I yield myself such time as I may use.

Madam President, I oppose the Roth amendment for several reasons which I would like to briefly outline.

First, what the Roth proposal does is simply change the name of the EPA, it does not address any of the very serious and fundamental management issues which this committee itself, the Governmental Affairs Committee, has identified as very important problems demanding attention. For example, our provisions on inherently governmental functions and conflict of interest grow directly from work that Senator PRYOR has done on this committee over the years. The Governmental Affairs Committee has also identified great areas of weakness, and my distinguished colleague from Delaware, the ranking minority Member, has been in the hearings, where we have gone into some of the EPA problems with contracting and problems with their own internal organization.

I think we would be derelict in our duty if we took no action in this elevation bill to address these concerns, and we are not addressing them if we just go to the Roth substitute.

Second, our Bureau of Environmental Statistics is an integral part of this elevation. Good data management and organization is critical to the success of both better identifying environmental problems and measuring performance of environmental programs and policies. A centralized bureau will play a very important role in accomplishing these objectives. Moreover, EPA has told us that they can fund the bureau out of current resources. I repeat, that EPA has told us they can fund the bureau out of current resources so that additional authorization of appropriations for this purpose is unneeded.

The study on data needs S. 171 calls for will also be very useful in determining how to even further improve the new Department's data management. With regard to the bureau of statistics, I need only refer Senators back to some debate we had here on clear air, on clean water, the environment. You can prove anything you wanted to prove on the floor of the U.S. Senate depending on which expert you call as one you want to rely on for their figures. You can get a study for anything.

What we are proposing with the Bureau of Environmental Statistics is to make one place like the Bureau of Labor Statistics is with regard to employment and business matters. The Bureau of Labor Statistics we look at as authoritative and we base a lot of Government programs on that, and yet in the environment, which is an ever-expanding interest to Government, and will continue to be so, we are talking here about trying to get some group that can put expertise on this to decide what is reliable in environmental statistics and what is not.

That is the reason we think this is so important.

Third, the Roth substitute does not include a provision on CEQ. That is one of first things this new administration said. They wanted to do away with CEQ, because it was not really accomplishing what it was intended to do, and they put that requirement in their report, their annual report, to EPA. It makes sense.

And they asked us to include that in this legislation, which I have done. The Roth substitute does not include that in his amendment.

So my provision would abolish CEQ and distribute its functions to the new department and the President. Elevating EPA without addressing the issue of CEQ creates, in my view, organizational illogic and imbalance in the executive branch.

Finally, the Commission on Improving Environmental Protection has been created in order to examine how various environmental programs and activities, as well as the internal structure of the new department, can be improved.

Madam President, in that regard, back some years ago when we were going to propose elevating EPA, we thought OK, EPA functions, environmental interests and functions, are literally spread all over Government—the Departments of Defense, Agriculture, and on down the list. Almost every department or agency of Government has something to do with the environment and in their own areas of jurisdiction. And many of these overlap things that EPA does.

We started trying to put together a bill that would literally take these functions and combine them under EPA for more efficient administration and to save money and still have environmental law carried out more efficiently than it is now.

I will tell you what happened on that and why we were not able to do it. It got to be so complex in trying to figure out all these things that it was beyond the capability of our staff to be able to do that.

So what we did, we said, OK, this is important enough that it should be done and we know that in the long term it will save money; we know it will strengthen environmental protection over the long haul.

So much as I dislike—and I am the first one to say that I abhor the establishment of any new commission, committee, advisory council; we have too many of them now. But in this regard and with all the internal problems EPA has had with their own management, I very reluctantly agreed that we need a commission. We terminate them at the end of 2 years. We sunset them. And I think the couple of million dollars we spend on them, if that does not come back many, many, many times over, I will be extremely surprised, because they are to advise us on internal management problems that have been pointed out on this floor recently, and also to say where, in Government, we can take functions out of other agencies and departments and bring them back under the EPA umbrella for more efficient administration.

There is no better nor more appropriate time to undertake such an examination than when we elevate an agency to Cabinet-level status. The commission's interim and final reports will serve as critical guides to making the improvements in the structure and operation of departmentwide programs, thus reducing costs and saving money.

We are talking about streamlining Government. We all love to make speeches on streamlining Government and cutting costs down. That is what this commission will do. That is their mandate.

So, in short, I oppose the Roth amendment because it does not do some of these very important things which, far from being extraneous to this effort, are integral parts of it.

Now we talk about the costs. Senator ROTH mentioned costs and that his bill would be cheaper. It is a question of cost.

I already addressed part of that, but let me address the rest of it.

The argument against the establishment of the Bureau of Environmental Statistics, for instance, rests on CBO figures regarding its cost—\$5.5 million per year. That is about one-tenth of 1 percent, one-tenth of 1 percent, 1/1000 of EPA's current budget. We need to understand that CBO's cost estimates on a bill or portion of a bill proceed on the basis of rules that do not necessarily take into account the actual managerial decisions made by a department Secretary.

Now, EPA has been authorized a certain level of expenditures for next year, and there is no reason to assume they were not planning to spend their full complement of appropriated funds for next year.

But the department has informed us that, perhaps out of necessity, considering the pressure to work more efficiently in Government, they believe they can find efficiencies that will allow them to carry out the functions of the bureau without additional authorization of appropriations. And I ap-

plaud them for that. They say they can absorb a cost of one-tenth of 1 percent of their budget "without breaking a sweat." I would agree with them on that.

What is more, my substitute eliminates the Council on Environmental Quality, as I mentioned, something the Roth amendment does not do. And CEQ is an agency that has under 31 full-time employees, FTEs. EPA is adding only eight new positions under my bill the first year, and the bureau will take over CEQ's responsibility for producing the required annual report on environmental quality. Additional positions may be required in the future, but EPA's commitment to do more within its current base level of resources suggests that they will be able to do CEQ's function with considerably less than the 31 FTEs previously authorized for that agency.

CBO does not take that into account in their figures. Here is an agency wanting to do better, and I think we should be encouraging them.

I am not saying that CBO should change their rules, but I think we should use some common sense. Here we have an agency that is committing to absorb the cost of establishing and running this bureau within its current base level of resources. With the abolition of CEQ, those 31 FTE's, we are coming out with a net saving to the taxpayer, while establishing a function within the EPA that desperately needs to be done; namely, how can they more efficiently organize what has been admittedly a management nightmare over there and how do we draw back in all of these different functions of Government, also, so that we make more efficient administration of all of our EPA law.

As for the Commission, it will only operate for 2 years. We have already heard on this floor from Senator MURKOWSKI, for one, and others some of the horror stories regarding EPA's implementation of environmental laws. And I agree with that. I can add more to what they already said, because we have had hearings on this and it has been pointed out in our committee reports some of the difficulties EPA has had.

We have heard about inefficiency, overlap, illogical regulations. EPA is now over 20 years old and there has never been a comprehensive look at whether there should be a national environmental strategy, whether the internal organization of EPA programs is sensible, what management reforms need to be done, whether we have been doing environmental regulation in a sensible and logical way, whether we have been following a risk-based strategy of protection, and whether the interagency overlaps are costing the taxpayers unnecessary expenditures of their hard-earned money.

Madam President, I just do not think that \$2 million a year for 2 years is too

much to pay in order to address these very fundamental issues. I just think it is money well spent. Because if the Commission does its job, then we will end up saving billions, and I mean billions.

In short, Madam President, the Roth amendment eliminates some very important functions which I strongly believe are critical elements of this elevation proposal, and I urge every Senator to oppose the Roth amendment.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. GLENN. Madam President, I ask unanimous consent, if there is nobody else wanting to speak at this time that the time be charged equally against both sides.

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

Mr. GLENN. I ask unanimous consent that such time as I use on this be charged against my time.

The PRESIDING OFFICER (Mr. BREAUX). Without objection, it is so ordered. The Senator from Ohio is recognized.

Mr. GLENN. Mr. President, I rise to put in two bits of information, here, two things that the administration sent us.

I ask unanimous consent that they be printed in the RECORD.

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

#### I. BUREAU COSTS AND JUSTIFICATIONS

The Bureau will help, and would have helped us, do all of the following:

Address Federal facility environmental problems—The Bureau would have helped us know more and begin to get a handle on this problem. Environmental problems at U.S. government agency facilities are the largest, most expensive, and most problematic environmental cleanup problems in the nation.

Determining consistency of approach and measurement of performance of environmental statutes and regulations across the country.

Monitoring for ozone in rural areas—In this area the Bureau would have identified this as a missing information need and coordinated with the relevant agency to see if such data could be collected or if we were doing adequate collection.

Improve the monitoring of water quality, pesticides, and exposure to toxic substances.

Improve the monitoring of airborne concentrations of lead. A few years ago, only 53 monitors were in place for the whole country to perform such measurements.

Increase the efficiency of use of environmental data bases. Currently such data compilation is done in over a dozen different federal agencies. This dispersion is inefficient and potentially redundant. The Council of Economic Advisers is an excellent example of how data compilation and reporting can and should be done. The Economic Report of the President includes over 100 tables many of which show statistics going back to 1929. This report makes it possible to assess a number of important economic measures. There is no analog to this in the world of environmental statistics—no single source of information that allows us to measure performance. The Bureau will provide this.

Improve the management of available environmental data at EPA. EPA has three data bases for regulating disinfections, yet EPA officials have told the GAO that as much as 60 percent of the data on disinfectant product claims are inaccurate or incomplete. In another case, EPA maintains nine separate database management systems to track information about pesticides awaiting reregistration, including the results of health and environmental studies. Yet, when, in 1991, a trainload of metam sodium spilled into the Sacramento River, EPA was unaware of information in its files indicating that metam sodium can cause birth defects. As a result the agency could not warn pregnant women and workers of the pesticide's hazards.

#### II. COMMISSION COSTS AND JUSTIFICATIONS

What exactly will the Commission buy us? Why should we spend \$2 million next year on this effort? I believe this question is easily answered.

Small business and small community compliance assistance programs—the Commission can do much in the way of making recommendations to aid these entities with environmental compliance. The Commission's review of this matter will be critical.

EPA regulation of radionuclides under the Clean Air Act—the Commission may examine the possible overlap between EPA and the Nuclear Regulatory Commission and make recommendations about this problem.

The Commission also will look at the lack of coordination in federal environmental programs administered by the Department, such as the regulation of major toxic chemicals where the Environmental Protection Agency, the U.S. Food and Drug Administration, and the Department of Health and Human Services all have regulatory responsibility.

Regulation of mixed waste, in which the responsibilities of EPA and the Department of Energy overlap. Once again, the Commission's review of EPA's management and organization of these programs could make a critical difference in improving their effectiveness and efficiency.

The Commission's mission to enhance the organization of Departmental program will finally yield recommendations about ways to address cross-media concerns—the interplay and interconnections among and between air, land and water, and how one medium is ultimately affected by others. The organization of the Department must be examined carefully in this area.

The Office of Research and Development's mission cuts across many different offices in EPA. How efficiently is its mission integrated and how well does it work with other program offices? Has this affected EPA's ability to lead on such critical issues as the radon gas problem, ozone depletion, global warming and so on?

The Office of Enforcement generally doesn't have inspection and compliance functions but instead these have been parcelled out to the various program offices. Thus when the Enforcement Office asserts certain priorities in terms of inspections and compliance, these may not be the same priorities of the program offices or vice versa.

Pollution Prevention is another area which cuts across many program offices. How should this be handled? What is the most effective way to incorporate this concern into all program areas?

How will the new Bureau of Environmental Statistics, or even simply the agency's current statistics efforts mesh with the Office of Research and Development?

There is conflict between the Clean Water Act and RCRA (the Resources Conservation and Recovery Act) with respect to coordination of water permitting and hazardous waste disposal permitting (the "mixture and derived from" controversy). Which statute governs with respect to release of water which has been in contact with hazardous waste but which may be "clean" under the Clean Water Act?

The same is true of permitting under the Clean Air Act with respect to incinerators and the ash they produce.

#### WHY DOES EPA NEED A BUREAU OF ENVIRONMENTAL STATISTICS?

A number of studies, including the recent EPA Science Advisory Board Report entitled "Reducing Risk: Setting Priorities and Strategies for Environmental Protection", have stressed that we lack the information needed to assess the current state of the environment, the magnitude of various environmental problems, and the effectiveness of our environmental programs. The BES is an important step in strengthening the Agency's capacity to provide accessible environmental statistics to meet the growing needs of decision makers and the public for credible environmental information.

1. The BES will provide a broad array of environmental statistics and information. Today there is no program that provides statistical information on the environment as a whole. Requests from EPA customers for statistical information are met mainly by dozens of individual program offices. For a State environmental program official, finding the sources of statistical information you want can be a frustrating experience; for the average citizen, it can be practically impossible. In many cases the BES will be able to provide environmental statistics directly to the requester. In all other cases a BES will serve as a clearinghouse by directing requesters to the right source, whether they be inside EPA, in other federal or state agencies.

2. The BES will provide environmental statistics at EPA with a strong internal advocate and customer. Most people agree on the need to strengthen EPA's base of environmental statistics. As budgetary pressures increase, however, there will be a tendency to focus Agency resources away from information collection and ever more narrowly on strict statutory obligations (e.g., regulations, permits, enforcement actions). Within the budgetary decisions of individual programs, investments in environmental statistics and information will be treated as a luxury. By clearly articulating Agency-wide information collection and statistical needs, as well as the roles of individual programs in meeting those needs, the BES will maintain the visibility of environmental information in the Agency's planning and budgeting process.

3. As the environment is viewed as more central to discussions in other areas of public policy (e.g., the economy and investments in transportation and other infrastructure) EPA must develop a capacity to respond to requests for relevant, cross-cutting environmental statistics to inform these discussions. The BES will provide such a capacity to respond to requests for:

Environmental statistics related to more than one program, (e.g., a compilation of environmental statistics for a region of the country) and

A compilation of statistical information on environmental issues for which no individual program has specific responsibility (e.g., the environmental impact of NAFTA).

Mr. GLENN. Mr. President, one is Bureau costs and justifications: "The Bureau helped, and would have helped us, do all of the following: Federal facility environmental problems; consistency of approach and measurement"—and on and on, with the number of things that make the Bureau of Statistics a very valuable tool for the future.

A second part of this is Commission costs, the Commission we proposed, their costs and justifications and what the administration's views on this are and how they plan to use this. I have already had it printed in the RECORD here.

I reserve the remainder of my time and ask unanimous consent the time again be charged equally on both sides.

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

Mr. BINGAMAN addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. GLENN. Mr. President, I yield 5 minutes to the distinguished Senator.

The PRESIDING OFFICER. The Senator is recognized for 5 minutes.

Mr. BINGAMAN. I thank the Senator from Ohio, the distinguished chairman of the committee.

Mr. President, I rise to very briefly indicate my support for the substitute which Senator GLENN has put before the body, and urge my colleagues to defeat the proposed amendment of the Senator from Delaware and go forward with the Glenn substitute amendment which was reported out of the committee of jurisdiction.

The legislation contains several elements that will reorder the EPA and foster a better environmental policy. First, the elevation to Cabinet status recognizes the strategic importance of the environment to the future of the country and to the world. It provides that, in decisionmaking at the highest level of our Government, environmental issues and environmental concerns will be adequately considered.

S. 171 also addresses the need for better data management analysis in solving critical environmental problems through the creation of a Bureau of Environmental Statistics. We cannot credibly produce sound environmental policies unless we have strong analytical underpinning for those policies. This Bureau is sorely needed. Moreover, I understand that it would be funded out of current EPA resources.

Senator GLENN's amendment also addresses the contracting problems that have plagued the Environmental Protection Agency, as well as making changes that will rationalize the formulation and execution of environmental policy. In particular, the Glenn amendment establishes a commission on improving environmental protection, which will conduct a thorough review of Federal policy and regulatory activities. A reformulated U.S. Department of the Environment, as proposed

in Senator GLENN's amendment, would prepare our country to face the challenges ahead and to do so in a cost-effective and responsible manner.

Mr. President, I have had constituents raise questions with me about whether additional funding is required as a result of this amendment. I am persuaded that additional funding is not required. This can be done out of the resources now available to the EPA. I have been asked whether additional regulation and duplication of regulation would result. And, again, I have satisfied myself that that is not the case and that, in fact, the amendment that the Senator from Ohio has proposed will help us to eliminate duplication of regulation, eliminate the overlapping of regulatory jurisdiction which has existed in the past, and help us to streamline that Department and make it more usable and more understandable by the American citizens.

So I strongly support Senator GLENN's proposal in this regard. I urge my colleagues to support it as well. I hope that later today we can see a successful adoption of Senator GLENN's substitute amendment.

Thank you, Mr. President. I yield the floor.

The PRESIDING OFFICER. The Senator yields the floor. Who yields time?

Mr. DECONCINI addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio controls the time.

Mr. GLENN. I yield the Senator from Arizona—how much time does he need?

Mr. DECONCINI. Three or four minutes.

Mr. GLENN. Three or four minutes.

The PRESIDING OFFICER. The Senator is recognized for 4 minutes.

Mr. DECONCINI. Mr. President, I want to compliment the Senator from Ohio, Chairman GLENN, and the Governmental Affairs Committee for having done a tremendous job of creating a bill that finally gives environmental concerns the priority and the status that it so badly needs.

The EPA has come under much criticism, but it also has come under much praise. I think by elevating this to a Cabinet-level position in the manner of the substitute offered by the Senator from Ohio will indeed make it a better organization and capitalize on the positive things that the EPA has been involved in. We all have had problems—I have had them in my State—where the EPA has, we believe, gone outside the scope of what was intended when it was created. But we also have seen the benefits of the Environmental Protection Agency enforcement of laws that we in Congress have put on the books to ensure that the environment is improved. And it is better; it is better today than it was, and much of that goes to the Environmental Protection Agency.

I disagree with the amendment of the Senator from Delaware, who I have the greatest respect for and have worked

with many times before, because, in my judgment, it will do little more than simply change the name of the Environmental Protection Agency to the Department of the Environment. Elevating the EPA to a Cabinet-level department is just one aspect of really focusing on the environmental problems we face, domestically and internationally. Yes, I say internationally. We have to be able to deal with the international problem. Two years ago an amendment was adopted on a bill that authorized the EPA to deal directly internationally with the Mexican Government for problems along the border of Mexico and the United States, because with NAFTA coming before us as a possible fast track, which we approved, there were environmental problems. And to deal with the State Department and the Commerce Department was too cumbersome. EPA had that authority, has it now, it is my recollection, to go ahead and deal internationally. Obviously, it has to be in concert with the State Department, but they no longer have to wait for the State Department to say, yes, you can deal internationally. So we have an expanded role for the EPA.

We need to do more. We need to give this new department the tools to gather information that will really put teeth into environmental protection and arm it with some responsible decisions on environmental regulations.

Mr. President, I firmly believe that the Bureau of Environmental Statistics and the Commission on Improving the Environment are integral parts of truly elevating the status of the EPA. They will provide a sound basis of environmental data and improve and streamline the management practices of the new department. As has been indicated here, which is most encouraging, it is estimated that it is not going to cost more money to do this. Through reorganization and reallocation of the present resources, these things can be done. They are extremely valuable information that need to be put together.

So, again, I want to emphasize how important this bill is to really dealing with environmental regulations and protections in our country. It has the support of most of the major environmental groups. The administration strongly supports it.

Again, I compliment the Senator from Ohio for his leadership and thank him for yielding the time.

The PRESIDING OFFICER. The time of the Senator has expired. The Senator from Ohio controls 5 minutes. The Senator from Delaware controls 16 minutes. Who yields time? Time will be charged equally to both sides.

Mr. ROTH. Mr. President, I make a point of order a quorum is not present.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

The PRESIDING OFFICER. Who yields time?

Mr. GLENN. How much time does the Senator need? Senator BAUCUS is here also. Can the Senator use 2 minutes?

The PRESIDING OFFICER. The Senator is recognized for 2 minutes.

Mr. AKAKA. Mr. President, I rise in strong opposition to the amendment offered by my colleague from Delaware. I believe the amendment is ill-advised, for several reasons:

First, the Roth proposal would simply change the name of the EPA—it does not address any of the fundamental management issues which the Governmental Affairs Committee has identified as demanding attention. For example, our provisions on inherently governmental functions and conflict of interest grow directly out of Senator PRYOR'S work on the committee. The committee has also identified great weaknesses in the agency in the area of contracting. We would be irresponsible if we took no action in this elevation bill to address these concerns.

Second, our Bureau of Environmental Statistics is an integral part of this elevation. Good data management and organization is critical to the success of both better identifying environmental programs and policies. A centralized Bureau will play a crucial role in accomplishing these objectives. EPA has told us that they can fund the Bureau out of current resources; thus, additional authorization of appropriations for this purpose is unnecessary.

Third, the Roth substitute does not include a provision addressing the Council for Environmental Quality, something the administration has requested and which is accomplished in the Glenn substitute amendment. The provision would abolish CEQ and distribute its functions to the new department and the President. To elevate EPA without addressing this issue would result in organizational imbalance in the executive branch.

Finally, Mr. President, the Commission on Improving Environmental Protection has been created in order to examine how various environmental programs and activities, as well as the internal structure, of the new department can be improved. There is no better or more appropriate time to undertake such an examination than when we elevate the agency to Cabinet-level status. The commission's interim and final reports will serve as critical guides to making improvements in the structure and operation of department-wide programs, thus reducing costs and saving money.

In conclusion, Mr. President, my colleagues should oppose the Roth amendment because it does not make those

improvements that are integral to the entire effort to raise EPA to department status. Congress is not a cipher. It is our job to enact the best legislation possible: whereas the Glenn substitute attempts to do this, the Roth amendment merely enshrines the status quo.

As to the question of cost, it is true that the Roth alternative would cost less. But the Glenn substitute amendment will also result in significant savings over the original bill—and the relatively small cost of the substitute amendment will soon pay for itself, by improving the efficiency and effectiveness of EPA's operations. The same cannot be said for the Roth amendment, which simply calls for business as usual.

Thank you, Mr. President, I urge my colleagues to oppose the Roth amendment and to support the Glenn substitute.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time?

Mr. GLENN. I yield 2 minutes to the Senator from Montana.

The PRESIDING OFFICER. The Senator has 2 minutes.

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

The PRESIDING OFFICER. The Senator has 2 minutes 20 seconds.

The Senator is recognized for 2 minutes.

Mr. BAUCUS. Mr. President, I thank the chairman of the committee.

With the short time remaining, let me make two very simple points. One, I oppose the amendment for this reason: It is very shortsighted.

It is critical to have a commission, Mr. President, to evaluate the rules and regulations that the EPA has promulgated in the past so that they are much better coordinated and are more integrated into a whole. Our committee, the Environment and Public Works Committee, has held many hearings. We constantly hear the complaint of people across the country, from businesses, state officials, about the complexity and the array of regulations; we absolutely need coordination.

This Commission contained in the underlying bill is essential. I am appalled, frankly, that the Senator from Delaware is not in favor of the Commission so we can better coordinate the rules and regulations that now exist.

Second, we need better data. We need much better data. We desperately need much better data. Our committee's hearings make it equally clear that our environmental laws are not tailored to the problems as well as they should be. That is, the laws tend to be stronger in some areas and weaker in others. Why? Because we do not have the data. We do not know what we are doing half the time.

Sure, there are some private data. Yes, different agencies have some data.

Some States do, too. It is not well coordinated. It is not well targeted. We desperately need a way for our country to better align the environmental problems that we have with the remedies. And the best way to do that is to have better data of what is occurring.

So for those reasons, I very strongly urge the Senate to not adopt the Roth amendment because in so doing we deprive ourselves both of data and the Commission to organize the rules and regulations.

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

Who yields time?

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. I yield myself such time as I use.

The PRESIDING OFFICER. The Senator is recognized.

Mr. ROTH. Mr. President, first let me emphasize what I think is critically important, that the purpose of this legislation is and should be the elevation of EPA to Cabinet status. I think it is critically important from the internal domestic point of view; I think it is important from the standpoint of international stature.

We all know that those departments with Cabinet status are more influential than other agencies. So that as we move ahead and try to get a consistent pattern in these rules and regulations affecting the environment, it seems to me of first importance that the environmental agency have Cabinet status because in many of its dealings, whether it is the Department of State, the Department of Energy, or whatever, it is dealing with departments of that status.

Second, I think it is critically important from the international standpoint that EPA be given Cabinet status.

In the committee report, the majority statement quotes Russell Train, former EPA Administrator, who says, "I can personally attest to the fact that in dealing with representatives of foreign states, rank and status are important."

So I think it is important that when the EPA Administrator represents this country in seeking international agreements and understandings that ensure all countries are going to live by the same rules and regulations, our chief spokesman have Cabinet status. For that reason, I urge we have a clean bill.

There is no difference between the chairman and myself as to our goal of giving the Environmental Protection Agency Cabinet status. We both think that is important. I want to emphasize that in doing so we are not just upgrading its name; we are giving it the prestige and authority it needs in dealing with other domestic agencies, as well as other spokespersons from other countries.

My concern is that twice already we have enacted legislation in the Senate

to give this status to our EPA. But when it came to final enactment, nothing ever happened because the legislation had extraneous amendments added to it. What we are proposing today is to go down that same road if we do not adopt my amendment. My concern is that if my amendment is defeated, if we do not have a clean bill, then other Senators are going to try to add extraneous amendments.

I am concerned that the same thing is going to happen on the House side as has happened in the past. And there are some very controversial propositions being discussed there. So what will happen is that once more we will end up with no legislation enacted into law that makes EPA a Cabinet-level department.

Now, I am not really here to try to argue the individual proposals. As I mentioned, I have considerable concern about them. They do increase the cost somewhat. These are times in which a principal purpose of this Government, according to the President on the executive side, and certainly from what one hears in the Congress, is to reduce the deficit, to reduce Government. What concerns me is that these extraneous amendments, while they may have some legitimate purpose, nevertheless add costs. It is for that reason I hope we would not insist upon them being part of this legislation.

I would point out the Congressional Budget Office cost estimate of the legislation pointed out that the Bureau of Environmental Statistics would cost about \$5.5 million annually when fully implemented. So what we are doing is creating a new bureaucracy there.

In the case of the Council on Environmental Quality, the same thing is happening, because what will happen is that those responsibilities will be transferred to the environmental agency but then in the White House we are adding an additional 10 positions. So once again we are creating additional bureaucracy at the very time in which the President himself has talked about downsizing Government and about reducing costs.

Mr. President, the principal point I want to make—at least what I have always thought—is that the real purpose of this legislation is to give Cabinet status to EPA because of the importance we attach to environmental protection. I greatly fear that if my amendment is defeated, we will see what happened in the last 2 years, that the legislation will go nowhere, and 2 years from now we will be here once again making the same proposal. Mr. President, I urge adoption of my amendment.

I yield the floor.

**The PRESIDING OFFICER.** There are 7 minutes, 21 seconds remaining. The Senator from Ohio controls 30 seconds.

**Mr. PELL.** Mr. President, I wish to add my voice to those supporting the

excellent work of the chairman of the Governmental Affairs Committee. I am pleased to be a cosponsor of the chairman's bill.

Under the leadership of the senior Senator from Ohio [Mr. GLENN], the committee has reported an eagerly awaited bill to elevate the Environmental Protection Agency to the Cabinet.

The Department of the Environment, as created by this legislation, would be launched with the addition of a Bureau of Environmental Statistics and the elimination of the Council on Environmental Quality.

In addition, the new Department of the Environment would be required to seek more accountability by reducing its outside contracting for what are inherently governmental functions.

The new Department also will benefit from the creation of the Commission on Improving Environmental Protection. This 13-member Commission will focus on how best to improve the management and implementation of environmental laws and programs.

Mr. President, it's about time we elevated the issue of environmental protection. Now, at last, we will have an institutional voice for the environment in the President's Cabinet.

I strongly support the chairman's legislation and hope my colleagues will join in passing a clean bill that will get this new Department off on a sound footing.

Mr. LEVIN. Mr. President, as an original cosponsor of S. 171, I am pleased that the Senate is considering this legislation to elevate the Environmental Protection Agency to a Cabinet-level department. EPA's elevation to the Cabinet reinforces the significance of the mission of this agency and sends an important message to the world about Americans' priorities. It is appropriate that we began consideration of this legislation on Earth Day and I hope the Senate and, subsequently, the House act quickly to pass S. 171.

I join Chairman GLENN in opposing the Roth amendment and other amendments that seek to change the bill that we have reported from the Governmental Affairs Committee, and was later reported by the Environment and Public Works Committee. The Roth amendment would strip S. 171 of two provisions which I believe are important and will help the EPA perform more efficiently in the long run. One is the Bureau of Environmental Statistics and the other is the Commission on Improving Environmental Protection.

The General Accounting Office has recommended that EPA establish a central unit for collecting, analyzing, and disseminating environmental data, and that is exactly the Bureau's role. The Nation's desire and ability to collect environmental data increases al-

most daily, such that the volume of information has become unmanageable and unfocusable. At the same time, the need is ever more pressing to better understand the intricacies of the national and global environment. We need this Bureau to channel and make useful the data we collect so that we can make wise policy decisions on every issue from Great Lakes water quality to global climate change.

The Commission on Improving Environmental Protection will also make the new Department more efficient. The Commission will take up to 2 years to review the EPA's existing structure and programs and make recommendations on how to improve their implementation and management. This Commission complements President Clinton's desire to reinvent government and promises to significantly enhance EPA's past performance.

Mr. President, I would like to mention briefly an issue which I think is integral to the success or failure of our environmental policies; an issue which has historically received too little attention—the burden of mandates placed on small, local communities to comply with environmental regulations and standards.

We are not talking about a small sector of our society, but Federal agencies often regulate as if we are. Over 70 percent of the general purpose governments in the United States have populations of less than 3,000 and half are under 1,000. Moreover, only 3 percent of localities in this country have more than 50,000 inhabitants. However, it is apparent that when these communities are faced with costly regulatory requirements, they do not have a very big tax base upon which to draw.

Federal agencies often forget that small, local governments are frequently comprised of individuals who serve their communities on a volunteer, part-time or low-salary basis. These dedicated individuals are not experts in waste water treatment or air pollution or infrastructure repairs. Moreover, oftentimes these local officials have very limited access to technical experts, legal counsel, or even computers. Given these realities, we are obligated to pay particular attention to the burdens our Federal regulations can place on small communities. This burden can result in exactly what we do not want—noncompliance.

That is in part why we passed the Regulatory Flexibility Act—to force Federal agencies to take the limitations of small entities like small local governments into account in issuing regulations. In the fall of 1988, the Governmental Affairs Committee, of which I am a member, held a hearing on the effectiveness of this legislation in easing the regulatory burden on small entities. Unfortunately, we discovered that the act had not been consistently implemented and compliance by many

agencies has been inadequate, particularly with regard to small communities.

As a result of the problems uncovered at that hearing, Chairman GLENN and myself, along with other members of the committee, introduced the Small Government's Regulatory Partnership Act to gain more effective compliance with the Regulatory Flexibility Act. Due to certain concerns raised regarding the structure of the Small Governments Act, we have continued to wrestle with the issue of how to sufficiently strengthen the Regulatory Flexibility Act to ensure compliance.

I am once again working with the full committee to put some teeth back into this important law. As part of this effort, I recently signed a letter, along with Chairman GLENN and Senator DORGAN, to President Clinton regarding more effective implementation of the Regulatory Flexibility Act.

Obviously, the EPA is at the forefront of the agencies which promulgate regulations affecting small communities and, therefore, has a significant need for heightened sensitivity in this area. The EPA has already undertaken certain initiatives in recognition of the need to address the concerns of small governments. One of those initiatives was the creation, in 1989, of the Small Community Coordinator Program. This office is headed by the Small Community Coordinator, who is charged with integrating the concerns and special needs of small communities into the regulatory process. I and other members of the Governmental Affairs Committee strongly supported the establishment of that office.

Therefore, as the committee prepared to act on the legislation to elevate the EPA to a Cabinet-level agency, I wrote to EPA Administrator Carol Browner to follow up on the status of this important office and to inquire as to her commitment to ensuring a meaningful role for the Small Community Coordinator Program within the agency. Depending on her response, I had planned to move to offer an amendment to codify this office and, therefore, seek to ensure a meaningful and permanent role for this office.

I am pleased to report that the response from Administrator Browner reflects a strong and active commitment on her part to not only the continued existence of the Office of the Small Community Coordinator, but to putting in place new initiatives and enhancing current programs to address the special needs of small communities. The letter lists six ongoing and/or planned initiatives directed toward small community issues such as the establishment of a small community task force headed by the Small Communities Coordinator and the completion of a "Guide to Federal Environmental Requirements for Small Governments".

I did, however, offer and get accepted a separate but related amendment during the committee consideration of S. 171 to the section which establishes the Commission on Improving Environmental Protection. My amendment requires this new Commission to review and make recommendations on the specific concerns and problems faced by small governments in complying with EPA regulations. A similar provision was included for small businesses by my good friend Senator LIEBERMAN, and I supported that effort. When we enacted the Regulatory Flexibility Act, we recognized that small businesses and small governments face similar problems with regulatory compliance. It is only logical to require the Commission to address both these important matters.

It is wrong for agencies to continue to promulgate regulations that significantly affect small communities without addressing their needs and understanding the capacities of these governments to do what we ask of them. It unfairly burdens these communities, and it is an ineffective means to achieve our environmental ends. It appears that Administrator Browner recognizes this and is willing to take steps to integrate these concerns into the policy process within the EPA. I look forward to working with her and her staff on this and other issues.

Mr. President, the Senate has spoken before in favor of elevating EPA to the Cabinet. S. 171 is a good bill and deserves swift passage. Any effort to strip it of useful components or reduce its effectiveness should be opposed. I urge my colleagues to support S. 171 as reported.

I would also like to compliment my chairman, Senator GLENN, and his staff, for extraordinary efforts on behalf of this legislation and environmental protection, in general.

I ask unanimous consent to have Administrator Browner's letter, which I referred to previously, be printed in the RECORD.

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

ENVIRONMENTAL PROTECTION AGENCY,  
Washington, DC, April 21, 1993.

HON. CARL LEVIN,  
Chairman, Subcommittee on Oversight of Government Management, Committee on Governmental Affairs, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN LEVIN: Thank you for your interest in the Agency's Small Community Coordinator (SCC) program. I, too, believe in the importance and benefit of a prominent small community program, and am committed to ensuring that small communities issues are considered in Agency rulemaking and policy development.

As you requested, we are happy to provide you with the following information.

1. An organizational chart which shows the placement of the program within the structure of the EPA is enclosed. As noted, the SCC officially reports to the Associate Ad-

ministrator of the Office of Regional Operations and State/Local Relations (OROSLR) in the Office of the Administrator. Its activities are closely coordinated with overall Agency activities relative to local governments in general.

2. The SCC program is officially staffed with five small community specialists, including the Small Community Coordinator and an economist-statistician in charge of a Small Community Information and Data Program. This data function has recently been enlarged to make possible a more general development of information on local governments as well as small communities.

There are a number of important activities scheduled for the small community program in 1993-94. These include:

A. Establishment of a Small Town Task Force (STTF). It is envisioned that the STTF will become a work group of a larger Local Government Advisory Committee, which is currently being established. I am currently reviewing nominations for participation in the STTF. We anticipate the group will conduct its first meeting within the next few months. The Agency's Small Community Coordinator will have principal responsibility for coordination of the activities of this Task Force.

B. Listing Environmental Requirements Applicable to Small Towns. We are in the final stages of preparing a "Guide to Federal Environmental Requirements for Small Governments." This publication features plain language explanations of major EPA rules that affect small communities and provides relevant Agency contacts. The Guide will be distributed through national and state municipal, county, and township associations, and EPA regional offices. We will also be forwarding copies to Congressional offices.

C. Implementing a Program to Notify Small Communities of Regulations Listed Above, as Well as Future Regulatory Activity. This program is currently in the planning stages. It will be coordinated by the Small Community Coordinator working closely with EPA headquarters and regional offices.

D. Advocacy/Ombudsman Functions. These activities are an ongoing responsibility of the SCC program. These activities are carried out in close cooperation with Small Community Contacts in each Region and each headquarters program office.

E. Data Program. In the next year, the Small Community Information and Data Program will satisfy several major needs of the Agency. First, it will establish a databank of environmentally related information about the 3,300 smallest communities in the United States (with populations less than 10,000) and their governments. Second, the Program will undertake a major initiative to measure and assess the cumulative impact and associated benefits of EPA regulations on small communities.

F. Regulatory Involvement. The Agency, through its Regulation Development Improvement Initiative and other Agency management vehicles, will intensify efforts to insure the needs and concerns of local governments are addressed in the regulatory development process through procedural changes. The Local Government/Small Community Cluster looks for ways to consider and address these needs across the Agency's programs. The Local Government Advisory Committee and its subcommittee, the Small Town Task Force, will also look at the regulatory process and advise the Agency regarding ways to make it more sensitive to the needs of local governments. The Advisory

Committee is chartered to conduct pilot projects and it is anticipated that these pilots will address procedural changes in regulatory development, changes in the analytic bases for regulatory development, and needed changes in legislation.

3. Support of the small community program is found in numerous elements of the Agency's budget. Included are staff time and support commitments in all regions and program offices. Centrally, in the Office of Regional Operations and State/Local Relations, funding includes approximately \$350,000 in personnel compensation and benefit costs, \$300,000 in contract support resources for the data development program, and travel and support funding for the five specialist positions noted above.

4. Enclosed for your information is a listing of SCC program accomplishments.

As you can see, we have an active small community program within the Agency. It is our intention to continue these activities in conjunction with a much strengthened general local government involvement policy, thereby focusing upon the building of a strong, responsible and effective working relationship between EPA and local government. I look forward to working with you in this effort.

Sincerely,

CAROL M. BROWNER.

EPA SMALL COMMUNITY COORDINATOR OFFICE  
ACCOMPLISHMENTS

Initiated and published HELP!—the EPA's first cross-media directory of services for small communities. Distributed to over 20,000 governments and all Members of Congress.

Compiled a cross-media list of rules for local governments.

Established the Small Community Cluster to focus on small community capacity issues.

Regions VII, VIII, and X developed and sponsored small community networks and forums, and published regionally oriented, cross-media handbooks of rules for small governments.

Made presentations to State-EPA Committee and others to get support for EPA cumulative impact agenda. As a result, over 19 public interest groups are ready to team up with EPA to address cumulative impact issues.

Initiated high-level EPA staff meetings with Public Interest Groups and local officials to provide opportunities for dialogue on the cumulative impact problems.

Meetings provided the impetus for an ongoing EPA-local government process to address the capacity issue, and for expansion of the Small Community Cluster into the Small and Local Government Capacity Cluster.

Small Community Information and Data Program initiated, established, staffed, and funded. Activities include: an agreement which has been reached with the Office of Underground Storage Tanks (OUST) to do a study on the impact of the UST rule on small communities; and a number of agreements are in development to do Regulatory Flexibility Act (RFA) analyses for programs.

Conducted pilot project during which over 90 comment letters were received from small communities on the EPA rules which have the most impact on them.

Agency RFA guidelines have been revised to include small communities, due to continued encouragement, monitoring, and participation since 1988.

Agency agreement to improve management of the Semi-annual Regulatory Agenda

process, so that entries from programs will comply with the Regulatory Flexibility Act and contain information that is useful to small governments.

Improved management of, and attention to, the regulatory flexibility process. The Office of General Counsel has focused on Regulatory Flexibility Act requirements, and now has a special counsel assigned to the RFA.

The Office of General Counsel now has a special office which focuses on small community and local government capacity issues.

Intervention points have been identified for participating in EPA's rule-making process, and small communities issues have been successfully addressed in a number of instances. Working together with other interested parties, we have been able to achieve results such as these: the Office of Underground Storage Tanks modified a pending proposed rule to consider the impact on small communities, and has revised its process accordingly; the Sludge rule, currently under consideration, will have a Regulatory Flexibility Act; an air permitting proposal considered small community issues and was able to provide some increased flexibility; and Subtitle D Landfill rule was specifically designed to provide small governments with needed flexibility.

Mr. DURENBERGER. Mr. President, I support the amendment by the Senator from Delaware. There is one provision in the committee reported bill, section 112, that abolishes the Council on Environmental Quality. That provision is not in the Roth amendment. That is a very good reason to support this amendment.

CEQ, the Council on Environmental Quality, was created by the Congress to oversee implementation of the National Environmental Policy Act and to advise the President and the Nation on the broad environmental issues. CEQ was to perform an integrating function taking all of the views of the departments and agencies of the Government and weaving them together to form one effective environmental policy.

I am very pleased that we are moving this bill to make the Environmental Protection Agency a Cabinet department. That will surely elevate the attention that environmental issues are given in the councils of our Government. Nevertheless, we must recognize that even as a Cabinet department, EPA's mission will not include all of the environmental interests of our Nation.

EPA is a pollution control agency. Land management is not an EPA function that is over in the Department of the Interior, unless the land is a national forest, then it is the Department of Agriculture. Wildlife preservation is over in the Department of the Interior, unless it is marine fisheries, then it is in the Department of Commerce. The Department of Energy is charged with developing our energy resources. NASA and NOAA work on preserving our climate.

The point is that the environmental interests of our Nation are still spread broadly across the whole government.

CEQ was the one place that all those interests were brought together and programs coordinated for the most effective policy.

President Clinton has proposed that CEQ be abolished and replaced with a White House Office of Environmental Policy. CEQ will no longer be a group of Senate-confirmed, Presidential appointees. This must necessarily reduce the stature of the coordinating function and diminish the long-term effectiveness of the Nation's environmental policy.

Now, Mr. President, let me shift from the general role of CEQ to its most specific charge. The National Environmental Policy Act requires each agency to prepare an environmental impact statement when it takes a major action that affects the environment. The EIS is a fundamental mechanism of government process intended to protect our natural resources from careless development. CEQ is the agency charged with assuring full implementation of NEPA and assuring that the EIS requirement was carried out by each Federal department and agency.

That function is to be transferred to the new Department of the Environment. I do not believe that EPA, even as a department, can do this job nearly as well. For one thing, EPA has not always fully complied with NEPA requirements itself. Second, EPA is not in a position to oversee decisions of other Federal agencies that are not within its own expertise. For instance, how is EPA to argue with Interior about the impacts of a Bureau of Land Management project on wildlife under the jurisdiction of another part of that agency?

And finally, Mr. President, it is not clear to me that EPA has the resources and management systems in place to assume new functions. I worry that NEPA and its EIS requirement will get lost in the shuffle over at EPA. That would be most unfortunate. I have seen nothing in the public record clearly spelling out how EPA would fulfill its new NEPA responsibilities.

Mr. President, I believe that the decision to abolish CEQ and transfer its functions to EPA is ill-advised. The Roth amendment does not include this provision and it is one of the most important reasons that I am pleased to support the Senator's amendment.

ENVIRONMENTAL PROTECTION AGENCY ALASKA  
REGION II

Mr. MURKOWSKI. Again, let me remind my colleagues of the great need for an EPA Region 11 office in Alaska. Presently, the Environmental Protection Agency is making decisions vital to Alaska's continued well-being from the Region 10 headquarters in Seattle. Region 10 solutions to the myriad of environmental laws within EPA jurisdiction are designed mostly for the Pacific Northwest and do not best address circumstances in Alaska.

Alaska is one-fifth the size of the contiguous United States—365 million acres—with a population of just 500,000. The Federal Government controls two-thirds of our land. Essentially, they are our landlords. Not even 5 percent of the state is in private hands.

Mr. President, let me share with my colleagues some specific instances where we need greater EPA involvement. The arctic and subarctic conditions which exist in Alaska create unique air quality problems, particularly in areas determined to be non-attainment areas under the Clean Air Act. Over 200 million acres of national parks, forests, wildlife refuges, and wilderness may also present unusual problems under the Clean Air Act as the State continues to grow and it is necessary to increase our electric generating capacity or build facilities to diversify our economy.

Continued utilization of Alaska's mineral and oil wealth will require new and innovative methods of dealing with waste disposal and environmental mitigation. The oil industry continues to make great strides in developing techniques to produce oil in arctic conditions in an environmentally sound manner and close cooperation with the proposed Department of the Environment will play an important role. Hardrock mining operations require environmental impact statements. High transportation costs, remote locations, unusual climactic and geological considerations are all unique Alaskan factors that must be considered.

Hazardous and solid waste disposal are becoming critical issues in Alaska. Relatively small quantities of hazardous waste have precluded building a hazardous waste facility in Alaska in the past, yet, as disposal in the lower 48 becomes more problematic, as transportation costs continue to climb and as contaminated sites in remote areas of Alaska are discovered, we will need to provide facilities in State. Solid waste presents similar problems. Recycling measures which work in areas well connected by roads will not be practical in Alaska.

Non-point-source pollution, total daily maximum loads, and surface water treatment are areas where the proposed Department of the Environment assistance will also be critical. Many communities in Alaska do not have safe water or adequate sewage disposal. These communities are also small, remote, and without the economic base to shoulder the high costs of typical facilities.

Alaska has 170 million acres of wetlands. We have only developed one-half of 1 percent of the wetlands in Alaska. A broad Federal no-net-loss program does not work in Alaska where 45 percent of the State is classified as wetlands. EPA decisionmakers in the State could assist the State in getting a rational wetlands policy.

Eleven other Federal agencies have already seen the need to have fully staffed regional offices in Alaska. They include the Coast Guard, the Federal Aviation Administration, the Bureau of Land Management, the Mineral Management Service, the Bureau of Mines, the Fish and Wildlife Service, the National Park Service, the Bureau of Indian Affairs, the Forest Service, the Geological Survey, and the Army Corps of Engineers.

I am convinced that we can staff and fund region 11 in Alaska at reasonable costs. Preliminary estimates indicate that increasing Alaska staff and support and possibly sharing some technical and support services with region 10 may represent only a slight increase in what was budgeted for region 10 last year.

Mr. President, I would ask my colleague, Senator ROTH, about the unfunded region 11. Last January, after over a year of analysis, President Bush directed former EPA Administrator Reilly to sign an administrative order authorizing the creation of the EPA region 11 office in Alaska. Mr. Reilly signed the order. All that remains is the necessary transfer of funding and staff changes to get region 11 up and running.

Does the Roth substitute as introduced today take into account the new region which is awaiting only funding and organization to begin functioning?

Mr. ROTH. I am aware of and I appreciate the Senator's efforts on behalf of Alaskans. Yes, the legislation, S. 171, does not prohibit the full implementation of the administrative order creating region 11 of Alaska.

Mr. MURKOWSKI. Region 11 is intended to be a small but effective force for environmental regulation located and managed in Alaska. By simply transferring 24 FTE's from Seattle to join the 24 already in the Alaska office, the EPA can better protect the Alaskan environment at no added cost by simply transferring \$3.1 million out of region 10's \$32.1 million budget. By getting the region 11 office up and running, the EPA will be following in the steps of 11 other Federal agencies which have separate regional headquarters in Alaska.

Would rapid implementation of region 11 be consistent with the goals and duties of a Department of the Environment?

Mr. ROTH. Yes, there is no inconsistency with this provision.

Mr. MURKOWSKI. Thank you, Mr. President.

Mr. COCHRAN. Mr. President, it is interesting to me that while the American people want to see less government, rather than more, the Senate is considering a bill that will add new agencies to the executive branch.

The Roth substitute is more attractive to me than the committee bill because it does not add to the size of the

Government. The Roth substitute is related solely to changing the agency from an agency to a department. This includes changing the titles of EPA personnel to reflect their roles as officials of a department rather than an agency. It also includes changing current statutory references to EPA to that of a Cabinet-level department. And, it includes provisions ensuring that no EPA legal or regulatory actions will be invalidated or adversely affected by reason of the change in its name.

That is it. That is all this streamlined version seeks to accomplish. And that is all that should be done in this bill. No enlarged bureaucracy, no new agencies.

The committee bill, however, would establish a Bureau of Environmental Statistics, which is estimated to cost \$5 million per year to operate. The purpose of this bureau is also a bit disturbing to me. While I understand the need to have accurate statistics on which to base certain decisions, I am always concerned when a Government agency is given virtually unlimited authority to collect information from the private sector.

The bill does include a provision, which I am pleased to see, that prohibits the new bureau from requiring the collection of data, and I quote, "by any other department, State or local government, or to establish observation or monitoring programs," end quote. However, what is not in that provision is what disturbs me. While this new bureau cannot require any data from any other Government agencies, it can and will collect information from small businesses and individuals and any other entity it deems necessary to provide the appropriate information the bureau wants.

I am sure a good argument can be made for the need for this data. What concerns me is the fact that this will be yet another Government agency burdening private businesses with regulations and information requirements that may be of questionable value. This is just another way that Big Brother can stick his hand in the pockets and private records of the people and the businesses that provide jobs in our economy. There are many additional burdens this agency could place on private businesses and individuals.

Another part of the bill which worries me is a provision to establish a Commission on Improving Environmental Protection. The members of the commission will be appointed by the President, Speaker of the House, and the Senate majority leader. This probably means there will be no Republicans appointed. I hope this deficiency in the legislation will be corrected.

Moreover, this Commission, according to the committee bill, "shall be responsible for examining and making recommendations on the management

and implementation of the environmental laws and programs," within the department, including ways to enhance cooperation among agencies and reduce overlap in responsibilities. I agree that agencies should have the counsel of objective observers to provide insight into how the responsibilities of the agencies could better serve the people of the country. But, I disagree with the need to establish a commission that will do a one-time evaluation at a cost of \$4 million to make these recommendations, when an informal advisory committee could be formed to perform this function at a much lower cost.

One sidenote is interesting as well. This Commission is supposed to be an advisory committee, yet the committee bill includes a requirement that the commission have at least one advisory committee to advise it on matters to come before the commission. This is another example of a good idea carried to an extreme.

Mr. President, I hope the Senate will take the advice of Senator ROTH to make this a clean bill and approve his substitute amendment.

Mr. PRYOR. Mr. President, I rise to oppose this amendment from my good friend Senator ROTH. Perhaps unintentionally, his amendment will continue the runaway use of consultants and contractors at EPA.

Mr. President, before addressing the specific reasons this amendment should be defeated, I want to commend my colleague, Senator JOHN GLENN, who is the chairman of the Governmental Affairs Committee for his diligent and persistent effort to elevate the EPA to Cabinet level. Despite the odds against such a proposal, Senator GLENN has persevered in his determination to not just elevate EPA, but to improve it.

Mr. President, I also want to express my support for the present Administrator of EPA, Ms. Carol Browner. She is an excellent choice to head the EPA and will make a fine Secretary of the new department as well. I especially want to commend her for her prompt attention to the issue of EPA's use of contractors. That is an issue to which I have devoted much time and energy to reforming and it is refreshing to have the head of an agency take an active interest in correcting the abuses that occur.

The reason that Ms. Browner will have to devote time and energy to improving the use of contractors is that EPA now spends over a billion dollars a year on contractors. EPA's contractor work force, although much harder to count than the official work force at EPA, must number nearly as high as the 17,000 Federal employees at this agency. So to manage EPA, means to a very large extent, to manage EPA's contractors.

Mr. President, a key reason that I oppose Senator ROTH's amendment is

that his amendment would delete two provisions that I think will greatly improve the new department's use of contractors. First, the legislation contains a prohibition against using private contractors to perform inherently governmental functions. This means that contractors will not be writing congressional testimony or making the policy decisions at the department. This is important to ensure that directly accountable officials are actually making the policy decisions for the Federal Government.

Second, the legislation has a better system to address the potential conflicts of interest that occur when private contractors work at the same time for EPA and for regulated industries. Basically, this legislation requires EPA to seek all relevant information from its contractors to seek to determine if any potential conflict of interest exists. This system is similar to the one in place at the Department of Energy. At the present time, EPA has a system of self-policing by its contractors which I think is unacceptable. The taxpayers pay for these contracts and they deserve to know if contractors have any potential conflict of interest that could affect the work of the Federal Government.

Mr. President, I again commend Senator GLENN for his efforts and I hope that as we raise EPA to Cabinet-level we not only elevate it, but that we improve it. The amendment before us would reverse planned improvements at EPA and it should therefore be defeated.

Mr. SASSER. Mr. President, I am proud to be an original cosponsor of S. 171 and I rise today in support of this important legislation. As a Member of the Governmental Affairs Committee, I have worked with Chairman GLENN for several years on this issue and I hope my colleagues will join me in voting for passage of the Department of the Environment Act of 1993.

This legislation reflects the need to move environmental issues to the forefront in our Government's policy making councils. The environment has increased in prominence among those issues of concern to the American public and has taken on a global dimension. A position in the President's Cabinet is essential to ensure that the Secretary of the Department of Environment has equal standing during interagency discussions and comparable status in dealing with foreign governments. S. 171 accomplishes the elevation of the Environmental Protection Agency and, at the same time, strengthens the agency's management effectiveness.

I would first like to point out that both the Congressional Budget Office [CBO] and the Office of Management and Budget [OMB] have indicated this bill has no pay-as-you-go effect. In fact, because S. 171 includes provisions that create a commission to improve

the internal structure and streamline the operation of the new department, this legislation may actually save Federal dollars and reduce costs to taxpayers.

I expect the Commission on Improving Environmental Protection will uncover a great many Environmental Protection Agency activities and programs in need of improvement. Increasingly, we have come to recognize that the environmental problems we face now are multifarious and far more complex than we had originally imagined. These issues have global dimensions and they cut across the traditional jurisdictions of the various Cabinet departments. We cannot continue trying to address the environmental problems of today with an institutional organization established decade ago. I believe the Commission on Improving Environmental Protection will enable us to more effectively respond to the environmental issues we face today. It is now necessary to have institutional permanence at the highest level in developing an environmental policy.

I would also note that the Bureau of Environmental Statistics which would be established under the Department of the Environment Act of 1993 is a sorely needed element of the new department. I believe that once this bureau is formed, it will become an invaluable tool for policy creation environmental decisionmaking.

The lack of reliable data has often hampered our ability to measure the performance of environmental programs that Congress has established and the paucity of dependable environmental statistics has made it difficult at times to evaluate the severity of some environmental problems. Let me add that this much-needed Bureau of Environmental Statistics will require no additional funding authorization. The Environmental Protection Agency has assured us it will designate funds from current resources to establish the Bureau.

Unfortunately, the Roth amendment before us today includes no provisions for either the Bureau of Environmental Statistics or the Commission on Improving Environmental Protection. It does little more than change the name of the agency. We should not squander this opportunity to address the very important management issues that the Governmental Affairs Committee has identified through a great deal of study and evaluation.

The President has already made it clear that he considers the EPA Administrator a member of his Cabinet and it is high time for Congress to formalize that commitment and elevate the Environmental Protection Agency to its rightful status.

Mr. ROTH. Mr. President, I will yield the remainder of my time, and I understand the other side will also.

The PRESIDING OFFICER. Does the Senator from Ohio yield his time?

Mr. GLENN. If I have any time to yield back, I yield.

#### RECESS UNTIL 2:15 P.M.

The PRESIDING OFFICER. All time has been yielded.

Under the previous order, the Senate will now stand in recess until 2:15 p.m.

Thereupon, the Senate, at 12:31 p.m., recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. CONRAD].

#### ORDER OF PROCEDURE

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, are we in morning business at the present time?

The PRESIDING OFFICER. No. But the Senator may seek consent.

#### MORNING BUSINESS

Mr. METZENBAUM. Mr. President, I ask unanimous consent that we go in morning business at this time for a period not to exceed 15 minutes.

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

#### PRESIDENT CLINTON'S FIRST 100 DAYS

Mr. METZENBAUM. Mr. President, this Thursday will mark the completion of President Clinton's first 100 days in office. It will mark a traditional watershed, the point at which journalists, politicians, and members of the public step back and take stock of the new President.

It marks the end of the traditional honeymoon, although in this case the Republicans in Congress ended President Clinton's honeymoon about 90 days ago.

Despite all the myths about the Presidential honeymoon, I have always believed that the first 100 days are fraught with peril. Each little success and each little defeat are magnified by the pundits and the media usually way out of proportion to their long-term importance.

It is a time of great exaggeration. Each accomplishment bodes greatness for the new President. Each defeat portends doom and failure.

Let us take a look at President Clinton's first 3 months.

On January 20, the President was inaugurated, accompanied by what I believe was a national tide of optimism and enthusiasm. His vision for America—his commitment to change, and giving the people back their Government—contrasted sharply with the stale ethos of his predecessor, George Bush.

But it was only a few days later that the President became embroiled in a

controversy over whether homosexuals should be permitted to serve in the military. He had promised during the campaign to end Government discrimination against homosexuals. He attempted to keep his promise, and I commend him for that. It took courage, I salute him for his effort. Nevertheless, critics and pundits belittled the effort as unworthy of Presidential attention. Sensing disarray, they pronounced the Clinton administration on the ropes after a scant week on the job.

Of course, those pronouncements were absolutely ludicrous.

Two weeks later, the President produced his economic plan. It was an excellent plan to reduce the deficit, create new jobs, and to finally put an end to 12 years of Government favoring the rich over the middle class. The public liked it, too.

President Clinton hit the campaign trail, the polls came in, the media made it official. Americans overwhelmingly supported the new President. They wanted his jobs bill, his economic stimulus bill.

Scarcely 6 weeks later, Congress passed the budget resolution, putting in place—nearly unchanged—the broad framework of the President's economic plan.

It was the first time in 17 years that Congress passed the budget resolution before the legal deadline. We were giving an indication that this Congress wants to work with the President and indeed we do.

The President had hit his zenith. He began to look unstoppable.

But within the space of a few weeks, the Sun disappeared, the sky darkened and it began to pour.

The President's jobs bill, after being pushed through the House, hit quicksand in the Senate—not really quicksand. That is an overstatement of the word. The President time after time evidenced there were a majority of Members of this Senate that wanted the bill to be passed. But it was bogged down in a Republican filibuster. And after several weeks of delay and attempts on the President's part to accommodate the Republicans in their ever-changing demands, the bill was defeated.

Even the President had to admit he had had a bad week. He had a bad week, because the minority had prevailed, the majority had not prevailed, the minority had prevailed and now, the polls are in, his numbers are down, and anonymous sources are pronouncing the administration almost doomed.

What is the lesson here, Mr. President? That President Clinton is a failure? Of course not, it is not.

The lesson is that politics is a fickle business. There are no absolutes. Sometimes the minority can defeat the will of the majority.

The reality of the matter is, we have a President who has shown tremendous

courage and compassion. He stood up and fought for what he believed. He did not back down. He attempted to compromise. And he has shown consistency.

He has had the courage to push controversial issues, such as universal health care, during this period, something we all agree that each American should have but we all know would be very difficult to achieve. And he has had, standing at his side in that fight for universal health care, his wife, who, this Senator believes, is doing a magnificent job in attempting to bring all the diverse elements together to pass a national health care bill.

Not 1 day in the last 12 years of the previous administrations was there any effort made to bring about a universal health care plan so that the 37 million Americans who have no health care at all could have an opportunity to be protected when they became sick and ill.

But this President is putting a full court press on it, and his wife, standing by his side, is spending untold numbers of hours doing so.

Candidate Clinton promised active Government. He promised change, and as President, he is making an honest effort to deliver.

He is the first President in memory with the integrity to deal honestly with the American public on the nightmare of the deficit.

He has faced tough issues and he has spoken out candidly. He has not ducked. He has not equivocated.

He stood up and said: "This is what I believe. Even if you disagree with me, at least you know where I stand." That is refreshing. We have not had that in the last 12 years.

This President has been creative. President Clinton has advanced more ideas in 100 days—health care reform, national service, campaign finance overhaul, environmental protection—among others—that did George Bush in his entire 4 years.

But the President cannot do it all himself. He does not make the laws. He can only propose them.

Passing laws is the job of the Senate and the House of Representatives. If the Republicans in Congress decide to play politics and bog the President's plan down in gridlock, there is not a whole lot the President can do about it.

But I believe the public cares. I know the public cares.

On November 3, 1992, they elected Bill Clinton as President. They were sick and tired of divided, gridlocked Government. They voted for the change that he represented.

If they had wanted more of the same gridlock, they would have re-elected George Bush.

Now let me digress for just a moment Mr. President.

In 1981, newly elected President Reagan proposed a plan of sweeping

economic change; so sweeping, in fact, it was considered revolutionary.

It contained the largest cut in Federal revenues ever proposed—something like \$800 billion over 5 years. Even members of the President's own party had concerns about it.

The Republican majority leader of the Senate at that time called it a Riverboat Gamble.

But the Republicans said, "Give the President a chance. After all, he was elected."

So we gave him his chance. And when the dice were rolled and the Reagan budget was passed, it set the stage for 12 years of Republican deficit spending—spending that quadrupled the national debt to \$3.3 trillion, and mortgaged the future of every one of our children, and each of their children's children.

But Mr. Reagan got his chance.

Now, today, the very same Republican Party—the one that so forcefully argued that their man be given his opportunity—wants to deny that very same opportunity to the Democrat who has been elected President.

The fact is, Mr. President, the Republicans do not want to see the country move forward. They do not want the President to succeed in cleaning up the mess that they, themselves, created.

They just want to play politics. They just want to embarrass the President. And they did embarrass him when they killed his jobs bill with the votes of a minority of the Members of this body.

But I would say he was bothered by it for about 24 hours. And then he moved on to the next project.

His budget is on track. His other initiatives are moving forward.

So I would say to those who jump on every minor event to count the President out: Do not be mistaken. This President has what it takes. He is here for the long haul. He is going to get a lot more done. And I say, Mr. President, I will be there to help him.

I yield the floor.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

#### DEPARTMENT OF THE ENVIRONMENT ACT OF 1993

The Senate continued with the consideration of the bill.

Mr. SPECTER. Mr. President, after consultation with the distinguished chairman and after having advised the ranking Republican of my intent to offer an amendment, I ask unanimous

consent that the pending amendment be set aside so that I may offer an amendment, with the understanding that the vote, as scheduled for 3:30, will proceed in accordance with the prior unanimous-consent agreement.

The PRESIDING OFFICER. Is there objection?

Mr. GLENN. Mr. President, reserving the right to object, this would mean that at 3:30, after the vote, as I understand it, then the pending business would be, what, the Specter amendment to the underlying bill?

Mr. SPECTER. Mr. President, that is my understanding. It would be, in effect, title IV of the pending legislation offered by the distinguished chairman.

Mr. GLENN. I will not object.

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

#### AMENDMENT NO. 325

(Purpose: To contain health care costs and increase access to affordable health care, and for other purposes.)

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania [for himself, Mr. PRESSLER, Mr. D'AMATO, Mr. BROWN, and Mr. SPECTER], proposes an amendment numbered 325.

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

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

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

Mr. SPECTER. At this time, I yield to my distinguished colleague from North Dakota for 5 minutes.

Mr. DORGAN. Mr. President, I ask unanimous consent that my remarks appear as in morning business.

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

#### CHILDHOOD IMMUNIZATION IS THE FIRST STEP TOWARD EFFECTIVE HEALTH CARE REFORM

Mr. DORGAN. Mr. President, the United States spends more on health care than any other country in the world. In 1990, we spent more than \$2,500 per person trying to develop a strong, effective network of health care delivery.

But we failed miserably. While we may have developed the most advanced life-saving technologies the world has ever seen, we were unable to provide even the most basic health care to millions of Americans. Our failures are highlighted by that fact that fewer than half of the pre-school age children in this country are fully immunized against preventable but deadly childhood diseases. In some inner-city areas

of the country, the rate is as low as 10 percent.

This week is "National Preschool Immunization Week." It is the week when we, as Americans, have to own up to our failures in providing basic and preventive health care to our kids. And our failures are dramatic.

The United States is the only industrialized country that does not guarantee immunization for all children 2 years old. In the Western Hemisphere, only Haiti and Bolivia have worse records for immunizing its children than we do. In fact, no other country in this hemisphere has an immunization rate lower than 80 percent.

Many childhood diseases were once almost nonexistent in this country because of aggressive immunization policies and programs. In the past several years, however, our lack of attention to this important problem has resulted in a resurgence of these dread diseases. In 1990, nearly 28,000 cases of measles and 89 deaths resulting from the disease were reported. This is a dramatic increase from 1983, when fewer than 1,500 cases were reported.

Through "Every Child By Two," Betty Bumpers and Rosalynn Carter have been trying to focus our attention on this vital issue for the last 2 years. We can no longer afford to ignore a serious health problem that has the potential of reaching epidemic proportions. My wife, Kim, and the spouses of many of our colleagues have been actively working on behalf of universal immunization with this important organization.

President Clinton has announced his plan for a universal immunization program that represents a real commitment to resolving this critical issue. The President is proposing that the Federal Government purchase all the vaccines necessary to immunize all of our Nation's 2-year-olds. I wholeheartedly support these efforts, and urge the Senate to work closely with the President to realize this goal of universal immunization.

The President recognizes that we can no longer accept an immunization rate lower than many of the poorest nations in the world. We can no longer accept immunization rates of 50 percent, 60 percent, or even 70 percent. The recent reemergence of preventable childhood diseases is ample evidence that an immunization program is successful only when it includes 100 percent of our children.

In my own State of North Dakota, as many as 32 percent of 2-year-olds may not be fully immunized. Although this represents an immunization rate far higher than the national average, it still leaves more than 5,500 2-year-olds—and probably thousands of other pre-school-age kids—at risk of contracting serious—and sometimes fatal—preventable diseases.

To those who say we simply cannot afford another social spending pro-

gram, let me make clear that this is a saving program. Every \$1 that we spend on immunization today is expected to save \$10 in future health costs. Few investments can promise such a generous return. For that reason alone, universal immunization should be the first step in any health reform or health care cost containment proposal.

The President's proposal recognizes that the cost of vaccines has been a critical barrier to universal access and must be addressed. Over the last 10 years, the cost of immunizing children has increased more than 10 times, even in public clinics, because of the rising price of vaccines. The cost of the vaccine to fully vaccinate a 2-year-old in 1982 cost \$7 in the public sector and \$23 in the private sector. By 1992, those costs had risen to \$122 and \$244.

The prescription drug companies quickly point out that these cost increases were caused by recommendations for new vaccines and additional doses of existing vaccines, and an excise tax used to fund the vaccine compensation program. But these excuses only partially explain the dramatic increase in the cost of vaccinating our children.

In testimony before a joint session of Senate and House committees last week, Secretary for Health and Human Services Donna Shalala pointed out that, in 1982, the diphtheria, tetanus, and pertussis vaccine—the DTP—cost about 37 cents in the private sector. In 1992, the same dose cost more than \$10. Even if you take out the \$4.56 excise tax, the price increased more than 14 times in those 10 years. Using similar calculations, the price of the measles, mumps and rubella shot—the MMR vaccine—more than doubled during that timeframe.

The tired defenses of the pharmaceutical companies simply will not wash anymore. The fact is that drug companies collected profits more than 3 times higher as a percentage of their sales than other manufacturing industries throughout the 1980's. To insist that vaccine prices on vaccines remain high in order to subsidize high profits amounts to little less than price gouging, and I hope that we can work quickly to put an end to this practice.

Of course, the cost of immunizations is not the only reason that too many kids are not immunized. Any attempt to achieve universal immunization must include outreach programs designed to get the vaccines to the children who need them. This is especially important in rural areas, where many people simply do not have access to the health care that they need. It is also important in families where working parents cannot get their kids to public health clinics during regular clinic hours, or where parents do not understand the need for early immunization or downplay its importance.

By expanding the network of providers that can participate in the immuni-

zation effort to include private doctors and clinics, the President's proposal will make vaccinations more accessible for thousands of American families. In addition, by developing a national immunization tracking system, the administration's plan would identify and track those kids that have not yet received their vaccinations. These are key elements in any effective proposal to expand access and make immunization programs more convenient and user-friendly.

However, I would suggest that the Senate consider going even further with this effort. States participating in the national immunization program should demonstrate that they are taking all appropriate steps to improve that State's immunization rate. Some health experts have suggested such measures as using mobile clinics to enhance rural access to immunization; extending public health clinic hours to evenings and Saturdays when working parents are better able to take their children to be immunized; and expanding education outreach programs to emphasize the importance of immunizing children at an early age.

In the case of health care, an ounce of prevention really is worth a pound of cure. I hope that we will be able to work with the President toward the realistic goal of universal immunization.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

#### DEPARTMENT OF THE ENVIRONMENT ACT OF 1993

The Senate continued with the consideration of the bill.

##### AMENDMENT NO. 325

Mr. SPECTER. Mr. President, the amendment which I have offered is being offered on behalf of Senator PRESSLER, Senator D'AMATO, Senator BROWN, and myself.

It is an amendment which contains the substance of Senate bill 631 which was introduced in the U.S. Senate on March 23, and it follows a long line of legislation which this Senator has introduced since 1985.

It had been next on the list for consideration after the Domenici amendment was considered on April 1, when the distinguished majority leader put the Senate into morning business and the business of the Senate was thereafter arranged on the emergency supplemental so that no further amendments would be considered.

In offering this bill, Mr. President, it is not something that I have developed today, yesterday, last week, last month, or last year, but something which this Senator has been working on for a very long period of time. I am offering the amendment at this time because I consider it vital that the American people be advised, first, that it is imperative that the Federal Gov-

ernment act on health care reform now; second, that Congress can act now; and, third, that there are increasing signs that health care reform legislation will not be enacted this year unless we proceed to move on it at the present time.

For the past 12¼ years, I have served on the Appropriations Subcommittee for Health and Human Services and in connection with those duties have been deeply involved in the health care issue. I noted in 1985 that Pittsburgh, PA, had a unique problem with low-birthweight babies among African-American children and in fact had the highest infant mortality rate of any city in the country.

Because of that on November 21, 1985, I offered Senate bill 1873 which was the Community Based Disease Prevention and Health Promotion Projects Act of 1985. Thereafter, in 1991 in the 102d Congress, on May 22 I offered Senate bill 1122 designated the Long-Term Care Incentives Act of 1991. And on November 20, 1991, I introduced Senate bill 1995, designated as the Health Care Access and Affordability Act of 1991. On August 12, 1992, I introduced Senate bill 3176 entitled the Health Care Affordability and Quality Improvement Act of 1992.

For more than 2 years, Mr. President, I have worked with the distinguished Senator from Rhode Island, Senator JOHN CHAFEE, who has been the chairman of the Republican health care task force, and cosponsored on November 7, 1991, Senate bill 1936 which was designated as the Health Equity and Access Improvement Act of 1991.

During the recess, after we adjourned last November for the 1992 elections, my staff and I worked over November, December, and January in order to pull all of these materials together to be ready on the first legislative day to introduce a comprehensive health care bill which this Senator did on the first legislative day which was January 21, 1993.

At that time, in my floor statement I congratulated the President for his inaugural address the day before, on January 20, and expressed my concern or my hope that he would have been more specific on what the new President intended to do with respect to an economic recovery and with respect to health care.

Thereafter, the President appointed the First Lady, Mrs. Hillary Clinton, to chair a task force to try to bring forth comprehensive health legislation.

Mr. President, I ask unanimous consent that a summary of Senate bill 18, which this Senator introduced on January 21, 1993, be printed in the RECORD at the conclusion of my statement.

The PRESIDING OFFICER. Without objection, it is ordered.

(See exhibit 1.)

Mr. SPECTER. Mr. President, the next day, on January 22, 1993, I wrote

to the distinguished majority leader, Senator MITCHELL, and said:

On the first date of the session, January 21, I introduced S. 18, the Comprehensive Health Care Act of 1993. As you may recall, in the last session, I pressed to have the health care issue brought to the floor at the earliest possible date. I invite you and/or your staff to review my bill which is the product of many years' work. Whether it is my bill or some other legislative proposal, I urge you to bring this important issue to the Floor at the earliest possible time—hopefully no later than this spring.

Sincerely,

ARLEN SPECTER.

When I was referring to the activity of the prior Congress, Mr. President, I was referring to an amendment which this Senator offered on July 29, 1992, where I sought to have the Senate take up important considerations on the health care issue. I had offered an amendment at that time to the energy bill.

The distinguished majority leader came to the floor on that day, July 29, 1992, and stated that he thought the amendment did not belong on an energy bill. I stated at that time, as the RECORD will show, that I agreed with the distinguished majority leader and that I was prepared to take the amendment down if the distinguished majority leader would give this Senator a date certain on when the health care issue would come up.

Senator MITCHELL made this comment, as reflected at page 20098 of the CONGRESSIONAL RECORD:

As I have stated many times publicly, from the very place that I am standing now, as well as others, comprehensive health care reform is one of my highest legislative priorities, and it is my hope and intention to bring to the Senate this year, if at all possible, such legislation.

This Senator then pressed the majority leader to make a commitment as to a date certain. The majority leader then said, again on page 20098: "Mr. President, I am not able to make a commitment," and then he continues to make some other statements.

I commented to the distinguished majority leader that a commitment had been made for a date certain on product liability, which was the first day after the Labor Day recess, September 8, 1992. Notwithstanding my efforts to have a date certain established to take up health care, the majority leader declined to undertake it at that time.

The distinguished Senator from Montana [Mr. BAUCUS] made the following statement in the same debate, at S10767: "We also know—at least I have been told—that we will be considering health care legislation this fall in September."

Notwithstanding the importance of health care legislation, Mr. President, as it is well known, health care legislation did not come before the Senate last year. And that is why this Senator, on the first legislative day, introduced S. 18.

In addition to writing to Senator MITCHELL on the same day, January 22, 1993, this Senator wrote to the chairman of the Senate Committee on Labor and Human Resources, the Honorable TED KENNEDY, as follows:

I believe it is important that the Senate take up the issue of health care reform at the earliest possible time. Last year I pressed Senator Mitchell to take up the issue, but without success. On January 21, the first day of our legislative session, I introduced S. 18, the Comprehensive Health Care Act of 1993, which is a work product of many years of activity on my part. I request a hearing by the Labor and Human Resources Committee at the earliest possible date. Whether it is my bill or someone else's legislative proposal, I ask for your help in bringing this issue to the Floor at the earliest possible time—hopefully no later than the spring of 1993.

Sincerely,

ARLEN SPECTER.

I wrote a virtually identical letter, substantially the same, to Senator MOYNIHAN, in his capacity as chairman of the Finance Committee, asking Senator MOYNIHAN to take up consideration of S. 18 and S. 19, which was an economic recovery program.

I then, Mr. President, received a letter from Senator KENNEDY, dated March 11, 1993, as follows:

DEAR ARLEN: I apologize for the delay in responding to you about S. 18, the Comprehensive Health Care Act of 1993, and your request for hearings on it. I have been working closely with the White House on preparation of the Administration bill, and I have not yet made a decision on whether hearings will be held prior to the introduction of the Administration plan. My current expectation is, however, that any hearings before the introduction of the Administration bill will be directed at broad health issues, rather than specific legislative proposals for reform.

I commend you for the thought and ability you have put into your legislation and I look forward to working with you to make comprehensive health legislation reform a reality this year.

With my respect and warm regards,

Sincerely,

TED.

I have not received a reply to my letter to Senator MOYNIHAN. And, as yet, no hearings have been scheduled by any of the relevant committees on S. 18.

Mr. President, at this time, I ask unanimous consent that the text of these four letters, three dated January 22, 1993, and the reply from Senator KENNEDY, dated March 11, 1993, be printed in the CONGRESSIONAL RECORD at the conclusion of my comments.

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

(See exhibit 2.)

Mr. SPECTER. Mr. President, I then wrote to First Lady Hillary Clinton, by letter dated January 26, 1993, as follows:

Congratulations on your designation by the President to lead the executive group on preparing health care legislation. I am taking the liberty of sending on to you my floor statement and the text of S. 18, the Com-

prehensive Health Care Act of 1993, which represents many years of my work on this issue in connection with my position as ranking Republican on the Appropriations subcommittee dealing with health care expenditures.

This bill has been drafted in consultation with former Surgeon General C. Everett Koop, the American Nurses Association, the People's Medical Society, the National League for Nursing, and the American Academy of Family Physicians. The two objectives of this bill are to extend health insurance coverage to 37 million Americans now not covered and to reduce costs for those who are covered.

Key points of the bill are:

One, incentives for young pregnant women, especially teenagers, to secure prenatal and postnatal care to avoid the human tragedies of low birth weight babies and the attendant billion dollar cost;

Second, provide federal guidelines for terminally ill patients who exercise their option not to have unwanted and useless medical care;

Third, utilization of nurses and other non-physician providers to deliver primary care services, including home care, to improve access, increase efficiency, and provide cost savings.

Mr. President, while I have concluded my reading of this letter, I note that it is approaching 3:30, the time fixed for the vote. If it is in accordance with the rules of the Senate, I would cease reading the letter at this point and yield the floor so that the vote may occur, with the unanimous consent agreement that I may be recognized to resume this presentation immediately at the conclusion of the vote.

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

#### 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, increase 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 consumers' 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 FY'94, \$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 plan 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 (FY'94, \$100 million). The second, would assist local education agencies and pre-school programs in providing comprehensive health education (FY '94, \$90 million). Title II also increases the 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);

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

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

U.S. SENATE,

Washington, DC, January 22, 1993.

Hon. GEORGE MITCHELL,  
Majority Leader, U.S. Senate, Washington, DC.

DEAR GEORGE: On the first date of the session, January 21, I introduced S. 18, the Comprehensive Health Care Act of 1993.

As you may recall, in the last session I pressed to have the health care issue brought to the Floor at the earliest possible date. I invite you and/or your staff to review my bill which is the product of many years' work.

Whether it is my bill or some other legislative proposal, I urge you to bring this important issue to the Floor at the earliest possible time—hopefully no later than this spring.

Sincerely,

ARLEN SPECTER.

U.S. SENATE,

Washington, DC, January 22, 1993.

Hon. TED KENNEDY,  
Chairman, Senate Committee on Labor and Human Resources, U.S. Senate, Washington, DC.

DEAR TED: I believe it is important that the Senate take up the issue of health care reform at the earliest possible time. Last year I pressed Senator Mitchell to take up the issue, but without success.

On January 21, the first day of our legislative session, I introduced S. 18, the Comprehensive Health Care Act of 1993, which is a work product of many years of activity on my part.

I request a hearing by the Labor and Human Resources Committee at the earliest possible date.

Whether it is my bill or someone else's legislative proposal, I ask for your help in bringing this issue to the Floor at the earliest possible time—hopefully no later than the spring of 1993.

Sincerely,

ARLEN SPECTER.

U.S. SENATE,

Washington, DC, January 22, 1993.

Hon. DANIEL PATRICK MOYNIHAN,  
Chairman, Senate Finance Committee, U.S. Senate, Washington, DC.

DEAR PAT: With this letter I am enclosing my Floor statements on S. 18 on health care and S. 19 on an economic recovery program.

I believe it is important that the Senate take up these two subjects at the earliest possible time—hopefully no later than the spring of 1993.

I urge you to schedule hearings on S. 19 in the Finance Committee as promptly as possible.

As you will note, there are aspects of S. 19 which come within the jurisdiction of the Finance Committee. I ask that you hold hearings on those issues as promptly as possible.

Sincerely,

ARLEN SPECTER.

U.S. SENATE,

Washington, DC, March 11, 1993.

Hon. ARLEN SPECTER,  
U.S. Senate, Washington, DC.

DEAR ARLEN: I apologize for the delay in responding to you about S. 18, the Comprehensive Health Care Act of 1993, and your request for hearings on it. I have been working closely with the White House on preparation of the Administration bill, and I have not yet made a decision on whether hearings will be held prior to the introduction of the Administration plan.

My current expectation is, however, that any hearings before the introduction of the

Administration bill will be directed at broad health issues, rather than specific legislative proposals for reform.

I commend you for the thought and ability you have put into your legislation, and I look forward to working with you to make comprehensive health reform a reality this year.

With my respect and warm regards,  
Sincerely,

TED.

The PRESIDING OFFICER. Under the previous order, the question is on agreeing to the Roth substitute, amendment numbered 324.

Mr. GLENN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. GLENN. May we have the regular order and I move to table.

VOTE ON AMENDMENT NO. 324

The PRESIDING OFFICER. The question is on the motion to table.

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment (No. 324) of the Senator from Delaware.

The clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY], the Senator from Hawaii [Mr. INOUE], and the Senator from Texas [Mr. KRUEGER], are necessarily absent.

Mr. NICKLES. I announce that the Senator from Wyoming [Mr. SIMPSON], is necessarily absent.

I further announce that, if present and voting, the Senator from Wyoming [Mr. Simpson], would vote "nay."

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

The result was announced—yeas 54, nays 42, as follows:

[Rollcall Vote No. 106 Leg.]

YEAS—54

Akaka	Feingold	Lieberman
Baucus	Feinstein	Mathews
Biden	Ford	Metzenbaum
Bingaman	Glenn	Mikulski
Boren	Graham	Mitchell
Boxer	Harkin	Moseley-Braun
Breaux	Heflin	Moynihan
Bryan	Hollings	Murray
Bumpers	Jeffords	Nunn
Byrd	Johnston	Pell
Campbell	Kennedy	Pryor
Conrad	Kerrey	Reid
Daschle	Kerry	Riegle
DeConcini	Kohl	Robb
Dodd	Lautenberg	
Dorgan	Leahy	
Exon	Levin	

Rockefeller	Sasser	Wellstone
Sarbanes	Simon	Wofford
NAYS—42		
Bennett	Durenberger	McCain
Bond	Faircloth	McConnell
Brown	Gorton	Murkowski
Burns	Gramm	Nickles
Chafee	Grassley	Packwood
Coats	Gregg	Pressler
Cochran	Hatch	Roth
Cohen	Hatfield	Shelby
Coverdell	Helms	Smith
Craig	Kassebaum	Specter
D'Amato	Kempthorne	Stevens
Danforth	Lott	Thurmond
Dole	Lugar	Wallop
Domenici	Mack	Warner

NOT VOTING—4

Bradley	Krueger
Inouye	Simpson

So the motion to lay on the table the amendment (No. 324) was agreed to.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SPECTER. Mr. President, immediately before the 3:30 vote, I was in the process of reading from a letter which I had sent to First Lady Hillary Clinton concerning S. 18 and I was down to point 4 on the items provided for by my bill.

Four was:

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

5. Incentives to increase the supply of generalist physicians to enhance access to primary and preventive health services.

6. An expansion of funding for outcomes research for the development of medical practice guidelines and increasing consumers' access to information in order to reduce the delivery of unnecessary care.

The letter continues:

Last year, I pressed Senator Mitchell, the Majority Leader, to bring health care to the Senate floor, and again last week I wrote to him on the same subject with a view to having such legislation considered at the earliest possible time in the session. I would be pleased to work with you on this important subject.

Sincerely,

ARLEN SPECTER.

Mr. President, I ask unanimous consent that the text of that letter be printed in the RECORD in full.

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

U.S. SENATE,

Washington, DC, January 26, 1993.

HILLARY CLINTON, Esq., First Lady,  
The White House, Washington, DC.

DEAR HILLARY: Congratulations on your designation by the President to lead the executive group on preparing health care legislation.

I am taking the liberty of sending on to you my floor statement and the text of S. 18, the Comprehensive Health Care Act of 1993, which represents many years of my work on this issue in connection with my position as ranking Republican on the Appropriations subcommittee dealing with health care expenditures.

This bill has been drafted in consultation with former Surgeon General C. Everett

Koop, the American Nurses Association, People's Medical Society, The National League for Nursing and the American Academy of Family Physicians.

The two objectives of the bill are to extend health insurance coverage to the 37 million Americans now not covered and to reduce costs for those who are covered. Key points of the bill are:

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

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

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

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

(5) Incentives to increase the supply of generalists physicians to enhance access to primary and preventive health services;

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

Last year I pressed Senator Mitchell, the Majority Leader, to bring health care to the Senate floor and again last week I wrote him on the same subject with a view to having such legislation considered at the earliest possible time in the session.

I would be pleased to work with you on this important subject.

Sincerely,

ARLEN SPECTER.

Mr. SPECTER. Mr. President, after introducing S. 18 and pressing to have the hearings and corresponding with First Lady Hillary Clinton—and I should note parenthetically that I received no response to that letter—I then continued working with the Republican health care task force, chaired by the distinguished Senator from Rhode Island [Mr. CHAFEE] and it was my hope that we might have had a bill from the Republican task force reported out and presented as an amendment on pending legislation so that the Senate would have an alternative health care proposal to consider.

When that was not deemed practical, I then took a look at legislation which had been introduced by a number of other Republican Senators and amalgamated that legislation into S. 631, which is a combination of legislation which I had introduced, and legislation introduced by Senator KASSEBAUM, Senator COHEN, Senator MCCAIN, and Senator BOND. On March 23, I introduced S. 631. In introducing S. 631, I had said, Mr. President, that it was not a perfect bill and that I did not necessarily prefer all of the provisions of S. 631 but it constituted a critical mass, and what I thought we needed to do was to have a critical mass to come to the floor.

On March 29, 1993, Senator D'AMATO, Senator PRESSLER, Senator BROWN, and I circulated a letter, a "Dear Colleague" letter, which read as follows:

Dear COLLEAGUE: We intend to offer health care legislation as an amendment when the debt ceiling bill comes to the Senate floor later this week.

Parenthetically, I should add, Mr. President, that the debt ceiling was scheduled for later that week.

The letter goes on:

The debt ceiling bill will be the first legislative measure to be considered by the Senate this year which would permit amendments with tax provisions such as health care reform; and we have further awaited the work of the Republican Health Care Task Force, chaired by Senator John Chafee, to determine if that group would produce legislation which could be offered at this time. Despite considerable work by that Task Force, that legislation is not now ready.

The amendment which we intend to offer will be the text of S. 631, which is a combination of proposals extracted from legislation previously offered by Senator Kassebaum, Senator Cohen, Senator McCain, Senator Bond, and Senator Specter. We intend to offer this measure to make the point, as emphatically as we can, that the time has long been ripe for the Congress to move ahead with such a legislative effort.

We also note: 1. The likelihood that the Senate will reject such an amendment citing the group being chaired by the First Lady, Mrs. Hillary Clinton;

2. For years the Congress has had numerous bills on health care reform which could have provided the basis for such legislative action;

3. Recent statements by House Majority Leader Richard A. Gephardt, and Chairman of the House Ways and Means Committee Dan D. Rostenkowski that it is unlikely that health care legislation will be enacted this year;

4. Action by the states, such as New York Governor Cuomo's announcement, as reported in the New York Times on March 28, that his "state could not wait for federal solutions."

The letter then goes on to say:

We believe that the Senate is equipped now to legislate as we did on the Clean Air Act in 1990 when a bill was brought to the floor. The bill was divided among task forces, amendments were offered and legislation was enacted. We do not suggest that S. 631 is a perfect bill, but we do not want to wait weeks or months for a bill to be proposed and then to undertake lengthy hearings, et cetera, which may produce no action at all. The summary of S. 631 (a copy enclosed) shows on its face the many subjects where the Senate is in a position to act at this time. We urge your support of this measure.

Sincerely,

LARRY PRESSLER.  
AL D'AMATO.  
HANK BROWN.  
ARLEN SPECTER.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. SPECTER. Mr. President, as time passed this year there were a number of impediments which arose to make it unlikely that health care legislation would be acted upon. The New York Times, on March 4, 1993, contained a headline: "Passage of Health Care Bill Seen as Unlikely This Year." The first paragraph says:

On March 3, Representative Dan Rostenkowski, chairman of the House Ways and Means Committee, said today that Congress was unlikely to pass a comprehensive health bill this year despite urging by President Clinton and the Senate majority leader.

Then a similar story appeared in the New York Times' national division on April 2, 1993, with the headline: "Clinton May Not Meet Deadline on Health Plan," and it says:

On Sunday the House majority leader Representative Richard A. Gephardt of Missouri, voiced uncertainty about whether Congress could meet Mr. Clinton's goals of passing such legislation this year. The health care bill "will be the toughest bill since the Social Security Act [was passed] in 1936" and "it would be just as important" said Mr. Gephardt on NBC news program Meet the Press.

Mr. President, the New York Times for this past Sunday, had an extensive article with the headline: As U.S. Policymakers Debate, States Move Ahead On Health Care Overhaul. It starts off:

WASHINGTON, April 24.—The Governors and legislatures of the 50 States are not waiting for the Clinton Administration to find a fresh approach to health care. Squeezed between rising demands for care and soaring costs, and fearful the Congress will act too slowly or wrongheadedly on whatever the President finally recommends next month, States are determined to go ahead on their own to improve matters. "The health-care crisis out in the States is so pressing that we can't wait any longer to see what the Federal Government is going to do, if anything," said Delegate Casper R. Taylor Jr., the leading advocate for an overhaul of the health-care system in the Maryland legislature. "A lot of individuals can't afford care. The cost of providing care to workers is breaking some of our businesses. Other state needs are being neglected because of the health-care budget. The heat is on."

All of that was being said by Mr. Taylor. Without reading the full text, it comments about activities saying:

Hawaii has already made insurance available to almost all of its residents. Several of the States including Minnesota, Oregon, Vermont, and most recently Florida, have enacted varying programs designed to improve universal coverage. And just Friday, the Washington State Legislature approved a plan that would phase in basic coverage for all residents by 1997.

Then the article goes on to mention a number of other programs in a number of other States.

Mr. President, I see we are joined by my colleague from South Dakota, Senator PRESSLER. So at this time I yield to Senator PRESSLER, if I may have the

understanding that I would have the floor when he concludes.

Mr. GLENN. Might I pose a question? Are there copies of the Senator's amendment available, or a section-by-section analysis of it?

Mr. SPECTER. If I may respond, Mr. President, there are copies available, and I have a section-by-section analysis; I will make them available at this time.

Mr. PRESSLER. Mr. President, today I join Senators SPECTER, BROWN, and D'AMATO in offering this amendment which expresses our sincere desire to make health care available and affordable to all Americans. I do not come to the floor pretending to be an expert on health care, nor do I suggest this amendment is a perfect proposal.

There are provisions in this amendment I do not fully support. But let me say that I think it is time we take action on health care. There has been much talk in this Chamber. The date keeps getting delayed. I think there are many Americans out there who are not covered by health insurance. There are problems in our system.

I believe it is time for the Senate to begin action, and I commend the Senator from Pennsylvania for his leadership in finally getting us a vote on this. We have had all of these studies and all this talk.

Also, let me say that I am very eager that there should be proposals from the Republican side of the aisle, because, before health care reform is enacted, our side of the aisle will have major input, especially in the Senate of the United States. I think that this amendment is a good starting point. I hope it is not rejected here on the Senate floor.

The time has come for the U.S. Senate to show the American people that we are serious about health care reform. Indeed, it is time President Clinton knows of the type of health care reform we support. I believe the elements in this plan would result in reduced medical costs and increased access—the principal pillars of any true health care reform plan. From 1980 to 1992, health care costs have increased 106 percent; prescription drug prices have increased 123 percent. During this same time period, inflation rose 68 percent.

There are an estimated 37 million uninsured Americans.

In my State of South Dakota, nearly 56,000 individuals are without health insurance; 5,000 South Dakotans are considered uninsurable.

A recent study of health care costs reveals that the average South Dakotan spends 13.1 percent of his or her income on health insurance or health-related costs. This is the fourth highest rate in the Nation.

The Medicaid and Medicare budgets are increasing 10 to 15 percent each year. Those funding increases are eating up the limited resources of State

and Federal Governments. Ultimately, many other worthwhile programs, ranging from education to law enforcement, are cut or sacrificed to make room for higher health care costs.

In South Dakota, there are 8,000 nursing home beds. Nearly 50 percent of these individuals are dependent upon Medicaid for their long-term care needs. This represents about one-third of South Dakota's total Medicaid budget.

This year, Medicaid expenditures are expected to total \$126 billion. This represents 15 percent of all health care expenditures. Between 1980 and 1992, Medicare costs soared 272 percent. Medicaid costs increased 384 percent.

A day does not go by that I do not hear from South Dakotans saying they do not have the means to obtain health care. They may have been unable to obtain insurance because of a preexisting condition, or may have lost their benefits when changing jobs. Others simply can no longer afford to pay the insurance premiums or the direct medical costs.

The reasons for the inflated health care costs are numerous. There is no quick fix or easy solution. However, there are steps we can take to contain costs and secure medical benefits for all Americans.

Some argue that doctors and other health care providers are being greedy and are lining their own pockets. Others contend that the fear of frivolous lawsuits forces physicians to perform unneeded tests in an effort to avoid lawsuits.

Let me say, Mr. President, that I hope we hear more from the White House in terms of tort reform regarding health insurance. That is a subject that has not been adequately covered, as far as I know. The mysterious thing about the planning of the health care reform going on is that we do not really know what is going on, and time is slipping by.

My colleague from Pennsylvania, earlier in one of the appropriations bills, had a September date by which this Congress should act on a health care plan. Now there is talk of it slipping over into next year. I believe that it is time to act. I think we have the information. I think we should move forward. But that is certainly an area we should address—tort reform.

Others argue that excessive Federal regulation is causing the increased rates. Some blame the insurance industry. Finally, others argue that the consumer is demanding excessive medical care. The doctors blame the lawyers, and the lawyers blame the insurance companies. The insurance companies blame consumers, and everybody blames the Federal Government. The American citizen is the loser. It is time to stop the blame game and start the process of reform.

It is my feeling that health care reform must be market based. We should

not impose price controls or new mandates. Rather, reform should include limits on damages awarded in lawsuits, revisions in the antitrust laws, elimination of waste and fraud, reduction of Federal regulation, streamlining of claims processing and other paper works, and greater emphasis on preventive care and tax credits to help individuals purchase health care insurance.

All of these things are addressed, in part, in the Specter amendment. Let me say that the Specter amendment is the first health care vote of this year on the Senate floor. We have been talking about health care all this year, and this is April; this is the first time, and it has been difficult to get this amendment up.

It probably is unlikely that the Senate will adopt this amendment, because I expect it is going to be voted down. I hope it is not. However, it is a strong statement indicating we were serious about health care reform and we are ready to legislate. That includes many Members on this side of the aisle. Voting for this amendment would send a clear message to the White House. Health care reform should be market based. It should not impose new mandates on employers, and we should not impose price controls.

In closing, I would like to commend my Republican colleagues, including Senator CHAFEE, Senator DURENBERGER, and of course, my friend from Pennsylvania, Senator SPECTER, for their leadership on the issue of health care reform. Republicans are not taking a back seat on the issue of health care reform. The Republican health care take force has held dozens of meetings, briefings, and retreats in an effort to develop health care reform proposals. Many of the provisions in this amendment come from these meetings.

Mr. President, I urge the adoption of this amendment, and I yield to my friend from Pennsylvania.

The PRESIDING OFFICER. Under the previous order, the Senator from Pennsylvania retains the floor.

Mr. SPECTER. I thank the Chair.

Mr. President, I have been advised there are others on the floor who wish to speak so I will be relatively brief at this stage and elaborate on my comments at a later time.

Before yielding to the distinguished Senator from South Dakota, I was commenting there were problems which pop up virtually daily on the difficulties the President is going to face in his proposal.

Last night, on ABC television, Peter Jennings anchored a brief report on the subject of health care.

Mr. President, in this morning's Washington Post in a lead story captioned "Panetta: President in Trouble on Hill," and I will be very brief with this, said in the second paragraph:

In a meeting with reporters, Panetta said additionally he is urging Clinton to delay re-

leasing his plan for overhauling the health care system because, even without it, the administration faces a serious challenge in passing the details of Clinton's budget proposals, which Congress already has agreed to in broad outline.

Mr. President, there is quite a bit to be said, but two of my colleagues, the distinguished Senator from South Dakota, Senator DASCHLE, and Senator ROCKEFELLER are on the floor. So I yield the floor at this time and I will have more to say later.

The PRESIDING OFFICER. The Chair recognizes the distinguished Senator from South Dakota.

Mr. DASCHLE. Mr. President, I rise to commend my colleague, the distinguished Senator from Pennsylvania, for his contribution to this debate.

Obviously, as one looks at the myriad of issues that he addresses in his amendment—managed competition, universal coverage, access to health care, preventative health care, refundable tax credits, cooperative agreements between hospitals, patients' rights, insurance simplification and portability, malpractice reform, outcomes research, Medicare preferred provider demonstration projects, and long-term care, an issue with which the Senator has been associated for a long period of time—we can all agree that each and every issue ought to be included in a health care reform proposal.

And so from that perspective I applaud the Senator's approach and the comprehensive nature of the amendment that he is introducing. But I think his amendment begs the question, Is this the place? Is this the time to address these issues?

I understand his frustration. I share a similar frustration about the need to get on with it, the need to continue to work, the need to find ways with which to confront the myriad of health care problems we are facing today.

But the question is, do we take each of these issues as complicated and as difficult as they are, issues that we have attempted to confront in all kinds of ways over many Congresses and, in fact, many decades, and attempt to include them in an amendment to a bill that would give the Environmental Protection Agency Cabinet status?

Frankly, and with all due respect, Mr. President, this is not the time, this is not the place to address our Nation's health care problems. There has been a good deal of talk in the last few weeks about the need to reach out to each other to find ways in which to work in a bipartisan fashion to come up with a comprehensive health care proposal upon which we can agree, to come up with a plan that will address each of these issues and, frankly, even more than what the Senator from Pennsylvania has outlined here in his amendment.

I hope we can do that. I hope we can come up with a plan in the not too dis-

tant future to consider comprehensive health care reform. First, we must come up with an approach that will include Republicans and Democrats in a way that has not yet been done to at least this Senator's satisfaction.

So, I hope, Mr. President, that first we commit to a process and then we commit to a plan that will bring about many of the reforms the Senator from Pennsylvania has suggested in his amendment this afternoon.

We all recognize that we cannot wait any longer. We all recognize when we go home this is the number one issue. We all recognize that we cannot solve the budget deficit unless we solve the health care crisis. We all recognize, as our businesses tell us time and again, that unless we deal with health care in a comprehensive way we are not going to be able to address competitiveness in a comprehensive way.

We recognize the political consequences of doing nothing. We recognize even more the fiscal consequences of doing nothing.

So if we are serious about doing something, if we are serious about laying before the American people a plan that we can say with confidence addresses the problem of universal coverage, that addresses the need for preventative care, that addresses the need for meaningful cost containment, that addresses the need for malpractice reform and long-term care coverage, we really cannot do it as an amendment to a bill elevating EPA to Cabinet status. We cannot address these issues without involving Democrats and Republicans in the committee process, and the House, the Senate, and the White House.

Winston Churchill once said, and I have used this quote before, "That Americans always do the right thing, only after they have exhausted every other possibility."

I hope we do not exhaust every other possibility before we do the right thing this time. And doing the right thing means committing to a process that will bring about a sound plan that we can all feel good about.

I really respect the distinguished Senator from Pennsylvania. He has been an advocate of health care reform for a long period of time.

I understand his impatience and his determination to see the process through this year, in a comprehensive way, in a way that will satisfy us all.

But I must say that this is not the time, this is not the place, this is not the approach, this is not the amendment that will allow the kind of constructive examination of health care reform that we need in this country.

I hope that we can use the ideas offered by the Senator from Pennsylvania—because they address legitimate concerns, they are legitimate proposals, they are items that we simply have to address. But to address this issue in

an afternoon, to do it on the floor of the Senate without utilizing the committee process, to do it without involving all of the other Members of the Senate who feel equally as committed and equally as credible on this issue is not serving the process to our satisfaction.

And so I hope that the Senator will take this advice seriously. I hope that in some way we can accommodate the Senator's desire to move ahead without committing to an amendment of this comprehensive nature in an afternoon, as we take up a bill of significance, a bill that Democrats and Republicans support, a bill that deserves to be passed in its own right without the additional issues related to health care attached to it. I hope we can move this legislation so that we can get on with health reform, so that we can clear the deck and find a process that will deliver the kind of product that the Senator from Pennsylvania wants, that the Senator from South Dakota wants, and that Republicans and Democrats alike would like to see sometime this year.

Mr. President, I yield the floor.

Mr. SPECTER. Mr. President, will the Senator from South Dakota yield for a question?

Mr. DASCHLE. Yes, I am happy to yield for a question.

Mr. SPECTER. If I might preface it, and I shall be very brief about this—I thank the Senator for his commendation, his comments about how admirable it is, and I focus on his statement that “We all recognize that we cannot wait any longer” and his statement that “We cannot deal with a budget without dealing with health care.”

My question to the distinguished Senator from South Dakota is: Does he think we will finish the issue of health care before we deal with the issue of the budget this year?

Mr. DASCHLE. Well, as the Senator well knows—he is a student of the budget, as are many of our colleagues—the budget process is not simply an annual one. Any time you look at the budget, you must look at the long-term budgetary implications of health care and other expenditures.

We know that nothing drives the budget more than does health care. We know that if we are going to truly come to grips with the budget, we have to come to grips with health care.

But we also know, as President Clinton's predecessor, President Bush, knew, that if we are going to do it right, we have to do it in a way that is indeed comprehensive. And certainly we cannot hold the budget hostage this year to a plan that will entail comprehensive decisionmaking that will affect budgets in the outyears.

So I would hope we can tackle these issues simultaneously. We passed the budget resolution. We are now going to reconciliation. Following that, we hope

to take up health care reform so that next year, when we take up the budget resolution, we have a handle on health care costs, so we can say with some certainty that health care costs are controlled to 1994, 1995, 1996, and beyond.

Mr. SPECTER. I thank my distinguished colleague from South Dakota for that answer.

I take from that answer that there is not an expectation that health care will be finished in 1993 in advance of the conclusion of the fiscal year 1994 budget; is that correct?

Mr. DASCHLE. If I can retain the floor, Mr. President, I do not think anyone can tell the distinguished Senator from Pennsylvania today just how soon we can pass health care reform. We would like to say that we are going to pass it sometime in the next few months. But that depends obviously on the degree to which there is a consensus, and on the degree to which Democrats and Republicans can agree on the approach to take.

Of course, if we could pass health care reform this summer, there is no reason why we could not affect costs incurred in this fiscal year. The bottom line is, the sooner we reform our health care system in a meaningful way, in a comprehensive way, in a way that will include Democrats and Republicans, the sooner we can control the budget. You would like to see that happen this year. I would like to see it affect the budget this year, too.

But we will not be able to do that if we continue to delay and find ways with which to obfuscate the issue. I think it is time we get on with it and find a process that will ultimately deliver what the Senator from Pennsylvania and the Senator from South Dakota both want.

Mr. SPECTER. Mr. President, following up with one further question, I agree with what the distinguished Senator from South Dakota said: To find a way, to find a process to move ahead. That is why this Senator has offered this amendment.

My final question is: Does the distinguished Senator from South Dakota expect health care legislation to be enacted during the 1993 calendar year?

Mr. DASCHLE. Well, Mr. President, the distinguished Senator from Pennsylvania knows that I do not have a crystal ball any more than he does.

Let me say this: The President said unequivocally that he wants to see health care reform passed this year. The President is going to put every ounce of his credibility, all his efforts, every person within his administration responsible for health care, into passing reform legislation.

I know the Senator from Pennsylvania would like to see it passed this year. Certainly, the Senator from South Dakota would like to see that happen. I would guess the majority of

Senators in this Chamber today would like to see health care reform passed this year. In fact, I do not know of anybody who is saying: I think we ought to delay even further; I think we ought to move this process into next year or the year beyond. We all want to move forward with this issue.

So if, indeed, we all want it, then I am fairly optimistic that we can accomplish what the Senator from Pennsylvania hopes to accomplish this year. There is no reason we cannot.

We have taken on issues of similar magnitude in the past and there is no reason we cannot take on this one.

There is far more agreement, in my view, than there is disagreement about the points with which we must deal if we are going to successfully confront health care reform this year.

So let us take those areas upon which we agree and build upon them, and let us find a process that will allow us to commit to a date certain. I would like to see that.

But, however we do it, I think we must commit to a process that involves the committees, that involves those people who have been intricately involved in this process on the Republican side and Democrat side.

I am convinced that if we take that attitude, there is absolutely no reason that we cannot complete health care reform in this calendar year and enact it into law.

Mr. SPECTER. Mr. President, I thank my colleague from South Dakota for that answer. I extract from him two key words: “fairly optimistic.” I am left with the impression that it is still a question mark.

I would ask my final question: Whether the distinguished Senator from South Dakota would join with this Senator in asking—and I thank him for saying he would like to find a day certain—I ask if he would join with this Senator in asking the distinguished majority leader to establish a date certain to take up health care legislation this year?

Mr. DASCHLE. Well, Mr. President, I can assure the distinguished Senator from Pennsylvania that no one is more committed to health care reform than the majority leader. I have worked with him for days and weeks and months, and nothing would please him more than to set a day certain to pass health care reform.

I would even wager to say he would lead the charge for setting a date certain.

But I think it is a matter of consultation with the Republican leader and the Republican members of those committees that are equally as committed as we are to health care reform, for example, the ranking members on Finance, Labor and Education, and Veterans' Affairs. There are a number of committees that certainly want to have a voice in this process.

But I do believe—and I say this unequivocally—that the leadership is committed to resolving this issue and to successfully passing health care reform this year.

Mr. SPECTER. I take that to be a "likely yes." I will confer with the Members on this side of the aisle, if my distinguished colleague from South Dakota will do the same on his side of the floor.

Mr. DASCHLE. I assure the Senator that I will.

The PRESIDING OFFICER. The Chair recognizes the Senator from West Virginia [Mr. ROCKEFELLER].

Mr. ROCKEFELLER. Mr. President, I am one of those who believes we will in fact pass health care reform this year. I have marked the day, December 22, 1993. I think the American people are not going to stand for health care reform going over into 1994, and I do not see why they should.

One of the absolutely most important ways to pass health care legislation this year is to do it on a bipartisan basis. Everybody in the world knows that the President, has appointed the First Lady to head up his health care task force which is composed of some 500 people—60 physicians, and other health care professionals that represent all points of view on health care, people from all over the country. One of the reasons the President has caused that to happen is, at least in the view of this Senator, because health care legislation that President Clinton and all of us on both sides of the aisle are committed to doing, is the most monumental undertaking that the Congress has ever undertaken before. It is an enormous undertaking. In fact, when you sit and look at the whole sweep of health care legislation which is represented in the paper which I received from the Senator from Pennsylvania—refundable tax credits, self-employed deduction, children's health care—I do not know whether the matter of veterans' health care is addressed in this 4-page summary or not—but one of the reasons this task force has been working so hard is because it is the most gigantic undertaking this body has ever attempted.

Passage of Medicare and Medicaid—was considered huge, and, of course, it was. But those were add-ons to our health care system. Passage of Social Security legislation generally has been labeled the most momentous social legislation in the history of this country. I have no reason to argue with that. But I will tell you one thing, it is much easier to provide people Social Security benefits than it is to restructure our health care delivery system, not only how it is delivered but also what it is going to cost and cost containment.

The Senator, in his approach, as I understand it, prefers no employer responsibilities. That is a very important

factor, because if individuals are only encouraged to have health insurance, that means by definition that there are going to be tens of hundreds of thousands of people who, in fact, do not have health insurance. As a result, people who do have health insurance are going to continue paying a lot more than they otherwise would.

Cost containment. We know, and the Senator from Pennsylvania knows very well, that the subject of health care is so big that, indeed, if we pass, as I hope and expect we will, all of the President's economic and budget deficit legislation, all of it, and reduce the budget deficit by one-half trillion dollars, that, in fact, only works until 1997 or 1998. After that the deficit starts going right back up again because of skyrocketing health care costs. The only way that we can achieve long-term budget deficit reduction is, in fact, through something called health care reform with major cost containment built into it.

It is still very unclear to me what level of cost containment is contemplated by the Senator's approach. He talks about a refundable tax credit to low- and middle-income individuals. I remember, for example, President Bush proposed individual tax credits. One of the things that became very obvious when tax credits were costed out was that that would leave tens of millions of Americans uncovered. In other words, it sounded good—vouchers, tax credits. It sounded good, but it did not do the job.

The problem is the American people, even though they have an enormous amount of anger about health care, do not necessarily know—as I am sure the Senator from Pennsylvania does, and I know the Senator from South Dakota does—all the ins and outs of this. So there is a tremendous burden on us in the Congress, 535, to do this in a very, very careful, very responsible way.

I associate myself with the comments of the Senator from South Dakota. To be quite honest about it, when I was talking to my good friend, the Senator from Pennsylvania, with whom I shared a Veterans' Committee hearing this morning, and he said at some point he would probably be introducing health care legislation, I had no idea it would be so early—even on the same day. But I really think it does not do justice to the subject of health care reform, which I consider the most complex undertaking that this body will consider in the history of this Republic. People can say that in hyperbolic. It is not. It is not. The Senator talks about malpractice reform. But when you are talking about tort reform, you are talking about an enormous variation of opinion just on the floor of this particular body. I support malpractice reform, but I am not sure it is adequately addressed in the particular amendment.

So to me the idea of offering an amendment to an EPA bill introducing health care is really quite extraordinary. I inquire at this point of the Senator from Pennsylvania whether or not he, in fact, wishes to have a vote.

If I could get the attention of the Senator from Pennsylvania?

The PRESIDING OFFICER. The Chair advises the Senator from Pennsylvania the Senator from West Virginia is addressing a question to him at this time.

Mr. ROCKEFELLER. I was interested in whether or not the Senator actually wishes to have, in terms of the enormity of the problem of health care and the intricacies involved, whether he actually would want to have a vote this day on his bill? That would be my question.

Mr. SPECTER. Yes.

Mr. ROCKEFELLER. To me that is very problematic, Mr. President, very problematic. Here we have a very complex subject. You can take any one of these—managed competition. The Senator's amendment includes children's health care provisions, self-employed provisions, refundable tax credits, preventive care, cooperative agreements between hospitals, insurance simplification, portability. We are going to have to have six or seven hearings in several committees on just the subject of health insurance. Are we going to community-rate it? Are we going to phase it in over time? How quickly can we do this?

Mr. SPECTER. If the Senator from West Virginia will yield for an amplification of the last answer?

Mr. ROCKEFELLER. I am delighted to.

Mr. SPECTER. I wanted to make a terse and definite affirmative by simply saying, yes, a one-word answer. If the one-word answer does not establish the record, it certainly ties the record in this body. I do not think the distinguished Senator from South Dakota came to speak to the Senator from Pennsylvania at the precise time of asking the question, but I would amplify my affirmative answer by quoting the distinguished majority leader, who appeared on Face the Nation on February 28, 1993, and said this:

We are going to have the health package ready to go by early May. It's conceivable that within a period of a couple of months we could have the hearings, mark it up in committee and get it out, and get it done sometime during the summer—perhaps early summer. I think that's possible, with an ambitious schedule, to be sure.

This is the point I really want to emphasize:

But the fact of the matter is this is not a new subject. It is not as though this dropped from Mars onto our desks. We have been debating this for 6 years, 8 years. I've been at this for a very long time. Most Members of Congress have been involved for a long period of time.

So, when I say to the distinguished Senator from West Virginia that we

ought to treat this subject like we treated the Clean Air Act in 1990—the distinguished Senator from West Virginia was deeply involved in that subject, impacting very heavily on his State, as to industry and environmental concerns.

These matters are well known to us. I do not expect a final vote on final passage on this bill today if a motion to table is defeated or if a motion to table is not offered.

If this body were to break up into task forces, as we did on the Clean Air Act, we could come to grips with these issues. We know these issues, and we could vote on them and we could decide them.

So my answer is "Yes."

Mr. ROCKEFELLER. Mr. President, I heard the Senator's answer. I should say to the Senator there will be no tabling motion from this side of the aisle, so that if the answer is yes, then Senators will have a chance to state their views vis-a-vis the Pennsylvania Senator's proposal.

But I will simply say, Mr. President, in winding this up, from my point of view, that this is an extraordinarily cavalier way to treat such a gigantic subject. It really is quite astounding.

Yes, people have been talking about health care for quite a long time, I say to my friend from Pennsylvania. But there has been no really serious debate on health care at the level that we are now contemplating, ever. It was not even a factor in the 1988 election. George Bush, in one of the debates, referred to a Medicaid buy-in proposal and nobody had any idea what he was talking about and it was never brought up again.

It began to become a very big factor in the 1992 election. We now have a President who ran basically on two platforms: One, economics and deficit reduction, and the other was health care reform.

I am sure the Senator from Pennsylvania knows the First Lady's father passed away and that the First Lady spent a period of several weeks with her father. So, yes, the process has been delayed just slightly. But this is a very serious process which they have instituted and it is going to result in a proposal that is going to be very well defined and comprehensive. I think it is going to be very pleasing to many people.

I think it is going to give us a chance to work together in a very bipartisan way. I am very surprised at the thought of taking an EPA Cabinet-level bill and amending health care reform to it. It does not seem worthy of the way health care reform should be treated. It may be a tactical move on the part of the Senator, and I certainly would respect that. I am quite aware of the Senator's interest in health care. He and I understand that for this to work, it is going to have to be a bipar-

tisan process. I know the majority leader feels strongly about that. I know the President feels strongly about it and I know the First Lady feels strongly about it. The Senator from Pennsylvania and I feel strongly about it also.

I would have to oppose enacting health care reform, so to speak, in a single vote at 5 minutes of 5, or sometime thereabout, on this particular afternoon, on a bill that has nothing to do with health care.

Several Senators addressed the Chair.

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

Mr. SPECTER. Mr. President, while the Senator from West Virginia is on the floor, I will state that I take very, very strong exception to his statement that "this is an extraordinarily cavalier way to treat" health care.

My view, Mr. President, is that the leadership of the Congress has been proceeding in an extraordinarily careless way on this subject for many years now. This issue was front and center last year. The Senator from West Virginia headed the Commission and spoke extensively on this subject. I have a transcript of a program where he appeared on C-SPAN last year and had many things to say in a very strong derogatory—let me not characterize it. I withdraw the characterization and instead will quote the Senator from West Virginia and ask for his reply. This is what he said:

There are Republicans who would be glad to sign on to what we have done, but are being precluded from doing so by the White House just as they were told to vote against the Pepper Commission by OMB and by John Sununu directly.

I ask the Senator from West Virginia if that is an accurate quotation?

Mr. ROCKEFELLER. I will be delighted to answer, and I will answer the Senator from Pennsylvania, but in so doing I want to circumscribe my answer by saying that I hope we are not getting into what could so easily be misunderstood, and the one thing I want to stay away from entirely in this subject, and that is partisanship. The Senator has spoken on this before in fairly direct terms, I think, at the end of last year.

In response to the Senator, obviously I did say that because, in fact, I headed up two commissions: One was the Pepper Commission and the other was the Children's Commission. In the both cases, and the Senator from Pennsylvania had nothing to do with this, the Senator from Pennsylvania would not have wanted this, the Senator from Pennsylvania would have probably been right there with me on the issue, but the fact is the White House came in and tried to undermine both the Pepper Commission and the Children's Commission. That has absolutely nothing

to do with what we are talking about now.

I think the one thing the Senator from Pennsylvania wants to be very, very careful about, and I know the junior Senator from West Virginia wants to be very careful about in any floor discussion of health care—and, in fact, I think, in view of the way things have been going around here for the last couple of weeks, we all need to be very careful.

Health care is of monumental importance to the American people. They are not angry by accident; they are angry because the cost of health care has gone out of sight and because millions of Americans lost their health insurance last year. It is not a problem of the poor, it is a problem of the working middle class.

It is an enormous problem and enormously complicated and the last thing in the world we need, and the last thing that will be heard from the junior Senator from West Virginia, is anything which edges toward partisanship on this subject.

I will answer in verifying the quote made by me in saying that, yes, I did say that and the facts, the Pepper Commission and the Children's Commission, bear that out. But that is ancient history. That is the Peloponnesian War, as far as I am concerned.

The American people are looking to us in the 103d session of Congress, in fact they are looking to us this year, to pass health care reform. The only way we can do that is for Republicans and Democrats to join together to do it. I do not know how deeply I can reach into my soul, I say to my good friend from Pennsylvania, in the intensity of my meaning when I say that we cannot on this side pass health care by ourselves. We cannot do it. If there is a single person from this side or from the other side who wants to start filibustering health care return, and there are enough votes, we cannot do it. It has to be bipartisan.

So I fully respect the Senator's laying down of this amendment, and I fully intend to vote against it. But I really do want to encourage the Senator, as I want to encourage all of my colleagues, as we get into this whole health care debate, let us make every effort to stay as far away from partisanship as we possibly can. That will not be easy at times but I feel that very deeply, I say to my good friend from Pennsylvania, and I know that he does too.

Mr. SPECTER. Mr. President, avoiding partisanship is exactly what we ought to do. But these statements made by the Senator from West Virginia were made on August 4, 1992. The Peloponnesian War occurred a considerable period of time before that.

While the Senator from West Virginia acknowledges that he made the

statement, I have this question for him: What evidence does he have that any Republican was told by John Sununu not to join the Democratic program?

Mr. ROCKEFELLER. In response to the Senator from Pennsylvania, I have evidence of that, but I am not going to answer the Senator's question because again it serves no purpose. We are reaching backwards. We are reaching backwards and we are doing it in a partisan fashion if we do that. This Senator is trying to look forward.

We have the most difficult task yet before us, which is the passage of comprehensive health care reform. The Senator has been involved, as I have been, in various commissions and works where there have been close votes and there have been efforts from the White House or within the Senate, whatever, to accomplish one objective or another.

But that is precisely the kind of thing in this year 1993, with a new President, with a new administration, with a new attitude on the part of all of us, including the Senator from Pennsylvania and including the junior Senator from West Virginia, that we have to stay away from. It accomplishes absolutely nothing. I have been trying to concentrate and focus myself on the Senator's amendment. I applaud the Senator for wanting this subject to come up.

I applaud the Senator for putting forward a proposal.

I am chairman of the Alliance for Health Reform which educates the press and the public on health care reform. The Alliance put out an abbreviated glossary for the press of the language of health care, what words mean for example, which we update as time goes along. It is a nonpartisan board. JACK DANFORTH happens to be a member of it. The book which we have put out just to describe the words and the concept of health care is 600 pages. I have here a 4-page explanation of an amendment, and I hope that the senior Senator from Pennsylvania will agree with me that passing this amendment really is not the way we ought to be doing this.

Mr. SPECTER. Mr. President, if the Senator from West Virginia did not want to answer my last question, so be it. I have another question for him. Again quoting from his press conference on August 4 1992—and, Mr. President, let the Record show that I did not wait until April 27, 1993, to raise this issue. I came to the floor the very next day, August 5, 1992, as shown in the CONGRESSIONAL RECORD at 21714.

But let me ask the Senator this question. Senator ROCKEFELLER, from the transcript: "We have 57 Senators, and no Republican Senator that I know of would be allowed to vote for that."

What evidence do you have for that, I ask Senator ROCKEFELLER?

Mr. ROCKEFELLER. I say to my good friend from Pennsylvania, Mr. President, what would he like me to say? I am trying to lay out the predicate that this is not what I consider very useful. I think health care is an incredibly important and complicated subject, and going into previous quotes, previous years—I suppose he could do that for Members on our side and Members on the other side—I do not find that very useful.

My point is that I want to encourage my colleagues to vote against the amendment of the Senator from Pennsylvania in that it is displayed in a four-page explanation and with very little to back it up, in all sincerity from my part, on what it means and what it would do, what effect it would have, what cost containment measures it includes, who is covered and who is not.

You cannot do health care reform in this fashion, I say with all due respect, and I would encourage my colleagues to vote against this amendment.

Mr. SPECTER. Mr. President, I have only one other question for the Senator from West Virginia, who chooses not to answer. This is what he also said in the CONGRESSIONAL RECORD: "The President," referring to President Bush, "talked yesterday in Dalton, GA, using those classic cop-out, stupid nationalized socialized medicine words, the same things he used to talk about Medicare back in 1964 and 1965, he says that his health care plan would cover all, that is a lie."

What is a lie, I ask the Senator?

Mr. ROCKEFELLER. Mr. President, will the Senator explain why he is asking that question to me and what is his purpose in that? I understand his purpose on the floor is to advocate an amendment which he says he seriously puts before the Senate. I very clearly am trying not to deal with the past. The Senator very clearly is. He has an active amendment here. I am meant to be testifying before Senator BOREN's committee on behalf of the Veterans Affairs Committee, and they are waiting for me right at this instant.

I can engage in this kind of polemic, but it seems to me it is doing exactly the opposite of what I think we ought to be doing in this body; not dredging up things from the past but talking about the future, trying to work together.

The Senator from Pennsylvania, in my judgment, if I can be so brash, is probably going to end up voting for the bill that comes from the White House, and I will tell you why. Because the Senator from Pennsylvania is, one, an independent Republican, as he likes to say, is very aggressive in speaking about matters, cares about health care, and it would be my guess that the Senator, when he sees this product, and indeed when this Senator sees this product from the White House, will like it a great deal.

So I will simply say the health care bill is what I want to talk about, not what I or the Senator or somebody else talked about last year and the year before and the year before that.

Mr. SPECTER. Mr. President, I will be glad to respond to that, and then I will yield in just a moment to my distinguished colleague from South Dakota.

I am asking these questions, Mr. President, because the Senator from West Virginia has characterized this Senator's conduct as extraordinarily cavalier. I asked the Senator from West Virginia three questions, and I think they are all relevant, on the issues which we are debating here today. I thank him for his statement about my independence. I can say categorically that if I agree with what President Clinton purposes, I will vote for it. And if I disagree with it, and if I disagree with the integrity and if I disagree with the credibility, I can also assure the Senator from West Virginia I will not call it a lie.

Mr. PRESSLER addressed the Chair. The PRESIDING OFFICER. The Senator from South Dakota.

Mr. PRESSLER. Mr. President, may I say that I think what we are witnessing here is a delay. There is talk of doing the health care package in 1993. We have heard admissions it will probably slip over to 1994. 1994 is an election year, thus there will be an excuse then to do nothing about it. We are probably really talking about getting serious the beginning of 1995.

It was my sad duty this morning to travel to the funeral of Joy Baker. And riding back on the airplane, talking with a number of people who are in the know in Washington, the strong feeling was that there will continue to be charges from the other side of the aisle that Republicans are somehow holding this up, but very little will really happen this year. Next year, there will be the best intentions but it will be an election year. So we are really talking about health care reform in 1995. And meanwhile, we will have rhetoric blaming Republicans, saying there is gridlock, but there are no cloture votes here. We are ready to go. We have the facts. It does not take forever to solve these problems.

We have an amendment written out here. The delays are getting too great. Really, we are looking at—and it might be said here for the first time on the floor of the Senate—the present course of action of the other side of the aisle will delay health care reform until 1995. That may sound shocking but that—

Mr. DASCHLE. Will the Senator yield? Will the Senator yield on that?

Mr. PRESSLER. Yes.

Mr. DASCHLE. I would be interested in knowing if the Senator from South Dakota can tell us who said that and in what context. I did not hear the Senator from West Virginia say that.

Mr. PRESSLER. I said it.

Mr. DASCHLE. The Senator is saying it.

Mr. PRESSLER. I am saying that. Yes, I am saying that.

Mr. DASCHLE. On what basis does the Senator make that assertion?

Mr. PRESSLER. I make that assertion on the grounds we have heard here on the floor this afternoon that it will be at least the end of 1993 before a bill is brought to the floor.

Mr. DASCHLE. I am sorry. Who was it that made that statement?

Mr. PRESSLER. Senator ROCKEFELLER.

Mr. DASCHLE. Well, Mr. President, I heard Senator ROCKEFELLER, too, if the distinguished Senator will yield. I hope that the Senator is not putting words in the mouth of the Senator from West Virginia. Basically, what the Senator from West Virginia said is there is a real possibility we could do it much sooner than that. There is a possibility we could do it this summer. There is a real possibility we could do it this fall. There is an outside possibility it might happen toward the end of this year.

We all were talking at that point about a time certain. A lot of us would like to see an opportunity for a time certain. That would involve leadership, it would involve committees of jurisdiction.

I really hope we would paint no more gloomy picture with regard to the scenario than we really have to here. There is a real desire on the part of Republicans and Democrats, I think, to work together on this issue, to come to grips with many of the comprehensive problems that are addressed in the amendment of the Senator from Pennsylvania. But simply to say the distinguished Senator from West Virginia was projecting a date at the end of this year or next year, frankly, is erroneous. I hope that the Senator would not put words in this mouth in that regard.

Mr. PRESSLER. Mr. President, I am not putting words in the mouth of Senator ROCKEFELLER. He suggested toward the end of 1993. It is my prediction that it will be 1994 before this thing gets started, and it is my prediction that the excuse will be used next year that it is an election year, so we will be over to 1995.

The point I am making is we have heard so much rhetoric about this subject and we have had so much information about it that this Senator is ready to act, and that is why I am cosponsoring the Specter amendment. That is why I think it is time that we need to tell the country that we are ready to move, that we are ready to do something, and that the delays are not coming from this side of the aisle.

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

The PRESIDING OFFICER (Ms. MIKULSKI). The clerk will call the roll.

Mr. DASCHLE. Madam President, I would ask to withhold the quorum call for just a moment.

Mr. SPECTER. I will be glad to do that, Madam President.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. DASCHLE. The distinguished Senator from West Virginia made a point that I think really deserves to be highlighted. I think that we need to call attention to the tremendous work underway at the White House task force. The task force has involved some 400 people, Republicans and Democrats, people from all walks of life. They have made incredible progress addressing this issue, and trying to involve and communicate with Senators on both sides of the aisle. The task force is attempting to reach out, to seek our advice, to find ways with which to address the broad range of problems that we face in this country, problems associated with rural health care, problems having to do with insurers who screen out individuals with preexisting conditions, problems with containing costs, problems with lack of long-term care coverage.

Mr. PRESSLER. Will my friend yield?

Mr. DASCHLE. I am happy to yield.

Mr. PRESSLER. I commend my friend for his leadership in working in this area and the 400 people meeting. When will we have legislation on the floor?

Mr. DASCHLE. The expectation, I answer the distinguished Senator from South Dakota, is that the proposal will be made within the next few weeks.

Mr. PRESSLER. Will they bring a bill to the floor of the Senate within a month?

Mr. DASCHLE. I think it is safe to say we will see a comprehensive proposal laid before the Congress sometime in the very near future. The distinguished Senator knows as well as I do that with a matter as complicated as this whole issue is, that the advice given by some of the Senators on that side of the aisle: Do it right, rather than do it fast, is good advice. Some of the distinguished Senators on the Republican side on the Finance Committee gave the same advice to Mrs. Clinton just last week, they said: Do not worry about arbitrary deadlines here. Let us make sure that we are doing it right.

I think that was good advice, but I also think that there is a desire to do it as quickly as possible. A desire to address the concerns expressed sincerely by the distinguished Senator from Pennsylvania, about the need to get on with it. But I think that whether it is May 15, or May 17, or May 21, this complex problem deserves our full and very careful consideration. This administration, and certainly leadership on both sides of the aisle, are as

determined as anyone to do this issue expeditiously. I think we are going to do that.

My point in rising again is simply to draw attention to the fact that a tremendous amount of work has gone into preparing a proposal. As we now reach the final stages of that preparation, to offer an amendment that completely negates or ignores what the task force is doing, while well-intended, is certainly not the correct and best approach to use if we want to solve this problem in a comprehensive and thoughtful fashion.

I think what the task force has done is remarkable. I only remind my colleagues that I remember President Bush coming to the Congress shortly after the time he was elected and telling the Congress that he, too, was committed to health care reform. It was a very high priority for him, and he told us that in a very short period of time he was going to present a proposal that the Congress could work with in a bipartisan way.

It took the President about 3 years to deliver that proposal. It was not until the third year of his administration that he came forth and presented his proposal, only after year after year of promise and delay. He, too, understood the complexities of the problems. He, too, understood the difficulties in reaching a consensus even within the administration. So for this administration to come forth with a plan not in 3 years, but in a little bit more than 3 months is quite an accomplishment. It shows the dedication of this administration. It shows how determined they are to join with us in resolving the many health care issues confronting us in the Congress.

So I only ask that we recognize the legitimacy of that process—that we build upon that process once it comes to the Senate floor and the House floor. And we set, as the distinguished Senator from Pennsylvania has suggested, a timeframe within which to consider this issue and ultimately deal with it in a positive way.

I think we can do that. I certainly applaud the leadership of the President, the First Lady, and the task force. I applaud the effort that they have made, and the expectations that they have left with all of us that we will deal with this issue in a successful manner. I yield the floor.

I note the absence of a quorum.

Mr. GLENN. Will the Senator withhold?

Mr. DASCHLE. Yes.

Mr. GLENN. Madam President, I do not know whether we talked about costs and how we pay for these things. Was that addressed while I was gone? I am sorry I had to leave the floor for a short period of time.

I know there are a lot of good things and the distinguished Senator from South Dakota commented on those and

complimented the Senator from Pennsylvania on these matters. I do, too, because obviously he has done a lot of thinking in this regard and a lot of work with Senator CHAFEE and Senator PRESSLER and others that have been particularly involved on the Republican side of the aisle.

One of the biggest problems though that we face with regard to health care is how we are going to pay for it. That is one of the things that the administration is wrestling with, grappling with. Even the mention of that tax and we immediately draw opponents on both sides of the aisles, I might add. The Republicans and Democrats alike in our own caucus, all you have to do is mention that tax and we get pros and cons on that in our own ranks.

The question is not whether we can all draw up a good program, but the question is going to be how we pay for it. I noticed that we have, under the access to health care part of this section-by-section analysis which the distinguished Senator from Pennsylvania gave to me a little while ago, several things here with regard to what would happen for refundable tax credit, what would happen to self-employed persons, children's health care, and so forth. I do not know whether he has carried the whole thing to the point where he really has an overall estimate of exactly how much he estimates his approach to health care would cost. It is quite comprehensive. But it seems to me that is key to whatever is passed, or the administration bill, or someone else's consideration of this. Does the Senator have any estimates on that, or a breakdown of how much different parts of this would cost?

Mr. SPECTER. Madam President, I would be delighted to respond to the question by the distinguished chairman.

We have requested the Congressional Budget Office to give a figure and they have not replied. In the context of the floor statement made on Senate bill 18, there is exhaustive analysis as best this Senator can undertake, to show that there would be a saving based on the calculation of 20 percent saving on managed health care, based on the calculation of savings on low birth weight babies, based on the calculation of lessening of the term of health care costs. But we have not been able to get it from the Congressional Budget Office figure.

We put into the RECORD a report by ABC television. I state, for whatever value it has, guesstimating, that the costs of the President's package are now in the range of \$146 to \$175 billion. The Congressional Budget Office has also said that when they deal with managed care, they are reluctant to get into the issue of projecting costs because they are so difficult to undertake.

Mr. GLENN. I thank the Senator. Does anybody else wish to debate on this?

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Madam President, I wanted to ask the distinguished Senator from Pennsylvania a question or two in connection with his legislation. Before I do that, I want to say that the Senator from Pennsylvania has been a very, very loyal and hardworking member of our health care task force reform group for the Republican Senators. He has worked on this matter for a long time and is deeply interested.

There is one provision in his amendment I would like to draw out, if I understand it correctly. I believe that in the Senator's legislation he has a provision where a Federal board sets caps on the rate of increase that the insurance company would be permitted on its premiums.

Mr. SPECTER. That is true, yes. Part of the first point on the summary—and when the distinguished Senator from West Virginia was talking about four pages, he was talking about a very abbreviated summary. The text of the bill runs 302 pages. One of our points is that the Board would determine annual limits on the allowable percentage rates of increase in premiums for accountable health plans and develop uniform deductible and cost-sharing requirements.

Mr. CHAFEE. Well, Madam President, I am not in agreement with that particular provision. And while I will vote for the Senator's amendment, I recognize, one, that it is going to have difficulty passing here and, two, that should it pass here, it would undoubtedly have difficulty in the conference.

Nonetheless, I want to support the Senator's efforts because he has devoted a lot of time to health care generally and has been supportive of our overall Republican efforts in the Republican Senatorial Health Care Task Force.

On this particular provision, I am not in agreement. So I do not want somebody coming to me later on down the road—and we all recognize health care is going to be with us quite a while—I do not want anybody coming up to me and saying to me or saying to other Members who might possibly vote on this: Do not talk to us about being opposed to a board setting caps on premium increases, because you voted for that on April 27 in connection with the Specter amendment.

I think we will all discover, as we go along, in connection with health care, that we do not take a sworn pledge to be for everything that is in a particular piece of legislation. We recognize that, particularly in connection with this health care matter, it is going to go through innumerable iterations. I want to commend the Senator for his con-

sistent efforts, and while I have disagreements on this particular portion, and perhaps on other portions of the bill, I think that the Senator is deserving of encouragement for his persistence and his genuine interest in this.

We all know that regardless of what happens with this measure today—and I think we are all being candid, and we pretty well recognize it is not going to pass—he made a contribution to the debate and will proceed with that debate. When Mrs. Clinton's task force comes forward with their proposals, which I am sure will be thoughtful and wise in many respects, we will take those up and discuss those at that time.

Mr. SPECTER. Madam President, I thank my distinguished colleague from Rhode Island for those generous comments.

As I had said earlier today in the absence of the Senator from Rhode Island, I have worked for more than 2 years on the task force which he has chaired, and I supported the legislation which the task force introduced in November of 1991. It has been a very laborious and hardworking task force. We have met most Thursday mornings at 8:30 a.m. We have had retreats and countless discussions. I have worked hard to see if the task force could come up with a proposal which would be offered. And this is as good a time as any to say that in this document of some 302 pages there are some provisions that I do not agree with. But assembling a critical mass—it is not possible to put together a bill where everyone agrees with every point.

In supporting S. 1936 last year, authored by the distinguished Senator from Rhode Island, I said I did not agree with all of the provisions. Senator D'AMATO does not agree with some of the provisions in the health care amendment I have introduced today—although he is a cosponsor. Specifically, he does not agree with certain tax matters because of his objection to having any new taxes. Certain other Senators objected to the contrary provision. We tried to work it out in a way to get the broadest support we could. But when we look for legislation, we are looking for a critical mass; we are looking for some place to start, a place where we have a bill that can have amendments.

I have discussed this with Senator CHAFEE repeatedly in terms of a strategy and how to approach these matters. I believe it is vital, Madam President, that Senators lay down bills and lay down markers. I think it was vital to lay down the health care amendment last year on July 29, as I did. And then the distinguished Senator from Rhode Island carried on later in the year and worked with the chairman of the Finance Committee, then Senator Bentsen, in working out certain arrangements later in legislation.

I proposed S. 18 on the first legislative day, January 21, and immediately

I sought hearings. I did not wait for the task force to get 3 or 4 months into their work. I proceeded immediately. If the task force was prepared to have the bill on the floor, I might well have withheld this amendment. But I think the American people should know that we are ready now to legislate on health care—at least as this Senator sees it. That is why I have pressed this amendment.

I have no illusions about party-line voting which is likely to occur here. But if a motion to table is offered and the motion to table is defeated—if that should come to pass, which I candidly say I doubt very much—then we can proceed as we did on the Clean Air Act. But I think this is a good bill, and I think it ought to be considered by the Senate.

Mr. GLENN. 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.

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

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

Ms. MIKULSKI. Mr. President, I ask permission to speak on the amendment proposed by the senior Senator from Pennsylvania [Mr. SPECTER].

The PRESIDING OFFICER. The Senator is recognized.

Ms. MIKULSKI. Mr. President, the senior Senator from Pennsylvania has offered his amendment and states that his desire to do so is because the American people have a great sense of urgency that something be done about reforming health insurance in the United States of America.

On that point, the Senator from Pennsylvania is correct. There is a great sense of urgency in the United States of America to do something about health insurance, but to do it right the first time. There is a great sense of urgency in the United States of America to reform health insurance, not only that it be available, not only that it be affordable, and not only that it will meet the compelling needs of American families, but that whatever we do be done anticipating the unintended negative consequences of intemperate action or poorly thought through and flawed ideas.

I think all of us on both sides of the aisle who seek a quick-step action on reforming health insurance want to be sure that whatever we do has been carefully thought through, that there be no unintended consequences, and that when we pass it, it will be the health insurance framework for not only this session or this decade but will take us well into the 21st century.

That is why, when the Senator from Pennsylvania has offered his amend-

ment, I have no doubt that the Republican study group has thought about it carefully, but it has not been widely circulated. This Senator has not had a copy of it to review it today to vote on it and, as I understand it, there have been no hearings held on it, not only in the 98 days of the Democratic administration, but there were no hearings held on it during the Republican administration.

I hope, Mr. President, for all of those who will vote for the Specter amendment, who, therefore, have voiced their commitment to a quick-step response to the urgent needs of the American people, will promise that when the Clinton package comes before the U.S. Senate they will take the no-filibuster pledge. And, in fact, I challenge every Senator who will vote for the Specter amendment, because of his stated desire for a quick-step action, to promise that they will not filibuster either overtly or in that new style of the rolling filibuster one amendment at a time, that they will not then delay the consideration of the Clinton package on antiquated procedural rules.

Mr. President, because I do think there is a great sense of urgency in the United States of America—and I listened to the debate from others on the other side of the aisle who raised their issues, even argued among themselves about it—I have many questions about what does it mean. First, how will it be paid for? What are the tax consequences? Will it enhance our competitiveness or will it minimize it?

I have particular concern about constituencies. I chair the Appropriations Committee for the veterans of the United States of America, and in trying to meet the needs of veterans' health care, too often in the arm-twisting of the last decades on budgets I have found that promises made were not promises kept. I hope that when we reform health insurance, we make sure we protect the needs of American veterans, have them part of a national system, but enable them to keep the unique services and facilities that were designated for them.

Wherein does veterans' health care fit into the Specter amendment? I do not know. Perhaps the senior Senator from Pennsylvania would like to elaborate on how we will meet those needs. Do we terminate VA? Do we keep VA? How will they be integrated? What does it mean if you do not bear the wounds of war but have served there? What does that mean to veterans?

Then we get to another great passion of mine, long-term care. How will long-term care be met in the Specter plan? Do we have a long-term care plan? Or is it only about terminal illness? Mr. President, there is more to long-term care than dealing with the final hours of life.

What about women's health care? Are there preventive services for

women? Will pap smears be involved? Will mammograms be covered? Forty thousand women will die in the United States of America this year because of breast cancer. Certainly, when we reform health insurance, we are going to make available prevention and screening and, by the way, not only for women but prevention and screening for children and for the men we women love. I hope with the new techniques in screening for prostate cancer, we make sure we look out for the guys that have spent their lives looking out for us.

Where and what will be included in preventive services? Are they there? I do not know. And I ask these questions not as a debating technique, but I looked at my desk. What do I have on my desk today that would enable me then to look at the issues pending? I have a DPC bulletin for the Department of Environment. I have legislation to establish the Department of Environment. I have here a report from the Environmental Committee. I have here the CONGRESSIONAL RECORD. I have here the Calendar of Business.

I do not have here a description of what the Specter amendment will mean to my constituents and to the people throughout the United States of America. How can I vote on a 302-page document that has just been laid down this afternoon with no hearings so that Sister Helen Amos, who runs Mercy Hospital in Baltimore, who has never turned their back on the poor, would tell me what are the consequences of religious, nonprofit hospitals in urban areas?

I read not read it. Sister Helen has not read it. What about that solo practitioner that actually makes house calls in rural America, the kind of people you and I hope to look out for, whether it is in South Dakota or the Eastern Shore of Maryland?

Where are the 302 pages of the amendment so that, even in the debate—and I know the senior Senator would perhaps like to respond to me—I would like to be able to turn to those pages? They might be terrific ideas. I do not know what those ideas are.

I sit on the Labor and Education Committee, chaired by Senator KENNEDY and ranking Republican Senator NANCY KASSEBAUM. We look at so many of the public health aspects that will be involved in health insurance. I have never heard a hearing on this bill.

I am not opposed to hearing alternatives. I know we heard one on the Mitchell bill, but I have never heard one on the Republican task force. I do know the Republicans have been meeting.

I remember in January the First Lady was going to Annapolis to meet with that study group. A snowstorm hit, and I know it was a great disappointment to the Republicans not to have the conversation they wanted with Mrs. Clinton.

She was scheduled to come up to Baltimore to meet in a diner with me to talk to women about their health care needs. I know Mrs. Clinton reached out to the Republican Party, meeting with Senator DOLE and the task force. And I anticipate there will be other conversations.

I do not think we should politicize health care. It is not about scoring. It is not about who gets in there first. It is about how we finish; that we actually pass legislation that meets the compelling needs of American families; that it does not bankrupt small business; that it enables large business to compete in the global marketplace.

And for it to be a defining moment of this congressional session is that when this 103d session ends, on a bipartisan basis, a bicameral basis, we have been able to reform health insurance and do it in a way that meets the compelling needs of the families and the American community.

With that spirit in mind, I hope that we would not pass the Specter amendment. I hope, when President Clinton submits his legislation, let us also have a hearing on the Republican alternative or the Republican ideas. I think health insurance, in the final end, in the reform we do, should not be a Democratic package, it should not be a Republican package, but should be an American package that really does address it. And I hope we could proceed with that spirit in mind.

Mr. President, I yield the floor.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, the questions raised by the Senator from Maryland have been in the CONGRESSIONAL RECORD for weeks. The legislation was first introduced in S. 18, on January 21, as I outlined earlier. And I put into the RECORD the specific letters which this Senator had written to Senator KENNEDY, chairman of the Committee on Labor; the letter I wrote to Senator MOYNIHAN, the chairman of the Committee on Finance; the letter I wrote to Senator MITCHELL, the majority leader.

S. 18 was supplemented with S. 631, which was put into the RECORD as a possible amendment on the emergency appropriations bill and then announced to come into the bill on the debt limit. Not only were the 302 pages put in, but a summary was put in answering all of the questions which the Senator from Maryland has raised.

When she asked questions about long-term care, that is in the bill. There is a separate title on long-term care. I had announced earlier a separate bill that I introduced in 1991, S. 1122, in the 102d Congress. Section 11 carries the provisions of long-term care.

When she asked questions about what happens for women's coverage, it is in

the bill. Preventive care relating to breast and cervical cancer prevention and a variety of services.

When she asks about preventive care, it is in the bill.

The first title of the bill covers managed competition and universal coverage, with the establishment of a Federal health board to develop a uniform set of effective benefits, with emphasis on primary preventive care. 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. The summary specifies in some detail what happens there.

Title II on preventive care contains provisions for an expansion of primary and preventive health service by authorizing increased availability of comprehensive prenatal care services to women at risk for low birth-weight births and assistance to local education agencies and preschool programs for comprehensive health education. Increase authorization of preventive health programs such as breast cancer and cervical cancer prevention, childhood immunization and community health centers.

A third title on access to health care, providing for refundable tax credit to low- and middle-income individuals; deductibility for self-employed; and children's health care.

Title IV, consumer decisionmaking to enhance decisionmaking by requiring survivors participating in the Medicare and Medicaid programs make specific information available.

Title V, cooperative agreements between hospitals.

Title VI, patient's rights to decline medical treatment to 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 VII, insurance simplification and portability.

Title VIII, encouraging alternatives at dispute settlement.

Title IX, Medicare preferred provider demonstration projects.

Title X, treatment and outcomes research to foster the development of medical practice deadlines by implementing a surcharge of one-tenth of 1 cent on health insurance contracts.

Title XI, as I previously stated, long-term health care.

Title XII, financing.

It is as comprehensive a bill as this Senator could devise and as was present in other bills which were pending, this is an amalgam of legislation introduced by Senator KASSEBAUM, Senator BOND, Senator COHEN, Senator MCCAIN, and a review of Democratic proposals, as well.

It does not cover the veterans' care because that is specifically excluded.

I am not saying it is a perfect bill. I am not saying I agree with all parts of the bill.

Senator CHAFEE came to the floor and disclaimed a provision. I said I understand. I am not agreeing with all of it myself. I am trying to put on the floor a critical mass that can perform the basis for legislation.

Senator D'AMATO is a cosponsor. He does not like some of the provisions on taxes. And I had taken them out for one Senator and put them in for another and Senators objected.

There is no way to get a bill on this floor which 51 Senators are going to agree to without a lot of debate, analysis and disagreement. But I challenge anyone to provide a better bill.

Ms. MIKULSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Ms. MIKULSKI. Mr. President, I do not know if it is. I cannot meet the challenge for a better bill now. And I appreciate the fact that the Senator has put the bill in the CONGRESSIONAL RECORD. But I say to you, Mr. President, that no matter how widely read the CONGRESSIONAL RECORD is, people have not read this legislation, hearings have not been held on the legislation, nor have we gotten feedback on the consequences of that.

We will, in a very short time, truly begin. We have already begun the national debate on health insurance reform, and in a very short time we will have actual legislation before us. I say, let us do it at that time. And I also ask that, when it proceeds, we do not use parliamentary delaying tactics to inhibit that process, including the use of the filibuster when that legislation comes to the floor.

I am sure that there will be elements in the legislation of the Senator from Pennsylvania, which obviously he worked very hard on, that might be superior to the Clinton package. We will probably do a blended package. Gosh, working together? Would that not be great? Would that not be American? Would that not be what the American people have asked of us, when they called for change, the end of gridlock, deadlock, petty partisan mischief-making?

I hope we respectfully consider each other's ideas. I believe the Republicans should have a hearing on their legislation. I think that is only fair. But let us do it within the context of the Clinton package, this package, and let us come up with what is in the interests of the American people.

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

The PRESIDING OFFICER. Will the Senator withhold? The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I sent a letter to the Senator from Maryland, a letter in January including a copy of Senate bill 18, so I think she is on notice of what the legislation proposes.

In the absence of any other Senator on the floor—now I see a Senator coming to the floor, the distinguished Presiding Officer, so I yield the floor.

The PRESIDING OFFICER (Ms. MURKULSKI). The junior Senator from South Dakota.

Mr. DASCHLE. Madam President, let me commend the distinguished Senator from Maryland for her remarks. She could not be more on target. She said a couple of things with which I want to associate myself.

First of all, her point about bipartisanship is critical. I think as she indicated so well, we are not going to pass health care legislation if we rely upon Republican votes, or if we rely upon Democratic votes, or if we rely upon the White House to dictate it to us. It is not going to happen. It is only going to happen if, working together, Democrats and Republicans, we can come up with a comprehensive approach that we all feel good about.

Does that mean we are going to have unanimity? No. Does that mean we all will be enthusiastic about each and every provision? No. But does that mean we will be passing legislation that enjoys broad-based support of both sides of the aisle? If indeed we are serious, the answer has to be yes.

Her other point is one I feel equally concerned about. That is her real concern about many of the provisions of the amendment that, frankly, no one yet understands because, as she indicated, we have not been given access to the text of this legislation until now. There are a lot of provisions in here. In fact, I am going to ask the distinguished Senator from Pennsylvania about a couple of them in just a minute. But I think the point is well taken. How can we vote on something of this magnitude without the advantage of hearings, without the advantage of having a thorough discussion, without the opportunity to weigh very carefully ramifications of many of the proposals in the bill offered by the distinguished Senator from Pennsylvania?

In good faith, the Senator indicated earlier that he is frustrated, that he is concerned about the slowness with which the Congress is dealing with the issue, the long time it has taken to confront this issue. I found of some interest an article in the Patriot-News, Harrisburg, PA, dated April 8, written by Joseph Serwach—I assume a columnist with the Patriot-News—quoting colleagues of the distinguished Senator, Members of the House, like GEORGE GEKAS of Harrisburg and BILL GOODLING of Jacobus, who indicated that—and I am quoting from the article here:

\*\*\* the Democratic push for national health insurance is like a speeding train out of control and needs someone to hit the brakes to prevent a disaster.

GEORGE GEKAS is quoted as saying:

I predict there will be no health care plan passing Congress this year and you may applaud for that.

Goodling and Gekas, however, said the delay means good news for consumers because slowing the process will keep Democrats from saddling the Nation with a bad plan.

You obviously have differences of opinion within the Republican Party even in Pennsylvania with regard to the speed with which we move ahead. I think the distinguished Senator from Pennsylvania, as he indicated, would certainly share our view the time has come to move ahead. But clearly there are those, even within his own party, within his own State, who do not share the Senator's point of view. Obviously, it is partly for that reason we are still grinding along, trying to confront many of the issues we have all addressed this afternoon.

Since we are waiting for the leadership to come to the floor to give us some indication of the plans for the rest of the evening, and perhaps consideration of this amendment, it may be helpful if the distinguished Senator from Pennsylvania would engage in a discussion with me about some of the specific provisions of the bill.

First, if the distinguished Senator could enlighten the Congress, and those are watching, about the way in which this bill is paid.

How, if I could just ask the distinguished Senator from Pennsylvania does he pay for this bill and what does it cost?

Mr. SPECTER. I will be delighted to respond, Madam President, to the inquiry of the distinguished Senator from South Dakota. I commented earlier, when the chairman of the committee asked the question, that inquiries by this Senator to the Congressional Budget Office have not been answered, as to a cost figure. And information received by this Senator is that they are reluctant to answer questions on managed health care.

I had said to the distinguished chairman of the committee that the only costs put into the record were by ABC Television, whatever they are worth, on the President's bill, at \$146 to \$175 billion. And that in the absence of a figure by the Congressional Budget Office, this Senator spoke and wrote at length in the floor statement about the expectations on cost. They were essentially that, on managed health care, there is an expectation of a reduction of some 20-percent in costs.

In dealing with low-birthweight babies, it is a multibillion dollar item, with such babies costing as much as \$150,000—a human tragedy and a fiscal tragedy. On the costs of terminal care, people spend as much money in the last few days or few weeks of their lives as they had spent in their entire lives.

When you come to the issue of packaging and insurance costs, there would be very, very substantial savings.

My own view is that when you have a health-care system in the United

States which costs \$840 billion and you start with a 20-percent saving off the top, which is in excess of \$160 billion, and add to it the costs of reducing the incidence of low-birthweight babies and add to it reductions in terminal health-care costs, that there may ultimately be a savings here. It is not really possible to put a precise figure on it.

Mr. DASCHLE. This Senator is a person I have respected for a long period of time, and I mean that sincerely. I have admired much of his work, and frankly I know him to be a serious student of health care reform and many other issues. I am surprised that the distinguished Senator from Pennsylvania, or anybody, frankly, would come to the floor to offer an amendment of this magnitude and admit that they really do not have any appreciation of how much it costs. We do not know whether it is \$140 billion, we do not know whether it is \$180 billion, we do not know whether it is \$100 billion. We cannot even tell within \$30 or \$40 billion what this program costs.

Mr. SPECTER. Will the Senator from South Dakota yield for a question?

Mr. DASCHLE. I will in just a minute. But my point is obvious. My point is that tomorrow, maybe tonight, but most likely tomorrow, we are going to be called upon to vote on a bill of this magnitude, the author of which has just stated he does not know the costs.

He has been able to cite an ABC report that claims a cost of \$146 to \$175 billion.

But I would hope that this body would not be relegated to relying upon ABC News for its budgetary analysis. Rather, I hope we could—

Mr. SPECTER. Will the Senator yield for a question?

Mr. DASCHLE. Yes, I will in a minute. Please let me finish. I know the Senator would make this point if the roles were reversed, as much of a student of the budget as he is. Certainly, someone of his credibility, determination and interest in this issue can do better than to tell his colleagues in the Senate that it is anybody's guess what his bill costs, and then expect his colleagues to vote blindly on the bill.

I will be happy to yield.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER (Mrs. MURRAY). The Senator from Pennsylvania.

Mr. SPECTER. Madam President, the distinguished Senator from South Dakota was not listening to what I said when I referred to cost figures from ABC television. They were on the President's proposal, they were not on my proposal. I said earlier in a response to a question by the distinguished chairman, the distinguished Senator from Ohio, that those were the only figures in the field.

This Senator has done everything any Senator could do to find out what

is the cost. When I asked the Senator from South Dakota to yield for a question, the question was going to be, what would he do? You write to the Congressional Budget Office and you wait and wait and wait and wait and you make an analysis. And I have gone into some detail in the floor statement as to the savings as to this Senator's projections as to what the costs would be. But there is no way that any Senator can do anything more unless he goes and takes over at the Congressional Budget Office.

The distinguished Senator from South Dakota knows that time after time after time Senators appear on this floor and move to waive the Budget Act, which this Senator is prepared to do if someone raises the question. But that happens again and again. It may well be that when the President comes up with a proposal and it goes through the committee that the Congressional Budget Office will give it a little more attention than they gave to the request by this Senator.

Mr. GLENN. Will the Senator yield?

Mr. DASCHLE. If I can regain the floor, Madam President, I certainly appreciate the Senator's frustration. I have been there many times. I have made requests of the Congressional Budget Office on a number of bills. Not through any fault of their own, necessarily—I know how busy they are; I know how much work they have to do; I know where I rank on the seniority list—I know for a lot of reasons requests made by this Senator have also been delayed, and that frustration has been evidenced in my own statements on the floor, on many occasions.

But that is not the issue. The issue is: Do we vote on something of this importance, this magnitude, this complexity, without having cost estimates? I dare say, the Senator from Pennsylvania, as thoughtful a Senator as I know him to be, would have to say no, this is not the way to do business.

In part, that is the way we got into this mess in the first place, by voting blindly without fully appreciating cost, without fully understanding the budgetary complexities of these difficult issues.

The Senator from Pennsylvania certainly would not—

Mr. SPECTER. Will the Senator yield for a question?

Mr. DASCHLE. Madam President, I will yield in just a minute. I will be happy to yield as many times as the Senator would desire. But I just want to finish the point that the Senator from Pennsylvania, and most Senators here, truly want to find a way to deal with health care comprehensively but also in a way that gives us a complete appreciation of the implications of the decisions before us.

How can we honestly and in good faith vote tonight or tomorrow or at any time and then turn to the Amer-

ican people and say: "We just voted on health reform, but we don't have the slightest idea what it costs." I have to tell you, that is not the way the American people expect us to confront this issue.

Of course, they want us to confront it quickly; of course, they want us to confront it in a way that finally and at long last gives them some confidence that we have resolved these problems. But we cannot confront it and then admit to them that we do not have the numbers—we do not know whether we solved your problem because we do not know what it costs.

The second question I have of the distinguished Senator from Pennsylvania has to do with his comments that there are a number of savings to be generated in his approach.

I wonder if the Senator could give us some indication as to what those savings are and compare the cost of his plan with the cost of the current health delivery system.

Mr. SPECTER. Madam President, I am delighted to respond, and do so very promptly. U.S. Healthcare, an HMO in Pennsylvania, estimates that the coverage under managed health care will produce a savings of 20 percent. On the \$840 billion which we now spend, that would be a savings in and of itself of \$168 billion.

If I may return the favor to the Senator from South Dakota, has he ever moved to waive the Budget Act and he did not know how much an amendment would cost?

Mr. DASCHLE. Madam President, I answer the Senator from Pennsylvania that there have been times that I have voted to waive the Budget Act. But I daresay I never voted to waive the Budget Act on any proposal of this magnitude and without having any idea whether we are talking about \$50 billion or \$100 billion or \$150 billion, because we have never dealt with any bill of this magnitude, as long as I have been in the Senate.

We are talking, as the Senator just indicated, about a health care delivery system that does not cost \$840 billion but most likely this year will cost \$920 billion in private and Federal dollars. So we are talking about a lot of money here.

I would question when we use this 20-percent figure, are we talking about 20 percent in savings in both the Federal and the private sector? Are we talking about savings for an individual who will be paying 20 percent less in insurance premiums? What specifically are we talking about with regard to this 20-percent savings?

Mr. SPECTER. Madam President, I am glad to respond about the 20-percent savings on the gross expenditures.

I ask the next question of the distinguished Senator from South Dakota whether, if he had an important amendment and felt that it would be a

savings, and analyzed it as carefully as he could, as illustrated by my floor statement, and asked the Congressional Budget Office for a figure, and if he could not get a figure there, if he would withhold making the amendment because of that set of facts?

Mr. DASCHLE. Again, I go back to the point I made earlier. I share the Senator's frustration. There is every reason to be frustrated for not having the cost estimates.

The Senator said earlier, and I was going to draw attention—

Mr. SPECTER. Madam President, I regain the floor with the present question. Would the Senator not remake the amendment?

Mr. DASCHLE. The Senator from South Dakota retains the floor, and I will yield to the Senator. I will be happy to continue the colloquy.

The PRESIDING OFFICER. Senator DASCHLE is correct.

Mr. DASCHLE. Earlier, Madam President, it was the Senator's feeling that the leadership was responsible for handling health care reform in a careless way. I must say, I do not know of a more careless approach to health care reform than to offer legislation of this magnitude and not have better cost estimates.

The Senator's assertion is that somehow we are saving about \$180 billion in this plan.

I would like to know in a more detailed way where those savings come from. The Senator points to a source that has indicated that we are going to come up with 20-percent savings. Frankly, if we can do that, and do all of the other things that the Senator is advocating, I would certainly want to commend him. I am very hesitant to believe that indeed we are going to come up with 20-percent savings in any plan, and do all the other things we have to do.

Are we providing universal access? Are we providing more opportunities for preventive care? Are we really accomplishing all the things the Senator has indicated he wants to accomplish with this plan, and still saving 20 percent? If we are doing that, this is by far the best plan that I have seen yet.

I, frankly, do not believe that anyone is capable of justifying those assertions and making that kind of a claim.

I ask the Senator, does that 20-percent savings take into account universal access to health care for those 35 million Americans who currently do not enjoy access?

Mr. SPECTER. Madam President, if I may respond, the answer is "Yes."

Parliamentary inquiry, may I ask for the yeas and nays at this point?

The PRESIDING OFFICER. The Senator from South Dakota has the floor.

Mr. DASCHLE. I yield to the Senator from Pennsylvania for that purpose.

Mr. SPECTER. Madam President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The Yeas and Nays were ordered.

Mr. DASCHLE. Madam President, the Senator indicated that indeed this does include universal access and would still save roughly \$180 billion. Is that in the first year, or is that over a period of time?

Mr. SPECTER. Madam President, if I may respond, this is the fourth response to the same question. The savings projected from managed health care are 20 percent of the gross.

Mr. DASCHLE. But the Senator is not answering my question. Twenty percent—

Mr. SPECTER. Just as precisely as the Senator from South Dakota answered mine.

Mr. DASCHLE. The 20-percent gross, how would the Senator define "gross" in this case?

Mr. SPECTER. Twenty percent of the gross. The gross is \$840 billion, and I multiply 20 percent of that and come to \$168 billion.

Mr. DASCHLE. And the Senator is citing whose figures in making this assertion? Who has calculated this to be a 20-percent saving?

Mr. SPECTER. Madam President, if I may respond, U.S. Healthcare in Pennsylvania has given me that figure.

Mr. DASCHLE. U.S. Healthcare. Is that a private organization?

Mr. SPECTER. It is an HMO, Madam President.

Mr. DASCHLE. I do not know how comfortable the Senator feels with regard to that cost estimate. I would be amazed, frankly, if any organization, any HMO has the kind of data to make that calculation. CBO struggles with its numbers; all of the other Federal agencies struggle with these numbers. I would be very interested if the Senator could submit for the record the basis upon which they have made these savings calculations. I think it would be helpful to further understand how the savings are derived and the degree to which we can look upon them with confidence. Would the Senator be willing to do that?

Mr. SPECTER. Madam President, I can do it now. Those figures were given to this Senator on my representation in this body by Mr. Leonard Abramson, who is the chief executive officer of U.S. Healthcare, and I embodied that in a letter which I sent to the Secretary of Health and Human Services back on, I believe it was, October 31, 1990.

I must say that of all the points of concern the Senator from South Dakota is pressing the capillaries here. The issue is not precisely what the savings are going to be. I have authenticated it as best it can be authenticated. But the issue, really a much broader one, is what does the Senator do when he has an amendment and he

has calculated the savings, as my floor statement does, beyond the issue of managed health care and has requested a figure from the Congressional Budget Office and has not gotten it?

And that is the last question I am going to answer on that specific subject.

Mr. DASCHLE. I certainly do not mean to challenge the distinguished Senator. I mean that sincerely. We have some time, and I just think it would be useful to explore these issues, because these are all issue we are going to be taking up as we get into health care reform.

Mr. SPECTER. I would be glad to answer a question if the Senator from South Dakota has another one.

Mr. DASCHLE. I do have another one.

Mr. SPECTER. I would be glad to answer it. State the question.

Mr. DASCHLE. I certainly do not mean to be confrontational because I think we all can learn from these colloquies and better understand the proposals as they are presented.

Mr. SPECTER. Just ask the question.

Mr. DASCHLE. OK. Another question relates to the first page of his amendment. He says he would propose that the Federal Health Board—and I think we ought to have a Federal Health Board—but he suggests that the Federal Health Board develop a uniform set of effective benefits with an emphasis on primary and preventive care. I completely subscribe to that kind of a concept. Allowing a nonpartisan, politically insulated board to make some very difficult decisions about comprehensive benefits is an approach to which I can subscribe.

Mr. SPECTER. Does the Senator have a question? Does the Senator have a question?

Mr. DASCHLE. The question is how can this HMO in Pennsylvania give us an accurate estimation of costs prior to the time the Federal Health Board has designed the benefits package?

Mr. SPECTER. Leonard Abramson and U.S. Healthcare, a respected expert in the field and author, can make a calculation of 20 percent in savings based on his extensive experience in the field.

Mr. DASCHLE. But he does not know what the Federal Health Board would design for a basic benefits plan.

Mr. SPECTER. He has experience as an HMO to give a conclusion as to how much can be saved by managed health care, based on his experience.

Mr. DASCHLE. I am sure he does, and there are a lot of people just like him to whom we ought to turn for a lot of these answers.

Mr. SPECTER. Does the Senator from South Dakota have a contrary figure? Does the Senator from South Dakota have an expert who has a contrary figure? Whom would the Senator cite to disagree with what Leonard Abramson said to me and that I put in

a letter to the Secretary of Health and Human Services?

Mr. DASCHLE. If I can just understand the process by which this individual has come up with this figure. I would assume that the Senator suggested a basic benefits plan that would be made available to all of the people of this country, and that he suggested the conditions under which that plan would be made available.

Mr. SPECTER. The presumption of the Senator from South Dakota is incorrect. That is not what this Senator did.

Mr. DASCHLE. Perhaps the Senator could enlighten us as to how—

Mr. SPECTER. I would be delighted to, if the Senator wants to know about it, and then he would answer—

Mr. DASCHLE. I would be happy to answer the Senator's question.

Mr. SPECTER. Whether the Senator from South Dakota has an expert who says something different. I visited U.S. Healthcare back on October 31, 1990, and took a look at their operations and told him about the costs of Medicare, and he volunteered to set up a program which would take 100,000 Medicare recipients and compare them to 100,000 Medicare recipients not under his managed health care plan. He said that a minimum saving would be 20 percent of the costs. Leonard Abramson is the author of a well-recognized book. He has a large company. He is a recognized expert. And he has come forward with the figure of 20 percent. If the Senator from South Dakota wishes to challenge it, this Senator repeats the question for the fourth, fifth, sixth time: What expert does the Senator have to the contrary?

Mr. DASCHLE. In answer to the distinguished Senator from Pennsylvania, I would certainly turn, as he has, to the Congressional Budget Office. I would turn to the Health Care Financing Administration.

Mr. SPECTER. To whom has the Senator turned?

Mr. DASCHLE. I would turn to OMB.

Mr. SPECTER. To whom has the Senator turned and what has he found out?

Mr. DASCHLE. Well, the Senator from Pennsylvania has expressed his frustration with his inability—

Mr. SPECTER. Has the Senator talked to anyone? I have not used the word "frustration." I did not use that word. Has the Senator from South Dakota asked any expert what the savings would be from managed competition?

Mr. DASCHLE. Well, I do not think that the Senator from Pennsylvania is going to get any kind of an answer at all if he simply says—

Mr. SPECTER. I do not expect one. I have not gotten any all afternoon.

Mr. DASCHLE. Not from me.

Mr. SPECTER. That is what I mean.

Mr. DASCHLE. I will tell the Senator, if you just say, what savings do

we get out of managed competition, the question you are going to get back is, what are you going to give us for a basic benefits package? Are you going to include long-term care? Are you going to implement preventive care? Are you going to automatically require universal access? Are you going to ensure that we employ all the technological advantages we have in the system, or are you going to ration care?

Are you going to give everybody everything they hoped to have access to? If you do, then there is no way we are going to generate any savings.

So there is no silver bullet here. Just to say we will use managed competition does not really give us enough information with which to make sound cost calculations.

I will yield to the Senator, but let me finish my statement first. You have to present whoever it is who is going to be making these calculations with additional information. That is the point that I think the Senator has made, inadvertently, perhaps.

He certainly made it with his excellent recommendation that the Federal Health Board develop a uniform set of benefits with an emphasis on primary and preventive care. But then you must answer additional questions: Are you going to phase in long-term care immediately? Are we going to provide access to all Americans on an equal basis? Do we include public and private health care together as we calculate the budget? How is the managed competition system going to work: Is it going to be a State-based or a Federal system? All of these decisions have to be answered prior to the time any real budget analyst can project the cost savings.

I just simply reiterate what I said at the beginning. It is very difficult for Mr. Abramson to tell us with any authority what the savings are if we have not given him more facts about what the health system is going to look like. I think the Senator from Pennsylvania would certainly recognize that.

So that is my point. My point all afternoon has been, are we ready for this? I think the Senator from Pennsylvania has acknowledged that maybe we are not. He has not acknowledged it as directly as I wish he would. But frankly, I think we would both acknowledge that we have to have better numbers. We have to have a better appreciation of the budgetary implications prior to the time we ask our colleagues to vote on this legislation.

So I continue to urge our colleagues to carefully consider the process as well as the substance as we address health care reform.

I ask one last question, because I know it is an important issue, of the distinguished Senator from Pennsylvania. I would not take the time of the body, except we continue to wait for the leadership to make some schedule

decisions. As long as we have the time it would be helpful I think to talk about these issues.

Could the Senator describe a little bit more his long-term care provision? Would he implement that immediately, or would he wait for a period of time and take incrementally?

Mr. SPECTER. Madam President, if I may respond, the provisions of the long-term care are essentially those which were set forth in Senate bill 1122, which I spoke about earlier in the afternoon.

The provisions would be implemented immediately, and as promptly as they possibly could be.

Mr. DASCHLE. Does the Senator have any timeframe in mind? That is pretty vague.

Mr. SPECTER. That is as specific as I can be. I said immediately and as promptly as they could be put into effect. I am not saying that the Senator from South Dakota cannot come up with a number of questions. But the floor statement which has been in the RECORD for weeks, available to the Senator from South Dakota, is as explicit on this subject as it is realistically possible to be.

I would remind the Senator from South Dakota that in attacking the capillaries in a repeated manner, he has overlooked the thrust of the bill which is to provide care for some 37 million Americans now not covered, and provide reductions in cost to the 86.1 percent of Americans which are now covered. And that in pressing on the issues of cost, which this Senator has made as thorough an inquiry as I could think of—I am not saying it is a perfect inquiry—and having gone through all of the processes, again I ask the Senator from South Dakota if he would know of a preferable route to follow; and if he would withhold in offering an amendment because a last detail was not present.

This Senator represents that this is a very carefully thought through bill; that it has antecedents which I have described going back to 1985 extensively in the 102d Congress; that it is calculated as carefully as this Senator could undertake to do. If the Senator from South Dakota has some contrary figure which he has not put on the table, let him do so.

Mr. DASCHLE. The Senator from Pennsylvania makes a good point. Again, I do not mean to exasperate the Senator. I think his contribution here is well understood. He makes a point that we really cannot expect to have every last detail prior to the time we pass health legislation. But I would not call cost a last detail.

I would say cost is pretty fundamental. I guarantee that cost questions are going to be asked frequently, and from a lot of different perspectives. And they should be. We ought to know the cost. Obviously, we are not going to be

able to give cost figures down to the last dime. We can all appreciate that. But not to know within the closest \$50 billion presents a real serious problem. I think we have to be concerned about that.

He also asked, with good reason, what is a better process? That has been a point that I have attempted to make most of the afternoon here. A better process is the one underway. A better process involves a task force made up of people from all walks of life, thoughtfully giving consideration to every facet of health care, including cost, taking into account the diversity in this country. And, upon completing this work, presenting it to the Congress, submitting it to the committees of jurisdiction in the hope that they too will give it their best effort, Republicans and Democrats, and enlist the support of the Congressional Budget Office, the General Accounting Office, the Office of Management and Budget—every agency of Government responsible for giving us cost estimates, in the hope that prior to the time we are called upon to vote we have a very clear delineation of the budgetary implications of our health reform package.

That is the process. That is really the one that I think the Senate ought to be most comfortable with. That is the one that is going to give us the best and most thoughtful result.

It is not sound to, when asked about cost estimates, cite some HMO in Pennsylvania as our basis for a cost analysis. That is not the way the Senator from Pennsylvania normally does work here in this body. I think that we have to build upon what he has constructively suggested here and find ways in which to deal with this issue as effectively and comprehensively as possible.

I probably exceeded my limits in pressing these questions. I deeply appreciate the answers given by the distinguished Senator from Pennsylvania.

I am sure we will have many more opportunities to talk about the health reform, his ideas, the ideas expressed by many others who have participated in this colloquy this afternoon.

Madam President, I yield the floor.

Mr. SPECTER addressed the Chair.

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

Mr. SPECTER. A very brief reply. Staff has just made available to me the statement on January 21 which sets forth in some detail the issue on long-term care. I will not take the time to read it.

It includes creating tax credits for the purchase of long-term care insurance, tax deductions for amounts paid for long-term care services of family members, excluding life insurance and IRA savings used to pay for long-term care from income tax, implementing an

extraordinary cost protection provision by expanding Medicaid to include coverage of any individual excluding the wealthiest Americans who have been confined to a nursing home for at least 30 months, setting standards to require long-term care insurance, State Medicaid programs to provide home and community-based benefits as alternatives to nursing home care, to eliminate the current bias that often favors institutional care over other often less costly alternatives.

I refer the Senator from South Dakota to the extensive floor statement which I made back on January 21, and also on March 23, which contained answers to the questions which he has raised.

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. GLENN. 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. GLENN. Madam President, I had a couple of questions. I asked some questions earlier about the costs of this, and I did not press it, as the Senator from South Dakota has done. I was told earlier that CBO had not given an estimate, and I cannot imagine that people will vote on this without knowing, particularly on the Republican side, where much is being made about some of our budget responsibilities these days—I cannot imagine people on the Republican side voting for this with a pig in a poke, as far as the costs of it, and going back home to run for reelection or to talk to their people back home, having voted for a national health care plan on the floor of the Senate without having any idea whatsoever about how much it is going to cost.

Let me give one example so people can think about it. Under access to health care, we have a refundable tax credit. I think we all agree that the figure that was used was some 37 million Americans are estimated to not have health insurance at all. We are going to cover those people, and I think a minimal health insurance plan would probably be \$2,000 a year, or more. That comes up to \$74 billion—\$74 billion—for that one item alone. We could go to the next one, which is self-employed persons. I do not know how many would be covered under that or would be ineligible for the tax credit. Maybe 20 million Americans fall into that category. That is another \$40 billion.

So what we are talking about is not knowing. Mr. Abramson, whom you mentioned, may be an absolutely brilliant man, but we have estimates from the AMA, American Hospital Association, nurses, and a bunch of other peo-

ple that made estimates on different parts of health care; and it might be more valid than just one particular estimate by this man, no matter how brilliant he may be.

I appreciate the fact that the distinguished Senator from Pennsylvania has not been able to get a CBO estimate, but there are other people besides CBO. A lot of legislation got passed before we ever had a CBO. Estimates came from various places back in that time—the Congressional Research Service, GAO, and all sorts of people made estimates in these regards. But it seems to me that without having any idea of what this is going to cost, I would be very surprised if anybody in this body wants to really vote for this, if it is brought to a vote, and go back home and look the people in the eye and say: I voted for your health care plan. And they say: How much am I going to have to pay? And you say: I do not have the foggiest idea. I do not have any idea. We are going to take it out of your hide someplace, and we are going to save some money over here on forms and the administrative costs and so on.

I agree with that. A lot will be saved there. But how much can be saved, we do not really know. What will this common form that is used be like? I know there are all sorts of levels of simplification that we use or not use. But if we are going to vote, I would call on people on both sides of the aisle, Republicans as well as Democrats, to look at this thing and see whether they really want to vote for something for which we do not have the foggiest idea what it is going to cost. We have no idea whatsoever.

Questions have been raised about what Mrs. Clinton is doing with her health care group. They are not going to present it to us—I know this from having talked to them—on this floor until they have information about whether it is going to be paid for out of the General Treasury or a value-added tax, or out of increased employer costs; or is it going to be paid for with employers and employees having a higher contribution? I know they are not going to float one out here on the floor and say: We have a grandiose plan, but we have not figured out how to pay for it. We want you to vote for it if you are in Congress, and it may cost you \$500 billion or \$750 billion. We do not really know.

So I have some of the same concerns expressed so eloquently a while ago by the Senator from South Dakota. I do not see how we can bring something like this to a serious vote without having any idea what the costs are going to be. I do not know if the Senator wishes to respond or not. I know he was saying he had to go do some other business.

Would you estimate that your plan would cost the taxpayers \$600 billion, for instance?

Mr. SPECTER. Madam President, in responding to the distinguished chairman, my best projection is that this health care plan would not cost any additional money, for reasons which I have already given.

Mr. GLENN. May we get this for free? Do we enact this and say the savings are going to equal the additional costs?

Mr. SPECTER. I am saying that managed health care produces a 20-percent savings. There are savings on reducing the incidence of low-birth weight babies, savings on terminal health care costs, and savings on insurance reforms. I have been over all this with the Senator from South Dakota. I would be glad to do it again.

Mr. GLENN. Well, I was trying to pin it down between certain parameters—\$600 billion or \$500 billion or \$400 billion? Do we save money or get money back from this plan by giving more coverage? We still do not have any figure on this.

I cannot imagine people on either side of the aisle voting for something for which we have absolutely no idea, no definitive figures, from AMA, the American Hospital Association, nurses, national medical associations, or anybody else. We have one doctor, apparently, or one head of a service in Pennsylvania who thinks we will save money. Has he made estimates on all of the different things provided in this bill?

Mr. SPECTER. He has made the estimate of a 20 percent cost savings, based on the circumstance I described in some detail, on taking 100,000 Medicare patients and putting them under managed health care contrasted with what they cost for the Government. I ask the Senator from Ohio whether he has ever moved to waive the Budget Act on any matter when he could not get a precise estimate of cost?

Mr. GLENN. When this came up in your discussion with the Senator from South Dakota, and you asked the question, my answer, had it been asked of me, was going to be the same. I think I have a couple of times, but it was not for 1 percent or even a thousandth of a percent of what this is liable to cost in health care. So we are not talking about things that are going to—when we voted for a waiver on the budget in the past, it was always for far smaller amounts that were involved than anything we are talking about here.

Mr. SPECTER. I respond to my colleague that the principle is the same. If you have a measure you need to get enacted, and you have set forth the savings which you feel would be forthcoming, and you have asked the Congressional Budget Office, it simply is unreasonable to withhold pressing an amendment because you do not have the precise figures.

The Senator from Ohio has made his argument; the Senator from South Dakota has made his argument, and I

have made my argument. I am ready to—

Mr. GLENN. I do not want to prolong this. I do not know whether the leadership is back from a meeting yet. We will see if they are and see what the procedure is going to be for the Senate for the rest of the evening.

I associate myself with the remarks of the Senator from South Dakota, not that I want to oppose what the Senator from Pennsylvania is trying to do; obviously, he has been meeting for a couple of years on this, and an awful lot of thought has gone into this. I am sure he does not present it lightly. But I do not see how we can ask the Senate, on either side of the aisle, to just accept this when we do not know how much this is going to cost; we have no definitive figures.

Madam President, we would not know how much tax to vote to pay for it if we have to put in a value-added tax. We do not know that. We do not know how we would pay for this or what would be necessary.

I encourage Senators to turn this down, as I said earlier when I commented on it, because we do not know such things.

I think before the administration presents their bill, they are going to have to know the cost figures so we vote on that, too. I would vote against the administration bill, too, absolutely, if they do not have any better analysis of what it is going to cost and where the money is going to come from. I tell them right now I would vote against their bill also, and I think it would be reprehensible, whether Republican or Democrat, to vote on something like this without knowing what it is going to cost.

I yield the floor.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GLENN. 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. GLENN. Madam President, I have a technical amendment to the substitute, and I ask that it be in order. Is it in order to set aside the Specter amendment temporarily while we make technical amendments to the basic bill?

The PRESIDING OFFICER. The Senator is correct.

Mr. GLENN. Madam President, I ask unanimous consent that we set aside the Specter amendment temporarily until we can do these technical amendments.

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

AMENDMENT NO. 326

(Purpose: To terminate the office providing support services for the Council on Environmental Quality, and for other purposes)

Mr. GLENN. Madam President, I send to the desk the technical amendment.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Ohio [Mr. GLENN] proposes an amendment numbered 326.

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

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

The amendment is as follows:

On page 49, line 7, insert "the" after "of".

On page 53, line 7, insert "the" before "Environment".

On page 53, lines 23 and 24, strike out "of data bases to integrate with one another" and insert in lieu thereof "to integrate data bases".

On page 54, lines 4 and 5, strike out "of management information systems to integrate with one another" and insert in lieu thereof "to integrate management information systems".

On page 56, insert between lines 15 and 16 the following new paragraphs:

(3) The Environmental Quality Improvement Act of 1970 (42 U.S.C. 4371 through 4375) is repealed.

(4) Section 204 of the National Environmental Policy Act (42 U.S.C. 4344) (as amended by paragraph (1) of this subsection) is redesignated as section 202 of such Act.

On page 56, line 16, strike out "(3)" and insert in lieu thereof "(5)".

On page 71, beginning with line 14, strike out all through line 24, and insert in lieu thereof the following:

(1) in section 11(1), by inserting "Environment," after "Energy,"; and

(2) in section 11(2), by inserting "Environment," after "Energy,".

Mr. GLENN. Madam President, this technical amendment updates reference numbers as a result of the substitute's changes which we could not make in the markup. It also repeals the Environmental Quality Act of 1970, the authority for which expired in 1988 and which should be taken off the books to fully accomplish the CEQ portion of our bill. The change here simply repeals the act and therefore eliminates the Office of Environmental Quality established by it. Funds under that office are already transferred to the Secretary of the Environment under our substitute so this is simply a housekeeping measure to update the law.

I believe my colleague agrees with this, and I ask for the amendment's adoption.

The PRESIDING OFFICER. Without objection, the amendment No. 326 is agreed to.

So the amendment (No. 326) was agreed to.

Mr. GLENN. Madam President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. GLENN. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GLENN. 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. GLENN. Madam President, we have Senators off the Hill at some important meetings. Some of the leadership is off the Hill, also. They are on their way back now.

For the record, I say on behalf of the majority leader, we are prepared to vote on Senator SPECTER'S amendment tonight and I expect the two leaders will be discussing the timing of this vote when they arrive on the floor shortly. They are expected back in just a few moments. So everybody should be aware that the majority leader has asked that there be a vote tonight and will be determining the time of that after he returns.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. MITCHELL. Mr. President, debate on this amendment extended throughout most of the afternoon and concluded quite a while ago. I direct the question to the managers of the bill if they can indicate to me whether or not they are prepared to vote on this amendment.

Mr. GLENN. I am glad to respond to the majority leader. We have been fully prepared to vote at any time for some time. I think there is very little more to be said about this amendment. The floor manager on the other side—I do not know where he is at the moment, but we have been ready to vote on this for some time.

Mr. ROTH. Mr. President, this manager has nothing further to say on this amendment either, but I do know that the sponsor of the amendment has indicated a desire to speak further. We are awaiting at the moment comments from the Republican leader on this matter, and we expect to hear from him at any moment now.

Mr. MITCHELL. Well, Mr. President, we have been in a quorum call for nearly 30 minutes. Is there any reason why the sponsor of the amendment could not be speaking on the amendment during that period of time?

Mr. ROTH. We will be happy to call him back to the floor to make any further statement he has at this time. I know of no reason why he cannot.

Mr. MITCHELL. Mr. President, I think we ought to understand, this is a major amendment. This is a complete reform of the American health care system. We have debated it. We are prepared to vote on it, even though the amendment has nothing whatsoever to do with the bill. I believe we should proceed. If the sponsor has completed what he has to say and there is no further debate on the amendment, I believe the Senate ought to vote on the amendment.

Mr. ROTH. If I may say to our distinguished majority leader, if we can talk in private, that might be helpful at this time.

Mr. MITCHELL. Mr. President, we have a large number of Senators who have been waiting for a vote on this measure who have been inconvenienced until this time. My hope is that we can minimize the inconvenience of this large number of Senators. If the debate is completed on the bill, let us have a vote on the bill. I understand and accept the suggestion that we discuss it in private. Senators should be aware that it is my hope and intention that we have a vote on this amendment and that we can do so promptly.

Mr. President, I now suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. KOHL. Mr. President, one of the things we have all learned from the environmental movement is that the world is interconnected, changes in one element of a system spin-off and create changes, often with unpredicted effects, in other elements of the system. The world, we learned, is full of process. Yet, in the past, the structure of EPA divided the world into discrete pollution sources such as air, water, pesticides, solid waste, et cetera. This has led to a system where multimedia or crossmedia pollution sources are not well addressed. For example, air deposits into water resources have received relatively little attention until recently. Would the Senator agree that that has been an impediment to environmental protection in the past?

Mr. GLENN. I would agree with the Senator that the division of functions into specific program areas has allowed certain environmental concerns to slip through the cracks.

Mr. KOHL. And would the Senator agree that in the context of this legislation to elevate EPA to a Cabinet level agency, the Secretary is urged to review the structure of the Department, and make any changes necessary to assure that such multimedia concerns are fully addressed?

Mr. GLENN. Yes; that is the intent of the legislation.

Mr. KOHL. Another concern that I have is regarding the need to more effectively recognize and take actions to address excessive exposure of certain vulnerable human populations to environmental hazards. It is no secret that hazardous waste sites, incinerators, and landfills are more commonly located in low-income communities than higher-income communities. While there are environmental and public health analyses conducted for these projects, these analyses rarely consider the cumulative effects of other hazardous exposures.

Also, through the Great Lakes Critical Programs Act of 1990, the senior Senator from Ohio [Mr. GLENN], Senator LEVIN, and I worked together to authorize the ASTDR study of human health effects of Great Lakes fish consumption, which has specifically targeted native Americans, urban poor, and pregnant mothers as being particularly vulnerable populations. I commend ATSDR for their work on this study, which is entering its final stages, but I believe that more of this type of analysis should be conducted.

Mr. GLENN. I note that the committee report that accompanies this legislation (S. 171) mentions the exposure to a particular pollutant or environmental condition by persons of a sensitive population as being an example of an environmental quality indicator for which the Bureau of Environmental Statistics must compile, analyze, and publish data.

Mr. KOHL. I recognize that that language is in the report, and I appreciate that. However, to the extent possible, I would expect that cumulative exposures by vulnerable populations to multiple pollutants would also be analyzed, if not through the statistical compilation, then through the multimedia analysis functions of the Department.

Mr. GLENN. I agree.

Mr. JEFFORDS. Mr. President, I have several concerns regarding section 104(b) of the bill. I believe that some could interpret this section to codify the status quo at EPA. If we are going to create a Commission to look at ways to improve environmental protection, we should leave the Secretary as much flexibility to implement the Commission's recommendations. Otherwise, why have the Commission?

Mr. GLENN. I agree with my colleague; and thus, we have tried to give the Secretary a great deal of flexibility.

Mr. JEFFORDS. I understand that the bill would allow the Secretary to assign several of the duties under section 104(b) to an Assistant Secretary. Is this correct?

Mr. GLENN. Yes.

Mr. JEFFORDS. Can the Secretary also assign any of the duties listed

under section 104(b) to more than one Assistant Secretary? For example, can the responsibility for air be divided between two or more Assistant Secretaries?

Mr. GLENN. Yes, absolutely. The Secretary could assign any duty to more than one Assistant Secretary. For example, if the Secretary wanted to implement a cross-media approach to pollution prevention and control, nothing in the bill should be interpreted to preclude this. The Secretary could assign an Assistant Secretary the responsibility for all permitting and place the permitting functions for air, water, and solid waste and any other permitting function under this individual.

Mr. JEFFORDS. I thank my colleague for his clarification.

#### STATUS OF THE SENIOR ENVIRONMENTAL EMPLOYMENT ENROLLEES

Mr. GRASSLEY. Mr. President, I realize that the distinguished chairman of the Governmental Affairs Committee and the floor manager of this bill does not want any floor amendments introduced. I respect his wishes.

However, I hope to have his support in this colloquy concerning the clarification of the status of participants in the Environmental Protection Agency's Senior Environmental Employment [SEE] Program, which provides employment opportunities of a short-term duration for persons 55 or older to maintain, protect, and improve our Nation's environment.

The SEE Program is designed to assist individuals who are disadvantaged in the labor market by virtue of their age to refurbish or maintain their skills while making a valuable contribution to our environment.

The SEE Program has grown considerably since the enactment of the Environmental Programs Assistance Act in 1984 converted it from a pilot project to a permanent ongoing program at the Environmental Protection Agency.

There is general agreement at EPA and among the national aging organizations administering the program that SEE participants are enrollees and are not employees of either EPA or its successor Department or the national organizations. However, I believe that it is crucial that there be a formal written expression of this understanding by EPA or the successor Department of Environmental Protection.

This is necessary to provide guidance for consistency of operations and to strengthen the overall management of the program. It is important to emphasize that SEE enrollees' assignments with the new Department of Environmental Protection are of a short-term duration to assist the Department in Federal, State or local projects of environmental pollution abatement and control, as defined by the Environmental Programs Assistance Act.

This action, in my view, which should be done in concert with the national aging organizations, will help to make the SEE Program even more beneficial for the new Department of Environmental Protection, our Nation, and the older enrollees who want a safe and clean environment for all generations.

Mr. GLENN. Mr. President, I thank the distinguished Senator from Iowa for his comments. I want to reaffirm as strongly as I can that I agree fully with his remarks. I, too, want to join with him in urging the new Department of Environmental Protection to reaffirm that SEE participants are enrollees and are not employees of either the Department of Environmental Protection or the national aging organizations administering the program.

I thank the Senator from Iowa for making this contribution concerning this necessary and valuable clarification.

Mr. MATHEWS. Mr. President, I would like to ask my colleague from Ohio, the chairman of the Governmental Affairs Committee, to join me in a discussion related to the Commission on Improving Environmental Protection that is created by title III of this legislation.

Mr. GLENN. I would be pleased to join in a colloquy with my colleague, the Senator from Tennessee.

Mr. MATHEWS. First, I would like to commend the Senator from Ohio on his efforts to bring this bill to the floor early in the 103d Congress. I know that for several years he has worked diligently to raise the Environmental Protection Agency [EPA] to Cabinet level. I am pleased that the prospects for this year's legislation are very promising.

While I am supportive of these efforts, I remain concerned about the role outlined for the Commission on Improving Environmental Protection. There are certain limits placed on the jurisdiction of this Commission with which I disagree.

When the EPA was established in 1970 the functions of various Federal departments were transferred to the new agency. This transfer of oversight to the EPA Administrator did not, however, relieve the other departments from responsibility in implementing and enforcing Federal environmental regulations. In fact, stewardship of the environment continues to be very multijurisdictional.

I will not attempt today to outline the responsibilities of the various Federal agencies in implementing environmental regulations. While the EPA remains the primary regulatory agency, I know we would all agree that many arms of the Federal Government are involved in interpretation and enforcement. It is these activities which have caused problems for Federal, State, and local officials. I trust that all my colleagues have received a phone call or letter from their Governors or local

representatives asking for help in clarifying environmental regulations. Why? This is often because different agencies have different interpretations or guidelines for management activities.

These differences exacerbate the problems of compliance with environmental regulations. I will remind my colleagues that it is not the creation of a law or regulation that solves any given problem. It is the ability to effectively implement and enforce that law or regulation. I believe there is ample evidence of overlap and even contradiction among environmental laws which need to be addressed. This Commission offers an initial step in seeking greater uniformity.

I do not seek in any way to weaken environmental statutes or change existing laws through this bill. However, if we move to create yet another commission, I believe we should give it a purpose with tangible results—a review of all environmental laws and regulations as they are applied by all Government agencies.

We cannot limit the scope of this Commission to only those specific functions carried out by the new Department of the Environment. I know the debate about such oversight has been contentious during the several years in which the role of a Department of the Environment has been discussed. But I cannot support the creation of yet another commission that may provide recommendations that will be of limited use.

Any review of the environmental activities of this country must be comprehensive to be useful. The Commission should be able to consider the activities of various departments. Dictating that the responsibilities of the Commission will be only within the Department of Environment severely limits the results that we might expect from this Commission. As the Commission reviews effectiveness, not considering Governmentwide activities will make any report insufficient.

I believe a more comprehensive review by this Commission can provide some useful direction in improving the effectiveness of Federal environmental regulation—thus improving environmental protection.

Does the Senator from Ohio concur that the Commission may look at the broader questions relating to the organization and management of environmental activities substantially intersecting the jurisdiction of the Department of the Environment?

Mr. GLENN. I believe that the Governmental Affairs Committee report language on the bill reflects this capability.

Mr. MATHEWS. Mr. President, I thank the distinguished chairman of the Governmental Affairs Committee for clarifying this for me and I yield the floor.

## MORNING BUSINESS

### APPOINTMENT BY THE REPUBLICAN LEADER

The PRESIDING OFFICER. The Chair, on behalf of the Republican leader, pursuant to Public Law 102-429, announces the appointment of the following individuals to serve as members of the Selection Panel to the John Heinz Competitive Excellence Award:

Richard P. Simmons, of Pennsylvania; and

Michael E. Porter, of Massachusetts.

### TRIBUTE TO JOY BAKER

Mr. DOLE. Mr. President, along with a number of my colleagues, I returned this afternoon from Tennessee where I attended funeral services for Joy Baker. I know all Senators join in mourning the death of Joy Baker and extending our sympathies to her husband and our former colleague, Howard Baker, and their children, Cissy and Darek, and his children.

As the daughter of one Republican leader, Everett Dirksen, and the wife of another, Joy Baker's life was never far from the great issues and great leaders of our time.

Those of us who were privileged to call Joy our friend will remember a woman of intelligence, warmth, and courage—qualities that never left her during her 11-year battle with cancer.

We will also remember a woman who was dedicated to the arts and to education, and who served on the boards of the Kennedy Center, Ford's Theater, Bradley University, and Knoxville College.

From the day her father entered this Chamber in 1951 until the day her husband left in 1987, Joy Baker was an important part of the Senate family. She will be greatly missed.

And again, we all extend our deep sympathy to the family, particularly our former colleague and our friend, former Senator Howard Baker.

### STRIKER REPLACEMENT

Mr. DOLE. Mr. President, gridlock is in the eye of the beholder.

Some would expect Republicans to roll over and accept every jot and tittle of President Clinton's legislative program. Others would say that we ought to give the President every benefit of the doubt.

Republicans want to work with the President and see his administration succeed. A successful Presidency means a stronger America, and that's good for us all.

But Republicans do not intend to give the President a legislative credit card so that he can run up every idea that may come out of the White House.

We will take a close look at each proposal. We will support those we believe

deserve support. And we will oppose those programs that, in our view, run against America's best interests. That's what the two-party system is all about. That's our responsibility as the opposition party.

And apparently the Washington Post agrees.

An editorial in today's paper urges President Clinton to listen to Senate Republicans and oppose striker replacement, legislation he unfortunately promised to make a priority during the 1992 Presidential campaign.

The editorial points out, as Republicans have been doing since striker replacement first showed up on Congress' radar screen, that this legislation is unnecessary, and even worse, potentially harmful to the Nation's economy.

As the Post explains, the current labor laws have struck a fair balance between the rights of striking employees and the rights of employers who, after all, want to stay in business: Employees who are on strike because they claim their employer has committed an unfair labor practice may not be permanently replaced. For example, employers who attempt to bust their unions are guilty, under current law, of an unfair labor practice and must reinstate their striking workers with full back pay. No ands, ifs, or buts.

On the other hand, those employees who are striking for better wages or working conditions—so-called economic strikers—run the risk of losing their jobs permanently, that's part of the calculation, part of the risk, of deciding to join a picket line.

This balance has worked well for nearly 55 years, protecting both employer and worker alike. So, as the old saying goes: "If it ain't broke, don't fix it."

I hope President Clinton finds the time to read the Post Editorial. Needless to say, Senate Republicans would welcome the opportunity to set him straight.

Mr. President, I ask unanimous consent that the Washington Post editorial be inserted in the RECORD immediately after my remarks.

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

[From the Washington Post, Apr. 27, 1993]

#### THE STRIKER REPLACEMENT BILL

George Bush made heavy use of the veto threat in his years in office, and not all the results were bad. The striker replacement bill he helped to block in the last Congress is an example. This is ill-advised legislation whose likely long-term effect would be to hurt the U.S. economy far more than it would help. Bill Clinton has promised organized labor to sign the bill if it is sent to him. It's a promise we wish he hadn't made and hope he doesn't get the chance to keep.

The legislation would take away the right of employers to hire permanent replacements for workers who strike over economic issues (as distinct from those who strike

over allegedly unfair labor practices, to whom the law gives greater protection). Proponents say the legislation is necessary to protect the right to strike and recreate a level playing field in labor-management relations that was lost in recent years. Our contrary sense is that in the name of protecting labor's rights the bill would go too far and strip management of a right that it, too, must have if the system is to function fairly.

The law now is contradictory. The National Labor Relations Act of 1935 said strikers could not be fired. The Supreme Court said nonetheless in 1938 that employers were free to hire permanent replacements, and in subsequent court decisions that interpretation has survived. Mostly, labor and management have dealt with the contradiction by looking the other way. Management hasn't much used the permanent replacement power, and labor hasn't much contested it. But in recent years the power has been used in a number of high-visibility cases and has become a political symbol for both sides. The use occurred at a time when, for all kinds of reasons, labor was losing ground anyway, and it is asking the Democratic Congress and now the Clinton administration to help it recoup.

That isn't the job of either party. It's one thing to try to keep the collective bargaining system functioning fairly, quite another to get into the business of trying to ordain results. If the law is out of kilter in that the power to hire permanent replacements has been abused (as on occasion it has) to bust unions, then Congress should fix the abuse if it can, but not toss out the entire power. Occasions arise—one did in this newspaper's dealings with one of its unions in the 1970s—when strikers forfeit the right of return and a company ought to be able to hire permanent replacements.

The ambiguity that has endured in the law for 55 years may be less a defect than a virtue. It suggests that neither side in a labor dispute can expect to behave with impunity; the truth may be that the more risks both sides face in such disputes the better. The House passed the bill by a largely party-line vote last year, and is expected to do so again. The Senate is the best hope for deflecting it. Here's an instance where the president really does need Republican help, and we hope he gets it.

#### THE DEATH OF CESAR CHAVEZ

Ms. MOSELEY-BRAUN. Mr. President, I would like to take this opportunity to honor Cesar Chavez, the president of the United Farm Workers Union, who died unexpectedly this past Friday. I would also like to extend my condolences to Mrs. Chavez and her eight children.

Like most Americans, I was deeply saddened to hear of the passing of Cesar Chavez—one of the most successful civil rights leaders in the history of the United States who was once described by Senator Robert Kennedy as "one of the heroic figures of our time."

As you know, Mr. President, Cesar Chavez inspired millions of Americans with his determination to improve the living and working conditions of migrant farm workers and their children who were once referred to as the invisible people of our Nation.

Yet, Cesar Chavez dedicated his life to serving all economically disadvan-

tagged and politically disenfranchised people throughout the United States. In his own words, Chavez stated that:

Our struggle is not easy. Those who oppose our cause are rich and powerful. They have many allies in high places. We are poor. Our allies are few. But we have something the rich do not own. We have our bodies and spirits and the justice of our cause as weapons.

When we are really honest with ourselves, we must admit that our lives are all that really belong to us. So, it is how we use our lives that determine what kind of men and women we are.

It is my deepest belief that only by giving our lives do we find life. I am convinced that the truest act of courage is to sacrifice ourselves for others in a total nonviolent struggle for justice.

Mr. President, throughout his term as president of the United Farm Workers Union, Cesar Chavez led countless strikes or huelgas for basic human necessities like clean drinking water which eventually forced the California legislature to grant migrant farm workers the same rights that all other workers have enjoyed since 1935.

Nonetheless, one of the things I admired most about Cesar Chavez was his commitment to nonviolence—even in the face of severe verbal and physical abuse. As you may recall, Mr. President, Cesar Chavez was so committed to ending oppression and discrimination through nonviolence that he embarked on three fasts—including his "Fast for Love" and his "Fast for Life."

Mr. President, by the end of his life, Cesar Chavez had dramatically improved the living and working conditions of thousands of migrant farm workers. Nonetheless, I believe that on this very sad occasion Cesar Chavez would have wanted us to honor him by continuing his fight against oppression and discrimination and not by highlighting some of his many accomplishments. He strongly believed that whomever elevates himself shall be humbled, and whomever humbles himself shall be elevated.

#### FRED HYMAN, PUBLIC SERVANT

Mr. BURNS. Mr. President, on April 15, 1993, cancer claimed the life of Fred C. Hyman, who was an accident investigator with the National Transportation Safety Board. He was a specialist in human performance factors of airplane crashes. He joined the NTSB in 1988 after teaching at the Institute of Aviation at the University of Illinois. No one was more dedicated than Fred to his field of expertise. He was born in Chicago and was a graduate of Washington State University and received a master's degree and doctorate in biological psychology from the University of Oklahoma. Survivors include his wife, Linda, a son from his first marriage, Lucas B. Hyman; Tor C. Freed of a second marriage, his mother, Dorothy Hyman Currey, and a granddaughter.

Fred represented everything that is good about the vast majority of the men and women who work for this Government. A great dedication to our country and our many neighborhoods. They are the unsung servants who go about their way of serving this great society. Mr. President, I've known some angel-like folks that dwelt among us mortals, dressed as we are, act as we do but have none of the distinguishing characteristics that would identify them as such. I would like to recognize him for not only his service to this Government and the American people, but the way he gave of himself and inspired young men who played ice hockey. Hours on the job and then hours on the ice with young hockey players, and never ask for anything in return but a 100-percent effort from his team. He taught the game of ice hockey and tended to the character of the players. He prepared them for the game of life. And, in death, he instilled a living and burning appreciation of life. We, as national leaders, could take a lesson here. A simple and basic truth. We teach our youth every day. Not by what we say but what we do. Fred understood that living by example was much more effective than what we say. He left a little piece of that with every life he touched.

As far as I was concerned, he only had one tiny little fault. He was a Democrat and we talked a lot about that. He was my son's hockey coach and friend, he was my friend and he was America. We shall miss him but we are thankful to our God above for what he left behind.

#### MESSAGES FROM THE PRESIDENT RECEIVED DURING RECESS

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

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

#### REPORT ON NATIONAL EMERGENCY WITH RESPECT TO THE FEDERAL REPUBLIC OF YUGOSLAVIA (SERBIA AND MONTENEGRO)—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE RECESS—PM 17

Under the authority of the order of the Senate of January 5, 1993, the Secretary of the Senate, on April 26, 1993, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers which was referred to the Committee on Banking, Housing, and Urban Affairs.

#### To the Congress of the United States:

On June 1, 1992, pursuant to section 204(b) of the International Emergency Economic Powers Act (50 U.S.C. 1703(b)) and section 301 of the National Emergencies Act (50 U.S.C. 1631), President Bush reported to the Congress by letters to the President of the Senate and the Speaker of the House, dated May 30, 1992, that he had exercised his statutory authority to issue Executive Order No. 12808 of May 30, 1992, declaring a national emergency and blocking "Yugoslav Government" property and property of the Governments of Serbia and Montenegro.

On June 5, 1992, pursuant to the above authorities as well as section 1114 of the Federal Aviation Act (49 U.S.C. App. 1514), and section 5 of the United Nations Participation Act (22 U.S.C. 287c), the President reported to the Congress by letters to the President of the Senate and the Speaker of the House that he had exercised his statutory authority to issue Executive Order No. 12810 of June 5, 1992, blocking property of and prohibiting transactions with the Federal Republic of Yugoslavia (Serbia and Montenegro). This latter action was taken to ensure that the economic measures taken by the United States with respect to the Federal Republic of Yugoslavia (Serbia and Montenegro) conform to U.N. Security Council Resolution No. 757 (May 30, 1992).

On January 19, 1993, pursuant to the above authorities, President Bush reported to the Congress by letters to the President of the Senate and the Speaker of the House that he had exercised his statutory authority to issue Executive Order No. 12831 of January 15, 1993, to impose additional economic measures with respect to the Federal Republic of Yugoslavia (Serbia and Montenegro) to conform to U.N. Security Council Resolution No. 787 (November 16, 1992). Those additional measures prohibited transactions related to transshipments through the Federal Republic of Yugoslavia (Serbia and Montenegro), as well as transactions related to vessels owned or controlled by persons or entities in the Federal Republic of Yugoslavia (Serbia and Montenegro).

On April 17, 1993, the U.N. Security Council adopted Resolution No. 820, calling on the Bosnian Serbs to accept the Vance-Owen peace plan for Bosnia-Herzegovina and, if they failed to do so by April 26, calling on member states to take additional measures to tighten the embargo against the Federal Republic of Yugoslavia (Serbia and Montenegro). Effective 12:01 a.m. EDT on April 26, 1993, I have taken additional steps pursuant to the above statutory authorities to enhance the implementation of this international embargo and to conform to U.N. Security Council Resolution No. 820 (April 17, 1993).

The order that I signed on April 25, 1993:

—blocks all property of businesses organized or located in the Federal Republic of Yugoslavia (Serbia or Montenegro), including the property of entities owned or controlled by them, wherever organized or located, if that property is in or later comes within the United States or the possession or control of U.S. persons, including their overseas branches;

—charges to the owners or operators of property blocked under that order or Executive Order No. 12808, 12810, or 12831 all expenses incident to the blocking and maintenance of such property, requires that such expenses be satisfied from sources other than blocked funds, and permits such property to be sold and the proceeds (after payment of expenses) placed in a blocked account;

—orders (1) the detention, pending investigation, of all nonblocked vessels, aircraft, freight vehicles, rolling stock, and cargo within the United States that are suspected of violating U.N. Security Council Resolution No. 713, 757, 787 or 820, and (2) the blocking of such conveyances or cargo if a violation is determined to have been committed, and permits the sale of such blocked conveyances or cargo and the placing of the net proceeds into a blocked account;

—prohibits any vessel registered in the United States, or owned or controlled by U.S. persons, other than a United States naval vessel, from entering the territorial waters of the Federal Republic of Yugoslavia (Serbia and Montenegro); and

—prohibits U.S. persons from engaging in any dealings relating to the shipment of goods to, from, or through United Nations Protected Areas in the Republic of Croatia and areas in the Republic of Bosnia-Herzegovina under the control of Bosnian Serb forces.

The order that I signed on April 25, 1993, authorizes the Secretary of the Treasury in consultation with the Secretary of State to take such actions, and to employ all powers granted to me by the International Emergency Economic Powers Act and the United Nations Participation Act, as may be necessary to carry out the purposes of that order, including the issuance of licenses authorizing transactions otherwise prohibited. The sanctions imposed in the order apply notwithstanding any preexisting contracts, international agreements, licenses or authorizations. However, licenses or authorizations previously issued pursuant to Executive Order No. 12808, 12810, or 12831 are not invalidated by the order unless they are terminated, suspended or

modified by action of the issuing federal agency.

The declaration of the national emergency made by Executive Order No. 12808 and the controls imposed under Executive Orders No. 12810 or 12831, and any other provisions of those orders not modified by or inconsistent with the April 25, 1993, order, remain in full force and are unaffected by that order.

WILLIAM J. CLINTON.

THE WHITE HOUSE, April 26, 1993.

#### MESSAGES FROM THE PRESIDENT

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.

#### REPORT ON EXTENSION OF INTERNATIONAL EMERGENCY ECONOMIC POWERS ACT—MESSAGE FROM THE PRESIDENT—PM 18

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States; which was referred to the Committee on Banking, Housing, and Urban Affairs.

*To the Congress of the United States:*

1. On September 30, 1990, in Executive Order No. 12730, President Bush declared a national emergency under the International Emergency Economic Powers Act [IEEPA] (50 U.S.C. 1701 *et seq.*) to deal with the threat to the national security and foreign policy of the United States caused by the lapse of the Export Administration Act of 1979, as amended (50 U.S.C. App. 2401 *et seq.*), and the system of controls maintained under that act. In that order, the President continued in effect, to the extent permitted by law, the provisions of the Export Administration Act of 1979, as amended, the Export Administration Regulations (15 C.F.R. 768 *et seq.*), and the delegations of authority set forth in Executive Order No. 12002 of July 7, 1977, Executive Order No. 12214 of May 2, 1980, and Executive Order No. 12131 of May 4, 1979, as amended by Executive Order No. 12551 of February 21, 1986.

2. President Bush issued Executive Order No. 12730 pursuant to the authority vested in him as President by the Constitution and laws of the United States, including IEEPA, the National Emergencies Act [NEA] (50 U.S.C. 1601 *et seq.*), and section 301 of title 3 of the United States Code. At that time, the President also submitted a report to the Congress pursuant to section 204(b) of IEEPA (50 U.S.C. 1703(b)). Section 204 of IEEPA requires follow-up reports, with respect to actions or changes, to be submitted every 6 months. Additionally, section 401(c) of the NEA requires that the President, within 90 days after

the end of each 6-month period following a declaration of a national emergency, report to the Congress on the total expenditures directly attributable to that declaration. This report, covering the 6-month period from October 1, 1992, to March 31, 1993, is submitted in compliance with these requirements.

3. Since the issuance of Executive Order No. 12730, the Department of Commerce has continued to administer and enforce the system of export controls, including antiboycott provisions, contained in the Export Administration Regulations. In administering these controls, the Department has acted under a policy of conforming actions under Executive Order No. 12730 to those required under the Export Administration Act, insofar as appropriate.

4. Since the last report to the Congress, there have been several significant developments in the area of export controls:

—United States Government experts have continued their efforts to implement and strengthen export control systems, including pre-license inspections and post-shipment verifications, in the nations of Central Europe and the former Soviet Union—notably Belarus, Bulgaria, the Czech Republic, Hungary, Kazakhstan, Poland, Romania, Russia, the Slovak Republic, and Ukraine, as they continue their progress towards democracy and market economies. We anticipate that these developments will facilitate enhanced trade in high-technology items and other commodities in the region, while helping to prevent unauthorized shipments or uses of such items. A key element of these efforts continues to be the prevention of proliferation of weapons of mass destruction and corresponding technology.

—Working diligently with our Coordinating Committee (COCOM) partners to expand export control cooperation with the newly developing democracies of Central Europe and the former Soviet Union and to streamline multilateral national security controls, we are pleased to report the following important developments:

—In their November 1992 High-Level Meeting, the COCOM partners took action to significantly liberalize export controls on certain telecommunications exports to the newly independent states (NIS) of the former Soviet Union and other Central European nations, which should facilitate rapid and reliable telecommunications between these nations and the West, as well as modern, cost-effective domestic telecommunications systems. This action was soon thereafter reflected in corresponding amend-

ments to the export Administration Regulation. (57 F.R. 61259, December 24, 1992.)

—Also in November, at the first High-Level COCOM Cooperation Forum (CCF) Meeting, which included the 17 members of COCOM, most of the newly independent states of the former Soviet Union (NIS), and other Central European nations, the United States announced an \$11 million technical assistance package to assist in the elimination of nuclear arms, enhanced nonproliferation efforts, and export control development. The United States, in cooperation with the CCF, hopes to engage these nations in further establishing controls for trade in sensitive goods and technologies, and to provide an impetus for wider access by those countries to controlled items.

—In the first 2 months of 1993, as a result of Bulgarian and Romanian commitments to undertake the establishment of effective export control systems, COCOM agreed to provide favorable consideration treatment for exports of strategic items to those countries. The Commerce Department is amending its regulations to reflect this development.

—We are also continuing our efforts to address the threat to the national security and foreign policy interests of the United States posed by the spread of weapons of mass destruction and missile delivery systems. As such, we continue to work with our major trading partners to strengthen export controls over goods, technology, and other forms of assistance that can contribute to the spread of nuclear, chemical, and biological weapons and missile systems;

—As of December 1992, the Australia Group (AG), a consortium of nations that seeks to prevent the proliferation of chemical and biological weapons (CBW), increased its membership to 24, with the admission of Iceland and Sweden in 1991 and Argentina and Hungary in 1992. In addition, the delegates agreed to increase from 50 to 54 the number of precursor chemicals subject to control and to adopt a common list of controlled biological items. The Commerce Department published a rule implementing these measures. (57 F.R. 60122, December 18, 1992.) As of December 1992, the delegates also agreed to a refined common control list of dual-use biological equipment. The Commerce Department is in the process of publishing a rule reflecting the changes to conform the U.S. list to the AG list.

—The United States was also a key participant in the Chemical Weapons Convention (CWC) negotiations in Geneva, Switzerland. On Sep-

tember 3, 1992, the Conference on Disarmament, which drafted the CWC, forwarded to the U.N. General Assembly a draft CWC, which includes a prohibition on the development, production, acquisition, stockpiling, use, or transfer of chemical weapons, as well as provides for destruction of chemical weapons production facilities and stockpiles. The Convention opened for signing in January of this year. The United States strongly supports these provisions and is working to implement them in harmony with our laws.

—In December 1992, the 27-nation Nuclear Suppliers Group (NSG), in which the United States participates, continued its discussions on nuclear-related dual-use controls. The NSG list is similar to the nuclear referral list currently administered by the Department of Commerce. The Department is working to publish a rule to conform the U.S. list with the NSG list. Also in December 1992, the NSG members agreed to procedures intended to standardize and improve the exchange of information among members.

—At the March plenary session in Canberra, the Missile Technology Control Regime (MTCR) members welcomed Iceland as the newest partner, bringing the total membership to 23 nations. Argentina and Hungary were also accepted as members, subject to final arrangements agreed to by the MTCR partners. A licensing and enforcement officers conference will be held in June 1993 to provide an information exchange forum for all partners on implementation of the new extended Guidelines, which now cover missiles capable of delivering all weapons of mass destruction. Previously, the regime covered only missiles capable of delivering nuclear weapons. The future of the MTCR is likely to be a main agenda item for the next plenary session to be held in November 1993.

—In the area of supercomputers, in 1991 the United States established a supercomputer safeguard regime with Japan. Since that time both countries have negotiated with European suppliers to expand this regime. Issues discussed at the March 1993 London meeting include the development of a common licensing policy and security safeguards.

—Finally, we continue to enforce export controls vigorously. The export control provisions of the Export Administration Regulations are enforced jointly by the Commerce Department's Office of Export Enforcement and the U.S. Customs Service. Both of these agencies investigate allegations and, where appropriate, refer them for

criminal prosecution by the Justice Department. Additionally, the Commerce Department has continued its practice of imposing significant administrative sanctions for violations, including civil penalties and denial of export privileges.

—Commerce's Office of Export Enforcement (OEE) has continued its vital preventive programs such as pre-license checks and post-shipment verifications, export license review, and on-site verification visits by teams of enforcement officers in many countries. The OEE has also continued its outreach to the business community to assist exporters with their compliance programs and to solicit their help in OEE's enforcement effort. The OEE further continued its well-received Business Executive Enforcement Team (BEET) to enhance interaction between the regulators and the regulated.

—During this 6-month reporting period, OEE has continued its new program—the Strategic and Non-proliferation Enforcement Program (SNEP)—which targets critical enforcement resources on exports to countries of concern in the Middle East and elsewhere.

—Two particularly important enforcement efforts during the past 6 months in which OEE was involved resulted in the arrest and indictment of several individuals, including several foreign nationals. In one case, OEE special agents arrested an Iranian national, Reza Zandian, and an American citizen, Charles Regar, on charges that they conspired and attempted to export a computer to Iran without the required validated license. The computer, valued in excess of \$2 million, was seized by the Commerce Department. The Department of Justice will seek forfeiture of the computer to the United States. In another case, a British citizen doing business in South Africa, David Brownhill, was arrested and charged with attempting to export polygraph and thermal imaging system equipment to South Africa without authorization. Both of these cases are currently pending trial.

—In the last 6 months, the Commerce Department has also continued to enforce the antiboycott law vigorously. The Office of Antiboycott Compliance (OAC) maintains 30 full-time staff positions, and OAC has doubled the level of civil penalties it seeks to impose within the statutory \$10,000 per violation maximum. The total dollar amount of civil penalties imposed in fiscal year 1992 approaches \$2,109,000, the second largest amount in the history of the program. This amount includes a civil penalty of \$444,000

imposed in the first case alleging both antiboycott and export control violations.

—One particularly significant antiboycott compliance case was recently concluded by an order of February 11, 1993. Under that order, William Hardimon was assessed a civil penalty of \$54,000, and his export privileges were denied for 6 months. Hardimon allegedly refused to do business with another person in order to comply with an illegal Saudi Arabian requirement, complied with an illegal Kuwaiti boycott request, and failed to report the receipt of the boycott requests.

5. The expenses incurred by the Federal Government in the 6-month period from October 1, 1992, to March 31, 1993, that are directly attributable to the exercise of authorities conferred by the declaration of a national emergency with respect to export controls were largely centered in the Department of Commerce, Bureau of Export Administration. Expenditures by the Department of Commerce are anticipated to be \$17,897,000, most of which represents program operating costs, wage and salary costs for Federal personnel, and overhead expenses.

WILLIAM J. CLINTON.

THE WHITE HOUSE, April 27, 1993.

#### MESSAGES FROM THE HOUSE RECEIVED DURING RECESS

##### ENROLLED BILL SIGNED

Under the authority of the order of January 5, 1993, the Secretary of the Senate, on April 22, 1993, during the recess of the Senate, received a message from the House of Representatives announcing that the Speaker has signed the following enrolled bill.

H.R. 1335. An act making emergency supplemental appropriations for the fiscal year ending September 30, 1993, and for other purposes.

Under the authority of January 5, 1993, the enrolled bill was signed on April 22, 1993, during the recess of the Senate, by the President pro tempore [Mr. BYRD].

#### EXECUTIVE REPORT OF COMMITTEE

The following executive reports of committees were submitted:

By Mr. KENNEDY, from the Committee on Labor and Human Resources:

Fernando M. Torres-Gil, of California, to be Commissioner on Aging.

The above nomination was reported with the recommendation that the nomination be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

### INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BREAUX:

S. 822. A bill to amend the Solid Waste Disposal Act to provide for State management of solid waste, to reduce and regulate the interstate transportation of solid wastes, and for other purposes; to the Committee on Environment and Public Works.

By Mr. GRAHAM (for himself, Mr. KOHL, Mr. DODD, Mr. SARBANES, Mr. WOFFORD, Mr. FEINGOLD, Mr. AKAKA, Mr. BUMPERS, Mr. LEAHY, Mr. DASCHLE, and Mr. SIMON):

S. 823. A bill to amend the National Wildlife Refuge System Administration Act of 1966 to improve the management of the National Wildlife Refuge System, and for other purposes; to the Committee on Environment and Public Works.

By Mr. BOND (for himself, Mr. MCCONNELL, Mr. HEFLIN, Mr. CONRAD, Mr. COATS, Mr. DANFORTH, Mr. DOLE, Mr. DASCHLE, Mr. NICKLES, Mr. BOREN, Mr. DORGAN, Mr. PRESSLER, Mr. COVERDELL, Mr. KEMPTHORNE, Mr. HELMS, Mr. GRASSLEY, Mr. THURMOND, Mr. COCHRAN, Mrs. KASSEBAUM, Mr. CRAIG, Mr. HATCH, Mr. LUGAR, Mr. PACKWOOD, and Mr. SHELBY):

S. 824. A bill to amend the Food, Agriculture, Conservation, and Trade Act of 1990 to provide that a single Federal agency shall be responsible for making technical determinations with respect to wetland or converted wetland on agricultural lands, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. SPECTER:

S. 825. A bill to amend title 28 of the United States Code to permit a foreign state to be subject to the jurisdiction of Federal or State courts in any case involving an act of international terrorism; to the Committee on the Judiciary.

By Mr. LAUTENBERG:

S. 826. A bill to prohibit foreign travel by political appointees and Members of Congress during certain post election periods, and for other purposes; to the Committee on Governmental Affairs.

By Mr. DeCONCINI:

S. 827. A bill to require certain payments made to victims of Nazi persecution to be disregarded in determining eligibility for and the amount of benefits or services based on need, and for other purposes; to the Committee on Governmental Affairs.

By Mr. DORGAN:

S. 828. A bill to amend the Internal Revenue Code of 1986 to impose an excise tax on campaign expenditures of candidates for Federal office in excess of campaign spending limits; to the Committee on Finance.

By Mr. DORGAN:

S. 829. A bill to amend the Communications Act of 1934 to regulate the length and certain other aspects of television commercials authorized by a political candidate; to the Committee on Commerce, Science, and Transportation.

By Mr. EXON:

S. 830. A bill for the relief of Richard W. Schaffert; to the Committee on Finance.

By Mr. MOYNIHAN (for himself and Mr. DOMENICI):

S. 831. A bill to establish the Environmental Financial Advisory Board in statute, and for other purposes; to the Committee on Environment and Public Works.

By Mr. MOYNIHAN:

S. 832. A bill to designate the plaza to be constructed on the Federal Triangle property in Washington, D.C., as the "Woodrow Wilson Plaza"; to the Committee on Environment and Public Works.

By Mr. HEFLIN:

S.J. Res. 85. A joint resolution designating the week beginning May 2, 1993, as "National Mental Health Counselors Week"; considered and passed.

### STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BREAUX:

S. 822. A bill to amend the Solid Waste Disposal Act to provide for State management of solid waste, to reduce and regulate the interstate transportation of solid wastes, and for other purposes; to the Committee on Environment and Public Works.

STATE REGULATION AND MANAGEMENT OF SOLID WASTE ACT OF 1993

Mr. BREAUX. Mr. President, I am today introducing—for the third Congress in a row—legislation that would grant States the authority to regulate the flow of solid waste across their borders and meet the environmental objectives of increased recycling and waste reduction.

In 1978, the U.S. Supreme Court ruled that the shipment of garbage across State lines for the purposes of disposal is a form of commerce and thus entitled to protection under the commerce clause of the Constitution. Due to the fact that States cannot control shipments of imported garbage, the States have no ability to plan for the disposal of solid waste generated within their own borders or to preserve landfill capacity for their own future needs. The only way for States to regulate the flow of garbage is for Congress to explicitly grant them that authority—that is what the legislation I am introducing today would do.

For years now, the United States' overall landfill capacity has been shrinking. From 1988 to 1991 the number of operating landfills dropped from 8,000 to 5,812, a 27-percent decrease. At the same time, the amount of solid waste that is shipped across State borders for disposal has grown. The more heavily populated regions of the country produce more solid waste and have less capacity for additional landfill sites. These States have been shipping solid wastes out of their own jurisdictions and into landfills in States, like my State of Louisiana, which, for the moment, have some capacity to receive it. However, this capacity will continue to disappear so long as States have no ability to control the amount of waste that comes into their territory for disposal.

My State of Louisiana has had some experiences of its own related to the interstate shipment of municipal wastes. The most infamous incident was that of the so-called poo poo choo

choo that brought 63 carloads of municipal waste—in this case stinking sewage sludge—from Baltimore to railroad sidings near Shriever, Labadieville, and Donaldsonville, LA in 1989. These 63 open cars full of rehydrated sludge were to be disposed of in a landfill. Instead, they sat on sidings near these towns for weeks. Finally, the private landfill operator in question found an alternative disposal site and the train cars headed out of town.

The legislation I am introducing today would provide States with the authority they need to regulate incoming shipments of garbage in return for a commitment by the States to plan for the disposal of their own wastes and a commitment to increased recycling and waste reduction efforts. Each State would be required to develop a solid waste management plan that would include a 20-year projection of how solid wastes generated within their own borders would be managed. The plan must demonstrate that solid waste will be managed in accordance with the following priorities: First, States must take steps to reduce the amount of waste generated within their own borders; second, States must encourage recycling, energy and resource recovery. Only as a third and final option should States consider landfills, incinerators and other options of disposal.

Each State will be required to demonstrate that it complies with this waste management hierarchy and has issued all appropriate permits for capacity sufficient to manage their own solid wastes for a rolling period of 5 years.

The Federal Government, working with the States, will be required to provide technical and financial assistance to local communities to meet the requirements of the plan. Any out-of-State wastes must be managed in accordance with State plans and may not impede the ability of States to manage their own solid waste.

Only after a State has an approved plan in place, will it be granted the authority to refuse to accept waste from out-of-State sources and to charge higher disposal fees for a load of garbage based on its State of origin. Half of the proceeds from higher out-of-State fees will go the locality where the garbage is being disposed of and may only be used for solid waste management activities.

Mr. President, a number of similar bills have been introduced on this same subject over the last several years. Most of these measures did not adequately address all of the issues surrounding the disposal of solid waste and shipments across State borders. I strongly believe that a planning process and the prioritization of waste reduction, recycling and disposal options on a State-by-State basis should be a part of the solution to the ongoing con-

troverly over interstate garbage shipments.

I hope that we will be able to finally dispose of this issue this year. I encourage my colleagues to address it in the comprehensive manner outlined in this legislation. I ask unanimous consent that a copy of the bill appear in the CONGRESSIONAL RECORD immediately following this statement.

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

S. 822

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### TITLE I—GENERAL AMENDMENTS

##### SEC. 101. SHORT TITLE.

This Act may be cited as the "State Regulation and Management of Solid Waste Act of 1993".

##### SEC. 102. CONGRESSIONAL FINDINGS.

(a) Section 1002(a)(4) of the Solid Waste Disposal Act is amended to read as follows:

"(4) that while the collection and disposal of solid waste should continue to be primarily the function of State, regional and local agencies, the problems of waste disposal as set forth have become a matter national in scope and in concern and necessitate Federal action through—

"(A) requirements that each State develop a program for the management and disposal of solid waste generated within each State over the next twenty years;

"(B) authorizing each State to restrict the importation of solid waste from a State of origin for purposes of solid waste management other than transportation; and

"(C) financial and technical assistance and leadership in the development, demonstration, and application of new and improved methods and processes to reduce the amount of waste and unsalvageable materials and to provide for proper and economical solid waste disposal practices."

(b) Section 1002(b) of the Solid Waste Disposal Act is amended as follows:

(1) strike the word "and" at the end of paragraph (7);

(2) paragraph (8) is amended to read as follows:

"(8) alternatives to existing methods of land disposal must be developed since it is estimated that 80 per centum of all permitted landfills will close in twenty years; and"

(3) add the following after paragraph (8):

"(9) solid waste is being transported long distances across country for purposes of solid waste management and, in some cases, in the same vehicles that carry consumer goods. Such practices are harmful to the public health and measures should be adopted to ensure public health is protected when such goods are transported in the same vehicles as solid waste is transported."

##### SEC. 103. OBJECTIVES AND NATIONAL POLICY.

(a) Section 1003(a)(1) of the Solid Waste Disposal Act is amended to read as follows:

"(1) assuring that each State has a program to manage solid waste generated within its borders, and by providing technical and financial assistance to State and local governments and interstate agencies for the development of solid waste management plans (including recycling, resource recovery, and resource conservation systems) which will promote improved solid waste management techniques (including more ef-

fective organization arrangements), new and improved methods of collection, separation, and recovery of solid waste, and the environmentally safe disposal of nonrecoverable residues."

(b) Section 1003(a) of the Solid Waste Disposal Act is further amended by:

(1) striking "and" at the end of paragraph (10);

(2) striking the period at the end of paragraph (11) and insert in lieu thereof a semicolon; and

(3) adding the following new paragraphs:

"(12) promoting the use of regional and interstate agreements for economically efficient and environmentally sound solid waste management practices, and for construction and operation of solid waste recycling and resource recovery facilities; and

"(13) promoting recycling and resource recovery of solid waste through the development of markets for recycled products and recovered resources."

##### SEC. 104. DEFINITIONS.

(a) Section 104 of the Solid Waste Disposal Act is amended by adding at the end thereof:

"(40) The term 'recycling' means any use, reuse or reclamation of a solid waste.

"(41) The term 'State of origin' means any State that authorizes a person to transport solid waste generated within its borders to a State of final destination for purposes of solid waste management other than transportation.

"(42) The term 'State of final destination' means any State that authorizes a person to transport solid waste from a State of origin into such State for purposes of solid waste management other than transportation."

(b) Section 1004(12) of the Solid Waste Disposal Act is amended to read as follows:

"(12) The term 'manifest' means the form used for identifying the quantity, composition, and the origin, routing, and destination of solid and hazardous waste during its transportation from the point of generation to the point of disposal, treatment, storage, recycling, and resource recovery."

(c) Section 1004(28) is amended by inserting "recycling, resource recovery," before the term "treatment."

(d) Section 1004(29)(C) is amended by inserting "recycling," before the term "treatment."

(e) For purposes of this Act only, the term "solid waste" means refuse (or refuse-derived fuel) collected from the general public more than 30 per centum of which consists of paper, wood, yard wastes, food waste, plastics, leather, rubber, and other combustible materials and noncombustible materials such as glass and metal including household wastes, sludge and waste from institutional, commercial, and industrial sources, but does not include industrial process wastes or medical wastes, or any "hazardous waste" or "hazardous substance" as defined in the Resource Conservation and Recovery Act and in the Comprehensive Environmental Response, Compensation and Liability Act (Public Law 96-570).

#### TITLE II—STATE SOLID WASTE MANAGEMENT PLANS

##### SEC. 201. OBJECTIVES OF SUBTITLE D.

(a) The first two sentences of section 4001 of the Solid Waste Disposal Act are amended to read as follows: "The objectives of this subtitle are to reduce to the maximum extent practicable the amount of solid waste generated and disposed of during the twenty-year period following the date of enactment of this Act by requiring each State to develop a program which will meet the aforementioned standards, and which—

"(1) first, reduces the amount of solid waste generated in the State and encourages resource conservation; and

"(2) second, facilitates the recycling of solid waste and the utilization of valuable resources, including energy and materials which are recoverable from solid waste.

"(b) Such objectives are to be accomplished through Federal guidelines and technical and financial assistance to States; encouragement of cooperation among Federal, State, and local governments and private individuals and industry; encouragement of States to enter into interstate or regional agreements to facilitate environmentally sound and efficient solid waste management; and through approval and oversight of the implementation of solid waste management plans."

##### SEC. 202. STATE SOLID WASTE MANAGEMENT PLANS.

(a) Section 4003(a) of the Solid Waste Disposal Act is amended by—

(1) inserting before the first sentence the following new sentence: "Upon the expiration of one hundred and eighty days after the date of approval of a State's Solid Waste Management Plan required by this section or upon the date a State plan becomes effective pursuant to section 4007(d), it shall be unlawful for a person to manage solid waste within that State, to transport solid waste generated in that State to a State of final destination, and to accept solid waste from a State of origin for purposes of solid waste management other than transportation unless such activities are authorized and conducted pursuant to the provisions of the approved plan."; and

(2) striking in the first sentence thereof "each State plan must comply with the following minimum requirements" and inserting in lieu thereof "each State Solid Waste Management Plan must comply with the following minimum requirements".

(b) Section 4003(a) is further amended by amending paragraphs 4003(a) (5) and (6) to read as follows:

"(5) The plan shall identify the quantities, types, sources, and characteristics of solid wastes that are reasonably expected to be generated within the State or transported to the State from a State of origin during each of the ensuing twenty years following the date of enactment of this Act and that are reasonably expected to be managed within the State during each of the ensuing twenty years.

"(6) The plan shall provide that the State acting directly, through authorized persons, or through interstate or regional agreements, shall ensure the availability of solid waste management capacity to manage the solid waste identified in paragraph (5) in a manner that is environmentally sound and that meets the objectives of this subtitle as defined in section 4001."

(c) Section 4003(a) of the Solid Waste Disposal Act is further amended by adding the following new paragraphs at the end thereof:

"(7) When identifying the amount of solid waste management capacity necessary to manage the solid waste identified in paragraph (5), the State shall take into account solid waste management agreements in effect upon the date of enactment of this Act that exist between a person operating within such State and any person in a State or States contiguous with such State.

"(8) The plan shall provide for the identification and annual certification to the Administrator of how the State has met the objectives of this subtitle as defined in section 4001 and that the State has issued permits

consistent with all the requirements of this Act for capacity sufficient to manage the solid waste identified in paragraph (5) of this section for the ensuing five-year period and that the State has identified and approved the sites for capacity identified in paragraph (5) of this section for the ensuing eight-year period.

"(9) The plan shall provide that all solid waste management facilities located in the State meet all applicable Federal and State laws and for the enactment of such State and local laws as may be necessary to fulfill the purposes of this Act.

"(10) The plan shall provide for a program that requires all solid waste management facilities located or operating in the State to register with the State and that only registered facilities may manage solid waste identified in paragraph (5). Such registration shall at a minimum include the name and address of the owner and operator of the facility; the address of the solid waste management facility; the type of solid waste management used at the facility; and the amounts, types and sources of waste to be managed by the facility.

"(11) The plan shall provide for technical and financial assistance to local communities to meet the requirement of the plan.

"(12) The plan shall specify the conditions under which the State will authorize a person to accept solid waste from a State of origin for purposes of solid waste management other than transportation, and ensure that such waste is managed in accordance with the plan and that acceptance of such waste will not impede the ability of the State of final destination to manage solid waste generated within its borders."

(d) Section 4006 of the Solid Waste Disposal Act is amended by adding the following new subsection:

"(d) SUBMISSION OF PLANS.—Not later than four years after the date of enactment of this Act, each State shall, after consultation with the public, other interested parties, and local governments, submit to the Administrator for approval a plan that complies with the requirements of section 4003(a) of this Act."

(e) Section 4007(a)(1) of the Solid Waste Disposal Act is amended to read as follows: "(1) it meets the requirements of section 4003(a)";

(f) Section 4007(a) is amended by deleting the period at the end of clause (C) and inserting in lieu thereof a semicolon and the word "and", and by adding the following new paragraph at the end thereof:

"(3) it furthers the objectives of section 4001 of this Act."

(g) The third sentence of section 4007(a) is amended to read as follows: "Upon receipt of each State's certification required by section 4003(a)(8), the Administrator shall determine whether the approved plan is in compliance with the provisions of section 4003, and if he determines that revision or corrections are necessary to bring such plan into compliance with the minimum requirements promulgated under section 4003 (including new or revised requirements), he shall, after notice and opportunity for public hearing, withhold per his approval of such plan."

(h) Section 4007 is amended by adding the following new paragraph at the end thereof: "(d) FAILURE OF THE ADMINISTRATOR TO ACT ON A STATE PLAN.—If the Administrator fails to approve or disapprove a plan within eighteen months after a State plan has been submitted for approval the State plan as submitted shall go into effect at the expiration of eighteen months after the plan was sub-

mitted. The plan shall remain in effect as submitted and subject to review by the Administrator and revision in accordance with section 4007(a)."

#### TITLE III—INTERSTATE TRANSPORT OF WASTE

##### SEC. 301. AUTHORITY OF STATES TO CONTROL INTERSTATE SHIPMENT OF SOLID WASTE.

(a) Subtitle D of the Solid Waste Disposal Act is amended by adding at the end thereof the following new sections:

"SEC. 4011. (a) AUTHORITY TO RESTRICT INTERSTATE TRANSPORT OF SOLID WASTE.—Upon the expiration of one hundred and eighty days after the date the Administrator has approved a Solid Waste Management Plan required by section 4003, or after the date a State plan becomes effective in accordance with section 4007(d), such State with an approved or effective State plan is authorized to prohibit or restrict a person from importing solid waste from a State of origin for purposes of solid waste management (other than transportation). A State may authorize a person to import solid waste from a State of origin for purposes of solid waste management (other than transportation) only in accordance with the provisions of section 4003(a)(12).

"(b) Each State is authorized to levy fees on solid waste that differentiate rates or other aspects of payment on the basis of solid waste origin. At least 50 per centum of the revenues received from such fees collected shall be allocated by the State to the local government in whose jurisdiction the solid waste will be managed. Such fees shall be used by such local governments for the purpose of carrying out provisions of an approved plan."

#### TITLE IV—FINANCIAL ASSISTANCE

##### SEC. 401. FEDERAL ASSISTANCE.

(a) Section 4008(a)(1) of the Solid Waste Disposal Act is amended by adding at the end thereof the following new sentence: "In addition, there are authorized to be appropriated for each of the fiscal years 1992, 1993, and 1994, \$100,000,000 for such purposes set forth in the preceding sentence."

(b) Section 4008(a)(2) is amended by adding the following new subsection at the end thereof:

"(E) There are authorized to be appropriated \$25,000,000 for each of the fiscal years 1992 through 1994 for the purposes of providing grants to States for the encouragement of recycling, resource recovery, and resource conservation activities. Such activities shall include licensing and construction of recycling, resource recovery and resource conservation facilities within the State and the development of markets for recycled products."

##### SEC. 402. RURAL COMMUNITIES ASSISTANCE.

(a) Section 4009(d) of the Solid Waste Disposal Act is amended by adding at the end thereof the following new sentence: "In addition, there are authorized to be appropriated for each of the fiscal years 1992, 1993, and 1994, \$50,000,000 to carry out this section."

(b) Section 4009(a) is amended by inserting "section 4004 and" before "4005".

By Mr. GRAHAM (for himself, Mr. KOHL, Mr. DODD, Mr. SARBANES, Mr. WOFFORD, Mr. FEINGOLD, Mr. AKAKA, Mr. BUMPERS, Mr. LEAHY, Mr. DASCHLE, and Mr. SIMON):

S. 823. A bill to amend the National Wildlife Refuge System Administration

Act of 1966 to improve the management of the National Wildlife Refuge System, and for other purposes; to the Committee on Environment and Public Works.

#### NATIONAL WILDLIFE REFUGE SYSTEM MANAGEMENT AND POLICY ACT OF 1993

Mr. GRAHAM. Mr. President, this marks the 90th anniversary of the founding of America's first national wildlife refuge on tiny Pelican Island in my home State. It was established by one of America's first true conservationists, President Theodore Roosevelt. Roosevelt sought to protect brown pelicans, egrets, herons, and other impressive wading birds from hunters seeking plumes for the feathered hats that were the height of fashion in those days.

Since then our country's wildlife refuge system has grown to nearly 500 refuges covering 91 million acres in all 50 States, from the Florida Keys to the North Slope of Alaska. This loose network of refuges provides essential habitat to more than 700 species of birds, more than 1,000 mammals, reptiles, and amphibians, and an even greater variety of fish and plants. Many of these species are listed as endangered or threatened.

Our wildlife refuges comprise one of the three largest public land systems managed by the Federal Government. More important, unlike public lands administered by the U.S. Forest Service, Bureau of Land Management, and other Federal agencies, the National Wildlife Refuge System is the only system managed primarily for the benefit of wildlife and habitat.

#### OUR WILDLIFE REFUGE SYSTEM IS SUFFERING AND NEEDS HELP

More is going on at our wildlife refuges, however. Two laws passed in the 1960's allow recreational and other secondary uses so long as they are compatible with the refuge's primary purpose. As a result, at least one secondary use occurs on nearly every refuge, and more than 70 percent of our refuges have at least seven such uses.

Unfortunately, many of these activities are severely harming the wildlife that the refuge system was designed to protect.

A 1989 study by the General Accounting Office—the investigative arm of Congress—found that secondary activities considered by refuge managers to be harmful to wildlife resources were occurring on nearly 60 percent of our refuges, even though many of these uses had been found compatible. Power boating, mining, military air exercises, off-road vehicles, and air boating were cited as the most frequent harmful uses.

Oil and gas drilling, timbering, grazing, farming, commercial fishing, hunting, trapping, and even hiking in some cases were also found to harm wildlife, disturb habitat or breeding, or change normal animal behavior.

A followup study by the U.S. Fish and Wildlife Service, which manages

the refuge system, confirmed the GAO's findings. The Service found 63 percent of the refuges harbored one or more harmful secondary activities.

#### THE MAJOR CAUSES BEHIND THE PROBLEM

The obvious question arose: If the law only allowed compatible activities, why are the majority of refuges enduring harmful ones? The GAO found two primary causes.

First, the Fish and Wildlife Service often gave in to intense political and economic pressure. The refuge managers, despite their best efforts, become susceptible to outside pressure because the brief and generally worded laws passed in the 1960's governing refuges do not adequately define what the refuge's purposes were or how exactly to determine whether a proposed use was compatible with those purposes. Thus, the managers often ended up considering nonbiological factors in evaluating whether to allow these activities.

Furthermore, these decisions were often made without adequate public input or written records. The problem was compounded by the Service's failure to periodically reevaluate the secondary uses allowed.

The second major cause involved the joint jurisdiction of the refuge held by other Federal agencies or other entities. In many instances, another agency shared subsurface mineral responsibilities or a navigable waterway or had the right of access to the land and airspace for military exercises. Thus, by law, such activities as mining, boating, or military overflights could not be prevented, even when they were harming wildlife.

The resulting damage is evident and widespread. At one time, the Key West National Wildlife Refuge harbored the only known breeding colony of frigatebirds in the United States. The Great White Heron National Wildlife Refuge in the Florida Keys hosted numerous colonies of wading birds and water birds.

In the past few years, the frigatebird rookery has been abandoned, and the other nesting birds—including the great white heron—have shown signs of declining breeding success. A major cause is sharply increased back-country activity by jet skiers, power boaters, water skiers, campers, fishermen, and others.

In its very title the GAO report calls on Congress to take bold action. That is what is needed, and that is what I am here to propose today.

#### A PROPOSED PLAN OF ACTION

The bill I am reintroducing today is the same one I introduced 2 years ago. It is a comprehensive, organic act for the refuge system designed to accomplish the following:

First, set forth explicit, environmentally sound purposes for the system as a whole.

Second, establish a formal process for determining what secondary uses are

compatible and thus allowable. This decision must be based on scientific factors only, made in writing, subject to public comment and appeal, and periodically reviewed. Existing uses may continue for up to 5 years pending a review for compatibility.

Third, require the Fish and Wildlife Service to prepare a system-wide master plan and conservation plans for each refuge or group of related refuges.

Fourth, require Federal agencies with joint or secondary jurisdiction over a refuge to ensure that their actions do not harm refuge resources unless permitted by law or necessary for the national security.

Fifth, reaffirm the existing law that permits wildlife recreational activities, such as hunting, fishing, and hiking, where found compatible with refuge purposes.

#### TRADITIONAL RECREATION SUCH AS HUNTING IS NOT BANNED

On that last point let there be no mistake: Traditional recreation currently allowed on many refuges—including hunting—is not automatically banned by this legislation. That is the main reason why certain animal rights organizations are opposed to this bill: It does not ban hunting. Rather such activities will continue to be allowed so long as the refuge manager finds they are compatible with the purposes of the refuge.

For example, if a refuge has been established to promote the migration of waterfowl, a refuge manager could—and most probably will—find that hunting can continue in a controlled fashion so as not to deplete the stock or endanger continued reproduction and migration.

As a hunter myself, I seek to achieve a balance between traditional recreational activities and preservation of our wildlife.

#### ENDORSEMENTS

This legislation has the support of the Wilderness Society, Defenders of Wildlife, National Audubon Society, the Sierra Club, the National Wildlife Refuge Association, the Southeastern Montana Sportsmen Association, the Natural Resources Defense Council, Trout Unlimited, the Environmental Defense Fund, and the Florida Audubon Society. It has also been endorsed in numerous editorials, including the Tampa Tribune, San Francisco Examiner, and the Miami Herald.

#### ADMINISTRATION POSITION AND EARLY ACTION

Last Congress, progress on this legislation was stymied in large part by a lack of support from the former administration. Now with Bruce Babbitt at the helm of the Department and George Frampton, former president of the Wilderness Society, slated to be the Assistant Secretary for Fish, Wildlife and Parks, I am enthusiastic about the bill's prospects.

Although the administration has not taken a formal position on this pro-

posal, I am greatly encouraged by the preliminary discussions held so far. Secretary Babbitt conveyed to me the following initial thoughts he had on the bill:

Problems in planning for long range management of our refuge system, and in identifying and eliminating harmful uses incompatible with refuge objectives, have been identified by Congress and the U.S. Fish and Wildlife Service. My preliminary review suggests that both legislative and administrative action will probably be appropriate to address these problems facing the future of our national wildlife refuge system. I look forward to working with you and the Committee to develop a constructive legislative vehicle we can jointly support to move forward in this area. Your bill is a much needed start and I welcome your leadership.

I am committed to promptly moving forward on this much needed legislation. To that end, as chairman of the Subcommittee on Clean Water, Fisheries and Wildlife, I plan to hold a hearing next month on this bill with the hopes of reporting it to the full Environment Committee soon thereafter. If enacted, it would be the first major public lands law passed since the 1980 Alaska Lands Act.

#### CONCLUSION

Threats to our environment are all around us and growing daily. Though protecting and improving the National Wildlife Refuge System is but one part of the needed response, it is a critical component.

Our national refuge system—started nearly a century ago by conservationist and outdoorsman Theodore Roosevelt—is one of our national treasures. In large part, it has been a great success story in protecting species coast to coast. But now our refuge system and its mission are threatened. We have a choice: To accept retreat or to salute the spirit of Roosevelt.

President Roosevelt challenged our sense of stewardship. He said:

There are no words that can tell the hidden spirit of the wilderness, that can reveal its mystery, its melancholy and its charm. The nation behaves well if it treats the national resources as assets, which it must turn over to the next generation increased and not impaired in value.

That's exactly what we're trying to do today.

I ask unanimous consent that the full text of the bill be printed in the RECORD following my remarks.

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

S. 823

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE; REFERENCES.

(a) SHORT TITLE.—This Act may be cited as the "National Wildlife Refuge System Management and Policy Act of 1993".

(b) REFERENCES.—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 con-

sidered to be made to a section or provision of the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd et seq.)

#### SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds and declares that—

(1) the National Wildlife Refuge System (referred to in this section as the "System") was established under the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd et seq.);

(2) the National Wildlife Refuge System Administration Act of 1966 consolidates the authorities related to lands, waters, and interests in the lands and waters administered by the Secretary of the Interior (referred to in this section as the "Secretary"), for the purpose of conservation of fish and wildlife;

(3) the System provides opportunities for individuals to participate in wildlife-oriented recreation, and to learn, understand, and appreciate the value of and need for conserving fish and wildlife, wild lands, and naturally productive ecological communities, types, and systems;

(4) the System is the only complex of Federal lands devoted primarily to preserving, restoring, and managing fish and wildlife and the habitats of fish and wildlife;

(5) National Wildlife Refuges provide habitat for many endangered and threatened species, and for species that may become endangered or threatened, as well as for other fish, wildlife, and plants;

(6) the well-being and abundance of the fish, wildlife, and plants would be diminished without the protected habitat;

(7) activities are occurring on a significant number of National Wildlife Refuges that result in harm to the fish and wildlife resources the System was designed to conserve; and

(8) improvements are needed in the administration and management of the System to ensure that sound and effective conservation programs for the System are developed, implemented, and enforced.

(b) PURPOSES.—The purposes of this Act are as follows:

(1) To reaffirm the provisions of the Act commonly known as the Refuge Recreation Act (16 U.S.C. 460k et seq.) that authorize the Secretary to permit compatible fish and wildlife-oriented public recreation, such as hunting, fishing, and wildlife observation on refuges.

(2) To improve the administration and management of the System.

(3) To establish purposes for the System.

(4) To improve the compatibility determination process for National Wildlife Refuges.

(5) To establish comprehensive planning for the System and individual wildlife refuges of the System.

(6) To provide for interagency coordination in maintaining refuge resources.

#### SEC. 3. DEFINITIONS.

Section 5 (16 U.S.C. 668ee) is amended—

(1) by redesignating subsections (a) through (c) as subsections (g) through (i), respectively; and

(2) by inserting the following new subsections before subsection (g) (as so redesignated):

"(a) The term 'Director' as used in this Act means the Director of the United States Fish and Wildlife Service.

"(b) The terms 'fish', 'wildlife' and 'fish and wildlife' as used in this Act mean any native member of the animal kingdom in a wild, unconfined state, including the parts, products, or eggs of the animals.

"(c) The term 'plant' as used in this Act means any native member of the plant kingdom in a wild, unconfined state. The term shall include any plant community, seed, root, or other part thereof.

"(d) The term 'refuge' as used in this Act means a unit of the National Wildlife Refuge System, except that the term shall not include State-managed wildlife management areas (commonly known as 'coordination areas').

"(e) The term 'Secretary' as used in this Act means the Secretary of the Interior (except as the context implies otherwise).

"(f) The term 'System' as used in this Act means the National Wildlife Refuge System."

#### SEC. 4. PURPOSES AND ADMINISTRATION OF THE SYSTEM.

Section 4(a) (16 U.S.C. 668dd(a)) is amended—

(1) by redesignating paragraphs (2) and (3) as paragraphs (5) and (6), respectively;

(2) in paragraph (6), as so redesignated, by striking "paragraph (2)" and inserting "paragraph (5)"; and

(3) by inserting after paragraph (1) the following new paragraphs:

"(2) The purposes of the System are as follows:

"(A) To provide a national network of lands and waters with respect to which the size, variety, and location are designed to protect the wealth of fish, wildlife, and plants of this Nation and their habitats for present and future generations.

"(B) To provide healthy, naturally productive, and enduring food, water, and shelter to fish, wildlife, and plant communities and to ensure naturally diverse, healthy, and abundant populations of fish, wildlife, and plant species in perpetuity.

"(C) To serve in the fulfillment of international treaty obligations of the United States with respect to fish, wildlife, and plants, and their habitats.

"(3) If the Secretary finds that a conflict exists between any purpose set forth in the law or order that established a refuge and any purpose set forth in paragraph (2), the Secretary shall resolve the conflict in a manner that fulfills the purpose set forth in the law or order that established the refuge, and, to the extent possible, achieves all of the purposes set forth in paragraph (2).

"(4) In the administration of the System for the purposes described in paragraph (2), the Secretary, acting through the Director, shall—

"(A) ensure that the purposes of the System described in paragraph (2) and the purposes of each refuge are carried out;

"(B) protect the System and the components of the System from threats to the ecological integrity of the System and components;

"(C) to the extent authorized by law, ensure adequate water quantity and water quality to fulfill the purposes of the System and of each refuge; and

"(D) plan, propose, and direct the expansion of the System in a manner best designed to—

"(i) accomplish the purposes of the System and of each refuge in the System;

"(ii) protect and aid recovery of any species listed as endangered or threatened (and any species that is a candidate for the listing); and

"(iii) conserve other fish, wildlife, and plants, the habitats of the fish, wildlife, and plants, and other elements of natural diversity."

#### SEC. 5. COMPATIBILITY STANDARDS AND PROCEDURES.

Section 4(d) (16 U.S.C. 668dd(d)), is amended by adding at the end the following new paragraphs:

"(3) Except as provided in paragraph (5), the Secretary shall not initiate or permit a new use of a refuge or expand, renew, or extend an existing use unless the Secretary finds, in consultation with the Director, pursuant to paragraph (5), that the use is compatible with the purposes of the System and of the refuge. The Secretary shall make no determination of compatibility under this subparagraph, nor initiate a proposed new use or permit a proposed, continued, or expanded use, unless the Secretary—

"(A) states the time, location, manner, and purpose of the use;

"(B) evaluates the direct, indirect, and cumulative biological, ecological, and other effects that the Secretary determines to be appropriate for the use;

"(C) makes a determination, on the basis of the evaluation required under subparagraph (B) that the use will contribute to the fulfillment of the purposes of the System and the refuge or will not have a detrimental effect upon fulfillment of the purposes of the System or the refuge; and

"(D) makes a determination that funds are available for the development, operation, and maintenance of the use.

"(4) Unless the Secretary, in consultation with the Director, determines that there is sufficient information available to make a reasoned judgment that a proposed, continued, or expanded use of a refuge is compatible with the purposes of the System and the refuge, the Secretary shall not permit the use.

"(5)(A) Except as provided in subparagraph (B), any use of refuge system lands in effect on the date of enactment of this subparagraph, that, before such date, was determined to be compatible under this section or the Act entitled 'An Act to assure continued fish and wildlife benefits from the national fish and wildlife conservation areas by authorizing their appropriate incidental or secondary use for public recreation to the extent that such use is compatible with the primary purposes of such areas, and for other purposes' (commonly known as the 'Refuge Recreation Act') (16 U.S.C. 460k et seq.), may be continued pursuant to the terms and conditions of any special-use permits, and applicable law, for the period of time specified in the permit.

"(B) Not later than 5 years after the date of enactment of this subparagraph, any use described in subparagraph (A) shall cease. Any permit for the use shall be revoked unless the Secretary, in consultation with the Director of the United States Fish and Wildlife Service, makes a determination, pursuant to the procedures established under this section, that the use is compatible with the purposes of the System and the refuge.

"(6) The Secretary shall, acting through the Director, by regulation, establish and maintain a formal process governing determinations of whether an existing or proposed new use in a refuge is compatible or incompatible with the purposes of the System and the refuge. The regulations shall provide for the expedited consideration of uses that the Secretary considers to have little or no adverse effects on the purposes of the System or a refuge, and shall—

"(A) designate the refuge officer initially responsible for compatibility and incompatibility determinations;

"(B) describe the biological, ecological, and other criteria to be used in making the determinations;

"(C) require that the determinations be made in writing and based on the best available scientific information;

"(D) establish procedures that ensure an opportunity for public review and comment with respect to the determinations;

"(E) designate the officer who shall hear and rule on appeals from initial determinations; and

"(F) provide for the reevaluation of a compatibility determination on a periodic basis or whenever the conditions under which the use is permitted change.

"(7) Except as provided in paragraph (8), the head of each Federal agency that, with respect to a refuge, has an equivalent or secondary jurisdiction with the Department of the Interior, or that conducts activities within any refuge, shall, in consultation with the Secretary, ensure that any actions authorized, funded, or carried out in whole or in part by the agency will not impair the resources of the refuge or be incompatible with the purposes of either the System or the refuge (unless the action is specifically authorized by law).

"(8) The President may find, on a case-by-case basis, that, with respect to a refuge, it is in the paramount interest of the United States to exempt the head of a Federal agency described in paragraph (7) from carrying out the requirements of paragraph (7)."

#### SEC. 6. SYSTEM CONSERVATION PLANNING PROGRAM.

(a) IN GENERAL.—Section 4 (16 U.S.C. 668dd) is amended—

(1) by redesignating subsections (e) through (i) as subsections (g) through (k), respectively; and

(2) by inserting after subsection (d) the following new subsections:

"(e)(1) Not later than September 30, 1994, the Secretary shall prepare, and subsequently revise not less frequently than every 10 years after the date of preparation, a comprehensive plan for the System.

"(2) The plan described in paragraph (1) shall include—

"(A) relevant elements of recovery plans required under section 4(f), of the Endangered Species Act of 1973 (16 U.S.C. 1533(f));

"(B) relevant summaries and compilations of refuge plans developed under this section and the relevant elements of migratory bird management plans;

"(C) a strategy and standards for maintaining healthy and abundant wildlife populations in the System and in each refuge ecotype or ecosystem (including the protection of zones for dispersal, migration, and other fish and wildlife movements, and the conservation of species designated as candidates for listing pursuant to section 4 of the Endangered Species Act of 1973 (16 U.S.C. 1533));

"(D) strategies, developed cooperatively with agencies administering other Federal or State land systems, to enhance wildlife protection on national wildlife refuges and other land systems which collectively form a national network of wildlife habitats; and

"(E) a plan and program for the acquisition of lands and waters, including water rights, necessary to achieve the purposes of the System and each refuge.

"(F)(1) Except with respect to refuge lands in Alaska (which shall be governed by refuge planning provisions of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3101 et seq.)), the Secretary shall prepare, and subsequently revise not less frequently than every 15 years after the date of preparation, a comprehensive conservation plan (referred to in this subsection as a 'plan') for

each refuge or ecologically related complex of refuges (referred to in this subsection as a 'planning unit') in the System. The Secretary shall revise any plan at any time thereafter on a determination that conditions that affect a planning unit have changed significantly.

"(2) In developing each plan under this subsection, the Secretary shall identify and describe—

"(A) the purposes of the refuge and the purposes of the System applicable to the refuge or the individual refuges of the planning unit;

"(B) fish, wildlife, and plant populations and habitats of the planning unit (including at the time of the development of the plan, current, historical, and potentially restorable populations and habitats) and the seasonal (and other) dependence of migratory fish and wildlife species on the habitats and resources of interrelated units of the System;

"(C) archeological, cultural, ecological, geological, historical, paleontological, physiographic, and wilderness values of the planning unit;

"(D) areas within the planning unit that are suitable for use as administrative sites or visitor facilities or for visitor services;

"(E) significant problems, including water quantity and quality needs (within or without the boundaries of the refuge or complex) that may adversely affect the natural diversity, communities, health, or abundance of populations or habitats of fish, wildlife, and plants;

"(F) existing boundaries of each refuge in the planning unit in relation to ecosystem boundaries and wildlife dispersal and migration patterns; and

"(G) specific strategies, developed cooperatively with the heads of agencies administering other Federal and State lands, to enhance wildlife protection in the planning unit, and, to the extent practicable, on other Federal and State lands proximate to the planning unit.

"(3) Each plan under this subsection shall—

"(A) designate each area within the planning unit according to the archeological, cultural, ecological, geological, historical, paleontological, physiographic, and wilderness values of the area;

"(B) specify the uses within each of the areas referred to in subparagraph (A) that may be compatible with the purposes of the refuge and the System and the funds and personnel that may be required to administer the uses;

"(C) specify programs for achieving the purposes described in paragraph (2)(A) and for conserving, restoring, and maintaining the resources and values identified and described under subparagraphs (B) and (C) of paragraph (2);

"(D) specify the approaches to be taken to avoid or overcome the problems identified in paragraph (2)(E) and estimate resource commitments required to implement the approaches;

"(E) specify opportunities that may be provided within the planning unit for compatible fish and wildlife related recreation, ecological research, environmental education, and interpretation of refuge resources and values;

"(F) except with respect to Alaska refuges studied pursuant to section 1317 of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3205), review the suitability for designation as wilderness refuge lands not previously studied for designation as wilder-

ness or designated as wilderness, and recommend to the President and Congress designation for the lands in accordance with subsections (c) and (d) of section 3 of the Wilderness Act (16 U.S.C. 1132 (c) and (d), respectively), including—

"(i) islands and areas of 200 acres or more immediately adjacent to wilderness areas (as designated at the time of the review);

"(ii) lands recommended (before the time of the review) for inclusion in the Wilderness Preservation System; and

"(iii) proposed land acquisitions by the Department of the Interior that the Secretary determines will, over time, be of an area of approximately 5,000 contiguous acres; and

"(G) identify the funds and personnel necessary to implement the strategies and administer the uses identified in this section.

"(4) In preparing each plan under this subsection, and any revision of the plan, the Secretary shall consult with such heads of Federal agencies and State departments and agencies as the Secretary determines to be appropriate.

"(5) Prior to the adoption of a plan under this subsection, the Secretary shall issue public notice of the draft proposed plan in the Federal Register, make copies of the plan available at each regional office of the United States Fish and Wildlife Service, and provide opportunity for public comment.

"(6)(A) By not later than 4 years after the date of enactment of this subsection, the Secretary shall, pursuant to this subsection, prepare and submit to the appropriate committees of Congress, plans for not less than one-third of the refuges in existence on the date of enactment of this subsection.

"(B) By not later than 7 years after the date of enactment of this subsection, the Secretary shall, pursuant to this subsection, prepare and submit to the appropriate committees of Congress, plans for not less than two-thirds of the refuges in existence on the date of enactment of this subsection.

"(C) By not later than 10 years after the date of enactment of this subsection, the Secretary shall, pursuant to this subsection, prepare and submit to the appropriate committees of Congress, plans for each refuge in existence on the date of enactment of this subsection.

"(D) With respect to any refuge established after the date of enactment of this subsection, the Secretary shall prepare a plan for the refuge not later than 2 years after the date of the establishment of the refuge."

#### SEC. 7. ADMINISTRATION.

The Secretary of the Interior shall manage the refuges in the National Wildlife Refuge System in a manner consistent with any refuge conservation plans developed under section 4 of the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd), as amended by this Act.

#### SEC. 8. REGULATIONS.

Except as otherwise required in this Act, the Secretary of the Interior shall—

(1) not later than 1 year after the date of enactment of this Act, propose regulations to carry out this Act and the amendments made by this Act; and

(2) not later than 18 months after the date of enactment of this Act, promulgate final regulations to carry out this Act and the amendments made by this Act.

#### SEC. 9. CONFORMING AMENDMENT.

Section 4 (16 U.S.C. 668dd) is amended by striking "Secretary of the Interior" each place it appears and inserting "Secretary".

#### SEC. 10. EMERGENCY POWER.

The Secretary of the Interior is authorized to suspend any activity conducted in any ref-

uge in the National Wildlife Refuge System in the event of an emergency that constitutes an imminent danger to the health and safety of any wildlife population, or refuge, or to public health and safety.

#### SEC. 11. STATUTORY CONSTRUCTION.

Except as specifically provided in this Act or the amendments made by this Act, nothing in this Act or the amendments made by this Act shall be construed so as to alter or otherwise affect the act commonly known as the Refuge Recreation Act of 1962 (16 U.S.C. 460k et seq.), the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd et seq.), the Alaska National Interest Lands Conservation Act (16 U.S.C. 3101 et seq.), or any other law or order establishing individual refuges in effect on the date of enactment of this Act.

#### SEC. 12. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary to carry out this Act and the amendments made by this Act.

By Mr. SPECTER:

S. 825. A bill to amend title 28 of the United States Code to permit a foreign state to be subject to the jurisdiction of Federal or State courts in any case involving an act of international terrorism; to the Committee on the Judiciary.

#### FOREIGN SOVEREIGN IMMUNITIES AMENDMENTS ACT

Mr. SPECTER. Mr. President, from 1984 to late in 1991, American citizens were held hostage in Lebanon by terrorist groups sponsored and funded by the Government of Iran. Since their release, many of these former hostages have continued to suffer from the physical and emotional trauma that their periods in captivity thrust upon them. Were a similar situation to occur in this country, the injured party would have access to the judicial system to seek redress in the form of monetary damages in addition to any criminal kidnaping charges. Because the perpetrator behind these acts of terrorism in Lebanon was a foreign government, however, the aggrieved parties cannot seek redress in American courts because of the immunity granted to foreign nations under the Foreign Sovereign Immunities Act. To remedy this travesty for future victims, I am today introducing legislation to amend the Foreign Sovereign Immunities Act.

Since 1980, more than 6,500 international terrorist incidents have occurred worldwide, leaving more than 5,100 people dead and 12,500 wounded. About 2,500 attacks were against American targets. As of May 1992, American casualties since 1980 have totaled 587 dead and 627 wounded.

Of particular concern and notoriety was the taking of American hostages in Lebanon. On September 12, 1986, Joseph James Cicippio, of Norristown, PA, deputy comptroller of the American University of Beirut, was kidnapped by some group self-styled the Revolutionary Justice Organization. He was held until December 2, 1991, when, in the

span of a few remarkable days, the ordeal of the American hostages ended with the release of the last three hostages, Mr. Cicippio, Alann Steen, and Terry Anderson.

Ended, however, is a relative term, for the ordeal is still not really over for the former hostages. Released hostages reported that they were tortured by their captors. The torture took many forms. Hostages report that they were beaten, starved, chained and bound, exposed to the elements, blindfolded, taunted, subjected to threatened executions, and denied medical and hygiene facilities. Some former captives still suffer from the pain of numerous beatings, especially to their feet. Alann Steen is reported to suffer still from beating-related seizures. Lost time with friends and families cannot be replaced: Terry Anderson's daughter was born and had turned 4 before he was released from captivity; Joseph Cicippio's older sister, and his son, Joseph Jr., died while he was held hostage. The pain of their ordeals may never end; the suffering in their hearts may never cease.

What exacerbates any feeling of antipathy is the knowledge that a foreign government provided the support, both politically and financially, for the captors to keep their victims. Hezbollah, the umbrella organization for many militant Shia Moslem terrorist groups in Lebanon, including the Revolutionary Justice Organization, closely collaborates with the leadership in Iran. The collaboration is reflected in the financial support which it receives from Iran. It is reported that Iran spent \$30 million during 1985 and more than \$64 million during 1987 in Lebanon, mainly in the form of donations to Hezbollah. Iran's control over the hostage takers remain unclear, but Government officials have estimated that their control ranged from general to complete. Regardless, Iran's role in the taking and keeping of American hostages underscores the need for this legislation, because under the Foreign Sovereign Immunities Act as it now stands, the former hostages are probably precluded from successfully pursuing legal action against Iran or any other foreign sovereign for sponsoring terrorist activity.

This legislation would amend the Foreign Sovereign Immunities Act by giving Federal courts jurisdiction over any suit brought in this country against any foreign country that has been formally listed by the State Department as a supporter of international terrorism, if that foreign state has committed, caused, or supported an act of terrorism against an American citizen. The legislation would also enable the court to freeze all assets of the defendant country located within the United States sufficient to satisfy a judgment. The bill also provides for a 6-year statute of limitations.

This legislation is important for several reasons. It would further the U.S. policy of opposing domestic and international terrorism and would demonstrate to the world that the United States and its people are prepared to act to combat and respond to terrorist acts. It also reinforces our commitment to the rule of law, and in so doing makes clear the contrast between our Nation which abides by the principles of international law and outlaw nations such as Iran, which do not.

This legislation would let foreign sovereigns know that states which practice terrorism or actively support it will not do so without consequence. When there is ample evidence that a foreign state supports terrorism so that the State Department has placed that nation on a list of nations that sponsor terrorism, this legislation will allow U.S. citizens, acting according to lawful process in our courts, to protect their interests and seek compensation for the harm done to them.

State-sponsored terrorism has become a hallmark of certain regimes seeking to influence the political decisions made by the elected representatives of the people in our democracy. None of these nations that actively support state-sponsored terrorism is itself democratic. Countries such as Libya, Iran, Cuba, North Korea, and Iraq will be less likely to support terrorism directed against the citizens of this country when they know that their actions will lead to damages paid to the victims of their terrorism who are United States citizens.

Iran reportedly paid \$1 to \$2 million for each hostage released to the various fundamentalist groups under its control, after paying for the upkeep and confinement of those hostages. This money would be better spent aiding the former hostages assimilate back into their lives and would create a real, measurable cost to Iran for supporting their captivity.

This amendment would also provide additional incentive to other nations to comply with the principles of international law, which condemn terrorism and attacks on innocent citizens of another nation. When a nation's refusal to comply with international law leads to compensation to the victims of its actions, those nations that violate international law will see it as more practical, and beneficial, to change their policies. As demonstrated by the success of combating terrorism during the height of the gulf war when the international community agreed to work together to prevent terrorism, much can be accomplished. Supporting this legislation will allow Americans to play a role in enforcing international law by giving them redress against those nations that actively violate international law.

United States counterterrorism policy is based on three principles: first,

the United States makes no concessions to terrorists holding official or private American citizens hostage; second, the United States cooperates with friendly countries in developing practical measures to counter terrorism; and third, the United States works with other countries to put pressure on terrorist-supporting states to persuade them that such support is not free. While these principles serve the policy of the U.S. Government, they do little to address the concerns of individuals who have been the victims of international terrorism. In order to address the individual problems and results of terrorism, individuals must be able to seek redress for themselves. U.S. law should aid American citizens in this pursuit, not hinder them. Supporting this legislation would serve the purpose of aiding American citizens, while supporting America's counterterrorism goals.

I note finally that the purpose of the Foreign Sovereign Immunities Act was to shield foreign nations, as opposed to foreign nationals, from the jurisdiction of American courts for sovereign acts. This is a salutary policy that promotes the pursuit of American foreign policy interests and goals. I have no desire to attack this policy protecting foreign nations from suit. This legislation is very narrowly crafted to create a slight breach in the immunity enjoyed by foreign governments. Only those nations formally recognized by the State Department as active supporters of state-sponsored terrorism could be sued. Thus, this legislation should have no effect on the ability of the President and officers of the executive to control U.S. foreign policy. While I understand the possible reluctance to open the door to suing foreign nations at all, I believe that the circumstances here are compelling. Terrorism violates all principles of international law. If a nation is formally recognized by the U.S. Government as a sponsor of terrorism, there can be no valid argument allowing that nation to retain its immunity under American law for the harm committed in pursuit of its terrorist policies.

I ask unanimous consent that a copy of my legislation be printed in the RECORD.

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

S. 825

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. INAPPLICABILITY OF FOREIGN SOVEREIGN IMMUNITY IN CASES INVOLVING ACTS OF INTERNATIONAL TERRORISM.**

(a) DEFINITION.—Section 1603 of title 28, United States Code, is amended by adding at the end the following:

“(f) The term ‘act of international terrorism’ means an act—

“(1) which is violent or dangerous to human life and that is a violation of the

criminal laws of the United States or of any State or that would be a criminal violation if committed within the jurisdiction of the United States or any State; and

“(2) which appears to be intended—

“(A) to intimidate or coerce a civilian population;

“(B) to influence the policy of a government by intimidation or coercion; or

“(C) to affect the conduct of a government by assassination or kidnapping.

“(g) The term ‘permanent resident alien’ means an alien who has been lawfully admitted to the United States for permanent residence.”

(b) ADDITIONAL EXCEPTION TO FOREIGN STATE IMMUNITY.—Section 1605(a) of title 28, United States Code, as amended—

(1) by striking “or” at the end of paragraph (5);

(2) by striking the period at the end of paragraph (6) and inserting “; or”; and

(3) by adding at the end the following new paragraph:

“(7) in which the action is based upon an act of international terrorism—

“(A) within the United States; or

“(B) outside the United States if money damages are sought against a foreign state for personal injury or death to a United States citizen or permanent resident alien, which act occurred not more than 6 years previously and which was committed or aided or abetted by a foreign state that was designated by the Secretary of State as a state repeatedly providing support for acts of international terrorism under section 40(d) of the Arms Export Control Act.”

(c) PROPERTY SUBJECT TO EXECUTION UPON A JUDGMENT.—Section 1610(a) of title 28, United States Code, is amended—

(1) by striking “or” at the end of paragraph (5);

(2) by striking the period at the end of paragraph (6) and inserting “; or”; and

(3) by adding at the end the following new paragraph:

“(7) the execution relates to a judgment entered in a case based upon an act of international terrorism—

“(A) within the United States; or

“(B) outside the United States if money damages are sought against a foreign state for personal injury or death to a United States citizen or permanent resident alien, which act occurred not more than 6 years previously and which was committed or aided or abetted by a foreign state that was designated by the Secretary of State as a state repeatedly providing support for acts of international terrorism under section 40(d) of the Arms Export Control Act.”

(d) ATTACHMENT OF PROPERTY PRIOR TO ENTRY OF JUDGMENT.—Section 1610(d) of title 28, United States Code, is amended—

(1) by redesignating paragraph (1) as paragraph (1)(A);

(2) by striking “and” at the end of paragraph (1)(A) and inserting “or”; and

(3) by inserting after paragraph (1)(A) the following:

“(B) the foreign state is not immune from jurisdiction by virtue of the operation of section 1605(7); and”.

By Mr. LAUTENBERG:

S. 826. A bill to prohibit foreign travel by political appointees and Members of Congress during certain post election periods, and for other purposes; to the Committee on Governmental Affairs.

**LIMITATION ON FOREIGN TRAVEL BY POLITICAL APPOINTEES**

• Mr. LAUTENBERG. Mr. President, today I am introducing legislation, the

Lame Ducks Can't Fly Act, to prevent Federal officials who are about to leave office from traveling abroad courtesy of the U.S. taxpayers.

The bill would prohibit any Member of Congress from traveling to another country at taxpayers expense following any election in which the Member is not returned to office.

Similarly, the bill would prohibit any political appointee in the executive branch from traveling overseas at taxpayer expense following an election in which the President is not returned to office. The prohibition for executive branch appointees could be waived if the President determines that such travel cannot reasonably be postponed until the new President takes office, and the travel is essential to protect vital national security, foreign policy, trade or economic interests.

Mr. President, after the election in November, many Americans were outraged when they saw officials of the Bush administration traveling abroad on seemingly nonessential trips, even though they were about to lose their jobs. One delegation, for example, traveled to China and Hong Kong aboard a military jet that reportedly costs about \$12,000 per hour to fly. Another trip was planned for Moscow before it was abruptly canceled when the plans were reported in the press. Similar reports of congressional travel met with similar public criticism.

Mr. President, it can be tempting for elected or appointed officials to have one last junket before losing their jobs. But it's wrong. And it's not fair to taxpayers—many of whom have a hard time making ends meet. It's a small dent in the budget deficit, but it's the kind of thing that is outrageous and saps the trust of Americans in their Government.

While there are times when travel abroad by lameduck officials may be necessary to protect important national interests, there is no excuse for wasting taxpayer dollars on non-essential travel.

Mr. President, I am committed to seeing this reform put into place prior to November of 1994 so that we can prevent any further abuse of our tax dollars.

I hope my colleagues will support the legislation, and ask unanimous consent that a copy of the bill be printed in the RECORD at this point.

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

S. 826

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. LIMITATION OF FOREIGN TRAVEL BY CERTAIN POLITICAL APPOINTEES DURING POST PRESIDENTIAL ELECTION PERIOD.**

(a) IN GENERAL.—Subchapter I of chapter 57 of title 5, United States Code, is amended by adding at the end thereof the following new section:

**§5710. Limitation of travel of political appointees during certain post Presidential election periods**

“(a) For purposes of this section the term—

“(1) ‘political appointee’ means any individual who serves—

“(A) in a Senior Executive Service position and is not a career appointee as defined under section 3132(a)(4);

“(B) in a position under the Executive Schedule pursuant to subchapter II of chapter 53; or

“(C) in a position of a confidential or policy-determining character under schedule C of subpart C of part 213 of title 5 of the Code of Federal Regulations; and

“(2) ‘post Presidential election period’ means any period beginning on the date immediately following the date of the first Tuesday following the first Monday in November on which the general election of the President occurs, and ending on the January 20 following such an election.

“(b) Subject to the provisions of subsection (c), travel by a political appointee may not be paid for under the provisions of this subchapter or any other provision of law, if such travel—

“(1) is outside of the United States; and

“(2) occurs during a post Presidential election period in which the incumbent President shall not return for another term of office as President.

“(c)(1) The provisions of subsection (b) shall not apply to travel by the Secretary of State, the Secretary of Defense, or the United States Trade Representative.

“(2) The President may waive the provisions of subsection (b) with regard to any travel if the President makes a written determination that such travel—

“(A) cannot reasonably be postponed until after the post Presidential election period; and

“(B) is essential to protect—

“(i) vital national security interests; or

“(ii) other vital national interests related to—

“(I) foreign policy;

“(II) trade; or

“(III) the economy.”

(b) **TECHNICAL AND CONFORMING AMENDMENTS.**—The table of sections for chapter 57 of title 5, United States Code, is amended by inserting after the item relating to section 5709 the following:

“5710. Limitation of travel of political appointees during certain post Presidential election periods.”

**SEC. 2. LIMITATION OF FOREIGN TRAVEL BY CERTAIN MEMBERS OF CONGRESS DURING POST ELECTION PERIODS.**

(a) **LIMITATION.**—No funds may be expended for travel by a Member of Congress if—

(1) such travel is outside of the United States;

(2) such travel occurs after the date on which an election for the office held by such Member occurs; and

(3) such Member will not serve as a Member of Congress in the session following such election.

(b) **DEFINITION.**—For purposes of this section the term “Member of Congress” includes any Delegate or Resident Commissioner to the Congress.●

By Mr. DECONCINI:

S. 827. A bill to require certain payments made to victims of Nazi persecution to be disregarded in determining eligibility for and the amount of bene-

fits or services based on need, and for other purposes; to the Committee on Governmental Affairs.

RELATING TO RESTITUTION TO HOLOCAUST VICTIMS

● Mr. DECONCINI. Mr. President, I rise today to introduce legislation to protect the rights of Holocaust survivors to receive foreign government restitution payments and the full benefits for all needs-based programs provided by our Government. Congressman WAXMAN introduced companion legislation in the House this morning.

This bill will prevent all Government agencies from considering restitution payments to Holocaust survivors by the Federal Republic of Germany as income, thereby allowing survivors to receive the restitution without any reduction in the need-based Government services that they are entitled to receive.

This issue recently came to national prominence when I received a letter from Fanny Schlomowitz, an 83-year-old woman who receives low-income rent assistance from the Department of Housing and Urban Development. Fanny is a survivor of a Budapest Jewish ghetto. As a young woman living there, Fanny was kicked in the head and beaten on several occasions. Many of those blows she still feels today.

Her only income other than the Holocaust restitution is a monthly \$370 Social Security check. Fanny has high medical and prescription drug expenses. Fanny also pays \$816 every 3 months for her regular medical insurance plan and a plan to assure nursing home care if she needs it, so that she would not have to go to a taxpayer-supported facility. She pays \$63 a month for her small HUD-subsidized apartment. Though nothing can ever make up for the unspeakable acts committed during that time, the Federal Republic of Germany sends her a monthly check as a small token of the remorse felt by the German people for her suffering.

Fanny contacted me when she learned that HUD had decided to consider these restitution payments as annual income and quadruple her rent. Even though these payments are not counted as taxable income by the Internal Revenue Service, HUD felt that the statutes governing low-income housing assistance required the Department to include these payments as income for purposes of computing her rent assistance. As a consequence, the rent for her tiny apartment was to go up by \$164 per month. In desperation, she asked me to help prevent this injustice.

I contacted Secretary of Housing and Urban Development Henry Cisneros to express my dismay at HUD's decision and to request that the action be reversed. Secretary Cisneros immediately called for a review of the matter and within a month's time, the De-

partment proposed a rule providing prospective relief from the longstanding policy. I am, indeed, very appreciative of the Secretary's prompt attention to the problem. His action has probably prevented any future harm to Holocaust victims eligible for HUD needs-based assistance.

However, Mr. President, as I have advised the Secretary, no legal authority exists for HUD or any other domestic agency action in this area. The Holocaust restitution payments, not reparation payments as referred to in the proposed HUD final rule, are governed by international law. Therefore, no domestic agency has any authority to make any pronouncement, pro or con, as to the legal status of these payments. Only the President, with advise and consent of the Congress, has that authority. Moreover, the legal status of these restitution payments is governed by a 1954 international bilateral protocol.

In 1984, the Ninth Circuit Court of Appeals in *Grunfeder v. Heckler*, 748 F.2d 503 (1984) reaffirmed this basic constitutional principle. In that case, former Health and Human Services [HHS] Secretary Margaret Heckler was sued by a Holocaust survivor because the Social Security Administration had included these payments as income for eligibility purposes. The court held that payment received pursuant to the Federal Republic of Germany compensation of victims of national socialist persecution statute does not constitute income for purposes of determining eligibility for supplemental security income [SSI] despite the express absence of an exclusion in the statute. The ninth circuit specifically found that HHS Secretary Heckler's interpretation of the German Restitution Act is entitled to little deference as the court is bound to construe the domestic legislation in a way that minimizes interference with the purpose or effect of foreign law:

This case requires us to resolve a conflict between the Government's interest in allocating a limited pool of funds to support the country's aged, blind, and disabled against our Government's interest in restoring a semblance of normal existence to Holocaust survivors who are part of our society. In resolving the matter in favor of the latter, we follow the lead of Congress. (Majority opinion at p. 509.)

The Grunfeder majority set aside the agency's determination that the reparations payments were countable as income because the SSI eligibility regulations would frustrate the German Restitution Act's penitent and restitution purpose and because Congress had expressed no desire to interfere with the German Government's attempt to make amends for crimes committed during the Holocaust. I also note that the court gave great weight to the fact that Congress ratified the 1954 protocol which exempted from income taxation the restitution payments made to Hol-

ocaust victims residing in the United States.

Given the HUD's current interpretation is based solely upon the fact that the statute does not provide specific authority to exclude the payments from the rent contribution computation and given that Congress has never indicated it has had any desire to count Holocaust payments as income, any HUD interpretation is as defective as the SSI regulation struck down in Grunfeder. Without an express congressional directive, no domestic agency official, whether at HHS or HUD, has ever had authority to include these restitution payments for any purpose, especially eligibility purposes.

If the legislation Congressman WAXMAN and I are introducing is enacted, no agency would ever have the opportunity to repeat this senseless error. It is for this reason that we introduce this legislation today.

Mr. President, this action is long overdue. I was shocked and appalled to learn that an agency of our Government was compounding the tragedy of the Holocaust by penalizing a survivor for receiving restitution. Were it not for the injuries Fanny Schlomowitz received at the hands of the brutal Nazi stormtroopers, she most likely would not have been in the HUD-assisted apartment at all. I am sure that there are others like Fanny all over the Nation, survivors who are again paying a price for nothing more than being victimized by the Nazi regime.

But this bill is necessary for more than the correction of an injustice. The German Government makes restitution payments to Holocaust survivors as a sincere and humble gesture of apology to the people that suffered through the most horrific tragedy in modern history. To subject American citizens that receive these payments to additional financial burdens is to interfere with the penitence purpose of the restitution and to destroy Germany's sovereign right as a nation to try to symbolically do right to those who have been terribly wronged. The payments are not war reparations and they are not income. They are gifts from a nation whose citizens feel the sorrow and shame that the Holocaust has brought to all of humanity, citizens that are unable to erase history and so do what they can to repent for history.

Mr. President, it is wholly inexcusable for any agency of the United States of America to obstruct this noble sentiment as a matter of conscience, and, as a matter of international law, it is unlawful and must be stopped from ever reoccurring.

Mr. President, I urge my colleagues to join me in support of this important legislation. Let us make it possible for Fanny Schlomowitz and all Holocaust survivors to graciously accept the gifts from the Federal Republic of Germany without interference from our Government.

Mr. President, I ask unanimous consent that the full text of the bill be printed in the RECORD.

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

S. 827

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. CERTAIN PAYMENTS MADE TO VICTIMS OF NAZI PERSECUTION DISREGARDED IN DETERMINING ELIGIBILITY FOR AND THE AMOUNT OF NEED-BASED BENEFITS AND SERVICES.**

(a) IN GENERAL.—Payments made to individuals because of their status as victims of Nazi persecution shall be disregarded in determining eligibility for and the amount of benefits or services to be provided under any Federal or federally assisted program which provides benefits or services based, in whole or in part, on need.

(b) APPLICABILITY.—Subsection (a) shall apply to determinations made on or after the date of the enactment of this Act with respect to payments referred to in subsection (a) made before, on, or after such date.

(c) PROHIBITION AGAINST RECOVERY OF VALUE OF EXCESSIVE BENEFITS OR SERVICES PROVIDED DUE TO FAILURE TO TAKE ACCOUNT OF CERTAIN PAYMENTS MADE TO VICTIMS OF NAZI PERSECUTION.—No officer, agency, or instrumentality of any government may attempt to recover the value of excessive benefits or services provided before the date of the enactment of this Act under any program referred to in subsection (a) by reason of any failure to take account of payments referred to in subsection (a).•

By Mr. DORGAN:

S. 828. A bill to amend the Internal Revenue Code of 1986 to impose an excise tax on campaign expenditures of candidates for Federal office in excess of campaign spending limits; to the Committee on Finance.

**TAX ON EXCESSIVE CAMPAIGN EXPENDITURES**

Mr. DORGAN. Mr. President, I rise today to introduce legislation that is designed to limit the excessive amounts of money that is being spent on congressional campaigns in this country. Campaign expenditures have reached absurd proportions. Some estimates place overall campaign spending in all U.S. elections in 1992 as high as \$3 billion.

Americans indicated in the elections last November that campaign finance reform was one of the most important issues facing Congress. They have good reason to be concerned:

Between 1976 and 1990, the aggregate cost of House and Senate campaigns rose from \$115.5 to \$445 million;

The average amount spent by winning Senate incumbents in 1990 was \$4 million. On average, this would require a Senator to raise over \$1,800 a day for 6 years; and

The amount contributed by PAC's to House and Senate candidates from 1974 to 1990 rose from \$12.5 to \$150.6 million, a twelvefold increase.

This huge surge in campaign spending has had a major impact on the

American political system: It fosters the use of demagogic television advertisements rather than confronting the real issues facing the Nation. Thus, excessive campaign spending reinforces public cynicism and negative feelings for the entire political process.

Mr. President, that is why I am introducing legislation designed to combat excessive campaign expenditures. My legislation would impose a tax on excessive campaign spending, creating a strong disincentive for excessive campaign expenditures.

The major campaign finance proposals being discussed today support public financing as a means to limit excessive campaign expenditures. While this may be a needed element of a reform package, I believe this country's massive budget deficit requires that we also consider ways to offset the costs imposed by any system of public financing. A tax on excessive campaign expenditures would help provide these revenues.

This tax could be an element of other campaign reform bills which have been introduced in the 103d Congress. My proposal would establish a 75-percent excise tax on any campaign expenditures above specified spending limits. Thus, any campaign which felt it necessary to exceed the established limits, would also be required to pay a substantial penalty under this tax. But more importantly, it would provide a powerful incentive for campaigns to comply with the spending limits.

In the past, constitutional implications have blocked regulation of campaign expenditures. This is why we are now considering a voluntary system of spending limitations. I believe a tax on excessive expenditures is a fundamentally different alternative from an outright limitation, and could pass constitutional scrutiny.

A tax on expenditures is fundamentally different from the outright limitation, which was found to be unconstitutional in the Supreme Court ruling Buckley versus Valeo (1976). First, as the statistics I cited above demonstrate, the governmental interest in regulating campaign expenditures is dramatically more important today than it was in 1976. Second, a tax would not prohibit the free speech rights of a candidate as did the outright limitations. With the tax, a well-funded campaign may speak as often and as loud as it wants, it will just be required to pay the excise tax. Also, the tax would be nondiscriminatory. It would not be imposed on the basis of ideas, but solely on excessive spending by a campaign. I believe the power to levy such a tax is within the power of Congress, and is constitutional.

In conclusion, my legislation is designed to work in concert with other proposals to establish voluntary limits on campaign expenditures. I urge my colleagues to support this legislation.

I ask unanimous consent that the text of this bill be printed in the RECORD.

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

S. 828

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. EXCISE TAX ON FEDERAL CAMPAIGN EXPENDITURES IN EXCESS OF CAMPAIGN SPENDING LIMITS.**

(a) IN GENERAL.—Subtitle D of the Internal Revenue Code of 1986 (relating to miscellaneous excise taxes) is amended by adding at the end the following new chapter:

**"CHAPTER 48—EXCESS FEDERAL CAMPAIGN EXPENDITURES**

"Sec. 5010. Excess Federal campaign expenditures.

**"SEC. 5010. EXCESS FEDERAL CAMPAIGN EXPENDITURES.**

"(a) IMPOSITION OF TAX.—In the case of any candidate for Federal office, there is hereby imposed a tax equal to 75 percent of the candidate's excess campaign expenditures during any taxable period.

"(b) PERSON ON WHOM TAX IMPOSED; TAXABLE PERIOD.—For purposes of this section—

"(1) PERSON ON WHOM TAX IMPOSED.—The tax imposed by subsection (a) shall be paid by the authorized committees of the candidate.

"(2) TAXABLE PERIOD.—The term 'taxable period' means, with respect to any election, each month in which excess campaign expenditures were made with respect to the election.

"(c) DEFINITIONS.—For purposes of this section—

"(1) CANDIDATE.—The terms 'candidate' and 'authorized committee' have the meanings given to such terms by sections 301(2) and 301(6), respectively, of the Federal Election Campaign Act of 1971.

"(2) ELECTION.—The term 'election' has the meaning given such term by section 301(1) of the Federal Election Campaign Act of 1971.

"(3) EXCESS CAMPAIGN EXPENDITURES.—The term 'excess campaign expenditures' means, with respect to any election, expenditures by any candidate and the authorized committees of such candidate which are in excess of any limitation on such expenditures established by the amendments made by the Congressional Campaign Spending Limit and Election Reform Act of 1993."

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to taxable periods beginning after December 31, 1993.

**SEC. 2. CAMPAIGN FINANCE REFORM TRUST FUND.**

(a) ESTABLISHMENT.—Subchapter A of chapter 98 (relating to trust funds) is amended by adding at the end the following new section:

**"SEC. 9512. CAMPAIGN FINANCE REFORM TRUST FUND.**

"(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the 'Campaign Finance Reform Trust Fund', consisting of such amounts as may be credited or paid to the Trust Fund as provided in this section or section 9602(b).

"(b) TRANSFER TO TRUST FUND.—There is hereby appropriated to the Campaign Finance Reform Trust Fund the taxes received by the Treasury under section 5010.

"(c) EXPENDITURES.—Amounts in the Campaign Finance Reform Trust Fund shall be

available, as provided in appropriation Acts, for making expenditures authorized by the Federal Election Campaign Act of 1971."

(b) CONFORMING AMENDMENT.—The table of sections for subchapter A of chapter 98 is amended by adding at the end the following new item:

"Sec. 9512. Campaign finance reform trust fund."

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

By Mr. DORGAN:

S. 829. A bill to amend the Communications Act of 1934 to regulate the length and certain other aspects of television commercials authorized by a political candidate; to the Committee on Commerce, Science, and Transportation.

**CAMPAIGN COMMERCIAL REFORM ACT**

Mr. DORGAN. Mr. President, today I rise to introduce legislation that I hope will provide a positive contribution to the debate on reforming the way campaigns are conducted in this country.

Unfortunately, political campaigns have moved further and further away from constructive, thoughtful debates on issues of real public concern. Instead, campaign commercials have become electronic tennis matches of 30-second charges and counter-charges across the airwaves. Demagoguery rules over substance in these electronic battles conducted through 30-second commercials. All of us in this distinguished body—Republican and Democrat, liberal and conservative—know the disservice political campaigns are providing the public through 30-second attack ads and sound bites crafted by the mercenaries of politics: Political consultants.

We need to change that Mr. President. Not for our sake as politicians but for the sake of the public which deserves to hear candidates debate important issues in a constructive manner. That is why I am introducing legislation that would place two new requirements on political commercials: First, as a condition of receiving the lowest unit rate, political commercials would have to be at least 5 minutes in length. Second, my legislation would require that the candidate would have to appear in the commercial, and in a clear image, for at least 75 percent of the time. These requirements would force candidates to communicate with voters in a more constructive basis than is possible in 30-second ads.

Mr. President, 2 years ago Washington Post editor David Broder said: The campaign dialog must be rescued from the electronic demagoguery favored by too many hired-gun political consultants. Campaigns must be reconnected to governmental discussions voters really care about." Mr. Broder went on to say: "The public is sick and tired of being assaulted for weeks before Election Day with horrifying recitals of the opposing candidate's supposed record

on some issue." I agree. My legislation is designed to help reconnect campaigns constructive public policy debates—something we seem to have lost in an era where 30-second attack ads set the rules of political intercourse. The age of electronic communications and political consultants has turned our whole political system into a battle over sound bites and 30-second TV commercial volleys.

Although negative campaigns and personal attacks are not new to politics, the focus on negative tactics as the driving force of campaigns is a uniquely contemporary concern. Even Thomas Jefferson endured bitter attacks on his personal character in the first Presidential campaign in our Nation's history. However, the advent of electronic communications, especially television, has provided an unprecedented opportunity to take bitter negative politics to a new level. The result has been a degeneration of campaign discourse to all time low.

Also, attempts to address this problem by trying to eliminate the short attack ads is not a novel approach. Others have sought to enhance the level of debate in political campaigns by proposing minimum time periods for campaign commercials. The campaign reform legislation that passed the Senate last year contained provisions that would have encouraged candidates to purchase advertising segments for longer length commercials. According to that legislation, candidates would receive reimbursement vouchers if they used commercial segments between 1 and 5 minutes. In addition, legislation was introduced in the House in the last Congress that would have required political commercials receiving the lowest unit rate to be at least 1 minute in length.

My legislation is indeed a bolder attempt to improve campaign discourse by requiring 5-minute commercials with the candidate appearing on the screen as a condition of receiving the lowest unit rate. It is my sincere hope that campaign reform legislation will be enacted this year. As we work on this legislation, I hope we will not only reform campaign financing but also find ways to help turn political advertising into a discourse on issues and away from an exchange of demagoguery.

I urge my colleagues to support this legislation and I ask unanimous consent that the text of this bill be printed in the RECORD.

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

S. 829

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the "Campaign Advertising Accountability Act of 1993".

## SEC. 2. POLITICAL ADVERTISING REQUIREMENTS.

Section 315 of the Communications Act of 1934 (47 U.S.C. 315) is amended by redesignating subsections (c) and (d) as subsections (d) and (e), respectively, and by inserting immediately after subsection (b) the following new subsection:

"(c) If any legally qualified candidate for any Federal elective office (or an authorized committee of any such candidate) uses a broadcast station to broadcast a political advertising communication during any period to which the lowest unit charge requirement of subsection (b)(1) applies, such communication shall be at least 5 minutes in length. For no less than 75 percent of the length of the communication, an unobscured full face picture of the candidate, occupying no less than 40 percent of the television safe screen area, shall be displayed."

By Mr. MOYNIHAN (for himself and Mr. DOMENICI):

S. 831. A bill to establish the Environmental Financial Advisory Board in statute, and for other purposes; to the Committee on Environment and Public Works.

### ENVIRONMENTAL FINANCE ACT OF 1993

• Mr. MOYNIHAN. Mr. President, I rise today to introduce the Environmental Finance Act of 1993. This bill will make permanent the Environmental Protection Agency's Environmental Financial Advisory Board.

As my colleagues are well aware, Congress has appropriated billions of dollars in the last 20 years for environmental improvements. While great progress has been made, much remains to be done. Over the last several years the EPA has produced significant data showing a shortfall between the need for environmental infrastructure and the resources available to meet that need.

Environmental problems are some of the more compelling, complex, and controversial issues confronting the more than 83,000 local governments in the United States. Government officials are increasingly held liable for violations of environmental statutes, and have to finance environmental requirements imposed from Washington. Reporting requirements are increasing not only in frequency but in technical difficulty.

With this burden now falling heavily on State and local governments, new means to pay for environmental services and infrastructure must be found. This is imperative if we are to maintain and build upon the significant environmental gains made thus far.

In 1989, the Environmental Financial Advisory Board [EFAB] was created for the reasons I have just described. Over the last 3 years, the EFAB has provided advice and analysis to the EPA on how to pay for environmental protection and leverage public and private resources. The EFAB was initially a committee of the National Advisory Council for Environmental Technology Policy, and in 1991 it became an independent advisory board consistent with the

requirements of the Federal Advisory Committee Act.

The EFAB has been assigned the role of providing advice on environmental financing. Its objectives include the following: Reducing the cost of financing environmental facilities and discouraging pollution; creating incentives to increase private investment in the provision of environmental services; removing or reducing constraints on private involvement in environmental financing; identifying approaches specifically targeted to small community financing; assessing government strategies for implementing public-private partnerships; and reviewing governmental principles of accounting and disclosure standards for their effect on environmental programs.

Mr. President, I ask unanimous consent that a letter from F. Henry Habicht II, the former Deputy Administrator of the EPA, sent to Mr. James L. Dean, Director of the General Services Administration's Committee Management Secretariat on December 22, 1992, detailing the tremendous assistance the EFAB has provided to EPA, be included in the RECORD at the conclusion of my statement. As my colleagues can see, Mr. Habicht's letter makes the case that the EFAB is essential to the conduct of Agency business and in the public interest.

As Mr. Habicht has indicated in his letter, the EFAB charter terminated on February 25, 1993. I am greatly pleased that EPA has initiated a renewal of the EFAB charter. It is, indeed, the intention of this legislation to help the EPA by creating in statute this most worthy program. Former EPA Administrator William K. Reilly testified before the House Appropriations Committee in 1991 and expressed his hope that the EFAB would eventually become for the financing field what the Science Advisory Board has become to the field of environmental science. I share his determination.

Mr. President, my legislation also will establish Environmental Finance Centers at universities throughout the country. This legislation will establish environmental finance centers in each of the 10 Federal regions. These permanent centers will be effective vehicles for the promotion of innovative financing techniques. Currently, two pilot environmental finance centers at the Universities of New Mexico and Maryland promote new financing options by providing training to State and local officials, distributing publications, giving technical assistance targeted to local needs, and hosting meetings and workshops for State and local officials. These centers will work in conjunction with the EFAB to help States build their capacity to protect the environment. The Environmental Finance Centers are initially to be partially funded through Federal grants, with the goal

that they eventually will become self-sufficient.

In my own State, Syracuse University's Maxwell School of Citizenship and Public Affairs, drawing on the talents Syracuse's Schools of Engineering and Law, and the State University of New York's School of Forestry, is ready to become the EPA's Region II Environmental Finance Center. The Maxwell School ranks among the country's finest institutions; its applied research centers in public finance, metropolitan studies, and technology and information policy are ranked among the Nation's top three such centers. The Metropolitan Studies Program is a national leader in examining a broad range of issues involving regional economic development and public finance in the United States.

The Maxwell School is currently establishing a Center for Environmental Policy and Administration in which analysis of environmental issues, such as those envisioned for the EFAB and the regional Environmental Finance Centers, will play a major role.

Mr. President, I ask that the text of the bill be printed in the RECORD at the appropriate point, along with a statement from Senator DOMENICI, who is joining me as an original cosponsor of this bill.

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

S. 831

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

### SECTION 1. SHORT TITLE.

This Act may be cited as the "Environmental Finance Act of 1993".

### SEC. 2. PURPOSE.

(a) It is the purpose of this Act to require the establishment of an Environmental Financial Advisory Board (hereinafter referred to as "the Board") to provide expert advice and recommendations to the Administrator of the Environmental Protection Agency (hereinafter referred to as "the Administrator") and to the Congress on issues, trends, options, innovations and tax matters affecting the cost and financing of environmental protection by state and local governments. The Committee shall study methods to lower costs of environmental infrastructure and services, increase investment in public and private purpose environmental infrastructure, and build state and local capacity to plan and pay for environmental infrastructure and services.

(b) It is further purpose of the Act to require the Administrator to establish and support Environmental Finance Centers in institutions of higher learning. These Centers shall serve to improve the capability of state and local governments to manage environmental programs. The Environmental Finance Centers shall receive federal funding at first with the goal that they eventually become financially self sufficient.

### SEC. 3. ENVIRONMENTAL FINANCIAL ADVISORY BOARD.

(a) IN GENERAL.—

(1) The Administrator shall establish an Environmental Financial Advisory Board to provide expert advice on issues affecting the

costs and financing of environmental activities at the Federal, State, and local level. The Board shall report to the Administrator, and shall make its services and expertise available to the appropriate Committees of Congress.

(2) The Board shall consist of thirty-five members selected by the Administrator. The members of the Board shall each serve for a term of two years, except that twenty of the members initially appointed to the Board shall serve for a term of one year. The members of the Board shall be persons with expertise in financial matters and shall be chosen from among elected officials, national trade and environmental organizations, the finance, banking and legal communities, business and industry, and academia. The members of the Board shall elect a Chair and Vice-Chair, who each shall each serve a term of 2 years.

(3) After establishing appropriate rules and procedures for its operations, the Board shall—

(A) work with the Environmental Protection Agency's Science Advisory Board to identify and develop methods to integrate risk and finance considerations into environmental decisionmaking;

(B) identify and examine strategies to enhance environmental protection in urban areas, reduce disproportionate risk facing urban communities, and promote economic revitalization and environmentally sustainable development;

(C) develop and recommend initiatives to expand opportunities for the export of U.S. financial services and environmental technologies;

(D) develop alternative financing mechanisms to assist state and local governments in paying for environmental programs;

(E) develop alternative financing mechanisms and strategies to meet the unique needs of small and economically disadvantaged communities; and

(F) undertake such other activities as the Board determines will further the purposes of this Act.

(4) The Board may recommend to the Administrator and to the Congress legislative and policy initiatives to make financing for environmental protection more available and less costly.

(5) The Board shall hold open meetings and seek input from the public and other interested parties in accordance with provisions of the Federal Advisory Committee Act (5 USCS Appx.), and shall otherwise be subject to the provisions of such Act.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated the sum of \$1,000,000 for each of the fiscal years 1994, 1995, 1996, 1997, and 1998 to carry out this section.

#### SEC. 4. ENVIRONMENTAL FINANCE CENTERS.

(a) IN GENERAL.—The Administrator shall establish and support Environmental Finance Centers in each of the ten Federal Regions. These Centers shall coordinate their activities with the Board, and are authorized to—

(1) provide on- and off-site training of state and local officials;

(2) publish newsletters, course materials, proceedings and other publications relating to financing of environmental infrastructure;

(3) initiate and conduct conferences, seminars and advisory panels on specific finance issues relating to environmental programs and projects;

(4) establish electronic database and contact services to disseminate information to

public entities on financing alternatives for state and local environmental programs;

(5) generate case studies and special reports;

(6) develop inventories and surveys of financial issues and needs of state and local governments;

(7) identify financial programs, initiatives and alternative financing mechanisms for training purposes;

(8) hold public meetings on finance issues; and

(9) collaborate with one another on projects and exchange information.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated the sum of \$2,500,000 for each of the fiscal years 1994, 1995, 1996, 1997, and 1998 for the Environmental Finance Center program established pursuant to this section. The Administrator is authorized to grant such funds to institutions of higher learning to carry out the provisions of this section.

#### U.S. ENVIRONMENTAL PROTECTION AGENCY,

Washington, DC, December 22, 1992.

Mr. JAMES L. DEAN,

Director, Committee Management Secretariat, General Services Administration (GSA), K Street, NW., Washington, DC.

DEAR MR. DEAN: I am writing to advise you that the Environmental Protection Agency (EPA) is renewing the charter of the Environmental Financial Advisory Board (EFAB). Consistent with the Federal Advisory Committee Act and the GSA Final Rule on Federal Advisory Committee Management, this letter satisfies the requirements for Agency consultation prior to the renewal of this Advisory Board.

I have enclosed a statement which provides information on the reasons for: (1) our determination that EFAB is essential to the conduct of Agency business and in the public interest; (2) why the functions of the Board cannot be performed by other Agency staff or by an existing committee; and (3) our view that we have achieved a balanced membership. I have also enclosed the EFAB charter and a copy of the Board's membership roster.

EFAB was created in 1989 to provide advice and analysis to the Administrator on how to pay for the increasing costs of environmental protection and to increase investment in environmental infrastructure through greater leveraging of public and private resources. The Agency recognized that we had spent billions of dollars in the last twenty years on environmental improvements. While much progress had been made, much remains to be done. Indeed, we marshaled an impressive array of cost data that shows that we face a shortfall between the need for environmental dollars and the resources available to meet that need, and that the greatest burden will fall on states and localities. It became apparent that if new means to pay for environmental services and infrastructure were not found, we would not be able to maintain and build upon the significant environmental gains made to date.

Administrator Reilly recognized and acknowledged that the issue of who pays and how to pay is, and will remain, central to the success of the Agency's mission. He also noted that the complexity and magnitude of the challenge required outside expertise from both the public and private sectors and, accordingly, he convened the Board.

The Board has made significant contributions to EPA by addressing the critical environmental challenges of the 1990s, producing several advisories and other "blueprints for

action" at the request of Agency leadership, as well as working with other advisory groups to provide the synergy necessary to achieve Agency goals. It has helped establish the framework for a national environmental financing policy within EPA by proposing actions to:

lower the costs of environmental services and infrastructure as a vital necessity in closing the gap between limited resources and increasing mandates;

build state and local capacity as the only viable means of securing gains made to date and assuring further progress;

increase public and private infrastructure investment as a spur to job creation, productivity, and tax revenues;

link risk and finance to ensure that scarce financial resources are flowing into problems having the highest environmental and public health risks; and

focus on economic incentives to address urban environmental policy and equity to reduce exposure to inordinate risks and to employ urban youth in environmental prevention and cleanup projects.

Specific products include a Clean Air Act finance guide on ways states can help pay for implementation of their clean air programs; advisories on ways to improve financing options for small communities, linkages of investments in pollution control to economic growth and development, and an advisory on private sector incentives that anticipated the President's Executive Order on Infrastructure Privatization and helped shape the Agency's response. The Board also reviewed a unique EPA compendium of alternative financing options for state and local governments.

The Board remains essential to the conduct of the Agency mission. It will continue to devote its energies to the uniquely important issue of national environmental finance policy. Products anticipated over the next year include: (1) an urban environmental policy advisory that is in the final stages of review; (2) a border initiative to access private capital markets via a credit pooling mechanism to help pay for environmental facilities on the U.S./Mexican border; (3) helping in the establishment and work of newly created Environmental Finance Centers; and (4) working with the prestigious Science Advisory Board on a case study to be used as a model for risk-based decision-making.

The advice and counsel that EFAB has provided to the Administrator cannot be performed by the Agency or another advisory committee. We do not have the resident expertise in such highly complex areas as state and federal legislative analysis, investment banking, capital planning and fee setting, and socioeconomic issues. Other advisory boards have come to EFAB to use their unique expertise. It is essential that the Agency continue to have this talent available.

We will also continue to have a balanced membership from the following sectors: the U.S. Congress; state and local government, including elected officials; business and industry; the finance, banking, and legal community; academia; and national organizations and associations. The membership is reflective of local and regional municipal finance matters and recognizes the needs of communities of varying sizes.

The magnitude of the environmental financing challenge, the extent of Congressional interest in these matters and from national experts in serving on the Board, and the increasing public concern over the future direction of environmental protection pro-

grams have demonstrated the continuing need for independent expert financial advice. The role of EFAB in providing timely and significant recommendations will greatly help the Agency carry out its environmental mandates.

Since the EFAB charter terminates on February 25, 1993, it will be necessary for us to proceed by February 11, 1993, with preparations for publication of a notice in the Federal Register and the filing of the renewal charter with the appropriate Congressional committees and the Library of Congress. Any assistance you can provide to help meet that date will be greatly appreciated.

If you have any questions concerning the Environmental Financial Advisory Board, please contact George Ames at 202/260-1020.

Sincerely,

F. HENRY HABICHT II,  
Deputy Administrator.●

● Mr. DOMENICI. Mr. President, I am pleased to join the Senator from New York [Mr. MOYNIHAN] as an original sponsor of this legislation. This bill will make permanent the Environmental Financial Advisory Board which advises the EPA and Congress on matters relative to financing environmental protection by State and local governments.

I am not one who normally supports creating yet another advisory committee, task force, or study group. However, as one who has had the pleasure of being a member of the current advisory board since its inception—not to mention the only current Member of Congress who sits on the board—I know from experience that this is a board that carries out its mission effectively and objectively.

The membership of the current board represents a broad spectrum of environmental, legal, and financial knowledge, expertise, and experience. For example, 5 State officials, 3 local officials, 2 university representatives, 3 vice presidents of business and industry, and 12 representatives of banking, financial or legal institutions sit on the current board. Over the past year, EFAB committees have produced for the Environmental Protection Agency recommendations on strategies for small community financing for environmental facilities, incentives for environmental investment, and public sector options to finance environmental facilities, to name just a few.

The charter for EFAB in this bill is very similar to the current functions of the board in that it instructs the board to enhance environmental protection in urban areas, expand opportunities for the export of U.S. financial services and environmental technologies, and develop alternative financing mechanisms to assist State and local governments and small and economically disadvantaged communities in paying for environmental programs. The charter also directs the board to work with EPA and its Science Advisory Board on methods to integrate risk and finance considerations into environmental decisionmaking.

This legislation will also establish and support environmental finance centers in institutions of higher learning. In coordination with the board, these centers will help improve the capability of State and local governments to manage environmental programs. We have established a model center at the University of New Mexico in Albuquerque, and I am pleased to report that it has worked very well for the past 18 months on a modest budget.

Mr. President, based on my personal experiences with EFAB, I can tell you that EFAB provides a reliable base of information on which we can build sound environmental and economic policies. I am, therefore, very pleased to sponsor this legislation.●

By Mr. MOYNIHAN:

S. 832. A bill to designate the plaza to be constructed on the Federal Triangle property in Washington, DC, as the "Woodrow Wilson Plaza"; to the Committee on Environment and Public Works.

WOODROW WILSON PLAZA ACT

● Mr. MOYNIHAN. Mr. President, today I am introducing legislation to name the plaza that will be built as part of the Federal Triangle Building on Pennsylvania Avenue at 14th Street the Woodrow Wilson Plaza. This new plaza will be mostly surrounded by the new building, and the Woodrow Wilson International Center for Scholars will be housed in the office space that adjoins it. It is only fitting that the plaza be named for President Wilson.

Mr. President, I ask unanimous consent the text of the bill be printed in the RECORD.

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

S. 832

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* The plaza to be constructed on the Federal Triangle property in Washington, D.C. as part of the development of such site pursuant to the Federal Triangle Development Act (Public Law 100-113) shall be known and designated as the "Woodrow Wilson Plaza".●

#### ADDITIONAL COSPONSORS

S. 50

At the request of Mr. WARNER, the names of the Senator from Pennsylvania [Mr. WOFFORD] and the Senator from Oregon [Mr. PACKWOOD] were added as cosponsors of S. 50, a bill to require the Secretary of the Treasury to mint coins in commemoration of the 250th anniversary of the birth of Thomas Jefferson.

S. 65

At the request of Mr. NICKLES, the name of the Senator from Kansas [Mrs. KASSEBAUM] was added as a cosponsor of S. 65, a bill to amend the Internal Revenue Code of 1986 to impose a fee on

the importation of crude oil and refined petroleum products.

S. 70

At the request of Mr. COCHRAN, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of S. 70, a bill to reauthorize the National Writing Project, and for other purposes.

S. 73

At the request of Mr. METZENBAUM, the name of the Senator from California [Mrs. FEINSTEIN] was added as a cosponsor of S. 73, a bill to provide for the rehiring by the Federal Aviation Administration of certain former air traffic controllers.

S. 87

At the request of Mr. KERRY, the name of the Senator from Ohio [Mr. GLENN] was added as a cosponsor of S. 87, a bill to amend the Federal Election Campaign Act of 1971 to provide for a voluntary system of spending limits and partial public financing of Senate primary and general election campaigns, to limit contributions by multicandidate political committees, and for other purposes.

S. 156

At the request of Mr. DASCHLE, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of S. 156, a bill to amend the Internal Revenue Code of 1986 to allow the energy investment credit for solar energy and geothermal property against the entire regular tax and the alternative minimum tax.

S. 157

At the request of Mr. DASCHLE, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 157, a bill to amend the Internal Revenue Code of 1986 to increase the standard mileage rate deduction for charitable use of passenger automobiles.

S. 171

At the request of Mr. GLENN, the name of the Senator from Minnesota [Mr. WELLSTONE] was added as a cosponsor of S. 171, a bill to establish the Department of the Environment, provide for a Bureau of Environmental Statistics and a Presidential Commission on Improving Environmental Protection, and for other purposes.

S. 173

At the request of Mr. DECONCINI, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of S. 173, a bill to amend title II of the Social Security Act to provide for a more gradual period of transition (under a new alternative formula with respect to such transition) to the changes in benefit computation rules enacted in the Social Security Amendments of 1977 as such changes apply to workers born in the years after 1916 and before 1927 (and related beneficiaries) and to provide for increases in such worker's benefits accordingly, and for other purposes.

S. 208

At the request of Mr. BUMPERS, the name of the Senator from Missouri [Mr. DANFORTH] was added as a cosponsor of S. 208, a bill to reform the concessions policies of the National Park Service, and for other purposes.

S. 253

At the request of Mr. CRAIG, the names of the Senator from Mississippi [Mr. COCHRAN], the Senator from Mississippi [Mr. LOTT], the Senator from Indiana [Mr. COATS], and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 253, a bill to authorize the garnishment of Federal employees' pay, and for other purposes.

S. 257

At the request of Mr. BUMPERS, the name of the Senator from Nebraska [Mr. KERREY] was added as a cosponsor of S. 257, a bill to modify the requirements applicable to locatable minerals on public domain lands, consistent with the principles of self-initiation of mining claims, and for other purposes.

S. 265

At the request of Mr. SHELBY, the names of the Senator from Oklahoma [Mr. BOREN], the Senator from Hawaii [Mr. AKAKA], the Senator from Louisiana [Mr. BREAUX], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Georgia [Mr. NUNN], the Senator from Wyoming [Mr. SIMPSON], and the Senator from New Hampshire [Mr. GREGG] were added as cosponsors of S. 265, a bill to increase the amount of credit available to fuel local, regional, and national economic growth by reducing the regulatory burden imposed upon financial institutions, and for other purposes.

S. 269

At the request of Mr. BAUCUS, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of S. 269, a bill to amend the Trade Act of 1974 to provide that interested persons may request review by the Trade Representative of a foreign country's compliance with trade agreements.

S. 377

At the request of Mr. GRAMM, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 377, a bill to require a balanced Federal budget by fiscal year 2000 and each year thereafter, to protect Social Security, to provide for zero-based budgeting and decennial sunset, to impose spending caps on the growth of entitlements during fiscal years 1994 through 2000, and to enforce those requirements through a budget process involving the President and Congress and sequestration.

S. 381

At the request of Mr. DASCHLE, the name of the Senator from Colorado [Mr. BROWN] was added as a cosponsor of S. 381, a bill to amend the Internal Revenue Code of 1986 to make perma-

nent, and to increase to 100 percent, the deduction of self-employed individuals for health insurance costs.

S. 384

At the request of Mr. D'AMATO, the names of the Senator from Oregon [Mr. PACKWOOD], and the Senator from New Hampshire [Mr. GREGG] were added as cosponsors of S. 384, a bill to increase the availability of credit to small businesses by eliminating impediments to securitization and facilitating the development of a secondary market in small business loans, and for other purposes.

S. 415

At the request of Mr. BOREN, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 415, a bill to require the Attorney General to establish 10 military-style boot camp prisons.

S. 545

At the request of Mr. BOREN, the name of the Senator from Pennsylvania [Mr. WOFFORD] was added as a cosponsor of S. 545, a bill to amend the Internal Revenue Code of 1986 to allow farmers' cooperatives to elect to include gains or losses from certain dispositions in the determination of net earnings, and for other purposes.

At the request of Mr. DOLE, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of S. 545, supra.

S. 549

At the request of Mr. DOMENICI, the name of the Senator from Indiana [Mr. LUGAR] was added as a cosponsor of S. 549, a bill to provide for the minting and circulation of one-dollar coins.

S. 563

At the request of Ms. MOSELEY-BRAUN, the name of the Senator from Michigan [Mr. LEVIN] was added as a cosponsor of S. 563, a bill to require CBO analysis of each bill or joint resolution reported in the Senate or House of Representatives to determine the impact of any Federal mandates in the bill or joint resolution.

S. 570

At the request of Mr. GRASSLEY, the names of the Senator from Texas [Mr. GRAMM] and the Senator from Kentucky [Mr. MCCONNELL] were added as cosponsors of S. 570, a bill to recognize the unique status of local exchange carriers in providing the public switched network infrastructure and to ensure the broad availability of advanced public switched network infrastructure.

S. 573

At the request of Mr. BREAUX, the name of the Senator from Colorado [Mr. BROWN] was added as a cosponsor of S. 573, a bill to amend the Internal Revenue Code of 1986 to provide for a credit for the portion of employer social security taxes paid with respect to employee cash tips.

At the request of Mr. HELMS, his name was added as a cosponsor of S. 573, supra.

S. 600

At the request of Mr. BOREN, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of S. 600, a bill to amend the Internal Revenue Code of 1986 to extend and modify the targeted jobs credit.

S. 602

At the request of Mr. BREAUX, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 602, a bill to amend title XVIII of the Social Security Act to provide coverage of outpatient self-management training services under part B of the medicare program for individuals with diabetes.

S. 636

At the request of Mr. KENNEDY, the name of the Senator from Michigan [Mr. RIEGLE] 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. 670

At the request of Mrs. KASSEBAUM, the name of the Senator from New Mexico [Mr. DOMENICI] was added as a cosponsor of S. 670, a bill to amend the Head Start Act to make quality improvements in Head Start programs, and for other purposes.

S. 671

At the request of Mr. DOMENICI, the name of the Senator from Montana [Mr. BURNS] was added as a cosponsor of S. 671, a bill to establish a comprehensive policy with respect to the provision of health care coverage and services to individuals with severe mental illnesses, and for other purposes.

S. 687

At the request of Mr. ROCKEFELLER, the name of the Senator from Wyoming [Mr. WALLOP] was added as a cosponsor of S. 687, a bill to regulate interstate commerce by providing for a uniform product liability law, and for other purposes.

S. 732

At the request of Mr. KENNEDY, the name of the Senator from North Dakota [Mr. DORGAN] was added as a cosponsor of S. 732, a bill to provide for the immunization of all children in the United States against vaccine-preventable diseases, and for other purposes.

S. 733

At the request of Mr. RIEGLE, the names of the Senator from North Dakota [Mr. DORGAN] and the Senator from New Mexico [Mr. BINGAMAN] were added as cosponsors of S. 733, a bill to provide for the immunization of all children in the United States against vaccine-preventable diseases, and for other purposes.

S. 806

At the request of Mr. MITCHELL, the names of the Senator from Illinois [Mr. SIMON] and the Senator from Pennsylvania [Mr. WOFFORD] were added as cosponsors of S. 806, a bill to extend to the People's Republic of China renewal of nondiscriminatory (most-favored-nation) treatment provided certain conditions are met.

S. 821

At the request of Mr. ROCKEFELLER, the name of the Senator from Ohio [Mr. GLENN] was added as a cosponsor of S. 821, a bill to amend title XVIII of the Social Security Act to provide for uniform coverage of anticancer drugs under the Medicare Program, and for other purposes.

SENATE JOINT RESOLUTION 7

At the request of Mr. GRAMM, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of Senate Joint Resolution 7, a joint resolution to provide for a balanced budget constitutional amendment.

SENATE JOINT RESOLUTION 41

At the request of Mr. SIMON, the names of the Senator from Virginia [Mr. WARNER] and the Senator from Rhode Island [Mr. CHAFEE] were added as cosponsors of Senate Joint Resolution 41, a joint resolution proposing an amendment to the Constitution of the United States to require a balanced budget.

SENATE JOINT RESOLUTION 71

At the request of Mr. BROWN, the names of the Senator from Idaho [Mr. CRAIG], the Senator from Vermont [Mr. JEFFORDS], and the Senator from Michigan [Mr. LEVIN] were added as cosponsors of Senate Joint Resolution 71, a joint resolution to designate June 5, 1993, as "National Trails Day".

SENATE JOINT RESOLUTION 72

At the request of Mr. RIEGLE, the names of the Senator from New Jersey [Mr. LAUTENBERG] and the Senator from Ohio [Mr. METZENBAUM] were added as cosponsors of Senate Joint Resolution 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".

SENATE JOINT RESOLUTION 75

At the request of Mr. ROTH, the names of the Senator from Alaska [Mr. STEVENS], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Alabama [Mr. HEFLIN], the Senator from Mississippi [Mr. COCHRAN], and the Senator from Ohio [Mr. METZENBAUM] were added as cosponsors of Senate Joint Resolution 75, a joint resolution designating January 2, 1994, through January 8, 1994, as "National Law Enforcement Training Week".

SENATE JOINT RESOLUTION 77

At the request of Mr. HATCH, the names of the Senator from Rhode Island [Mr. PELL], the Senator from Vermont [Mr. JEFFORDS], the Senator from Connecticut [Mr. DODD], the Senator

from Idaho [Mr. CRAIG], the Senator from Utah [Mr. BENNETT], and the Senator from Pennsylvania [Mr. WOFFORD] were added as cosponsors of Senate Joint Resolution 77, a joint resolution to designate the week of April 18, 1993, through April 24, 1993, as "International Student Awareness Week".

SENATE JOINT RESOLUTION 79

At the request of Mr. LAUTENBERG, the names of the Senator from Washington [Mrs. MURRAY], the Senator from Indiana [Mr. COATS], the Senator from Alaska [Mr. STEVENS], the Senator from Michigan [Mr. RIEGLE], and the Senator from Nevada [Mr. BRYAN] were added as cosponsors of Senate Joint Resolution 79, a joint resolution to designate June 19, 1993, as "National Baseball Day".

SENATE RESOLUTION 11

At the request of Mrs. KASSEBAUM, her name was withdrawn as a cosponsor of Senate Resolution 11, a resolution relating to Bosnia-Herzegovina's right to self-defense.

## AMENDMENTS SUBMITTED

## DEPARTMENT OF ENVIRONMENTAL PROTECTION ACT

## ROTH AMENDMENT NO. 324

Mr. ROTH proposed an amendment to the bill (S. 171) to establish a Department of Environmental Protection, and for other purposes; as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

## SECTION 1. SHORT TITLE.

This Act may be cited as the "Department of Environmental Protection Act".

## TITLE I—REDESIGNATION OF ENVIRONMENTAL PROTECTION AGENCY AS DEPARTMENT OF ENVIRONMENTAL PROTECTION

## SEC. 101. REDESIGNATION OF ENVIRONMENTAL PROTECTION AGENCY AS DEPARTMENT OF ENVIRONMENTAL PROTECTION.

(a) REDESIGNATION.—The Environmental Protection Agency is redesignated as the Department of Environmental Protection (hereinafter in this Act referred to as the "Department"), and shall be an executive department in the executive branch of the Government. The Department shall be headquartered at the seat of Government. The official acronym of the Department shall be "D.E.P."

(b) SECRETARY OF THE ENVIRONMENT.—(1) There shall be at the head of the Department a Secretary of Environmental Protection (hereinafter in this Act referred to as the "Secretary") who shall be appointed by the President, by and with the advice and consent of the Senate.

(2) OFFICE OF THE SECRETARY.—The Office of the Secretary shall consist of the Secretary and the Deputy Secretary appointed under subsection (d), and may include an Executive Secretary.

(c) TRANSFER.—The functions, powers, and duties of the Administrator, other officers and employees of the Environmental Protec-

tion Agency, and the various offices and agencies of the Environmental Protection Agency are transferred to and vested in the Secretary.

(d) DEPUTY SECRETARY.—There shall be in the Department a Deputy Secretary of Environmental Protection, who shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Secretary shall perform such functions as the Secretary shall prescribe, and shall act as the Secretary during the absence or disability of the Secretary or in the event of a vacancy in the Office of the Secretary.

(e) DELEGATION OF AUTHORITY.—Except as provided in this Act and other existing laws, the Secretary may delegate any functions, including the making of regulations, to such officers and employees of the Department as the Secretary may designate, and may authorize such successive redelegations of such functions within the Department as the Secretary considers to be necessary or appropriate.

## SEC. 102. ASSISTANT SECRETARIES.

(a) ESTABLISHMENT OF POSITIONS.—There shall be in the Department such number of Assistant Secretaries, not to exceed 10, as the Secretary shall determine, each of whom—

(1) shall be appointed by the President, by and with the advice and consent of the Senate; and

(2) shall perform such functions as the Secretary shall prescribe.

(b) FUNCTIONS.—The Secretary shall assign to each Assistant Secretary of the Department such functions as the Secretary considers appropriate.

(c) DESIGNATION OF FUNCTIONS PRIOR TO CONFIRMATION.—Whenever the President submits the name of an individual to the Senate for confirmation as an Assistant Secretary under this section, the President shall state the particular functions of the Department (as assigned by the Secretary under subsection (b)) such individual will exercise upon taking office.

## SEC. 103. DEPUTY ASSISTANT SECRETARIES.

(a) ESTABLISHMENT OF POSITIONS.—There shall be in the Department 20 Deputy Assistant Secretaries, or such number as the Secretary determines is appropriate.

(b) APPOINTMENTS.—Each Deputy Assistant Secretary—

(1) shall be appointed by the Secretary; and

(2) shall perform such functions as the Secretary shall prescribe.

(c) FUNCTIONS.—Functions assigned to an Assistant Secretary under section 102(b) may be performed by one or more Deputy Assistant Secretaries appointed to assist such Assistant Secretary.

## SEC. 104. OFFICE OF THE GENERAL COUNSEL.

(a) GENERAL COUNSEL.—There shall be in the Department the Office of the General Counsel. There shall be at the head of such office a General Counsel who shall be appointed by the President, by and with the advice and consent of the Senate. The General Counsel shall be the chief legal officer of the Department and shall provide legal assistance to the Secretary concerning the programs and policies of the Department.

## SEC. 105. OFFICE OF INSPECTOR GENERAL.

The Office of Inspector General of the Environmental Protection Agency, established in accordance with the Inspector General Act of 1978 (5 U.S.C. App.), is redesignated as the Office of Inspector General of the Department of Environmental Protection.

## SEC. 106. REGIONAL OFFICES.

The Secretary is authorized to establish, alter, discontinue, or maintain such regional

or other field offices as he may determine necessary to carry out the functions vested in him or other officials of the Department.

**SEC. 107. CONTINUING PERFORMANCE OF FUNCTIONS.**

(a) **REDESIGNATION OF POSITIONS.**—(1) The Administrator of the Environmental Protection Agency is redesignated as the Secretary of the Department of Environmental Protection.

(2) The Deputy Administrator of such agency is redesignated as the Deputy Secretary of the Department of Environmental Protection.

(3) Each Assistant Administrator of such agency is redesignated as an Assistant Secretary of the Department.

(4) The General Counsel of such agency is redesignated as the General Counsel of the Department.

(5) The Inspector General of such agency is redesignated as the Inspector General of the Department.

(b) **NOT SUBJECT TO RENOMINATION OR RECONFIRMATION.**—An individual serving at the pleasure of the President in a position that is redesignated by subsection (a) may continue to serve in and perform functions of that position after the date of the enactment of this Act without renomination by the President or reconfirmation by the Senate.

**SEC. 108. REFERENCES.**

Reference in any other Federal law, Executive order, rule, regulation, reorganization plan, or delegation of authority, or in any document—

(1) to the Environmental Protection Agency is deemed to refer to the Department of Environmental Protection;

(2) to the Administrator of the Environmental Protection Agency is deemed to refer to the Secretary of Environmental Protection;

(3) to the Deputy Administrator of the Environmental Protection Agency is deemed to refer to the Deputy Secretary of Environmental Protection; and

(4) to an Assistant Administrator of the Environmental Protection Agency is deemed to refer to the corresponding Assistant Secretary of the Department of Environmental Protection who is assigned the functions of that Assistant Administrator.

**SEC. 109. SAVINGS PROVISIONS.**

(a) **CONTINUING EFFECT OF LEGAL DOCUMENTS.**—All orders, determinations, rules, regulations, permits, grants, contracts, certificates, licenses, privileges, and other administrative actions—

(1) which have been issued, made, granted or allowed to become effective by the President, the Administrator or other authorized official of the Environmental Protection Agency, or by a court of competent jurisdiction, which relate to functions of the Administrator or any other officer or agent of the Environmental Protection Agency actions; and

(2) which are in effect at the time this Act takes effect;

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, the Secretary, or other authorized official, by a court of competent jurisdiction, or by operation of law.

(b) **PROCEEDINGS NOT AFFECTED.**—This Act shall not affect any proceeding, proposed rule, or application for any license, permit, certificate, or financial assistance pending before the Environmental Protection Agency at the time this Act takes effect, and such proceedings and applications shall be continued. Orders shall be issued in such proceed-

ings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this Act had not been enacted, and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law. Nothing in this subsection prohibits the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this Act had not been enacted.

(c) **SUITS NOT AFFECTED.**—This Act shall not affect suits commenced before the effective date of this Act, and in all such suits proceedings shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this Act had not been enacted.

(d) **NONABATEMENT OF ACTIONS.**—No suit, action, or other proceeding commenced by or against the Environmental Protection Agency, or by or against any individual in the official capacity of such individual as an officer of the Environmental Protection Agency, shall be abated by reason of the enactment of this Act.

(e) **PROPERTY AND RESOURCES.**—The contracts, liabilities, records, property, and other assets and interests of the Environmental Protection Agency shall, after the effective date of this Act, be considered to be contracts, liabilities, records, property, and other assets and interests of the Department.

**SEC. 110. CONFORMING AMENDMENTS.**

(a) **PRESIDENTIAL SUCCESSION.**—Section 19(d)(1) of title 3, United States Code, is amended by inserting before the period at the end thereof the following: “, Secretary of Environmental Protection”.

(b) **DEFINITION OF DEPARTMENT IN CIVIL SERVICE LAWS.**—Section 101 of title 5, United States Code, is amended by adding at the end thereof the following:

“The Department of Environmental Protection.”

(c) **COMPENSATION, LEVEL I.**—Section 5312 of title 5, United States Code, is amended by adding at the end thereof the following:

“Secretary of Environmental Protection.”

(d) **COMPENSATION, LEVEL II.**—Section 5313 of title 5, United States Code, is amended by striking “Administrator of Environmental Protection Agency” and inserting in lieu thereof “Deputy Secretary of Environmental Protection”.

(e) **COMPENSATION, LEVEL IV.**—Section 5315 of title 5, United States Code, is amended—

(1) by striking “Inspector General, Environmental Protection Agency” and inserting in lieu thereof “Inspector General, Department of Environmental Protection”;

(2) by striking each reference to an Assistant Administrator, or Assistant Administrators, of the Environmental Protection Agency; and

(3) by adding at the end thereof the following:

“Assistant Secretaries, Department of Environmental Protection.

“General Counsel, Department of Environmental Protection.”

(f) **INSPECTOR GENERAL ACT.**—The Inspector General Act of 1978 is amended—

(1) in section 11(1)—

(A) by inserting “Environmental Protection,” after “Energy,”; and

(B) by striking “Environmental Protection,”; and

(2) in section 11(2)—

(A) by inserting “Environmental Protection,” after “Energy,”; and

(B) by striking “the Environmental Protection Agency.”

**SEC. 111. ADDITIONAL CONFORMING AMENDMENTS.**

After consultation with the Committee on Government Operations of the House of Representatives, the Committee on Governmental Affairs of the Senate, and other appropriate committees of the Congress, the Secretary shall prepare and submit to the Congress proposed legislation containing technical and conforming amendments to the laws of the United States, to reflect the changes made by this Act. Such proposed legislation shall be submitted not later than 1 year after the effective date of this Act.

**TITLE II—ADMINISTRATIVE PROVISIONS**

**SEC. 201. ACQUISITION OF COPYRIGHTS AND PATENTS.**

The Secretary may acquire any of the following rights if the property acquired thereby is for use by or for, or useful to, the Department:

(1) Copyrights, patents, and applications for patents, designs, processes, and manufacturing data.

(2) Licenses under copyrights, patents, and applications for patents.

(3) Releases, before suit is brought, for past infringement of patents or copyrights.

**SEC. 202. GIFTS AND BEQUESTS.**

The Secretary may accept, hold, administer, and utilize gifts, bequests, and devises of real or personal property for the purpose of aiding or facilitating the work of the Department. Gifts, bequests, and devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall be deposited in the Treasury and shall be available for disbursement upon the order of the Secretary.

**SEC. 203. OFFICIAL SEAL OF DEPARTMENT.**

On and after the effective date of this Act, the seal of the Environmental Protection Agency, with appropriate changes, shall be the official seal of the Department, until such time as the Secretary may cause an official seal to be made for the Department of such design as the Secretary shall approve.

**SEC. 204. USE OF LIKENESS OF OFFICIAL SEAL OF DEPARTMENT.**

(a) **DISPLAY OF SEAL.**—Whoever knowingly displays any printed or other likeness of the official seal of the Department, or any facsimile thereof, in or in connection with, any advertisement, poster, circular, book, pamphlet, or other publication, public meeting, play, motion picture, telecast, or other production, or on any building, monument, or stationery, for the purpose of conveying, or in a manner reasonably calculated to convey, a false impression of sponsorship or approval by the Government of the United States or by any department, agency, or instrumentality thereof, shall be fined not more than \$250 or imprisoned not more than 6 months, or both.

(b) **MANUFACTURE, REPRODUCTION, SALE, OR PURCHASES FOR RESALE.**—Except as authorized under regulations promulgated by the Secretary and published in the Federal Register, whoever knowingly manufactures, reproduces, sells, or purchases for resale, either separately or appended to any article manufactured or sold, any likeness of the official seal of the Department or any substantial part thereof (except for manufacture or sale of the article for the official use of the Government of the United States), shall be fined not more than \$250 or imprisoned not more than 6 months, or both.

(c) **INJUNCTIONS.**—A violation of subsection (a) or (b) may be enjoined by an action

brought by the Attorney General in the appropriate district court of the United States. The Attorney General shall file such an action upon request of the Secretary or any authorized representative of the Secretary.

**SEC. 205. USE OF STATIONERY, PRINTED FORMS, AND SUPPLIES OF ENVIRONMENTAL PROTECTION AGENCY.**

The Secretary shall ensure that, to the extent practicable, existing stationery, printed forms, and other supplies of the Environmental Protection Agency are used to carry out functions of the Department before procuring new stationery, printed forms, and other supplies for the Department.

**SPECTER (AND OTHERS)  
AMENDMENT NO. 325**

Mr. SPECTER (for himself, Mr. D'AMATO, Mr. PRESSLER, and Mr. BROWN) proposed an amendment to the bill, S. 171, supra; as follows:

At the end of the bill add the following new title:

**SECTION 1. SHORT TITLE AND TABLE OF CONTENTS**

(a) **SHORT TITLE.**—This Act may be cited as the "Comprehensive Access and Affordable 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 (AHPs).
- 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)**

**PART 1—REQUIREMENTS FOR ACCOUNTABLE HEALTH PLANS**

- Sec. 111. Registration process; qualifications.
- Sec. 112. Specified uniform set of effective benefits.
- Sec. 113. Collection and provision of standardized information.
- Sec. 114. Prohibition of discrimination based on health status for certain conditions; limitation on pre-existing condition exclusions.
- Sec. 115. Use of standard premiums.
- Sec. 116. Financial solvency requirements.
- Sec. 117. Grievance mechanisms; enrollee protections; written policies and procedures respecting advance directives; agent commissions.
- Sec. 118. Additional requirements of open AHPs.
- Sec. 119. Additional requirement of certain AHPs.

**PART 2—PREEMPTION OF STATE LAWS FOR ACCOUNTABLE HEALTH PLANS**

- Sec. 120. Preemption from State benefit mandates.
- Sec. 121. Preemption of State law restrictions on network plans.
- Sec. 122. Preemption of State laws restricting utilization review programs.

**Subtitle C—Federal Health Board**

- Sec. 131. Establishment of Federal Health Board.

- Sec. 132. Specification of uniform set of effective benefits.
- Sec. 133. Health benefits and data standards board.
- Sec. 134. Health plan standards board.
- Sec. 135. Registration of accountable health plans.
- Sec. 136. Specification of risk-adjustment factors.
- Sec. 137. National health data system.
- Sec. 138. Measures of quality of care of specialized centers of care.
- Sec. 139. Report on impact of adverse selection; recommendations on mandated purchase of coverage.

**TITLE II—PRIMARY AND PREVENTIVE CARE SERVICES**

- Sec. 201. Maternal and infant care coordination.
- Sec. 202. Reauthorization of certain programs providing primary and preventive care.
- Sec. 203. Comprehensive school health education program.
- Sec. 204. Comprehensive early childhood health education program.
- Sec. 205. Disease prevention and health promotion programs treated as medical care.
- Sec. 206. Worksite wellness grant program.

**TITLE III—TAX INCENTIVES TO INCREASE HEALTH CARE ACCESS**

- Sec. 301. Credit for accountable health plan costs.
- Sec. 302. No deduction for employer health plan expenses in excess of accountable health plan costs.
- Sec. 303. Increase in deduction for health plan premium expenses of self-employed individuals.
- Sec. 304. Deduction for health plan premium expenses of individuals.
- Sec. 305. Exclusion from gross income for employer contributions to accountable health plans.

**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.
- Sec. 402. Outreach activities.

**TITLE V—COOPERATIVE AGREEMENTS BETWEEN HOSPITALS**

- Sec. 501. Purpose.
- Sec. 502. Hospital technology and services sharing program.

**TITLE VI—PATIENT'S RIGHT TO DECLINE MEDICAL TREATMENT**

- Sec. 601. Right to decline medical treatment.
- Sec. 602. Federal right enforceable in Federal courts.
- Sec. 603. Suicide and homicide.
- Sec. 604. Rights granted by States.
- Sec. 605. Effect on other laws.
- Sec. 606. Information provided to certain individuals.
- Sec. 607. Recommendations to the Congress on issues relating to a patient's right of self-determination.
- Sec. 608. Effective date.

**TITLE VII—INSURANCE ADMINISTRATION SIMPLIFICATION**

- Sec. 701. Uniform computerized billing system and standards for electronic data interchange.

**TITLE VIII—CHILDREN'S HEALTH CARE**

- Sec. 801. School based health insurance.
- Sec. 802. Refundable tax credit for children's health insurance expenses.

- Sec. 803. WIC program, maternal and child health services block grant program, and medicaid.
- Sec. 804. Demonstration program.
- Sec. 805. Authorization of appropriations.

**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.

**SUBTITLE B—PUBLIC HEALTH SERVICE ACT PROVISIONS**

- Sec. 911. National health service corps.
- Sec. 912. Establishment of grant program.
- 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
- Sec. 914. Rural mental health outreach grants.
- Sec. 915. Health professions training.
- Sec. 916. Rural health extension networks.
- Sec. 917. Rural managed care cooperatives.

**TITLE X—PRIMARY AND PREVENTIVE CARE PROVIDERS**

- Sec. 1001. Increasing payments to certain nonphysician providers under the medicare program.
- Sec. 1002. Requiring coverage of certain nonphysician providers under the medicare program.
- Sec. 1003. Medical student tutorial program grants.
- Sec. 1004. General medical practice grants.
- Sec. 1005. Payments for direct and indirect graduate medical education costs.

**TITLE XI—MALPRACTICE REFORM**

- Sec. 1101. Prelitigation screening panel grants.

**TITLE XII—MEDICARE PREFERRED PROVIDER DEMONSTRATION PROJECTS**

- Sec. 1201. Establishment of medicare primary and specialty preferred provider organization demonstration projects.

**TITLE XII—TREATMENT AND OUTCOMES RESEARCH**

- Sec. 1301. New drug clinical trials program.
- Sec. 1302. Medical treatment effectiveness.
- Sec. 1303. Treatment practice guidelines as a legal standard.

**TITLE XIV—LONG-TERM CARE**

**SUBTITLE A—TAX TREATMENT OF QUALIFIED LONG-TERM CARE INSURANCE POLICIES**

- Sec. 1401. Amendment of 1986 Code.
- Sec. 1402. Definitions of 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.
- Sec. 1404. Treatment of accelerated death benefits under life insurance contracts.

**SUBTITLE B—TAX INCENTIVES FOR PURCHASE OF QUALIFIED LONG-TERM CARE INSURANCE**

- Sec. 1411. Credit for qualified long-term care premiums.
- Sec. 1412. Deduction for expenses relating to qualified long-term care.
- Sec. 1413. Exclusion from gross income of benefits received under qualified long-term care insurance.

- Sec. 1414. Employer deduction for contributions made for long-term care insurance.
- Sec. 1415. Inclusion of qualified long-term care insurance in cafeteria plans.
- 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.
- Sec. 1417. Exclusion from gross income for amounts received on cancellation of life insurance policies and used for qualified long-term health care insurance.
- Sec. 1418. Use of gain from sale of principal residence for purchase of qualified long-term health care insurance.

#### SUBTITLE C—MEDICAL AMENDMENTS

- Sec. 1421. Expansion of medical eligibility for long-term care benefits.
- Sec. 1422. Effective date.

#### TITLE XV—FINANCING

- Sec. 1501. Repeal of dollar limitation on amount of wages subject to hospital insurance tax.

#### TITLE XVI—RESPONSIBILITIES UNDER UNIFORM SET OF EFFECTIVE BENEFITS

- Sec. 1601. Employer responsibilities under uniform set of effective benefits.
- Sec. 1602. Individual responsibilities under uniform set of effective benefits.
- Sec. 1603. Self-insured plan requirements.
- Sec. 1604. Provider responsibilities under uniform set of effective benefits.

#### TITLE XVII—ENFORCEMENT PROVISIONS

- Sec. 1701. Enforcement provisions for carriers, providers, and employers.
- Sec. 1702. Enforcement provisions for individuals.

#### SEC. 2. DEFINITIONS.

- (a) ELIGIBILITY.—As used in this Act:
- (1) ELIGIBLE INDIVIDUAL.—The term "eligible individual" means, with respect to HPPC area, an individual who—
- (A) is an eligible employee;
- (B) is an eligible resident; or
- (C) is 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 residing 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).

(a) 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 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 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 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 individ-

uals 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 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 enrollments 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 dupli-

cating 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) **FORWARD 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 coverage 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 with 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 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 sub-

title 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 PROTECTION; 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 annu-

itants, and family members, under the Federal 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 2(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, 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 provisions 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 DEVICES.**—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 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 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 determines, 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 effectiveness 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 non-profit 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 non-profit 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-adjust-

ment 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 the age of 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 non-profit 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 reallocate 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 reallocation 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 years 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 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 catheterizations, 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 non-institutional 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 antitrust 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 pur-

poses 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 VI—PATIENT'S RIGHT TO DECLINE MEDICAL TREATMENT

##### SEC. 601. 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 nec-

essary, 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 individuals who are beneficiaries under titles II, XVI, XVIII, and XIX of the Social Security Act.

**SEC. 607. RECOMMENDATIONS OF 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 401(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.

**TITLE VII—INSURANCE ADMINISTRATION SIMPLIFICATION****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 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-country non-metropolitan 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 participants 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 qualified 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 be 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 preced-

ing 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.

"(g) **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 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

"If the recapture event occurs during:	The applicable recapture percentage is:
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:

“(1) 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 (1) 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 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 nonurbanized areas shall be one minus the urbanized population of the State (as determined using the most recent decennial census), ex-

pressed 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 State's 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 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 respect 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 sec-

tion 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 its 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(1)(2)(B) of the Social Security Act; or

"(B) have submitted applications to the Secretary to qualify as FQHC's under such section 1905(1)(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(1)(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(1)(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(1)(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(1)(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(1)(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 un-

derserved 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, area 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(1)(2)(B) or is an entity that is not required to meet the requirements to qualify as a FQHC under section 1905(1)(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 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(1)(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(1)(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) meet 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 provider members.

"(5) MANAGED CARE AND PRACTICE STANDARDS.—A cooperative established under paragraph (1) shall establish joint case management and patient care practices 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 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, \$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 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)(20); 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 aid, 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 1003) 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 eligi-

ble 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)(i) 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 approval 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 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 professionals 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) Prepared 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 amended 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 had 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 1403, 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 NON-DEDUCTIBLE 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 section 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 includable 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 includable 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 1-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

"(i) 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-BASE 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 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. EMPLOYERS 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 act 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 pension, 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 is 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) CONTROLLED GROUP OF CORPORATIONS.—All corporations which are members of the same controlled group of corporations shall be treated as 1 carrier. For purposes of the preceding sentence, the term ‘controlled group of corporations’ has the meaning given to such term by section 1563(a), except that—

“(i) ‘more than 50 percent’ shall be substituted for ‘at least 80 percent’ each place it appears in section 1563(a)(1), and

“(ii) the determination shall be made without regard to subsections (a)(4) and (e)(3)(C) of section 1563.

“(B) PARTNERSHIPS, PROPRIETORSHIPS, ETC., WHICH ARE UNDER COMMON CONTROL.—Under regulations prescribed by the Secretary, all trades or 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 sections 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."

**GLENN AMENDMENT NO. 326**

Mr. GLENN proposed an amendment to the bill S. 171, *supra*, as follows:

On page 49, line 7, insert "the" after "of".  
On page 53, line 7, insert "the" before "Environment".

On page 53, lines 23 and 24, strike out "of data bases to integrate with one another" and insert in lieu thereof "to integrate data bases".

On page 54, lines 4 and 5, strike out "of management information systems to integrate with one another" and insert in lieu thereof "to integrate management information systems".

On page 56, insert between lines 15 and 16 the following new paragraphs:

(3) The Environmental Quality Improvement Act of 1970 (42 U.S.C. 4371 through 4375) is repealed.

(4) Section 204 of the National Environmental Policy Act (42 U.S.C. 4344) (as amended by paragraph (1) of this subsection) is redesignated as section 202 of such Act.

On page 56, line 16, strike out "(3)" and insert in lieu thereof "(5)".

On page 71, beginning with line 14, strike out all through line 24, and insert in lieu thereof the following:

(1) in section 11(1), by inserting "Environment," after "Energy,"; and

(2) in section 11(2), by inserting "Environment," after "Energy,".

**NOTICES OF HEARINGS**

**COMMITTEE ON RULES AND ADMINISTRATION**

Mr. FORD. Mr. President, there will be a meeting of the Committee on Rules and Administration, in SR-301, Russell Office Building, on Thursday, April 29, 1993, at 9 a.m. to receive and consider a proposal by counsel regarding the petitions relating to the election in Oregon.

**COMMITTEE ON ENERGY AND NATURAL RESOURCES**

Mr. JOHNSTON. Mr. President, I would like to announce that a hearing has been scheduled before the Committee on Energy and Natural Resources.

The hearing will take place on Tuesday, May 25, 1993 at 9:30 a.m. in room SD-366 of the Dirksen Senate Office Building, First and C Streets, NE, Washington, DC.

The purpose of the hearing is to receive testimony on S. 544, a bill to amend the Federal Power Act to protect consumers of multistate utility systems, and for other purposes, and to receive testimony on an amendment to S. 544 which would transfer responsibility for administering the Public Utility Holding Company Act of 1935 from the Securities and Exchange Commission to the Federal Energy Regulatory Commission.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the printed hearing record should send their comments to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.

For further information regarding the hearing, please contact Bill Conway of the committee staff at (202) 224-7149.

**COMMITTEE ON ENERGY AND NATURAL RESOURCES**

Mr. BUMPERS. Mr. President, we have now received the House companion measure to S. 172, a bill to establish the Spring Mountain National Recreation Area in Nevada, and for

other purposes. I would therefore like to announce for the public that H.R. 63 will also be heard at the hearing scheduled before the Subcommittee on Public Lands, National Parks and Forests of the Committee on Energy and Natural Resources on Thursday, May 6, 1993.

The hearing will begin at 2:30 p.m. in room SD-366 of the Dirksen Senate Office Building in Washington, DC.

For further information regarding the hearing, please contact Erica Rosenberg of the subcommittee staff at (202) 224-7933.

**AUTHORITY FOR COMMITTEES TO MEET**

**COMMITTEE ON ENERGY AND NATURAL RESOURCES**

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate, 9:30 a.m., April 27, 1993, to receive testimony from Robert Armstrong, nominee to be Assistant Secretary of the Interior for Land and Minerals Management; Jim Baca, nominee to be Director, Bureau of Land Management, Department of the Interior; Bonnie Cohen, nominee to be Assistant Secretary of the Interior for Policy, Management and Budget; Elizabeth Rieke, nominee to be Assistant Secretary of the Interior for Water and Science; and Leslie Turner, nominee to be Assistant Secretary of the Interior for Territorial and International Affairs.

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

**COMMITTEE ON FINANCE**

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Finance be permitted to meet on April 27, 1993 at 10 a.m., to hear testimony on the subject of the administration's tax proposals.

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

**COMMITTEE ON GOVERNMENTAL AFFAIRS**

Mr. MITCHELL. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee be authorized to meet for a hearing on S. 185, the Hatch Act Reform Amendments of 1993, on Tuesday, April 27, at 9:30 a.m.

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

**SUBCOMMITTEE ON HOUSING AND URBAN AFFAIRS**

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Housing and Urban Affairs of the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate Tuesday, April 27, 1993, at 10 a.m. to conduct a hearing on the Home Program.

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

## COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet for an executive session, to consider pending business, during the session of the Senate on Tuesday, April 27, directly after the first vote of the Senate, in the President's room, S-216.

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

## COMMITTEE ON VETERAN'S AFFAIRS

Mr. MITCHELL. Mr. President, the Committee on Veterans' Affairs would like to request unanimous consent to hold a hearing on the present and future roles of the Department of Veterans Affairs health care system at 10 a.m. on Tuesday, April 27, 1993. The hearing will be held in room 418 of the Russell Senate Office Building.

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

## SUBCOMMITTEE ON CLEAN AIR AND NUCLEAR REGULATION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Clean Air and Nuclear Regulation, Committee on Environment and Public Works, be authorized to meet during the session of the Senate on Tuesday, April 27, beginning at 9:30 a.m., to conduct a hearing to examine efforts to design and produce a cleaner car.

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

## SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS AND FORESTS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Public Lands, National Parks and Forests of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate, 2:30 p.m., April 27, 1993, to receive testimony on S. 21, a bill to designate certain lands in the California desert as wilderness, to establish Death Valley, Joshua Tree, and Mojave National Parks, and for other purposes.

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

## ADDITIONAL STATEMENTS

## COMMONSENSE VIEW OF CHINA

• Mr. SIMON. Mr. President, recently in the Chicago Tribune, I read an article by Jun Shen, a business writer for the Bradenton FL Herald.

What he basically calls for is a commonsense view of China, that recognizes that China has not moved in the direction of recognizing human rights, but that also does not paint China as some huge immediate threat.

Mr. Shen makes this point, which is an important one for U.S. policymakers:

With the devaluation of China as a strategic counterbalance to the former Soviet

Union, demanding that China respect human rights, be responsible in handling its arms sales and nuclear technology transference and comply with other international laws is not only morally right but also helps create an enduring, stable environment in the biggest market in the world that is key to the U.S. economy in a "Pacific Age" in the 21st Century.

He adds:

The argument that that will drive China back to self-imposed isolationism is fallacious, as the process of changes, once triggered, is irreversible, though maybe slow.

I ask to insert the entire article in the RECORD at this point.

The article follows:

[From the Chicago Tribune, Apr. 5, 1993]

## UNITED STATES POLICY MUST SEE THE REAL CHINA

(By Jun Shen)

The continuous brutal nature of China's political system has been much obliterated lately by the media's newfound eagerness to report on the economic changes there. "China's new reality" is the way Mortimer Zuckerman, editor-in-chief of U.S. News & World Report, saw it.

An overly romantic portrayal of the changing economic life in Communist China, however, not only is simplistic, but creates a false picture to Western investors. The Beijing regime's intransigence toward the process of furthering democratization in Hong Kong after 1997 shows the volatility of the outward appearance of political tolerance toward capitalism.

At the level of U.S. China policy, such unbalanced reporting of China's political reality in the post-Cold War era potentially may be misleading to the new Clinton administration, which has yet to unveil its coherent China policy, after much criticism of its predecessor during the campaign.

The old reality remains that China, after the Tiananmen Square crackdown four years ago, is as well-entrenched as the last stronghold of communism as it ever has been. The Beijing regime continues to imprison political dissidents without fair trials.

The latest wake-up call came last month, when Communist Party chief Jiang Zeming, who is also the head of China's military, was "elected" president. This latest of a series of reality signals shows that China's future political wind is as unpredictable as ever, thus casting a cloud over its phantom-like economic well-being.

If history can serve as a crystal ball, the unchanged fundamental system and culture of ironhanded governing in a time when a whirlwind of upheavals has swept other communist countries make China's open market as ephemeral or fragile as the innocent student bodies under the rumbling tracks of the emotionless tanks. A scene of foreign business fleeing a capital of tanks and terror easily can be conjured up again.

As a new world order is taking shape with the disintegration of former Eastern Bloc nations, the world community today probably enjoys the best historical opportunity to nurture the budding forces of new political beliefs in China. The United States and its Western allies can play a pivotal role in giving the political new force support for the process that is long overdue.

Unfortunately, previous U.S. China policy was inadequate to help the process.

I am often amazed by the policy inconsistency toward China and the Soviet Union by the United States. It is often a policy vacil-

lating between exaggerated threats of aggressions by ideological enemies and unwarranted optimism about changes in an entrenched dictatorial system.

It is a legitimate argument that, during the Cold War era, playing the Beijing card served to offset the aggressive pawing by the Russian bear in the global politics. But with an unprecedented political openness descending on Russia, the United States so far remains slow to come to the aid of the economically devastated Russia, preferring to wait instead for the miracle of a market-driven economy to happen there.

On the other hand, with octogenarian dictators continuing to rule by tanks and political intimidation in China, and with the Chinese press nothing but a "eunuch messenger" of the party, the Bush administration favored a "constructive engagement" with the Chinese. That policy of condoning culminated with President Bush sent his top aides to meet secretly with the Beijing butchers days after the bloody suppression of students and civilians and when he steadily refused to link China's human rights records with its most-favored-nations trading status in the United States.

The United States can shape a China policy that benefits its own short- and long-term political and economic interest and also promotes freedom in China. With the devaluation of China as a strategic counterbalance to the former Soviet Union, demanding that China respect human rights, be responsible in handling its arms sales and nuclear technology transference and comply with other international laws is not only morally right but also helps create an enduring, stable environment in the biggest market in the world that is key to the U.S. economy in a "Pacific Age" in the 21st Century.

The argument that that will drive China back to self-imposed isolationism is fallacious, as the process of changes, once triggered, is irreversible, though maybe slow.

The Chinese Communist old-timers are determined to prove to the world in the post-Soviet Union era that a totalitarian regime can bring economic prosperity to its people. If Communist China succeeds, it means serious political repercussions in erstwhile communist countries in East Europe.

It is in the best strategic interest for the West to make every effort to prevent that fairy tale from happening, or we might come back to face another Red monster, this time in the Far East. Such a policy failure may be marked as a historic loss of momentum in post-Cold War history to create an ideologically more harmonious or at least compatible world.

There is no need to go to the other extreme of portraying China as an imminent threat, which it is not. Despite a slow process of change, China is no longer a feudal society. China's last emperor was chased from his throne and has never been restored despite his futile attempts to restore it with the assistance of a Japanese invasion army. The current economic openness also contains many new elements including infantile stock markets and greater tolerance of private ownership. The average Chinese also has probably tasted wealth unprecedented in generations.

But if it took the West hundreds of years to develop its modern-day political systems of democracy, it would be both politically naive and historically myopic to dream of an overnight change in China, or in Russia, for that matter.

It would be like that proverbial Chinese farmer, who, impatient with the growth of

his plants, plucked them up to accelerate the natural process. Modern farming technology has already proved able to shorten plant growth cycles, thus making the ancient Chinese farmer less comical.

Unfortunately, a political greenhousing technique is yet to be invented. Lack of such a technique calls for a judicious foreign policy. •

#### ANNAPOLIS BRASS QUINTET

• Ms. MIKULSKI. Mr. President, I rise today to congratulate the Annapolis Brass Quintet, which performed its final concert on Sunday, April 25, 1993. Founded in 1971, the Annapolis Brass Quintet was America's first full-time brass ensemble. During its 22-year history, its members served as cultural ambassadors of the United States in 17 tours of Europe, Central America, the Orient, and the Middle East, under both independent and State Department sponsorship. The ensemble has performed at leading colleges and universities across the United States, as well as in hundreds of small towns, often to audiences who had never before heard a brass quintet.

In addition to concerts, the quintet has conducted annual brass music workshops for high school students around the country, introduced brass chamber music to elementary school children and conducted workshops for adults.

The Annapolis Brass Quintet has maintained a strong commitment to expanding the repertoire for the medium and has a list of over 60 world premieres to its credit. As a self-supporting, independent ensemble, the Annapolis Brass Quintet has introduced brass chamber music to thousands of people around the world, actively encouraged quintet performance by fellow brass players and expanded the repertoire both through its own editions of early music and by commissioning a large number of new compositions.

Mr. President, I salute the contributions that the Annapolis Brass Quintet has made to brass chamber music. During its 22-year history, it has entertained people around the world and has positively influenced the development of its genre. Its members have achieved a truly high standard of artistic excellence and, together, represent what is best in American music. •

#### ZAIRE

• Mr. LEAHY. Mr. President, I want to speak briefly today about the situation in Zaire, which demands urgent attention by the Clinton administration.

There is no need to repeat at length what I and so many others, including State Department officials, have said repeatedly about President Mobutu. He is a corrupt, ruthless dictator who has abused his own people, plundered his country, and lost all legitimacy.

During the civil war in Angola, when the Reagan and Bush administrations

were sending weapons and other aid to Jonas Savimbi, Mobutu's crimes were ignored because he was a friendly anti-Communist whose cooperation we needed. It was a foolish, immoral policy that has been totally discredited since Savimbi, whose democratic credentials were suspect from the beginning, refused to accept defeat at the ballot box and chose instead to destroy what is left of this ruined country.

In the meantime, Mobutu remains in his palace, while his people starve. For years officials in the State Department have issued bland statements of concern about Mobutu's behavior and asked him politely to stop slaughtering his own people. Not surprisingly, it has had no effect. If anything, he has grown bolder, since we and the rest of the international community have never backed up our statements with action.

Even today, I am told that the State Department, rather than stating unequivocally that Mobutu must go, continues to see him in some transitional role. Months ago I was told that a wide range of economic and diplomatic sanctions against Mobutu were under consideration, but so far nothing has happened other than that a new American Ambassador has not been announced. While this may convey displeasure with Mobutu, are the bureaucrats in the State Department really so naive to believe that he cares what we think? In some ways it may even work to his advantage, since it also precludes our recognition of the transitional Tshisekedi government.

Mr. President, if there ever was an example of where the choices are clear, it is in Zaire today. The administration needs to accept the fact that the time for fencesitting is long since past. Our policy should have two explicit goals: to get Mobutu out and support those who have fought for democratic change. There is no middle ground. We and our European partners have any number of ways of putting pressure on Mobutu. The State Department knows what the options are and it is inexcusable that it has taken this long to stop the talking and handwringing and start acting. •

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

#### UNANIMOUS-CONSENT AGREEMENTS—S. 171

Mr. MITCHELL. Mr. President, as I stated earlier, we are prepared to vote on this amendment up or down at this

time. But I am advised that it will not be possible. Therefore, I now ask unanimous consent that the vote on or in relation to Senator SPECTER's amendment number 325 occur at 12 noon on Wednesday, April 28, with the time from 11 a.m. to 12 noon be equally divided in the usual form, and that no second-degree amendments be in order thereto.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. Reserving the right to object, I will not object, obviously. But I wanted the RECORD to reflect that I apologize to the majority leader because when I attended a funeral today in Tennessee, I asked one Senator on this side to fill in for me in New York tonight. I would not mind missing the vote. But I failed to notify the majority leader. I apologize for that. I do appreciate the courtesy extended in this instance.

Mr. MITCHELL. Mr. President, I want to make clear again it is my understanding that no Democrat intends to move to table the amendment. We are prepared to vote up or down on the amendment, under this schedule, as of noon tomorrow.

Mr. DOLE. The motion to table is—  
Mr. MITCHELL. The motion to table is permitted under this agreement. But it is included at the request of the Republican side. It is not included at the request of any Democrat.

#### NATIONAL MENTAL HEALTH COUNSELORS WEEK

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Joint Resolution 85, relating to National Mental Health Counselors Week, introduced earlier today by Senator HEFLIN, that the joint resolution be deemed read a third time and passed, the preamble be agreed to, the motion to reconsider be laid upon the table, and any statements relative to the passage of this item appear at the appropriate place in the RECORD.

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

The Senate proceeded to consider the joint resolution.

#### NATIONAL MENTAL HEALTH COUNSELORS WEEK

Mr. HEFLIN. Mr. President, I am pleased to introduce a Senate joint resolution designating the week beginning May 2, 1993, as National Mental Health Counselors Week, which calls upon the President to issue a proclamation requesting Government agencies and the people of the United States to duly recognize the work that mental health counselors perform throughout our Nation.

Mental health counselors provide both developmental and preventative

services in many areas of the health care field—psychiatric hospitals, community mental health agencies, private clinics, college campuses, rehabilitation centers, and private practice. They work in conjunction with other helping professionals, such as psychiatrists, psychologists, and social workers to determine the most appropriate counseling for individuals seeking assistance. They are a dedicated group of professionals who are duly licensed or certified in the State of their residence, or are certified by the Academy of Clinical Mental Health Counselors.

I applaud their efforts to help those in need of counseling, and I think it is fitting for Congress and the President to appropriately recognize their part in the health care continuum.

The joint resolution (S.J. Res. 85) was deemed read a third time and passed.

The preamble was agreed to.

The joint resolution, with its preamble, is as follows:

S.J. RES. 85

Whereas mental health counselors provide services along a full continuum of care, including developmental and preventive services;

Whereas mental health counselors utilize individual and group counseling techniques oriented toward assisting individuals with methods of problem solving, personal and social development decision making, and the complex process of developing self-understanding and making life decisions;

Whereas mental health counselors work in conjunction with other helping professionals, such as psychiatrists, psychologists, and social workers, to determine the most appropriate counseling for each client;

Whereas mental health counselors work in psychiatric hospitals, community mental health agencies, private clinics, college campuses, rehabilitation centers, and private practice;

Whereas mental health counselors are individuals upon whom, by virtue of their education and extensive training, have been conferred masters or doctor of philosophy degrees in mental health counseling or community mental health counseling, or similar degree titles having a focus on mental health; and

Whereas mental health counselors, after having earned such degrees, have performed at least 2 years of supervised clinical counseling, and are licensed or certified in the State of their residence, or are certified by the Academy of Clinical Mental Health Counselors: 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 May 2, 1993, is designed "National Mental Health Counselors Week." The President is requested to issue a proclamation calling upon all Government agencies and the people of the United States to observe the week with appropriate ceremonies and activities.

ORDERS FOR TOMORROW

Mr. MITCHELL. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 8:45 a.m. on Wednesday, April 28; that following the

prayer, the Journal of proceedings be approved to date; that the time for the two leaders be reserved for their use later in the day; that there then be a period for morning business not to extend beyond 11 a.m. with Senators permitted to speak therein for up to 5 minutes each; that immediately following the Chair's announcement, Senator GRASSLEY be recognized for up to 10 minutes, and immediately thereafter, the following Senators be recognized for up to 10 minutes each: Senators REID, DORGAN, MOYNIHAN, MURRAY, GRAMM, and GORTON, with the last hour of morning business under the control of Senator ROTH, or his designee; and that at 11 a.m. the Senate resume consideration of S. 171, the Department of Environment Act.

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

RECESS UNTIL TOMORROW AT 8:45 A.M.

Mr. MITCHELL. Mr. President, if there is no further business to come before the Senate today, I now ask unanimous consent that the Senate stand in recess, as previously ordered.

There being no objection, the Senate, at 7:39 p.m., recessed until Wednesday, April 28, 1993, at 8:45 a.m.

NOMINATIONS

Executive nominations received by the Secretary of the Senate after the recess of the Senate on April 22, 1993, under authority of the order of the Senate of January 5, 1993:

DEPARTMENT OF STATE

PAMELA HARRIMAN, OF VIRGINIA, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOOTENTIARY OF THE UNITED STATES OF AMERICA TO FRANCE.

DEPARTMENT OF AGRICULTURE

JAMES S. GILLILAND, OF TENNESSEE, TO BE GENERAL COUNSEL OF THE DEPARTMENT OF AGRICULTURE, VICE ALAN CHARLES RAUL, RESIGNED.

DEPARTMENT OF LABOR

THOMAS P. GLYNN, OF MASSACHUSETTS, TO BE DEPUTY SECRETARY OF LABOR, VICE DELBERT LEON SPURLOCK, JR., RESIGNED.

DEPARTMENT OF TRANSPORTATION

STEPHEN H. KAPLAN, OF COLORADO, TO BE GENERAL COUNSEL OF THE DEPARTMENT OF TRANSPORTATION, VICE WALTER B. MCCORMICK, JR., RESIGNED.

DEPARTMENT OF THE INTERIOR

JOHN D. LESHY, OF ARIZONA, TO BE SOLICITOR OF THE DEPARTMENT OF THE INTERIOR, VICE THOMAS LAWRENCE SANSONETTI, RESIGNED.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

MICHAEL A. STEGMAN, OF NORTH CAROLINA, TO BE AN ASSISTANT SECRETARY OF HOUSING AND URBAN DEVELOPMENT, VICE JOHN C. WEICHER, RESIGNED.

Executive nominations received by the Senate, April 27, 1993:

IN THE ARMY

THE FOLLOWING NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. JOHNNIE H. CORNS xxx-xx-x... U.S. ARMY.

IN THE NAVY

THE FOLLOWING NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER

THE PROVISIONS OF TITLE 10, UNITED STATE CODE, SECTION 1370:

To be vice admiral

VICE ADM. EDWARD W. CLEXTON, JR., U.S. NAVY xxx-xx-x...

THE FOLLOWING NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be vice admiral

VICE ADM. WILLIAM A. DOUGHERTY, JR., U.S. NAVY xxx-xx-x...

THE FOLLOWING-NAMED REAR ADMIRALS (LOWER HALF) IN THE LINE OF THE NAVY FOR PROMOTION TO THE PERMANENT GRADE OF REAR ADMIRAL, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 624, SUBJECT TO QUALIFICATIONS THEREFOR AS PROVIDED BY LAW:

Unrestricted line officer to be rear admiral

- REAR ADM. (LH) LLOYD EDWARD ALLEN, JR. xxx-xx-xx... U.S. NAVY.
- REAR ADM. (LH) DENNIS CUTLER BLAIR xxx-xx-xx... U.S. NAVY.
- REAR ADM. (LH) STEVEN RUSSELL BRIGGS xxx-xx-xxxx U.S. NAVY.
- REAR ADM. (LH) ARCHIE RAY CLEMINS xxx-xx-xxxx U.S. NAVY.
- REAR ADM. (LH) DENNIS, RONALD CONLEY xxx-xx-xxxx U.S. NAVY.
- REAR ADM. (LH) HAROLD WEBSTER GEHMAN, JR. xxx-xx-xx... U.S. NAVY.
- REAR ADM. (LH) WILLIAM JOHN HANCOCK xxx-xx-x... U.S. NAVY.
- REAR ADM. (LH) GEORGE ARTHUR HUCHTING xxx-xx-xx... U.S. NAVY.
- REAR ADM. (LH) DENNIS ALAN JONES xxx-xx-xxxx U.S. NAVY.
- REAR ADM. (LH) MICHAEL ALLEN MCDEVITT xxx-xx-xx... U.S. NAVY.
- REAR ADM. (LH) DANIEL TRANTHAM OLIVER xxx-xx-xx... U.S. NAVY.
- REAR ADM. (LH) JAMES BLENN PERKINS II xxx-xx-xxxx U.S. NAVY.
- REAR ADM. (LH) DONALD LEE PILLING xxx-xx-xxxx U.S. NAVY.
- REAR ADM. (LH) NORMAN WILSON RAY xxx-xx-xx... U.S. NAVY.
- REAR ADM. (LH) RICHARD ANDERSON RIDDELL xxx-xx-xx... U.S. NAVY.

Engineering duty officer to be rear admiral

REAR ADM. (LH) ARTHUR CLARK xxx-xx-x... U.S. NAVY.

Aerospace engineering duty officer to be rear admiral

REAR ADM. (LH) WILLIAM JOHN TINSTON, JR. xxx-xx-xx... U.S. NAVY.

IN THE MARINE CORPS

THE FOLLOWING NAMED OFFICER TO BE PLACED ON THE RETIRED LIST UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. MATTHEW T. COOPER xxx-xx-x... USMC.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

KENNETH S. APPEL, OF MARYLAND, TO BE AN ASSISTANT SECRETARY OF HEALTH AND HUMAN SERVICES, VICE ARNOLD R. TOMPKINS, RESIGNED.

WALTER D. BROADNAX, OF NEW YORK, TO BE DEPUTY SECRETARY OF HEALTH AND HUMAN SERVICES, VICE KEVIN E. MOLLEY, RESIGNED.

DEPARTMENT OF THE TREASURY

JEAN E. HANSON, OF NEW YORK, TO BE GENERAL COUNSEL FOR THE DEPARTMENT OF THE TREASURY, VICE JEANNE S. ARCHIBALD, RESIGNED.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

BRUCE C. VLADECK, OF NEW YORK, TO BE ADMINISTRATOR OF THE HEALTH CARE FINANCING ADMINISTRATION, VICE GAIL ROGGIN WILENSKY.

DEPARTMENT OF THE TREASURY

JEFFREY RICHARD SHAFER, OF NEW JERSEY, TO BE A DEPUTY UNDER SECRETARY OF THE TREASURY, VICE OLIN L. WETHINGTON, RESIGNED.

MICHAEL B. LEVY, OF TEXAS, TO BE A DEPUTY UNDER SECRETARY OF THE TREASURY, VICE MARY CATHERINE SOPHOS, RESIGNED.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

DAVID T. ELLWOOD, OF MASSACHUSETTS, TO BE AN ASSISTANT SECRETARY OF HEALTH AND HUMAN SERVICES, VICE MARTIN H. GERRY.

EXECUTIVE OFFICE OF THE PRESIDENT

CHARLENE BARSHEFSKY, OF THE DISTRICT OF COLUMBIA, TO BE A DEPUTY U.S. TRADE REPRESENTATIVE, WITH THE RANK OF AMBASSADOR, VICE JULIUS L. KATZ. RUFUS HAWKINS YERXA, OF THE DISTRICT OF COLUMBIA, TO BE A DEPUTY U.S. TRADE REPRESENTATIVE, WITH THE RANK OF AMBASSADOR.

INTERNATIONAL BANKS

JOAN E. SPERO, OF NEW YORK, TO BE U.S. ALTERNATE GOVERNOR OF THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT FOR A TERM OF 5 YEARS; U.S. ALTERNATE GOVERNOR OF THE INTER-AMERICAN DEVELOPMENT BANK FOR A TERM OF 5 YEARS; U.S. ALTERNATE GOVERNOR OF THE AFRICAN DEVELOPMENT BANK FOR A TERM OF 5 YEARS; U.S. ALTERNATE GOVERNOR OF THE AFRICAN DEVELOPMENT FUND; U.S. ALTERNATE GOVERNOR OF THE ASIAN DEVELOPMENT BANK; AND U.S. ALTERNATE GOVERNOR OF THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT, VICE ROBERT B. ZOELLICK.

AFRICAN DEVELOPMENT FOUNDATION

GEORGE EDWARD MOOSE, AN ASSISTANT SECRETARY OF STATE, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE AFRICAN DEVELOPMENT FOUNDATION FOR THE REMAINDER OF THE TERM EXPIRING SEPTEMBER 31, 1997, VICE HERMAN JAY COHEN.

DEPARTMENT OF STATE

ELINOR G. CONSTABLE, OF THE DISTRICT OF COLUMBIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF CAREER MINISTER, TO BE ASSISTANT

SECRETARY OF STATE FOR OCEANS AND INTERNATIONAL ENVIRONMENTAL AND SCIENTIFIC AFFAIRS, VICE E.U. CURTIS BOHLEN, RESIGNED.

OFFICE OF PERSONNEL MANAGEMENT

LORRAINE ALLYCE GREEN, OF THE DISTRICT OF COLUMBIA, TO BE DEPUTY DIRECTOR OF THE OFFICE OF PERSONNEL MANAGEMENT, VICE BILL R. PHILLIPS, RESIGNED.

DEPARTMENT OF VETERANS AFFAIRS

JERRY W. BOWEN, OF ARKANSAS, TO BE DIRECTOR OF THE NATIONAL CEMETERY SYSTEM, DEPARTMENT OF VETERANS AFFAIRS, VICE ALLEN B. CLARK, JR., RESIGNED.

MARY LOU KEENER, OF GEORGIA, TO BE GENERAL COUNSEL, DEPARTMENT OF VETERANS AFFAIRS, VICE JAMES ASHLEY ENDICOTT, JR., RESIGNED.

EDWARD P. SCOTT, OF NEW JERSEY, TO BE AN ASSISTANT SECRETARY OF VETERANS AFFAIRS (CONGRESSIONAL AFFAIRS), VICE SYLVIA CHAVEZ LONG, RESIGNED.

D. MARK CATLETT, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF VETERANS AFFAIRS (FINANCE AND INFORMATION RESOURCES MANAGEMENT), VICE S. ANTHONY MCCANN, RESIGNED.

DEPARTMENT OF COMMERCE

KATHRYN D. SULLIVAN, OF TEXAS, TO BE CHIEF SCIENTIST OF THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, VICE SYLVIA ALICE EARLE, RESIGNED.

DEPARTMENT OF TRANSPORTATION

MORTIMER L. DOWNEY, OF NEW YORK, TO BE DEPUTY SECRETARY OF TRANSPORTATION, VICE ARTHUR J. ROTHKOPF, RESIGNED.

DEPARTMENT OF EDUCATION

MARSHALL S. SMITH, OF CALIFORNIA, TO BE UNDER SECRETARY OF EDUCATION, (NEW POSITION)

AUGUSTA SOUZA KAPPNER, OF NEW YORK, TO BE ASSISTANT SECRETARY FOR VOCATIONAL AND ADULT EDUCATION, DEPARTMENT OF EDUCATION, VICE BETSY BRAND, RESIGNED.

DEPARTMENT OF LABOR

THOMAS S. WILLIAMSON, JR., OF CALIFORNIA, TO BE SOLICITOR FOR THE DEPARTMENT OF LABOR, VICE MARSHALL JORDAN BREGER, RESIGNED.

...and that ... the ... of ...

ORDER FOR TOMORROW

Mr. MITCHELL, Mr. President, I am pleased to announce that the Senate will vote on the nomination of ...

NOMINATION

Executive nomination ... of the ...

DEPARTMENT OF LABOR

... of the ...

DEPARTMENT OF TRANSPORTATION

... of the ...

DEPARTMENT OF COMMERCE

... of the ...

DEPARTMENT OF VETERANS AFFAIRS

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