HOUSE OF REPRESENTATIVES—*Thursday, August 4, 1994*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We pray, O God, for bread for the sustenance of our bodies and spiritual food for the nourishment of our souls. In a world where much seems to be discouraging and where problems appear at every corner, we pray that the human spirit will not be caught by cynicism or despair, but rejoice in the possibilities of every new day and accept all Your blessings with thanksgiving. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. GORDON. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. GORDON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 228, nays 151, answered "present" 1, not voting 54, as follows:

[Roll No. 374]

YEAS—228

Abercrombie
Ackerman
Andrews (ME)
Applegate
Bacchus (FL)
Baesler
Barca
Barcia
Barrett (WI)
Becerra
Beilenson
Berman
Bevill
Bilbray
Bishop
Bonior
Borski
Boucher
Brewster
Browder
Brown (FL)
Bryant
Byrne
Cantwell
Cardin
Carr
Castle
Clayton
Clement
Clinger
Clyburn
Coleman
Collins (MI)
Combest
Condit
Cooper
Coppersmith
Costello
Coyne
Cramer
Danner
Darden
de la Garza
DeLauro
Derrick
Deutsch
Dicks
Dingell
Dooley
Durbin
Edwards (CA)
English
Eshoo
Evans
Everett
Farr
Fazio
Fields (LA)
Filner
Fingerhut
Fish
Flake
Foglietta
Frank (MA)
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gillmor
Gilman
Glickman
Gonzalez
Gordon
Green
Greenwood
Gutierrez
Hall (TX)
Hamburg
Harman
Hastings
Hayes
Hefner
Hilliard
Hoagland
Hochbrueckner
Holden
Houghton
Hoyer
Hughes
Hutto
Inglis
Inslee
Jefferson
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kasich
Kennelly
Kildee
Kingston
Kleczka
Klein
Klink
Kopetski
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Lehman
Levin
Lewis (GA)
Lipinski
Livingston
Long
Lowey
Maloney
Mann
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCurdy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Montgomery
Murtha
Myers
Nadler
Neal (MA)
Neal (NC)
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Pombo
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reed
Reynolds
Richardson
Roemer
Rose
Rostenkowski
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Sarpalius
Sawyer
Schenk
Schumer
Scott
Serrano
Sharp
Shepherd
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Smith (NJ)
Spratt
Stenholm
Stokes
Strickland
Studds
Stupak
Swift
Synar
Tanner
Tauzin
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Traficant
Unsoeld
Valentine
Vento
Visclosky
Volkmer
Waters
Waxman
Wheat
Williams
Wise
Woolsey
Wyden
Wynn
Yates

NAYS—151

Allard
Archer
Armey
Bachus (AL)
Baker (LA)
Ballenger
Barrett (NE)
Bartlett
Bereuter
Bilirakis
Billey
Blute
Boehlert
Boehner
Bonilla
Bunning
Burton
Buyer
Callahan
Calvert
Canady
Clay
Coble
Collins (GA)
Cox
Crane
Crapo
DeLay
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Ehlers
Emerson
Ewing
Fawell
Fields (TX)
Franks (CT)
Franks (NJ)
Gallegly
Gallo
Gekas
Gilchrest
Gingrich
Goodlatte
Goodling
Goss
Grams
Grandy
Gunderson
Hansen
Hastert
Hefley
Hobson
Hoke
Horn
Huffington
Hutchinson
Hyde
Inhofe
Istook
Jacobs
Johnson (CT)
Johnson, Sam
Kim
King
Klug
Knollenberg
Kolbe
Kreidler
Kyl
Lazio
Leach
Levy
Lewis (CA)
Lewis (FL)
Lewis (KY)
Lightfoot
Linder
Lucas
Machtley
Manzullo
McCandless
McCollum
McCrery
McDade
McHugh
McInnis
McKeon
McMillan
Meyers
Mica
Michel
Miller (FL)
Molinari
Moorhead
Morella
Murphy
Nussle
Oxley
Packard
Petri
Porter
Portman
Pryce (OH)
Quillen
Quinn
Ramstad
Ravenel
Regula
Ridge
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Saxton
Schaefer
Schiff
Schroeder
Sensenbrenner
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stump
Talent
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (WY)
Torkildsen
Upton
Vucanovich
Walker
Walsh
Weldon
Wolf
Young (AK)
Young (FL)
Zeliff

ANSWERED "PRESENT"—1

Conyers

NOT VOTING—54

Andrews (NJ)
Andrews (TX)
Baker (CA)
Barlow
Barton
Bateman
Bentley
Blackwell
Brooks
Brown (CA)
Brown (OH)
Camp
Chapman
Collins (IL)
Cunningham
Deal
DeFazio
Dellums
Dixon
Dornan
Dunn
Edwards (TX)
Engel
Ford (MI)
Ford (TN)
Fowler
Frost
Hall (OH)
Hamilton
Hancock
Herger
Hinchey
Hoekstra
Hunter
Kennedy
Laughlin
Lloyd
Manton
McCloskey
Mollohan
Moran
Paxon
Santorum
Stark
Sundquist
Swett
Towns
Tucker
Velazquez
Washington
Watt
Whitten
Wilson
Zimmer

□ 1022

So the Journal was approved.

The result of the vote was announced as above recorded.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore (Mr. NEAL of North Carolina). The Chair will ask the gentleman from Indiana [Mr. VISCLOSKY] if he would kindly come forward and lead the membership in the Pledge of Allegiance.

Mr. VISCLOSKY led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

GIVE THE PEOPLE WHAT THEY WANT

(Mr. VISCLOSKY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VISCLOSKY. Mr. Speaker, you cannot truly reform our health care

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system without guaranteed health insurance for all Americans.

After years of study, the Democrats have come up with a plan to reform health care and cover everyone.

This is not the Clinton plan. We have listened to the people and put the changes they want into the new bill. The Democrats' health plan keeps all of what is good about the current system and changes what is bad.

The Democrats' plan guarantees health insurance—even for those with preexisting conditions, controls costs, and lets people choose their doctors.

Because the Democrats' plan builds on what is good about our current system, it accomplishes these goals without Government bureaucracy and without broad based taxes.

This plan will reform our health care system and it will work.

Mr. Speaker, we have listened to the American people and crafted an intelligent plan to reform health care. Let us put partisanship aside and give the people what they want.

WHAT PRICE SUCCESS?

(Mr. HEFLEY asked and was given permission to address the House for 1 minute.)

Mr. HEFLEY. Mr. Speaker, as my colleagues across the aisle search in vain for a message to unite their party, they have been coming to the floor and talking about their successes in the first 2 years of the Clinton administration.

But when Clinton succeeds, the American people lose.

The President successfully pushed through the largest tax increase in history. The American people were forced to pay higher taxes.

The Democrat leadership has successfully killed every attempt to cut spending first. The American people are forced to pay for bigger government.

And if the Democrats succeed in passing the Clinton health care plan, the American people will be forced to pay even more taxes for more bureaucrats and lower health care quality.

Mr. Speaker, the Clinton view of success means more government, more taxes, more regulations, and more power for Washington. I urge the American people to think twice about the Clinton view of success.

WE NEED UNIVERSAL COVERAGE

(Ms. DELAURO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. DELAURO. Mr. Speaker, as we head into the final days of the health care reform debate, two major proposals are emerging from the pack: The first is the universal coverage plan being forwarded by the majority leader of this body. The second is incremental reform being forwarded by the minority leader of the other body.

The Democratic approach would guarantee private insurance to every American. The Republican model would rely on various insurance reforms but does not guarantee coverage to a single American.

A study of both approaches by the nonpartisan consulting firm of Lewin-VHI found that the Republican model would be disastrous for the country.

We need universal coverage. If we only extend insurance to the sick and the elderly without requiring that young, healthy people are also in the system, we will have shrinking risk pools and skyrocketing premiums. When New York State tried this type of insurance reform without universal coverage, they saw some premiums increase by more than 100 percent. Similar reform on a national level would devastate our working families.

COMPROMISE IS NECESSARY ON HEALTH CARE

(Mr. EWING asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EWING. Mr. Speaker, after months of trying to pass his health care plan strictly with Democratic votes, the President has been told by his own leadership that his plan is dead. The President's reaction during his news conference last night was to blame Republicans for not compromising with him.

Republicans have been trying to forge a bipartisan agreement on health care for months. Our leaders, BOB MICHEL and NEWT GINGRICH, have strongly endorsed the ongoing efforts of Congressmen ROWLAND and BILIRAKIS to write a reasonable health care bill which will get strong support from both Republicans and Democrats. I am a cosponsor of their bill.

Compromise does not mean shifting blame. Compromise means that the President will have to abandon the parts of his plan which have been widely rejected by the American people. They do not want the huge new taxes, mandates on businesses which will kill jobs, and expanded Government bureaucracy, all of which are contained in both the Clinton-Gephardt and the Clinton-Kennedy-Mitchell bills.

I hope the President will stop playing the blame game and join our effort to write a bipartisan health bill.

ARMS CONTROL AT HOME AND ABROAD

(Mr. HAMBURG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HAMBURG. Mr. Speaker, as we prepare to pass a crime bill that will include a ban on certain types of semiautomatic weapons and an attempt to keep guns from our kids, it might be good to look at how we are doing in global arms control.

According to a recent story in USA Today, not very well, particularly in the volatile nations of the so-called Third World.

The Third World arms market is now a $20-billion-a-year bazaar and the United States is the merchant for nearly three-fourths of sales. These weapons will likely be used to create the Iraqs, Somalias, Bosnias, Haitis, and Rwandas of tomorrow. Four-fifths of U.S.-sold arms go to countries guilty of systemic human rights violations. In some cases, these weapons will end up being trained on our boys and girls.

Let us pass the crime bill and begin to stop the carnage here at home. And let us also put a stop to the global arms bazaar and the poverty and death it brings around the world.

□ 1030

HEALTH CARE BILL: LET US POSTPONE THE MADNESS

(Mr. STEARNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, I ask my colleagues to listen carefully: Here we are about a week or a week and a half before we are supposed to adjourn and the Mitchell bill, as has just been presented, has 17 new taxes. It has not been completely scored, no one knows what is in the bill.

Now let us come to the House side: The Gephardt bill has not been completely written; the Democrats only got a 3-page outline, and most of them have not seen the bill.

Should we vote on a bill that no one has seen either in the Senate or the House? No.

I am asking my colleagues both in the Senate and the House to postpone this madness, let us stop. The American people have the right and deserve to see this bill before we vote on it. We should have open debate The press should demand this.

I ask my colleagues that we not vote on this bill next week until the bill has been written, has been scored, and the American people have had a chance to know what effect this health care bill will have on all of us.

HEALTH REFORM NOW

(Mr. LEWIS of Georgia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEWIS of Georgia. Mr. Speaker, we must have health care reform this year. And, we must have health care for every American.

Health care reform is a big job. There are no easy solutions, no quick fix, no magic.

But we must do it. We can only do it with an employer mandate, what we call "shared responsibility."

An employer mandate is not radical. Mandates are as old as the Constitution itself. Mandates have made life better for every American.

We as a society have certain mandates. Minimum wage. Workplace safety rules. Speed limits. Meat inspections.

Mandates give us safe and fair working conditions, good driving habits, and food quality standards.

We are simply asking everyone to share responsibility. We are all in this together. Without reform, health care costs will continue to increase. And, more and more people will not be able to afford it.

Most businesses already provide health insurance for their employees. We are only asking that everyone else do the same.

We must control costs. We can only do that with universal coverage. So we must support mandates. We have no choice. The long-term health of our Nation is at stake.

If we do not do our part, history will not be kind to us.

WE NEED ANOTHER WAITING PERIOD

(Mr. GOSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOSS. Mr. Speaker, earlier this year, and with much fanfare, President Clinton signed into law a 5-day waiting period for the purchase of a handgun. This was supposed to help prevent senseless crimes of passion. Now that the Democratic leadership is desperately trying to salvage the President's health bill, it seems they have forgotten the virtue of thoughtful reflection. To date, we have yet to see the text of either the Clinton-Gephardt bill or any Senate bill. Yet, now we learn the leadership intends to push legislation through this House by the end of next week. The American people deserve more time to scrutinize each alternative before we vote. Health care is too important to fall victim to senseless political passion—we need another waiting period—this time to study the health bills.

Maybe we can head off a major crime against the American people.

HEALTH CARE FOR EVERYONE

(Mr. TORRICELLI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TORRICELLI. Mr. Speaker, 60 years ago, in enacting Social Security in this Chamber, we were told it would bankrupt the Nation; 30 years ago, in enacting Medicare, we were told it would destroy the health care system.

Now we are told that the gentleman from Missouri, Mr. GEPHARDT's legislation for universal and mandatory health care is excessive. We are asked to settle for less, for 95 percent of the American people.

Well, 95 percent of the American people means that 15 million Americans will still have no health care; 7 million American children will grow up outside the system and thousands will still face bankruptcy every year because they seek to care for their own families.

Mr. Speaker, those before us could have had a health care system and Medicare that covered only some, those before us could have had a Social Security system that only covered a few. They chose to act for an America that is one community, and, Mr. Speaker, we should do no less: Cover all Americans.

LET US SEE THE 1,000-PAGE CRIME BILL BEFORE WE HAVE TO VOTE

(Mr. MANZULLO asked and was given permission to address the House and to revise and extend his remarks.)

Mr. MANZULLO. Mr. Speaker, no wonder the House Rules Committee refuses to let Members of Congress read the 1,000-page crime bill before we vote on it. I am one of the few Members of Congress who obtained a rough draft.

Look at this program: $22 million dollars to rent or buy living facilities in residential districts so Federal prisoners can live with their families. The prisoners cannot be convicted of a crime of violence or abuse of a child, but they can be burglars, drug traffickers, racketeers. It's called the "Family Unit Demonstration Project."

Why not just give $22 million back to the local sheriffs and chiefs of police and let them decide how to fight crime: They will probably hire more cops or whatever they need—but come on, apartments for Federal prisoners in residential neighborhoods? Whatever happens to punishment for crime?

UNIVERSAL COVERAGE WILL HELP ALL AMERICANS

(Mr. GEJDENSON asked was given permission to address the House and to revise and extend his remarks.)

Mr. GEJDENSON. Mr. Speaker, once again you can hear our colleagues on the other side of the aisle proclaiming that universal coverage will create economic calamity. And then there is a magical job number loss that comes up.

Let us take a look at their record on predictions. Do not listen to my words, take a look at Al Hunt's column in today's Wall Street Journal. The leaders and top thinkers on the Republican side of the aisle predicted calamity with the Democratic budget passing; there would be jobs loss, there would be an end to economic growth, there would be inflation. What happened? The opposite happened: More jobs in the last 16 months than in the previous 4 years; less inflation, more jobs. And that is what will happen if we have universal coverage. It will help small businesses be established, it will help them grow and compete, and it will strengthen this economy.

There is one way to make America stronger: It is to provide universal health coverage for all our citizens so they do not have to become bankrupt before they get coverage, so they do not have to fear that preexisting conditions will deny them coverage.

HAITI: CONGRESS MUST DEBATE U.S. MILITARY ACTION

(Mr. BARRETT of Nebraska asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARRETT of Nebraska. Mr. Speaker, the United Nations has spoken; Caribbean nations have been consulted; everyone, it seems has had a say about using United States military force to restore democracy in Haiti—everyone except Congress.

When denied open debate, the people we represent are being denied their voice. Congress must have a say whether precious American lives should be sent to invade a country posing no apparent threat to our national security interests.

Since the United Nations has acted at the behest of the administration and approved the use of military force, it is time Congress debate this question. The administration should follow the precedent set by President Bush, who sent to the United Nations and then to the American people and Congress, before sending troops to liberate Kuwait.

Experience has shown that nation building does not work, but this administration has not learned that lesson. Rather, the kids at the White House will try to build a democracy by force—at the expense of U.S. lives.

We must have floor debate to give the President support for using Armed Forces this Congress has provided, or tell him no, before dangerous and deadly steps are taken without popular support.

HEALTH CARE REFORM

(Mr. RUSH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUSH. Mr. Speaker, I rise this morning in strong support of the health care reform bill proposed by Majority Leader GEPHARDT.

I do so because there are a number of elements in the package which will advance our health care system in many critical ways.

For example, the bill will expand the number of primary care centers in underserved rural and urban areas. And it will expand their capacity by providing more capital funds.

Medicare bonus payments to physicians in these areas will be double, and substantial tax credits will be provided.

This will help alleviate the troubling shortage of doctors in needy areas.

The Gephardt bill also offers strong benefits for seniors, including unlimited prescription drug coverage with an out-of-pocket cap.

New preventive health benefits are included, as are long-term home and community-based care for severely disabled persons.

Mr. Speaker, we are drawing ever closer to the elusive goal of comprehensive, universal health care reform.

In my opinion, the Gephardt plan is a huge step in the right direction.

I implore my colleagues to support this historic bill.

□ 1040

IT'S NOT NICE TO FOOL THE AMERICAN TAXPAYER

(Mr. DREIER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER. Mr. Speaker, the new motto for the Democrat Party is:

"Never give the taxpayer an even break."

First with the health care bill, then with the welfare reform proposal, and now with the crime bill, it is the taxpayer who ultimately pays the price.

The President calls his crime bill tough, but it will only be tough for the middle class. This bill does not take a bite out of crime, it takes a bite out of the taxpayer. In fact, only half of the money in this bill will go to fight crime. The rest, $9 billion worth, will go to liberal administration officials in the form of pork barrel spending.

Mr. Speaker, the President is playing the taxpayer for a sucker, but, according to the latest polls, fortunately the American people are not biting. After all, it is not nice to fool the American taxpayer.

SMALL BUSINESS AND RURAL COMMUNITIES NEED UNIVERSAL COVERAGE

(Mrs. CLAYTON asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. CLAYTON. Mr. Speaker, as we continue the debate on health care, I hope we will have reason rather than fear. I want to raise a question as it relates to the rural community.

Mr. Speaker, much has been discussed about the impact of small business and the rural community. First, what will happen?

First, Mr. Speaker, I think it needs to be shared. There are many small businesses that are already now providing health insurance for their employees. What is happening to that insurance; it is far too high, and oftentimes that health care is only the bare bones.

What will happen as a result of health care reform: First, they will have low costs for their employees' coverage and better costs. Second, there are indeed large numbers of small business who are not providing health insurance in rural communities.

What will happen to those communities; obviously their citizens will get coverage. The costs that are involved, it should be noted, will be offset by subsidies to small businesses. Furthermore, the employees who are low-wage persons also will have offset.

Mr. Speaker, universal coverage is the only way to ensure quality control and cost control for small business. We need this for small business and rural communities.

THE WHOLE TRUTH

(Mr. SMITH of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Texas. Mr. Speaker, the American people yearn for the truth. To mislead them is to lose their trust.

During President Clinton's news conference last night, he made claims that were partially true, but not wholly true.

He said his administration has cut spending. Yes, he has cut projected spending but actual spending continues to increase tens of billions of dollars each year.

He said he raised taxes on only the top 1 percent. But that ignores the hike in gas taxes, Social Security taxes, and inheritance taxes. And the President is right—inflation is low, but it is still higher than when he took office.

Or take health care. President Clinton wants to perform radical surgery on the best health care system in the world, enjoyed by 83 percent of the American people.

Seductive words cannot hide the fact that the plans he supports still mean more government, more costs, and less choice for the American people.

Let us have a bipartisan effort to reform health care for the people who do not have it, not wreck it for the people who do.

On this and other issues, hearing the whole truth from the President will take us a long way.

ABORTION IN HEALTH CARE REFORM

(Ms. WOOLSEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. WOOLSEY. Mr. Speaker, I rise today to make it absolutely clear that abortion must be included in the health care reform package. Not only does my vote, and the vote of at least 80 other Members depend on it, lives depend on it.

With abortion rights continually eroding, there has been a shocking surge of violence aimed at abortion clinics, staff, and patients. Over 1,000 incidents of violence have occurred in the past decade, culminating with the vicious murders of another doctor and his bodyguard last week.

Unless abortion benefits are included in the health care package, clinic doctors and staff will be even further isolated from the larger medical community. And, this will make them even more vulnerable to attacks from terrorists.

Mr. Speaker, I urge my colleagues to support abortion coverage in health care, and to put an end to the violence outside abortion clinics.

MORE THAN 10 DAYS NEEDED TO ANALYZE HEALTH CARE BILLS

(Mr. HOKE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOKE. Mr. Speaker, today is August 4. Last September President Clinton introduced a bill of 1,352 pages. It took the American public, with all of the various groups that are interested in such legislation on health care, as well as the media, nearly a year to completely analyze and determine what was in that bill, where people stood with it.

Three weeks ago, approximately, the President and the Democratic leadership in the Congress declared that bill dead, and they have introduced two new bills. One is Clinton-Gephardt, and the other one is Clinton-Mitchell. The fact is neither one of those bills exist. They do not exist except conceptually in short memorandum. The Mitchell bill has 17 new taxes; we do not know exactly how the Gephardt bill will be funded. But the fact is we have not seen the legislation.

Mr. Speaker, I do not think we ought to delay the recess as the headline says in Roll Call today. I think what we need is we need to see the legislation so that the American people, the people that I represent in western Cuyahoga County in Ohio, have an opportunity to see that legislation themselves, and analyze it, and then tell me over the recess what it is that they believe about it so that we can come back here, and, by the 15th of September,

vote on a piece of legislation that will finally have the analysis and will have the feedback from the American people rather than ramming something down the throat of the American people in the next 10 days of this Congress.

HEALTH CARE REFORM IN RURAL AMERICA

(Mr. STUPAK asked and was given permission to address the House for 1 minute.)

Mr. STUPAK. Mr. Speaker, as the final stages of the health care reform debate are about to begin, let me, once more, remind my colleagues that rural communities cannot be left behind in the health care debate. Rural America continues to face a shortage of primary care providers. The lack of providers continues to harm the overall health of residents in rural communities. For example, infant and maternal mortality as disproportionately higher in rural areas than nonrural areas. In fact, Benzie County, a rural county in my district, has one of the highest infant mortality rates in the State of Michigan.

Because of the provider shortage and the health problems experienced in rural areas, we need increased funding for programs that train health care professionals for rural practices. Further, there should be incentives given to those providers who practice in rural settings. Recruitment and retention of primary care providers in rural areas are vital to true health care reform.

Mr. Speaker, health care reform must address the unique needs of rural communities. Health care reform must address the inequities in the system experienced by rural America.

ONE VOTE STRATEGY FOR HEALTH CARE LEGISLATION IS IRRESPONSIBLE

(Mr. BOEHNER asked and was given permission to address the House for 1 minute.)

Mr. BOEHNER. Mr. Speaker, my colleagues, when the Founders of our country envisioned our Congress, they designed a Congress that would not act hastily. They designed a Congress where it was large enough so that a consensus would have to develop before the Congress would move to act to implement laws. When we put Social Security into place, it passed with a 3-to-1 majority because a consensus had developed in the country and in the Congress that Social Security was necessary. When we had Medicare debated, it passed by a 2-to-1 majority in each of the Houses because a consensus had developed it was time to do something about older Americans.

As I stand here today, Mr. Speaker, we are looking at rushing through health care legislation on a one vote strategy in the House and Senate. The most massive undertaking by Government in the history of our country, and we are going to try to do it in a very partisan way, looking for just that one vote to get us to a majority.

Mr. Speaker, this is not responsible. This is why the American people look to Congress and are disillusioned with the process that they see.

NO TAX BREAK FOR THE CHINESE MILITARY

(Ms. PELOSI asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. PELOSI. Mr. Speaker, on Monday or Tuesday the House will be voting on legislation to revoke most-favored-nation status on products made by the People's Liberation Army and other Chinese industrial trading companies. Some have said, "Oh, it's impossible to target those companies," and here I want to disabuse my colleagues of that notion.

Mr. Speaker, I have sent a Dear Colleague with a summary of this chart but wanted to advise my colleagues that more information is available. This is a chart of the Defense Intelligence Agency which describes China's Defense Industrial Trading Company. It depicts the commercial companies under two main hierarchies of the defense complex, the Uniformed Services of the People's Liberation Army and the Defense Related Ministries.

□ 1050

These import-export companies market products and earn foreign currency to support defense-related research development and operations. The companies depicted are established and chartered to conduct business in the international market. Many have offices overseas. While they are profit-oriented and they gain foreign currency earnings, they also are the primary conduits for the acquisition of new and advanced technologies.

Mr. Speaker, this body has repeatedly confirmed its commitment to making trade fairer, the political climate freer, and the world safer. Giving a tax break to these companies is not in furtherance of those goals.

Mr. Speaker, I urge my colleagues to support H.R. 4590. We should not give a tax break to the People's Liberation Army, the same army that sent a bill to the families of the children killed in Tiananmen Square—a bill for the bullets used in killing their children.

GOVERNMENT, "A DANGEROUS SERVANT AND A FEARFUL MASTER"—GEORGE WASHINGTON

(Mr. DOOLITTLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOOLITTLE. Mr. Speaker, President Clinton talks a good line about helping the American people and reducing the size of Government, but in fact his actions all go in the other direction. They all show a tremendous faith in big government.

Mr. Speaker, Government is too big, and it spends too much. President Clinton promised us a middle class tax cut. Instead we got the largest tax increase in history, hitting the rich, the working people, and the middle class. And, by the way, the average family of four with a median income today pays 24 percent of its total income in taxes to the U.S. Government—a national disgrace.

Mr. Speaker, President Clinton promised to get the economy going again, and we hear all these great speeches from the other side about how well we are doing. Everyone is concerned for his future in this economy right now. We know interest rates are rising, and job creation is only two-thirds of what it has been in previous recoveries. This diminished recovery is due to the tax increase and the added regulation imposed by President Clinton and the Democrats in Congress.

Now we are promised by President Clinton that we are going to get more affordable health care. The reality is that this proposal is another big Government scheme, a Government takeover of health care, with controls, rationing, and limitation of choice.

Mr. Speaker, George Washington said it best: "Government is not reason, it is not eloquence, it is force, and like fire, it is a dangerous servant and a fearful master." May President Clinton listen to Mr. Washington.

THE CRIME BILL

(Mr. SANGMEISTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SANGMEISTER. Mr. Speaker, in talking with my constituents back in the district, they all tell me that aside from the importance of passing health care legislation, crime is still the No. 1 issue. While it is true that crime is most often addressed at the State and local level, the Federal Government can take important steps to reduce crime in this country.

Will 100,000 more cops help? Only time will tell, but it certainly will not hurt. Will the death penalty for drug kingpins stop the drug problems in this country? Not entirely, but it will send the message that this country will no longer tolerate such activities. Will building more prisons put every single person who has committed a crime in jail, and keep them there? Probably not, but it will insure that we have more space to keep those individuals who deserve to be in prison—in prison—rather than early release as we do

now. Will the money for prevention programs be well spent? Some argue the opposite, but we owe it to the American people to try everything in our means to stop the violence before it occurs.

Not everyone will be completely happy with everything in this bill. This is the legislative process, this is what we were elected to do, we must not fail.

CLINTON CRIME BILL: CHIHUAHUA FULL OF FLEAS

(Mr. LIVINGSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LIVINGSTON. Mr. Speaker, crime is America's No. 1 concern. Our people want us to put a doberman of a crime bill outside the Nation's house so they can sleep secure at night.

Once again the Clinton White House has misunderstood the American people. Instead of a doberman crime bill, we are deliberating a chihuahua. What is worse, the Clinton watchdog has evidently mistaken the American taxpayer for a fire hydrant.

The Clinton crime bill soaks the American taxpayer for billions in social spending which is as misplaced in a crime bill, as it is misguided as social policy.

The chihuahua this White House is offering America as a watchdog has lots of excess baggage, and as any dog owner would acknowledge, that means fleas. This dog of a bill is positively popping with social spending fleas—arts and crafts fleas, dance fleas, self-esteem fleas, and of course, a big midnight basketball flea.

Looking at this shivering, scratching Clinton chihuahua of a crime bill. Americans should wonder if there are not more fleas than dog here.

DEMOCRATS' HEALTH CARE PLAN

(Mr. CLYBURN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CLYBURN. Mr. Speaker, the Guaranteed Health Insurance Act of 1994 is the cure for what ails the millions of Americans who are finding no relief under this country's current health care system.

For those working Americans who are sick of not being able to afford insurance, the plan offers an antidote that guarantees universal coverage over time that can never be taken away, even with job changes and even with a preexisting condition.

Small business owners get tax credits and affordable premiums, a remedy to paying high premiums or for not being able to provide employees with any coverage at all.

Middle income Americans get the healing assurance that they will be able to keep their present coverage and they will not have to bear the brunt for those who are not covered.

Rural residents, like many who live in the Sixth District of South Carolina, get expanded and integrated rural health care facilities.

Seniors get expanded Medicare benefits, like unlimited prescription drug coverage, and a new long-term care program.

Mr. Speaker, this is the plan that can transport America's health care system down the road to recovery.

ANOTHER DISASTER WAITING TO HAPPEN

(Mr. DELAY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DELAY. Mr. Speaker, many, many years ago the Republicans warned the Democrats that the Social Security system was a disaster waiting to happen. Guess what? We were right. Social Security was a disaster waiting to happen. The Social Security trust fund is being raided by liberal politicians to pay for the runaway spending of this Government, and most Americans pay more in payroll taxes than they pay in income taxes.

In the 1960's the Republicans warned the Democrats that if they approved the Medicare Program and ran up the deficit, in all different ways, then Medicare would drive up the cost of health care. You know what? We were right. Medicare is costing substantially more than what Democrats predicted it would, and it is driving up health care costs.

And, guest what? Now the Democrats are saying, "Trust we. Let's completely take the health care system of the United States and turn it upside down. And not only that, we are going to do it in just a few days. We're rewriting bills."

Every other day we get a new bill coming out, and they are asking us to take the newest one, a 1,600-page bill, and have Congress and the American people digest it in just a few days.

Mr. Speaker, let us present it to the American people during the August recess and have them decide whether it is right or wrong.

HEALTH CARE

(Ms. MCKINNEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. MCKINNEY. Mr. Speaker, it is time for the Republicans to step up to the plate on the health care debate. The majority leader has proposed a health plan that will have a positive effect on millions of uninsured Americans. The Members from the other side of the aisle call this plan and the Mitchell plan Clinton Lite. These plans are not Clinton lite. They are the result of a hard-working Congress. We heard the fears of small business and gave them relief. We heard the concerns of rural America and provided incentives to better health care. We heard from all of America and crafted the bill that will provide coverage to the millions of hard working, taxpaying American citizens. It is time for the Republicans to step up to the plate and hit a home run by supporting Congress' health care plan. Let us hope they can do better than they did in the congressional baseball game.

□ 1100

FAILURES OF THE CLINTON ADMINISTRATION

(Mr. MICA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICA. Mr. Speaker, last night, President Clinton, and today my colleagues on the other side of the aisle, have spoken about the success of the Clinton administration. Let us look at the facts.

Since the Clinton policy has taken hold, interest rates have doubled, the dollar has reached a new low, trade deficits continue to soar, housing sales this week collapsed, the largest increase in new jobs are part-time, low paying jobs, and Government jobs for the first time now exceed private sector manufacturing jobs. Our foreign policy is in a shambles.

I say to you, what does this mean for our future? My colleagues, I do not want public housing for my children or your children. I do not want make-work, dead-end jobs for my children. I do not want my children to be second-class citizens in a dangerous world. What do the American people want? What they want is less Government spending. They want fewer Government programs, and the American people want hope, security and real jobs in their future.

TOBACCO-SUBSIDIZING CONGRESS NOT QUALIFIED TO REFORM HEALTH CARE

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, the FDA said nicotine is addictive. Well, I am not so sure we knew that. The Surgeon General said smoking causes cancer, so each pack of cigarettes has a warning label. The EPA said smoking not only kills, it is even killing nonsmokers.

What I am trying to figure out is, Congress gives hundreds of millions of dollars to tobacco farmers to grow

more tobacco. Beam me up. Our Government tells us it kills, but our Congress subsidizes more tobacco.

Mr. Speaker, any Congress that will give more money to American farmers to grow tobacco is not capable nor qualified to write any health care policy for this country, and there is so much political hypocrisy it sickens me.

Think about that shot.

CRIME BILL A SOCIAL WELFARE BILL

(Mr. WALKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALKER. Mr. Speaker, the Democratic leadership is having a hard time rounding up votes to pass the rule on the crime bill. Some people might wonder why that is the case when the President of the United States said last night this is such a great crime bill.

Well, the problem with the crime bill is it is not a crime bill, it is a social welfare bill, and it is a social welfare bill that has bad crime consequences.

For example, up to 10,000 drug criminals are going to be released from jail almost immediately as a result of this crime bill. What it does is it retroactively reduces the sentences of people who are now behind bars and puts them back out on the street.

Having done so, what is that going to do to crime in most of our communities? It is going to increase crime, not reduce crime.

Now, what was the alternative? The alternative was to build enough prison space so we could keep drug criminals behind bars and at the same time put some other criminals out there on the streets right now into jail. What was done in the crime bill? The amount of money that the House put in for prisons, $13 billion, was cut in half back to $6.5 billion in this crime bill. This is not a crime bill. This is a bill that will in fact make our streets less safe rather than more safe.

CHILD SUPPORT AWARENESS MONTH

(Mr. LAROCCO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAROCCO. Mr. Speaker, today Idaho's Governor Cecil Andrus will proclaim August as "Child Support Awareness Month." I congratulate him and all Idahoans who are on the child support front lines.

In the United States, some $34 billion in court-ordered child support remain unpaid each year. But I am pleased to say Idaho has been reversing that trend. Since 1986, Idaho has led the Nation in child support collections. Last year, Idaho collected more than $44 million in child support payments, allowing the State to recover one-third of its costs in Aid to Families with Dependent Children.

Mr. Speaker, I recognize this as a significant achievement. One of my first bills signed into law was the Child Support Enforcement Act of 1992. This public law requires credit agencies to include child support delinquencies of more than one thousand dollars with other credit information. Since its enactment, the number of delinquent parents listed on credit reports has increased from 1.5 to 2 million.

I am proud of this result, Mr. Speaker, and of my State and Governor for leading the way to child support awareness and responsibility.

PROBLEMS WITH CRIME BILL

(Mr. McCOLLUM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCOLLUM. Mr. Speaker, there is nobody probably in the conference who has worked more with the crime bill than I have. I have been working with it ever since I became the head of our Republican Leadership Task Force on Crime. I would like to see us have a good, solid crime bill, particularly one the American public would be proud of, that does something constructive to help the States with the biggest problem we have got. That is to take the 6 percent of the criminals who are committing 70 percent of the violent crimes and serving only a third of their sentences off the streets and get them locked up and throw away the key. In other words, get to truth in sentencing, and help the States build the prisons that they need to build in order to be able to go to sentencing structures that say for those repeat violent offenders, you are going to serve at least 85 percent of your sentences and you are not going to walk back out to do those violent crimes again.

We thought on the House side we had gotten through the necessary resources to do this. Unfortunately, the $13 billion that passed out of this House did not come back in the crime bill for prison construction in the States. Only $6.5 billion did out of a $30 billion bill.

Only a fifth of the bill addresses the major crisis we have got. A good hunk of the remainder of that bill goes to things such as creating a program that is three times the size of the old CETA Program, creating Government jobs to supposedly address the problem of the root causes of crime, which will not be addressed until we get at the root cause truly of putting families back together again an reforming the welfare laws of this country and other things.

But this bill, unfortunately, does not do the job, and it is in bad shape right now coming back out of conference, I hate to report.

TRIBUTE TO AILEEN WAGNER

(Mr. McCURDY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCURDY. Mr. Speaker, a friend of mine in the newspaper business sent a news article to me yesterday, on the day the House passed the General Aviation Revitalization Act, that reminded me of my earliest hero. Because we tend today to destroy our heroes, it is important to me to honor the heroic nature of ordinary Americans such as this one.

This ordinary American, 50 years ago today, piloted her little Aeronca aircraft to the second Flying Farmers Convention in Stillwater, OK. One of only a handful of women to make the flight, she caused quite a stir, and made the local press in addition to Life magazine.

Today, at 78, she continues to live in Oklahoma, though unable to speak due to a series of strokes. I want to send her a message that her heroic nature of raising four boys, instilling in them the value of hard work and the importance of family, has not been forgotten. Today I salute the pioneer spirit of my mother, Aileen Wagner, and the forward thinking that led her and my father to employ the use of aircraft on their Oklahoma farm 50 years ago. Love you, Mom.

DEADBEAT DADS AND DAD-FINDER ACTS OF 1994

(Mr. COOPER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COOPER. Mr. Speaker, last year American fathers owed their own children $34 billion. Let me repeat that. American fathers owed their own children $34 billion in unpaid child support. That is almost exactly the cost of the entire U.S. welfare program. In other words, if American fathers paid their bills, we would barely even need a welfare program.

How do American children get more of the money owed to them by their own fathers? Well, cosponsor with me today my Deadbeat Dad and Dad-Finder Acts of 1994. I am introducing a simple three-step approach. First of all, countless fathers today are never even identified. No male name even appears on the birth certificate. We must do everything possible to locate every father and hold them responsible.

Second, we must toughen collection procedures. We must track fathers across State lines. We must garnish all sources of income. We must hold them responsible.

Third, we must make grandparents responsible as well. Deadbeat dads are not the only ones who should care about these children. These are grandchildren too.

REPUBLICANS BEING DISHONEST ON HEALTH CARE

(Mr. TUCKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TUCKER. Mr. Speaker, last night the President of the United States addressed the Nation. He addressed the Nation on many issues, but none more important than the issue of health care.

Mr. Speaker, we have heard a lot today from my colleagues on the other side of the aisle. They have indicated to us that the health care issue is not the important issue that we think it is; that reform is not the most imminent issue that we face. But, Mr. Speaker, how can we sit back and talk about the fact that we have the most excellent health care system on the face of the Earth, when only 83 percent of our people are covered?

Mr. Speaker, we are talking about 38 million people who are uninsured in 1992 at some point in time, and 83 percent of those people were working-class families.

When are the Republicans going to be honest with the American people and let them know that we must have a health care bill this year, passed by this House? And the only way that we are going to get to universal coverage is through shared responsibility. It must happen, it must happen this year, and it must happen through shared responsibility.

□ 1110

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I take this time that I might inquire of the distinguished majority leader how he perceives the program to unfold for the balance of this week, next week and a little better fix on what we do here before we recess.

I yield to the gentleman from Missouri [Mr. GEPHARDT].

Mr. GEPHARDT. I thank the gentleman for yielding to me.

Just to give Members an advanced notice on what we are intending to try to do, we do have a number of conference reports today. We should be finished voting in the afternoon between 4 and 6 today.

On tomorrow, we will be meeting until 3. We hope, we are still trying to have a vote tomorrow on either the crime conference report and/or the Congressional Accountability Act or the Federal Crop Insurance Act.

Then next week, on Monday, we will have no votes until 5, but we will have votes between, say, 5 and 7 or 8. Then Tuesday and the balance of the week, we have a number of bills, Energy and Water Appropriations Conference Report, China MFN, again, the Congressional Accountability Act, if it is not done tomorrow, and full budget disclosure and so on. We will talk about that later in the day, if the gentleman would like to do it, or tomorrow.

We are now contemplating that the health bills, the various health bills that are being worked on, would be drafted and ready by Monday of next week, and our intent would be to consider a rule later in next week for debate only on the health bill, which we would like to begin on Monday of the third week in August and extending into Tuesday, and then on Wednesday consider a rule for the completion of the health bill on Wednesday, Thursday, and Friday of the third week in August.

I know this announcement of intention is a problem for a lot of our Members on both sides of the aisle who have planned vacation trips and other matters with their family or constituents or others. I apologize for that.

I want to inform Members as to why we are forced to look at this third week. The problem is really caused by the grave difficulty that all of us have in writing these bills and in getting them scored by the CBO. We met yesterday with the head of the CBO. He informed us that they had been working for 4 months 7 days a week, to deal with all of the various proposals coming out of the committees.

His people are working days and nights and are completely exhausted. They have worked the last 2 weeks to get the bills scored in the Senate.

Now they are working on the bill that has been produced by the Senate leadership, and they are trying to prepare them to go to the floor next Tuesday. They cannot get to our bills, our Republican bill, our Democratic bill, our bipartisan bill, until they finish dealing with the Senate. And it is this backup, which is caused by the mechanical/physical inability to get all of this done, that has forced us into this third week.

I apologize to Members for it, but it is a necessity because of the tremendous job that it is to get these bills ready to go to the floor.

We believe that this schedule will work. It is a finite period of time. We feel that if the whole third week is dedicated to health care, we can get through this. Tuesday there would be some other, perhaps, suspension votes, and then on Wednesday, the 17th, Thursday, the 18th, and Friday, the 19th, we would have a rule that would allow voting on all the alternatives. And it would be timed so that we could be sure to finish on Friday the 19th.

Mr. MICHEL. Might I just say that the majority leader has laid out our problem here, I think, very clearly and succinctly. We also recognize, on the minority side, the problem that is involved here in making absolutely sure that the language is precise when it does come to the floor for a vote and, moreover, that we do have much better cost estimates, at least. It may very well still be estimates. Notwithstanding CBO, we will want from CBO just as good a figure as possible.

Then putting everything off until that third week for health care only and concentrating on that, may I ask the question that we talked about a little earlier relative to then the date of the 19th being the Friday of the third week, 1 week later than we had originally planned, and knowing full well that families are going to be disrupted here, because of their thinking that that was inviolate at the time we set it, would have some time now to readjust with their families to have some time before Labor Day.

Is it the intention of the gentleman that we are now devoting that full week of the 15th, 16th, 17th, 18th, 19th for health care, that we can definitely plan on getting out of here then on the close of business on the 19th?

Mr. GEPHARDT. Mr. Speaker, if the gentleman will continue to yield, that is correct.

Mr. MICHEL. I think that will help our Members get a more clearly definitive idea, knowing full well that it is not the best of our choices here, but we are just facing up to reality.

The SPEAKER. The Chair would like to just interject that the gentleman from Illinois said the close of business on Friday. I do not think it would be proper for Members to assume that that would be 3 in the afternoon necessarily.

Mr. MICHEL. I certainly would stand corrected on that, that it is the full week. But definitely, we have talked about this business. We run into a weekend and then, lo and behold, we are over into the following week before we know it again. I think we would have to have that assurance.

Mr. HASTERT. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Illinois.

Mr. HASTERT. I thank the distinguished minority leader for yielding to me.

I want to question the majority leader. We have had some discussions off the record, but we are continuing to have a very difficult time getting drafting time. Even the situation of being able to make a deadline by Monday, unless we can really work together, is mounting as insurmountable. I look forward to continuing to work with the gentleman. We have to do, as we said before, on a daily basis, to make sure of not only the CBO numbers but the drafting availability is there to all parties who are putting forward a bill to be debated.

Mr. GEPHARDT. Mr. Speaker, if the gentleman will continue to yield, I

think we really need to consult on a daily basis to know where CBO is and where the legislative drafters are in terms of the gentleman's alternatives, the other alternatives, and what is happening in the Senate so on a daily basis we know we are making sufficient progress.

□ 1120

Mr. HASTERT. Mr. Speaker, the fact of the matter is that we are getting the drafters at 1:30 and 2 o'clock in the morning, after they are exhausted, and even that work product sometimes is not as good as if they were fresh. I appreciate the gentleman's concern. We will consult with him on a daily basis.

Mr. MICHEL. Mr. Speaker, I thank the distinguished majority leader for his response.

PROVIDING FOR CONSIDERATION OF CONFERENCE REPORT ON H.R. 3841, RIEGLE-NEAL INTERSTATE BANKING AND BRANCHING EFFICIENCY ACT OF 1994

Mr. FROST. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 505 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 505

Resolved, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the bill (H.R. 3841) to amend the Bank Holding Company Act of 1956, the Revised Statutes of the United States, and the Federal Deposit Insurance Act to provide for interstate banking and branching. All points of order against the conference report and against its consideration are waived. The conference report shall be considered as read.

The SPEAKER pro tempore (Mr. BILBRAY). The gentleman from Texas [Mr. FROST] is recognized for 1 hour.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from California [Mr. DREIER], pending which I yield myself such time as I may consume. All time yielded during debate on this resolution is for purposes of debate only.

Mr. Speaker, House Resolution 505 waives all points of order against the conference report to accompany H.R. 3841, the Interstate Banking Efficiency Act of 1994, and against its consideration. The Committee on Rules has recommended this rule so that the House may consider this important step in the development of a modern and competitive banking industry in the United States. The waivers are necessary because of amendments added by the Senate and an amendment adopted in conference relating to home-equity loans in my State of Texas. I would like to point out that the matter of the Texas home-equity loans is a question of great controversy within the State of Texas. This matter will have to ultimately be settled by the Texas Legislature. I believe the significance of establishing interstate banking and branching in law is so important that this amendment should not prevent the passage of this legislation.

Mr. Speaker, I would like to take this opportunity to congratulate the subcommittee chairman, Mr. NEAL of North Carolina. It is through his tireless efforts that this legislation is before us today, and I believe we owe him our sincere thanks for advocating interstate banking and pushing for its implementation. Because of his efforts, the de facto interstate system that currently exists will be codified and will allow banks to modernize their operations and ultimately to provide cheaper and more efficient services to their customers.

Mr. Speaker, this bill has enjoyed broad bipartisan support in this Congress and I urge the House to adopt this rule in order to consider, and pass, this conference report.

Mr. DREIER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, despite the fact that this rule waives points of order against language in the conference report regarding the controversial homestead protection provision in the Texas Constitution, I urge support for this rule. As the gentleman from Dallas noted, this interstate banking bill is too important to the long-term health of our banking system. The home equity loan battle is one that will have to be fought another day.

I also want to commend Chairman GONZALEZ for marshalling this bill through the conference committee.

I know this is not one of his top priorities, so his efforts are even more appreciated. As the chairman knows, when I served on the Banking Committee, I worked with colleagues on both sides of the aisle to get an interstate banking bill enacted into law, and I note it was not until I left the committee that we actually succeeded.

More than anyone, my friend, the gentleman from Winston-Salem, NC, STEVE NEAL, has been a driving force on this and other proconsumer banking measures. He has done a tremendous job these past couple of years as chairman of the Financial Institutions Subcommittee, and he will be sorely missed, as he has chosen to retire.

Mr. Speaker, had there been a full interstate bank and branch system in the 1980's, our financial institutions would have been better diversified to withstand the regional economic forces that led to our Nation's worst banking crisis in over 50 years.

Instead, many large banking institutions, facing ever-changing market forces, have been compelled to maneuver slowly around regulatory barriers and depression-era laws to achieve economies of scale.

In a sense, this legislation is nothing more than a recognition that competitive market forces have left the legal and regulatory structure of our banking system in the dust. Congress is constantly trying to play catch-up. It is time to take the next step and repeal another anticompetitive depression-era law: the Glass-Steagall Act.

Mr. Speaker, we will have a more competitive, efficient, and financially sound banking system as a result of this legislation. In turn, we will have a stronger deposit insurance fund. For these reasons, I support the rule and I support the conference report.

Mr. Speaker, I reserve the balance of my time.

Mr. FROST. Mr. Speaker, we have no requests for time.

Mr. DREIER. Mr. Speaker, I have no requests for time, I urge support of the rule, and I yield back the balance of my time.

Mr. FROST. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF CONFERENCE REPORT TO ACCOMPANY H.R. 3474, RIEGLE COMMUNITY DEVELOPMENT AND REGULATORY IMPROVEMENT ACT OF 1994

Mr. FROST. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 506 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 506

Resolved, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the bill (H.R. 3474) to reduce administrative requirements for insured depository institutions to the extent consistent with safe and sound banking practices, to facilitate the establishment of community development financial institutions, and for other purposes. All points of order against the conference report and against its consideration are waived. The conference report shall be considered as read.

The SPEAKER pro tempore. The gentleman from Texas [Mr. FROST] is recognized for 1 hour.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from California [Mr. DREIER], pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purposes of debate only.

Mr. Speaker, House Resolution 506 is the rule allowing the House to consider the conference report for H.R. 3474, the Community Development Banking and Financial Institutions Act of 1994.

The rule waives all points of order against the conference report and against its consideration.

Mr. Speaker, these waivers are needed because the Senate added several unrelated banking provisions to the original House bill, which was passed last November, creating germaneness problems.

The Senate provisions accepted by the conferees include subtile B of title I, dealing with home ownership and equity protection; Title II, Small Business Loan Capitalization; title IV, on money laundering; title V, reauthorizing the flood insurance program; and the general provisions in title VI.

Mr. Speaker, the Banking Committee filed its report August 2, which also requires a waiver of the 3-day layover rule.

Mr. Speaker, H.R. 3474 is based on the President's initiative to encourage community development lending and establishes the Community Development Financial Institutions Fund to provide assistance to those institutions. To be eligible for assistance, community development lending institutions would have to operate in communities underserved by traditional lenders.

Mr. Speaker, I urge my colleagues to approve this rule so that we may proceed to the consideration of the conference report on H.R. 3474 today.

Mr. Speaker, to repeat, this rule waives points of order that lie against the consideration of this conference report. The need for the waivers is clear; I urge my colleagues to accept this resolution so that we may consider the conference report today.

Mr. Speaker, I reserve the balance of my time.

Mr. DREIER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it was very clear that the conference report on the interstate banking bill was not going to advance unless the community bank conference report was approved as well. As I stated on the previous rule, the interstate banking bill is critical to the long-term health of our banking system. It is primarily for this reason, despite the fact that this rule waives all points of order against the conference report, that I am going to reluctantly support the rule.

In fact, H.R. 3474 is a less onerous and more reasonable alternative to President Clinton's proposal to build a network of 100 community development banks.

More important, the conference report does not include the other body's controversial Fair Trade in Financial Services provision that would instigate a spiraling round of trade retaliation actions between the United States and Europe over market access for financial services companies.

Therefore, Mr. Speaker, I urge adoption of the rule.

Mr. Speaker, I reserve the balance of my time.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 2 minutes to the distinguished gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK of Massachusetts. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I was going to say this during the general debate, so I can do it here.

Mr. Speaker, the point I want to make is that as the gentleman from North Carolina [Mr. NEAL] and I and the gentleman from Nebraska [Mr. BEREUTER] and other members of the Committee on Banking, Finance and Urban Affairs are here; most of the Committee on Banking, Finance and Urban Affairs is in the Rayburn Building having a hearing on the questions of Whitewater.

I want to stress that, Mr. Speaker, because people who do not understand how this institution works, and frankly, sometimes, underestimate its maturity and its ability to function, have been speculating that the fact that we are having a hearing over which there is a very sharp difference of opinion would somehow interfere with important work.

□ 1130

The fact that we are hear passing two significant bills that will improve the way the banking system functions, we are passing them in an atmosphere of no controversy with broad bipartisan support, is very important to note. In other words, we are capable as mature human beings of having some sharp differences of opinion in a hearing, and simultaneously having a conference, which we had during this period putting these bills together, dealing with some difficult issues, some of which everybody alluded to on the floor, and bringing them forward. As members of the Committee on Banking, Finance and Urban Affairs, I think it is appropriate to call attention to our ability and the ability of the Banking Committee on the Senate side to work together with the leadership of both parties, with Senator RIEGLE and Senator D'AMATO, and Mr. GONZALEZ and Mr. LEACH, to bring this forward.

The gentleman from North Carolina [Mr. NEAL] has been an outstanding coordinator of these activities, as well as someone who has provided a great deal of leadership for this. It does seem to me worthy of note that not only the bad news ought to be brought forward while we are having hearings that are contentious on some levels, we are simultaneously, the very same people, bringing forward for passage two very significant and constructive banking bills.

Mr. Speaker, I thank the gentleman from Texas.

Mr. DREIER. Mr. Speaker, I yield back the balance of my time.

Mr. FROST. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON H.R. 3841, RIEGLE-NEAL INTERSTATE BANKING AND BRANCHING EFFICIENCY ACT OF 1994

Mr. NEAL of North Carolina. Mr. Speaker, pursuant to House Resolution 505, I call up the conference report on the bill (H.R. 3841) to amend the Bank Holding Act of 1956, the Revised Statutes of the United States, and the Federal Deposit Insurance Act to provide for interstate banking and branching.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. BILBRAY). Pursuant to House Resolution 505, the conference report is considered as read.

(For conference report and statement, see proceedings of the House of August 2, 1994, at page 19131.)

The SPEAKER pro tempore. The gentleman from North Carolina [Mr. NEAL] will be recognized for 30 minutes, and the gentleman from Florida [Mr. MCCOLLUM] will be recognized for 30 minutes.

The Chair recognizes the gentleman from North Carolina [Mr. NEAL].

GENERAL LEAVE

Mr. NEAL of North Carolina. Mr. Speaker I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report to the bill, H.R. 3841.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. NEAL of North Carolina. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of the conference report on H.R. 3841.

As we take up this report, I am reminded of the saying that failure is an orphan, while success has many parents. Passage today of interstate branching legislation today will be a big victory for the American people, but there truly are many, many people who deserve a share of the credit.

First, I thank Chairman GONZALEZ for all his efforts to expedite consideration of this measure and steer it through the legislative process. I also thank the gentleman from Iowa [Mr. LEACH], for all of his work. I thank the distinguished ranking member of the Financial Institutions Subcommittee, Mr. MCCOLLUM, for his support and cooperation in moving the legislation to this point.

I also thank the gentleman from Minnesota [Mr. VENTO] and the gentleman from Nebraska [Mr. HOAGLAND], for their many valuable contributions to this legislative effort over the past several years. We could not have gotten to this point without them.

Mr. Speaker, the legislation before us today is the product of compromise, as all good legislation is. On June 1, 1997, it will remove Federal obstacles to interstate branching by banks, but it also recognizes and addresses issues many interested parties have raised in the course of action on this legislation.

For example, the bill respects States' rights by allowing States to opt out of branching if they so choose—and by permitting de novo interstate branching only if a State opts in. It imposes national and State concentration limits, while preserving the States' rights to waive those State limits. It also ensures that certain State laws will continue to apply to interstate branches of national banks.

The bill includes important consumer protections. it preserves the application of the Community Reinvestment Act to interstate branches established under this bill. It would require regulators to bring communities together to seek ways to replacing any branch that an interstate bank may close in the future in a low- or moderate-income area.

Mr. Speaker, these elements of compromise make for a stronger bill and one even more worthy of enactment, particularly given the many benefits interstate branching will bring about.

Interstate branching will make banking more convenient for millions of Americans. For the first time, consumers will be able to do their banking at whatever branch of their bank is convenient to them—be it across town, or across the country.

Interstate branching will also increase the safety and soundness of the banking system, by allowing banks to gather deposits across wider geographic areas, and by allowing them to spread out their loan portfolios as well.

Interstate branching will help ameliorate credit crunches, which all too many American businesses have experienced over the past several years.

Interstate branching will give banks new latitude to manage their operations according to natural business considerations—rather than artificial geographic boundaries.

Mr. Speaker, I could go on, but I will not. I think the benefits of this legislation are clear. This is a good bill, and it will help our banking system better meet the needs of Americans well into the 21st century. I urge my colleagues to join with me in supporting its enactment into law.

Mr. GONZALEZ. Mr. Speaker, I rise in support of the conference report on H.R. 3841, the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994. I commend Congressman STEVE NEAL, chairman of the Subcommittee on Financial Institutions, for his work on this legislation.

The conference report will provide for interstate branching, but with important safeguards. States will have an opportunity to opt-out of interstate branching for approximately 3 years, and interstate branches will be subject to the consumer protection laws of the States in which they operate.

In addition, the conferees agreed to add a provision which would prevent the Office of Thrift Supervision from preempting a provision in the Texas Constitution protecting the homestead of its citizens from foreclosure. Thus, the citizens of Texas remain free to decide for themselves the scope of their constitutional protections in this area.

Mr. McCOLLUM. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to add my support to this conference report, whose time certainly has come and been long overdue in many respects for most of us. It is a journey this bill has taken that has been a hard-fought battle for a lot of us. It is something Congress should have done many many years ago, in my judgment.

The liberalization of interstate banking laws has actually continued through the State actions unabated since 1985. By the end of 1993, every State but Hawaii had acted to permit some form of interstate banking on a regional or local, neighborhood basis. We have been just a little remiss in getting around to opening the door fully for the efficiencies that are involved and for the benefit of the general public.

The bill would enable bank customers to walk into a bank in any State, as long as the bank had an office there, and deposit money and do other transactions they would not be able to do at a simple ATM machine.

The bill allows bank holding companies to begin nationwide banking 1 year after the date of enactment. Banks would be allowed to branch interstate after June 1, 1997. Individual States may decide under this proposal to pass a law during those 3 years to opt out of the interstate branching, and some may choose to do that, though I suspect most will not.

Foreign banks will be able to branch in a similar way to domestic banks. Unfortunately, even though the foreign banks would not normally be doing the type of services that domestic banks do, one casualty of the conference was the imposition of community reinvestment requirements on foreign banks to do the simple business they do. That is any new activity of a foreign bank that wants to engage in any such activity would have CRA applied to it.

Interstate banking is already a practical reality in almost all States. Through this bill, we are recognizing the changes that are occurring already in the marketplace. If we can pass this bill, the resulting efficiencies for the industry and the increase in convenience and pricing for consumers will make this a legislative achievement that will be very significant, and one that we can be proud of. So I certainly urge its adoption.

Mr. Speaker, I reserve the balance of my time.

□ 1140

Mr. NEAL of North Carolina. Mr. Speaker, I yield 6 minutes to the distinguished gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY. Mr. Speaker, I rise in cautious support of this legislation. In doing so, I have only the highest regard for the efforts of my friend and colleague, Mr. NEAL, to bring this legislation to the floor. He has been a tireless advocate of interstate banking, and this legislation is a fitting tribute to his years of work on this issue. I also want to commend chairman Gonzalez, who has allowed the committee to work its will and bring this bipartisan legislation to the floor today.

Mr. Speaker, the House today is considering probably the single most important piece of banking legislation enacted in the last four decades. In my view, full and unfettered interstate banking is an idea that is long overdue. Over the last 20 years, the American banking industry has slipped from its dominant position in the world. Then, 6 of the largest 10 banks in the world were U.S. banks. Today, only 1 of the largest 25 banks in the world is based here in America. Consequently, the ability of U.S. banks to finance large transactions and leverage affordable capital for American businesses in international transactions has rapidly declined.

However, on the whole, this bill gives a huge and unqualified win to the banking industry, and only gives consumers a question mark. Several members of our committee felt that the equation should have been more balanced. For example, we believed that no bank should be able to branch across State lines without demonstrating that it had a good record of serving the credit needs of low- and moderate-income neighborhoods. Unfortunately, that view did not prevail. Consequently, this legislation may actually be a boon to the big banks, but be a bust to consumers. They could end up paying more for loans and other banking services. And they could end up having credit decisions being made by a lender who sits in an office thousands and thousands of miles away.

We have seen in other circumstances some of the bigger banks go in and gobble up a smaller bank in a local community, such out the deposits, and invest them elsewhere and, in fact, hurt the local community. While I view interstate banking in general as a very positive development, I do think that we should have put in stricter guidelines for how banks should treat our lowest-income and most vulnerable citizens.

However, I do appreciate the leadership which the gentleman from North Carolina [Mr. NEAL] has shown, and the efforts that he made to strengthen the bill with regard to the consumer protections.

Unlike the interstate bill that we are considering, in a few minutes we will also consider the community development bank legislation, and I believe that this legislation more fairly balanced the concerns of the banking industry and those of ordinary citizens.

For the industry, the legislation provides important relief from outdated and needlessly burdensome regulations. For instance, it lengthens the period within which a bank must be examined from 12 months to 18 months. In addition, it requires State and Federal examiners to combine their efforts where possible, in order to minimize the time during which banks are encumbered by examinations. These and other provisions will significantly reduce banks' burden, without sacrificing the taxpayer's interest in maintaining the safety and soundness of those institutions.

For the consumers, other speakers have already discussed the important Community Development Bank Program established by this legislation. This is a landmark program, and one that fulfills a campaign promise made by President Clinton. It will, for the first time, provide capital and seed money to lenders committed to community development lending. As we have seen from examples like Shorebank and Community Capital Bank, lenders can have a tremendously beneficial impact in low- and moderate-income communities. By meeting the need for housing and small business credit, these lenders can be the catalysts to community revitalization. So this is critical legislation to consumers.

Let me mention two other titles of this bill that are important to consumers. First, the home equity protection title takes a big step toward ending lending rip-offs that have caused thousands of homeowners throughout the Nation to lose their homes. Most home equity lenders are reputable and honest. But over the last few years, a growing number of them have been exposed as nothing more than scam artists and have been ripped off. They have tricked homeowners—who are usually poor and unsophisticated in financial matters—into borrowing against the equity in their homes. The loans then turn out to have outrageous terms—such as interest rates of 20, 30, even 40 percent; closing costs that eat up 20 or 25 percent of the total value of the loan; and hidden conditions like balloon payments. These terms virtually guarantee that the consumer will default. At that point, the scam loan broker dives in like a vulture—by either forcing the consumer to refinance on even more unconscionable terms, or else taking away the consumer's home.

The second title of this legislation that deserves the attention of the Members is the title that reforms the Flood Insurance Program. As we have seen in the wake of the Midwest floods, only about 17 percent of the people who live in flood-prone areas have flood insurance. The result has been tremendous hardship to homeowners and taxpayers alike. Homeowners who are flooded and do not have flood insurance receive at best only a few thousand dollars in Federal disaster relief—hardly enough to rebuild a seriously damaged home. And the Federal taxpayer usually ends up paying millions and millions of dollars in disaster aid.

It is because of these provisions that are contained in the Flood Insurance Program which will expand the use of flood insurance, will make the program solvent, and will, therefore, decrease our dependence on taxpayer payouts when a bailout is needed.

I think that this is far-reaching legislation.

Again, I want to thank the chairman, the gentleman from North Carolina [Mr. NEAL], the chairman, the gentleman from Texas [Mr. GONZALEZ], the chairman, the gentleman from Massachusetts [Mr. FRANK], for all the leadership they have shown on this issue.

I also want to congratulate the gentleman from Nebraska [Mr. BEREUTER], in particular, for his efforts on the Flood Insurance Program, and my friends from the other side of the aisle for their efforts in making this a very strong bill.

Mr. McCOLLUM. Mr. Speaker, I yield 4 minutes to the gentleman from New York [Mr. FISH], who represents the best of the Committee on the Judiciary. They were important conferees on a major portion of this particular bill, and the gentleman from New York [Mr. FISH], who is our ranking Republican on the committee, is going to be giving a few words about that.

Mr. FISH. Mr. Speaker, House Judiciary Committee members were assigned as conferees to the Interstate Banking and Branching Act of 1994 primarily due to a provision in the conference extending statute of limitations authority for the Federal Deposit Insurance Corporation [FDIC].

The provision, as passed by the Senate would have allowed the FDIC to revive State civil causes of action including negligence for suits against officers and board members of savings and loans institutions. The Senate language would have allowed the FDIC, to ignore the running of States' statutes of limitation and revive claims for misconduct including simple negligence. However, it was the judgment of Judiciary conferees that allowing the revival of claims for negligence where the State statute of limitations had expired would be inequitable and run counter of the fundamental purpose of statutes of limitation.

The House Judiciary Committee has a long-standing policy in opposition to reviving expired statutes of limitation and to applying such statutes in a retroactive fashion. There are serious due process fairness questions raised by such action. Last year, regarding a similar issue, House Judiciary Conferees refused to allow a blanket extension of the Federal statute of limitations authority for the Resolution Trust Corporation [RTC]. The committee did agree last year to the conference committee compromise on H.R. 1340, the Resolution Trust Corporation Completion Act, which allowed a limited revival of claims for fraud or intentional misconduct. However, Judiciary conferees explicitly rejected language last year, to allow the revival of claims based on negligence or gross negligence.

Similarly, in this conference, in recognizing the exceptional circumstances surrounding the S&L industry, Judiciary conferees proffered language accepted by the conferences which would in fact allow the revival of claims where there has been fraud or intentional misconduct. This extraordinary remedy would allow the FDIC to go after those most culpable of defrauding S&L institutions; but would not reexpose every sitting or former board member to a suit in negligence. To allow the revival of claims for mere negligence would be inequitable to those who are not actually responsible for the wrongdoing.

The language in this conference report is a fair and reasonable compromise. This language provides the FDIC with additional authority to revive claims for intentional misconduct or fraud of which the State statute of limitations has expired thereby allowing them to pursue S&L officers or board members who have caused a loss to the U.S. taxpayers. The conference report language is a reasonable response to this extraordinary circumstance and I believe it strikes a fair balance.

□ 1150

Mr. NEAL of North Carolina. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. FINGERHUT].

Mr. FINGERHUT. I thank the gentleman for yielding this time to me.

Mr. Speaker, let me begin by commending the gentleman from North Carolina [Mr. NEAL], chairman of the subcommittee, and also the ranking member, the gentleman from Florida [Mr. McCOLLUM], for pursuing this very important bill to its conclusion.

Mr. Speaker, I joined this committee as a new Member of the House of Representatives because I believe firmly in the importance of a vibrant, expanding, and profitable financial banking system to our country's economic prosperity.

I also believe very strongly that the more vibrant a financial system we have, the greater the benefits to the consumers of this country that that financial system can provide.

But you can only do that, you can only maintain a vibrant and successful financial system if you continue to modernize the laws under which they operate. As has been mentioned by a number of my colleagues on this committee speaking in support of this bill, it has been all too many years since this particular section of the laws governing our banking system have been modernized. It is without question that the passage of this bill today, the adoption of this conference report, will result in a significant modernizing, upgrading, and thus a contribution to their financial success of our banking community and, therefore, our economy.

Indeed when you couple this measure with the paperwork reduction sections of the next bill that will be considered by this body under the community banking sections, we will have provided a significant incentive, regulatory and financial, to our banking system seeking to retain the dominance it once held in international markets.

Let me also say a word of parochial privilege here. That is that my State, the State of Ohio, is the home to some of the strongest, best capitalized, most prominent banks in these United States. It is without question in my mind that the benefits of this bill will strongly accrue to the citizens of the State of Ohio as those banks are well positioned to take advantage of these provisions.

I strongly urge adoption of the conference report.

Mr. McCOLLUM. Mr. Speaker, I yield 1 minute to the gentlewoman from New Jersey [Mrs. ROUKEMA], the distinguished senior member of our committee.

Mrs. ROUKEMA. I thank the gentleman for yielding this time to me.

Mr. Speaker, I rise today in support of H.R. 3841, the Interstate Banking Efficiency Act.

This legislation is perhaps the most significant piece of banking reform that the Banking Committee has passed in the last 4 or 5 years.

I supported this legislation because I have long felt that interstate banking and branching provided the best opportunity for banks to become more competitive.

Interstate banking and branching would also allow banks to become more geographically diverse thus permitting them to engage in profitable business in different communities in different sections of the country. In addition, it lessens the negative effects of regional economic downturns on the banks.

H.R. 3841 would permit interstate banking after 1 year, and complete consolidation of existing subsidiaries and full interstate branching by June 1, 1997.

States are given the ability to opt in earlier if they choose to do so and, more importantly, they may opt out of interstate branching within 3 years.

Anticoncentration limits, based on percentage of deposits held, was also included. This provision is extremely important in maintaining local competitiveness.

The dual banking system and States rights are preserved in that the bill clarifies State authority to tax affiliates of banks and bank holding companies; it requires the Federal regulators to review CRA performance of applicant banks before a bank can branch interstate; and it preserves the States ability to apply State laws regarding intrastate branching, fair lending, and consumer protection.

Finally, this legislation permits foreign banks to establish and operate branches in any State to the same extent as other banks in a State in which the foreign bank is located. However, in order to level the playing field, foreign banks are to be regulated so that they do not have an unfair cost advantage over U.S. banks and that they observe community reinvestment and consumer protection requirements similar to domestic banks.

Mr. Speaker, this is very important and much needed legislation and I urge my colleagues to vote for the conference report.

Mr. NEAL of North Carolina. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Nebraska [Mr. HOAGLAND], who has worked on this legislation for many years.

Mr. HOAGLAND. I thank the gentleman for yielding this time to me.

Mr. Speaker, I just want to take a moment to join the celebration here today because we are doing something so right. You know, it is not very often that so many years of efforts can culminate in a product that is truly so outstanding and something that needs so desperately to be done. For so many years now, the American banking system has been suffering under the antiquated restrictions of the McFadden Act, first passed in 1927, and then the Douglas amendment, passed in 1956, which has imposed clearly unnecessary restrictions on our banking industry throughout the country.

As those restrictions have weakened the industry, more of their customers have fled elsewhere, to other means of financing corporate activities and the market share of the banking industry has steadily declined.

So, by liberalizing these laws, bringing them up to date, ratifying, in many cases, things that are being done anyway, it will inevitably have the effect of strengthening all of corporate America, and that is only good for all of us.

Under the current restrictions, bank holding companies have to set up separate boards of directors in every State, separate regulatory reports in every State, undergo separate examinations, install separate computer systems, and so forth.

Now, that means, in my region of the country, a regional bank, like Norwest, when it comes into South Dakota, Nebraska, Iowa, or Minnesota, sets up an entirely separate corporate structure in every State. What that means to the consumer is that if we have a Norwest account in Omaha, it is no good for cashing a check in Sioux Falls or in South Dakota somewhere or in Minneapolis because each State has a separate deposit account and separate computer system.

So, in that respect, it is going to make things a lot more efficient for the consumers in America because they will be able to shop at the same bank wherever it has branches nationwide.

It will also enable banks, as they diversify across regions, to be more stable because if the economy turns down in one region, it can be rescued in another.

So, Mr. Speaker, I want to commend the gentleman from North Carolina [Mr. NEAL] for his work, and Mr. FRANK of Massachusetts for his work, the gentleman from Nebraska [Mr. BEREUTER], and the gentleman from Florida [Mr. McCOLLUM], who have worked so hard on this legislation.

Again I want to join in the celebration because we really should be proud of this. So many people in Congress, so many people outside of Congress who worked so hard to bring about these changes, and we are about to get them done.

Mr. McCOLLUM. Mr. Speaker, I yield 4 minutes to my good colleague, the gentleman from Nebraska [Mr. BEREUTER], who is a member of the Committee on Banking, Finance and Urban Affairs.

Mr. BEREUTER. I thank the gentleman for yielding this time to me.

Mr. Speaker, this Member rises in support of the interstate banking conference report. This Member would like to thank the chairman of the House Banking Committee, the distinguished Member from Texas, Mr. GONZALEZ, and the ranking minority member of the House Banking Committee, the distinguished Member from Iowa, Mr. LEACH, for their leadership in advancing this bipartisan landmark legislation. Special recognition is due to the subcommittee chairman and ranking minority member, the distinguished gentleman from North Carolina [Mr. NEAL] and the distinguished gentleman from Florida [Mr. McCOLLUM], along with many other Members whose initiative and effort are embodied in this legislation.

Mr. NEAL is conscientious, persistent, and knowledgeable, a man of admirable ability and motives who has served his district, State, and Nation very well. We will miss him after his retirement from the Congress at the end of 1994.

Mr. Speaker, this Member is particularly pleased that the opt-out provisions for interstate banking have remained in this measure. This is legislation that this Member proposed and

drafted in the previous Congress, and successfully advanced on the House floor in the 102d Congress with the cosponsorship and great assistance from the distinguished gentleman from Minnesota [Mr. VENTO]. The opt-out provisions gives State legislatures an opportunity to opt-out, in effect to take themselves out of the interstate branching arrangement until June 1, 1997, if they chose to do so. Now, this Member does not expect many if any States to exercise that option, but that option is maintained, and that is an important States' rights issue, which will reassure some bankers, consumer groups, and State officials.

Furthermore, this Member also supports the provisions in this measure that provide for the avoidance of undue concentration of power in individual banks. The measure establishes 10 percent nationwide and 30 percent statewide concentration limits. In fact I had wanted the latter figure to be somewhat lower, but this is the will of the committee and consistent with the advice of many interests. States are also authorized to waive the statewide concentration limitation. Under the conference report, States also retain existing authority to impose lower deposit caps on a nondiscriminatory basis. This Member had previously expressed his concerns that there existed an opportunity for too many decisions and too much of a community's resources to be drained from some rural areas and from some low-income urban areas. In part those concerns are addressed.

Mr. Speaker, having made these comments this Member would emphasize that is well past time to modernize our banking legislation. It not only will serve bank consumers better, in many cases, the current structure places the American financial service institutions in a disadvantageous position with respect to foreign banks and commerce in many other parts of the world. It is time for us to update our banking system, and this legislation is a sound, well-crafted and long-considered effort to bring the American banking structure into the 20th century before we leave it.

Mr. Speaker, this Member urges his colleagues to support the passage of the interstate banking conference report.

□ 1200

Mr. NEAL of North Carolina. Mr. Speaker, I yield 2 minutes to the gentlewoman from California [Ms. WATERS].

Ms. WATERS. Mr. Speaker, I commend Chairman NEAL and Chairman GONZALEZ for their leadership on this conference report for H.R. 3841, the Riegle-Neal Interstate Branching Act.

This is an important bill for banks. Today's action will clear the way for a distinct new power which many banks have been seeking desperately for years.

I have always maintained that in order to proceed with an expansion of bank powers, there must be protections for consumers. Industry advantages like consolidation bring fear and uncertainty to many consumers and communities. Before the subcommittee considered this legislation, Chairman NEAL and I agreed to work on my proposal to minimize the community loss which often results from branch closures.

I am pleased that these discussions have led to a concrete result which has been retained in this conference report. This bill includes my legislation giving communities an opportunity to replace banking services which may be lost due to branch closures. I believe this amendment vastly improves the underlying bill.

In conclusion, I would again like to thank Chairman NEAL for his work on this legislation. I know how important this legislation is to him, and I think it is a fine tribute to our colleague, Mr. NEAL, who will retire at the end of this term. While the legislation before us does not address all the concerns I have about interstate branching, we have, in good faith, worked to make the bill better. I urge its adoption.

Mr. MCCOLLUM. Mr. Speaker, for the purposes of a colloquy, I yield such time as he may consume to the gentleman from Massachusetts [Mr. FRANKS].

Mr. FRANK of Massachusetts. Mr. Speaker, I thank the gentleman from Florida [Mr. MCCOLLUM].

I would just like to note that the gentlewoman from California did accurately describe the title of this bill as we voted it as the Riegle-Neal bill, and I think it is appropriate that the Riegle-Neal phrase will take its place when people talk about this important legislation.

Mr. Speaker, I would like to have a colloquy with the gentleman from Florida [Mr. MCCOLLUM] on the question of the statute of limitations. Section 201 allows the revival of some tort claims that expired under State statutes of limitation which previously dealt with the Federal issue and other legislation. The only claims that can be revived are those that rise from, and I quote here, fraud, intentional misconduct resulting in unjust enrichment, and intentional misconduct resulting in substantial loss to the institutions.

Would the gentleman from Florida describe what intentional misconduct means in this context?

Mr. MCCOLLUM. I say to the gentleman, glad to, Mr. FRANK.

Mr. Speaker, as the gentleman is aware, this very same standard was adopted by Congress in last year's RTC Completion Act. It was part of an identical legal standard that must be satisfied to revive certain other RTC-related tort claims. Last year's Judiciary Committee report explained the meaning of the term, and the explanation is just as accurate for the language in H.R. 3841. In essence, the terms "intentional misconduct resulting in unjust enrichment" and "intentional misconduct resulting in substantial loss to the institution" are phrases that must be read as a whole. They describe situations where misconduct and its harmful effect are intended or anticipated, not situations where an intended act merely happens to result in harm through negligence or chance.

For instance, these terms would not describe circumstances in which an outside director intentionally missed a board meeting for personal reasons, and in the director's absence a loan was approved that resulted in substantial loss to the institution. It is true that the outside director would have intentionally missed the meeting, which could be viewed as a form of misconduct. But the ultimate result of the conduct—the substantial loss to the institution—would have been unforeseen and unintended. The terms also would not apply to a loan officer or outside lawyer who intentionally omitted a provision from a loan document in the mistaken or negligent belief that it was unnecessary, even if the absence of the provision ultimately caused loss to the institution. While the decision to omit the provision might technically have been intentional, the loss to the institution would have been an unintended consequence of that decision. In short, intentional misconduct is specifically meant to capture only categories of misconduct that are intended or anticipated to, and do result in, either unjust enrichment or substantial loss to an institution.

Mr. FRANK of Massachusetts. I think it is useful to have that clarification, and let me further ask the gentleman if he believes it was the intent of the conferees to create a new Federal cause of action by the use of this particular language.

Mr. MCCOLLUM. Absolutely not. The conferees intended that the provision apply only to claims arising from recognized common law causes of action and only to such claims that arise from the fraud intentional misconduct standard.

Mr. FRANK of Massachusetts. Let me just say in closing, if we do proceed to substantially repeal, as I hope we will, the Glass-Steagall Act, we will have Riegle-Neal as an eponymous phrase to replace Glass-Steagall in our statute books.

Mr. HUGHES. Mr. Speaker, title II of the bill as adopted by the conference would permit the FDIC or RTC, as a Federal conservator or receiver of a failed depository institution, to revive under certain circumstances, certain tort claims that had expired under a State statute of limitations within 5 years of the appointment of the conservator or receiver. This provision does not affect other applicable State laws

concerning the running or the tolling of statutes of limitations nor does it alter section 11(k) of the Financial Institution Reform, Recovery, and Enforcement Act of 1989, 12 U.S.C. 1821(k).

The revival of expired claims is an extraordinary remedy because it is an extreme form of the retroactive application of law which the courts and Congress have generally disfavored. Accordingly, title II appropriately would limit this extraordinary remedy to claims arising from an egregious class of conduct, that is, fraud, intentional misconduct resulting in unjust enrichment, and intentional misconduct resulting in substantial loss to the institution. This three-pronged, fraud/intentional misconduct standard is precisely the same as the one that Congress adopted last year, after considerable debate, with respect to a similar retroactive statute of limitations extension in the Resolution Trust Corporation Completion Act of 1993.

As with last year's reauthorization of the RTC, the intentional misconduct standard for revival in this provision is not intended to apply to claims arising from negligence, whether pleaded as simple, ordinary, or gross negligence. Claims arising from such negligent conduct by directors, officers, and outside professionals—such as merely failing to adequately review loan reports or the negligent approval of loan applications when closer scrutiny would reveal reasons for rejection—do not warrant the extraordinary remedy of revival if it is in contravention of State law.

Title II would recognize that there is a level of misconduct which justifies congressional actions to retroactively set aside a State statute of limitations, particularly where, for example, the misconduct involves individuals who improperly manipulated institutional affairs to prevent themselves from being brought to justice before the State period of limitations expired. This level of misconduct is reflected in particular forms of intentional behavior. The intentional misconduct standard is written to specifically include conduct such as self-dealing that results in unjust enrichment or a substantial loss to the institution, manipulation by institution insiders—including by a scheme to maintain adverse domination—that results in the running of a statute of limitations, falsifying financial records that disguises increased financial loss, and conspiracy to violate banking rules or regulations.

Mr. McCOLLUM. Mr. Speaker, I reserve the balance of my time.

Mr. NEAL of North Carolina. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Maryland [Mr. HOYER], the Democrat caucus chairman who, I point out, is a former member of the Committee on Banking, Finance and Urban Affairs.

Mr. HOYER. Mr. Speaker, I rise in strong support of the Interstate Banking and Branching Efficiency Act. This is a bill whose time had come long ago and I commend the Banking Committee for bringing us a conference report that is sure to be enhanced within weeks. As we all know, our political system has a bias against action and even widely popular measures can sometimes be very difficult to pass. Such has been the case with this legislation. Unfortunately, the broad consensus that exists for this bill may make it somewhat uninteresting to the media, where conflict is much preferred. In any event, passage of this conference report, in combination with the Community Development and Regulatory Improvement Act, will be among the major achievements of this Congress.

What this bill is, is less a change in policy than an acknowledgment of reality. Interstate banking exists today, as we all know. The problem is that laws that were written in the 1930's, largely in reaction to the great depression, are imposing impediments that have become gratuitous. Today, by passage of this legislation, we are simply saying that the Federal Government should get out of the way and let the market work.

I am sure that the vast majority of our constituents have no idea that there is a Federal prohibition against interstate banking. Certainly, right here in the Washington metropolitan area, where most of my constituents live, there is interstate banking. ATM networks exist that allow customers access to their accounts in three jurisdictions; Maryland, Virginia and the District of Columbia. Nonetheless, there are major inefficiencies in the system that may be invisible to customers, but very apparent to the banks themselves. And, while the customers don't see the inefficiencies, they are certainly paying for them. By making the banking system more competitive, this bill will reduce costs both to the banks and their customers.

This bill is good for banks, good for business and good for consumers, and I urge my colleagues to support it.

Mr. Speaker, I also want to join my colleagues in congratulating the gentleman from North Carolina [Mr. NEAL]. I am very pleased that this legislation is going to pass. I am pleased with the bipartisan efforts the gentleman from Florida [Mr. McCOLLUM] and others have extended on behalf of this legislation.

I am not pleased that the gentleman from North Carolina [Mr. NEAL] is leaving the House of Representatives. The House will be a lesser place, North Carolina will not be as well represented, and the Committee on Banking, Finance and Urban Affairs will have a void that will be difficult to fill. I congratulate him, not only for this bill and the leadership he has shown, but for all of his service to the House, and to the people of North Carolina and this country.

Mr. McCOLLUM. Mr. Speaker, I yield 2 minutes to the gentleman from Wyoming [Mr. THOMAS], another good friend and member of the Committee on Banking, Finance and Urban Affairs.

Mr. THOMAS of Wyoming. Mr. Speaker, I rise in support of the interstate bank and branching bill before us, as well as the community development financial institutions bill to be considered later today.

I want to thank the gentleman from North Carolina [Mr. NEAL], the gentleman from Florida [Mr. McCOLLUM], and everyone who has worked so hard on these issues for years. We are taking what I see to be a significant first step today toward a more efficient, competitive banking industry.

First, let me address the interstate banking and branching bill before us.

I have been a supporter of allowing interstate branching to go forward. There is good evidence that significant savings is to be had by allowing banks to consolidate their operations. A more efficient banking system is good for consumers and good for the industry.

But my support has always been conditioned on protecting state's rights. While I would have preferred allowing States to opt in to interstate branching, it was absolutely vital that States at the least have the right to opt out.

Just as important as the ability to opt out is that States be given enough time to fully consider the complex issues surrounding branching. In Wyoming, our state legislature meets every other year for a general session. The original House bill, allowing consolidation after only 18 months, did not give Wyoming, and other States with Biennial meetings, enough time.

I offered an amendment with Congressman CASTLE during committee consideration that would have given States the time they need to make informed changes in their own laws and decisions on branching. I am pleased that this final bill includes that equity Congressman CASTLE and I pushed for.

I also want to briefly mention my strong support for the regulatory relief provisions of the community development financial institutions bill.

I have worked on this issue for several years, I am a cosponsor for Mr. BEREUTER's bill, and I'm pleased a substantial portion of his legislation is included in this regulatory relief package.

Unfortunately, some members of the House Banking Committee forget that banks are businesses. And just like other business owners, I can tell you that whenever I meet with bankers in Wyoming, the first subject they bring up is the growing regulatory burden they face. The time, money, and manpower that go into complying with the litany of regulations is excessive. This bill gives some relief.

More needs to be done. We should seriously examine the current Community Reinvestment Act, for instance, and find ways to reduce that burden. We need to address director and officer liability. But this bill goes a long way to accomplishing one of my top priorities as a member of the House Banking Committee—providing regulatory

relief to financial institutions—and I congratulate Mr. BEREUTER for his work.

Mr. Speaker, just one final note. It seems to me we need to have a discussion in this body about the future of our financial institutions and what we want the banking industry to become in the next 10 to 20 years. There are some folks who want to see banks become a delivery mechanism for social programs. I hope we do not take that route. At a time when banks face increasing competition from nonbanks, when the future of the industry is in question, we need to closely examine where we want industry to go, and how we get there.

Mr. Speaker, I urge my colleagues to vote for these important bills.

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Mr. NEAL of North Carolina. Mr. Speaker, I yield 2 minutes to the gentlewoman from New York [Mrs. MALONEY].

Mrs. MALONEY. Mr. Speaker, I thank the chairman of the subcommittee for his leadership on this issue.

Mr. Speaker, I rise in strong support of the conference report on the Riegle-Neal Interstate Bank Efficiency Act.

Passage of this legislation will bring Federal banking laws into the modern age.

Mr. Speaker, interstate banking and branching already exists in the United States.

But the lack of comprehensive Federal legislation, like this bill, has led to wasteful administrative impediments to efficient bank operation that would benefit both the consumers and the banks.

I believe that passage of this legislation is wholly consistent with the efforts of this Congress to reinvent government by eliminating outdated and unnecessary regulatory obstacles to economic growth.

I believe so strongly in the merits of this issue that I introduced legislation, H.R. 3129, that would allow consolidation of existing interstate banks.

The provisions of my bill would allow banks to run all of their State branches under a single administrative structure instead of being required to establish costly duplicative structures in every State in which they operate.

Many economists believe that consolidation alone will provide banks with enough savings to create hundreds of millions of dollars of available credit for lending to the public and to business.

I am particularly pleased that virtually all the provisions of my legislation are included in this conference report.

Passage of this conference report will foster competition and expand banking resources for people and businesses around the country.

I believe that competition leads to healthier banks and lower costs for businesses and consumers.

I fully expect that even in New York City, that many mistakenly believe will only be an exporter of new branches, we will see new banks coming to town.

I also share the sentiments of Federal Reserve Board Governor Eugene LaWare, who testified before our committee saying, "Greater geographic diversification would have provided more stability over the last decade to banks operating in the agricultural areas of the Midwest, the oil patch of the Southwest and the high-tech and defense regions of New England and California."

Mr. Speaker, for all of these beneficial economic reasons, I urge my colleagues to pass this bill.

Mr. NEAL of North Carolina. Mr. Speaker, if the gentlewoman will yield, may I just say briefly that I want to thank the gentlewoman for her leadership on this issue. She has been an early and longtime supporter of this legislation, and we appreciate her very creative efforts.

Mr. MCCOLLUM. Mr. Speaker, I yield 2 minutes to our distinguished colleague on the Committee on Banking, Finance and Urban Affairs, the gentleman from Delaware [Mr. CASTLE], who is the former Governor of that State.

Mr. CASTLE. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I thank the distinguished gentleman from Florida [Mr. MCCOLLUM], and to him and to the gentleman from North Carolina [Mr. NEAL] I would really like to offer my thanks for this legislation. We do this routinely when we get up to speak, but I think in this instance it is richly deserved. These two Members, along with the gentleman from Massachusetts [Mr. FRANK], the gentleman from Nebraska [Mr. BEREUTER], and others who have an interest in this, have, I think, worked extraordinarily hard to take one of the most complicated subject matters we deal with in this Congress and put it into legislation that hopefully virtually every Member in this particular Chamber will support.

I come from a State, the State of Delaware, that has some very unique banking laws. We have had no bank failures. We have unusual capital requirements and unusual regulations, and, frankly, I came here with one concern, and that is to make sure that interstate banking did not in some way gut what we have in the State of Delaware. That was not an easy thing to do, but working with these gentlemen and their staffs and other people on this committee, we have indeed crafted a piece of legislation which not only protects the States by delaying the starting date for branching, for example, until 1997 and protecting the State taxing authority, but, in my judgment enhances what we have at the State level. We have indeed protected the duel banking system which is so important to the United States of America, and yet we have spread the opportunity for banks to go across State lines so people can have that convenience.

So it is with all those things in mind that I join what appears to be a flood of support for this particular legislation. I hope we can pass it today, and I hope this will improve the entire banking situation and improve the economic circumstances for Americans across this country.

Mr. NEAL of North Carolina. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Virginia [Mr. MORAN].

Mr. MORAN. Mr. Speaker, I just want to say for the record that having served on the Committee on Banking, Finance and Urban Affairs and on the Subcommittee on Financial Institutions when we worked for many, many months in trying to get an interstate banking bill to the floor that would pass, although I am sure others have said this before me, I want to give a great deal of credit to the chairman of the Subcommittee on Financial Institution Supervision, Regulation and Deposit Insurance, the gentleman from North Carolina [Mr. NEAL] and his excellent staff for getting this bill out.

This is a very important bill. It is important to the economy of the United States. It recognizes the trends that have taken place throughout our economy. Customers are going to be better served, our economy is going to be more stable, and we are going to be more globally competitive with this bill. It is a very good bill. I strongly support it, and again my hat is off to the Members on both sides of the aisle and their staffs for their support on this, because it is a product that we should have been able to pass before and one that I am glad we can pass today.

Mr. MCCOLLUM. Mr. Speaker, I have no other speakers on this side, but I do yield myself such time as I may consume in order to make a couple of comments.

First of all, I would like to say that the significance of this bill cannot be overstated in the banking world. The interstate banking bill is one of the most important pieces of legislation that will pass with regard to this entire Congress, and it is certainly one of the most important pieces of legislation in the community of banking interests to pass in a long time. While it is going along with quite harmony today, as it did on the floor a few months ago when we came up and brought out the bill originally, this conference report is still very, very significant and important.

I would also like to close by making my adieus to my good friend and colleague, Mr. STEVE NEAL. He and I have served together for some time. The gentleman is going to be missed. I

think it is only appropriate that this bill go down with your name on it. I like the idea of calling it the Neal-Riegle bill better, like some of the gentleman's colleagues said earlier. I have been your ranking Republican not only on the drafting of this bill this year, but I was also in previous Congresses your ranking Republican serving side by side with you while you were chairman of a couple of other subcommittees, including the one overseeing the Federal Reserve, and I have had no Member I have enjoyed working with on that side of the aisle more than STEVE NEAL.

So you are going to be missed, and I join my colleagues in complimenting you on your great service and tenure here and on this bill.

With that in mind, Mr. Speaker, and urging my colleagues to agree to this conference report, I yield back the balance of my time.

Mr. MFUME. Mr. Speaker, in March when the House of Representatives brought H.R. 3841 to the floor under suspension of rules, I made my concern clear regarding the lack of certain consumer provisions in the legislation. I must, again, make my concern clear today.

First, let me indicate, that I am glad to see movement on interstate banking. Interstate banking is much needed legislation in that it gives banks the kind of organizational and operational flexibility that is so very desperately needed. In my opinion, this legislation is long overdue.

But another reality surrounding movement on interstate banking legislation is the fact that we are, for the first time, bestowing new powers upon the banks, and we are not asking the banks to meet the credit needs of the local communities. Strengthening the requirements for banks to meet the credit needs of local communities is action that is also desperately needed.

As many know, Mr. Speaker, several members of the Banking Committee worked to include language in this interstate bill that would have substantially brought consumer rights into this legislation in a meaningful way. Ironically, the Banking Subcommittee on Financial Institutions is holding a hearing next week regarding ways to increase access of low- and moderate-income Americans to financial services. The subcommittee may do well to review the issues surrounding the debate over interstate as well.

The language that was previously sought provided that lenders would demonstrate how they will meet the credit needs of lower and moderate-income consumers in the areas where they wish to open a branch; that lenders not be allowed to branch across State lines if they have a demonstrated pattern of closing branches in low- and moderate-income areas; and that the biggest banks report information on loans to small businesses, including minority-owned businesses, so as to reduce commercial lending discrimination.

Mr. Speaker, I was told by Mr. NEAL that these issues will be carefully looked at and reviewed. Maybe next week's hearing is, in fact, the start of such a review. I still contend that an opportunity to really do something about these consumer issues passed us by during consideration of this legislation. However, because of the assurances I have received and because of my sincere interests in making banks more efficient, I will support the passage of the conference report before us today. But let the record show, Mr. Speaker, these consumer issues will not go away, and I will work to see that these issues receive the action and attention that they deserve also.

Mr. NEAL of North Carolina. Mr. Speaker, I yield myself such time as I may consume.

First, let me thank the distinguished gentleman from Florida [Mr. MCCOLLUM] for his kind comments. I have also enjoyed working with him over these many years.

Mr. Speaker, I also want to take a moment to thank our outstanding staff. BILL and I have worked hard together on this matter and on many other issues for many years on the committee. We are often mentioned, but our staffs do not get the recognition they so richly deserve. I would just briefly like to mention the names of the members of our staff. They are such fine people, and they are so dedicated, and in this small way I would like to recognize their absolutely fabulous efforts.

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Peter Kinzler is our staff director, and he is ably assisted by Ken Swab and Heidi Thomas and Barbara Shycoff and Paul Hannah, and all of us by our support staff, Pam Littlejohn and Carol Lambka.

You know, an awful lot of work goes into producing these bills, a lot of technical work, a lot we do not see.

Mr. MCCOLLUM. Mr. Speaker, will the gentleman yield?

Mr. NEAL of North Carolina. I yield to the gentleman from Florida.

Mr. MCCOLLUM. Mr. Speaker, I wanted to join in thanking them in particular. I might add two minority staffers I should have acknowledged over here and have done yeoman work with the committee on the Republican side. John Heasley and Stacy Kincaid have done the same type of job your staff has. It has been a pleasure for us to work with all of the staff this time, yours and mine.

Mr. NEAL of North Carolina. That is absolutely correct, and our staffs work together in a very fine bipartisan way.

Mr. Speaker, this legislation will enormously benefit consumers all across this country. It will help strengthen the banking system, make business run more efficiently, reduce the likelihood of regional downturns, of the negative impact of regional downturns in the economy. It is really very fine legislation, and I feel certain we will approve it overwhelmingly.

Mr. VENTO. Mr. Speaker, I rise in strong support of H.R. 3841, the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994. This legislation is needed and worthy of our positive consideration. I would like to recognize the hard work of Banking Subcommittee Chairman NEAL who has long sought this policy, as well as my other colleagues on the House Banking Committee for their efforts and leadership on this important legislation.

This legislation is an overdue policy that sets forth a rational process in national interstate banking and branching. For too long, banks have operated under out-dated constraints. These constraints hampered efficiencies in operations and established artificial barriers to competition that hurt the consumer.

Nation-wide banking branching is a policy change that needs to be implemented today. There is a positive consensus that interstate banking and branching translates into savings and efficiencies for the banks, increased competition and opportunities for consumers, and increased diversification for insured financial institutions—and this leads to modernization and improved health and viability of financial institutions enhancing crucial safety and bank soundness factors.

In 1991, the House recognized the positive benefits of interstate banking and branching by approving, with a vote of 366 to 4, the bipartisan compromise, which is the foundation of this measure we are acting upon today. I initiated and crafted this with the help and support of key provisions from Members BEREUTER, NEAL, WYLIE and Chairman GONZALEZ. This consensus approach was maintained in the Interstate bill, H.R. 3841, which the House approved this March 1994.

The conference report now pending before us establishes a different mechanism for interstate branching. While the structure is modified, the pending bill again maintains the essence of the consensus bill, which I drafted. The conference report maintains a balanced approach reflecting the significant compromises and important protections for consumers and local communities.

An important feature of the bill is that it maintains a positive role for the States. Under this bill, States have 3 years to opt-out of the interstate branching network. As an additional protection for States rights, the legislation specifically protects State deposit caps and applies State consumer protection, fair lending, intrastate branching, and community reinvestment laws to branches of out-of-State banks, unless pre-empted or upon a determination of discriminatory effect by the U.S. Comptroller of the Currency. In fact, the statement of managers' language includes an important clarification on the authority of the Comptroller and the proper policy that should be followed in considering preemption requests. Finally the conference report provides for State-by-State Community Reinvestment Act evaluations.

As Representatives, we must be concerned about the safety and soundness of the Federal

Deposit Bank Insurance Fund. Through regional diversification, banks should be stronger and better able to withstand local economic or natural disasters. In addition, H.R. 3841 includes a key safety factor by limiting interstate branching to adequately capitalized and well-managed institutions and by requiring the regulator to determine that the new institution will be adequately capitalized and adequately managed.

I urge my colleagues to support H.R. 3841. While some may counsel delay, I do not believe that delay is warranted nor prudent. Today, the profitability of banks and the marketplace are stable. Action on this legislation will send a message to reinforce and enhance the soundness, certainty, and predictability of our national financial institutions' policy path.

Mr. Speaker, we need the banks and the banking role to remain an integral part of our financial community. We need these financial institutions to make loans to small businesses, to provide a full range of financial services to our constituents and to be a leading force in our communities.

As we talk of competing on the information superhighway, we cannot do it with financial institutions built like Ford's Model T. We cannot expect banks to make positive contributions if we tie their hands to an out-dated State by State law and rule. We should in 1994, finally, permit banks to compete in our national financial marketplace and to remain a viable force, the role the U.S. economy has relied upon for over 200 years. H.R. 3841 is an important step in achieving that goal. I urge the adoption of the conference report.

Mr. CASTLE. Mr. Speaker, I rise in support of the conference report on H.R. 3841. I believe the time for interstate banking and branching has come and I am pleased that the House and Senate have been able to produce a balanced bill which will make banking more efficient for business and more convenient for consumers, while protecting the ability of States to adjust their laws and prepare for the implementation interstate banking and branching.

I am particularly pleased that the conferees have agreed to set June 1, 1997, as the date interstate branching can begin. The House bill would have permitted branching through consolidation of subsidiaries as soon as 18 months after enactment of the bill. The later date of June 1997, will give all State governments adequate time to decide if they want to participate in interstate branching. This is especially important to States like Delaware which have an active and vibrant State banking business.

When the House Banking Committee was considering the interstate bill, Congressman CRAIG THOMAS and I offered an amendment in committee to provide a 3-year time period before all forms of branching could begin. While the amendment was not adopted in committee, I am very pleased that the House and Senate conferees ultimately adopted the 1997 date.

In addition, I want to thank Chairman NEAL, Chairman GONZALEZ, and Mr. LEACH and Mr. MCCOLLUM, for working with me to clarify the bill's language relating to a State's tax authority. The House bill and report protect a State's authority to tax the affiliates of banks and bank holding companies. With the support of Senator BILL ROTH, the Senate agreed to this language and the conference report reflects this agreement. I appreciate my colleagues' cooperation on this important issue.

I want to thank Chairman NEAL in particular for his efforts in crafting legislation which is fair and balanced. This legislation will provide a variety of benefits to businesses and consumers and I support enactment of H.R. 3841.

Mr. LAFALCE. Mr. Speaker, I rise in support of the legislation. It is long past time for Congress to enact interstate branching legislation. Indeed, the market has, over the past decade, formed its own interstate banking system. However, today's legislation is needed to allow nationwide banking to be done more efficiently and rationally—through branches in various States, rather than through separately capitalized banks in various States. The benefits to American consumers, business borrowers, the banking industry, and the overall economy are clear.

The success of the U.S. economy is based on the free flow of goods and capital across State lines. Interstate commercial activities have long been the accepted mode of operation in this country. It has always seemed anomalous to me that products of every description could move so readily across State borders as a natural part of interstate commerce, but banking services could not. These arbitrary restrictions on interstate operations and the costs they have imposed have had several adverse consequences: they have inhibited the development of truly national banking institutions in this country; diverted funds to duplicative corporate structures that might better have been spent on customer services or community reinvestment; and forestalled the geographic diversification that could help alleviate the adverse impact of regional economic downturns on this Nation's banks.

Perhaps the most unfortunate result of this inefficiency in the banking system has been reduced credit availability and increased consumer frustration. The time is long overdue for us to make the U.S. banking system as efficient as the rest of our economy. This legislation will make that possible.

This legislation recognizes the fundamental connection between the strength and competitiveness of our banking industry and the strength and competitiveness of our economy. Ultimately, the cost of restrictions and inefficiencies in our banking system is slower economic growth.

The benefits of interstate branching legislation are significant. First, by increasing geographic diversification, interstate branching will result in a safer and sounder banking system. A safer and sounder banking system will, in turn, result in a more stable and prosperous economy.

The benefits of geographic diversification in the banking industry have unfortunately not been fully appreciated in the past. An interstate branching structure will reduce any individual bank's exposure to downturns in a single regional economy. Regional economic downturns have in the past decade been the source of many bank and thrift failures. Such failures have drastically reduced the credit available to affected communities, thereby exacerbating existing weaknesses in a local economy. Had there been a nationwide branching structure in place permitting geographic diversification, fewer banks and thrifts might have failed in the 1980s. As a result, the regional economic downturns that occurred in various parts of the country in the 1980's might well have been far less devastating. The structure of our banking system has had a profound effect on the health of the underlying economy in the past. This legislation will ensure that effect is a positive one in the future.

The second major benefit of interstate branching will be the increased credit availability it brings to our communities. Under the current banking system banks must dedicate valuable capital to establishing separate banks in each State. With interstate branching, banks will be able to use their capital as the basis for more loans rather than using it on duplicative corporate structures.

We are all consumers of financial services. A more efficient, more competitive banking system provides the best assurance of providing all consumers—individuals, corporations, small- and medium-sized businesses, and governments—with access to a broad array of financial services at reasonable prices. The result of increased credit availability will be higher levels of economic growth and higher levels of employment.

In the past, there have been concerns that under interstate branching, States currently exercising authority over banks operating within their borders would lose that authority. As the conference report states, States have a legitimate interest in protecting their consumers, businesses, and communities. This legislation fully recognizes the crucial role States play in regulating financial institutions within their borders and particularly in protecting their consumers.

Specifically, the bill applies the laws of the host State regarding community reinvestment, consumer protection, fair lending, and establishment of intrastate branches to the interstate branches of national banks established in the host State to the same extent as those laws apply to a branch of a State bank. The exception to this is when Federal law preempts the application of the State laws to a national bank, or when the Comptroller of the Currency determines that the State laws have a discriminatory effect on the branch compared to their effect on a branch of a State bank. In this way, the Comptroller of the Currency plays a key role in maintaining the balance that currently exists between Federal and State law under the dual banking system. This legislation intends to maintain that balance.

Furthermore, the taxation authority of States and their political subdivisions with regards to banks is unaffected by this legislation.

This bill also addresses the legitimate concerns often expressed by consumer groups in the past about the impact that interstate branching might have on local communities. First, CRA evaluations by regulators on large banking organizations with interstate branching networks are required under this legislation, not just on the institution's overall performance, but also in each State in which the bank maintains branches. Moreover, each State-by-State evaluation must present information separately for each metropolitan area

within that State in which the institution maintains a branch, and for the nonmetropolitan area of the State if the institution has a branch in such area.

Second, this bill addresses the historical concerns of consumer groups that interstate branching would enable large banking organizations to take deposits out of local communities, ignoring the credit needs of that community. The bill will severely restrict the ability of banks to engage in this type of activity, requiring bank regulators to develop regulations to prevent interstate branches from being used as mere deposit production offices.

This bill also attempts to maintain the policy of national treatment for foreign banks operating in the United States. Doing so is important if the United States hopes to gain greater market access for U.S. financial institutions in foreign markets.

Once again, this legislation is much needed and long overdue. I urge its passage.

Mr. NEAL of North Carolina. Mr. Speaker, with that, I yield back the balance of my time, and I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON H.R. 3474, RIEGLE COMMUNITY DEVELOPMENT AND REGULATORY IMPROVEMENT ACT OF 1994

Mr. NEAL of North Carolina. Mr. Speaker, pursuant to House Resolution 506, I call up the conference report on the bill, (H.R. 3474) to reduce administrative requirements for insured depository institutions to the extent consistent with safe and sound banking practices, to facilitate the establishment of community development financial institutions, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 506, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of August 2, 1994, at page 19149.)

The SPEAKER pro tempore. The gentleman from North Carolina [Mr. NEAL] will be recognized for 30 minutes, and the gentleman from Nebraska [Mr. BEREUTER] will be recognized for 30 minutes.

The Chair recognizes the gentleman from North Carolina [Mr. NEAL].

GENERAL LEAVE

Mr. NEAL of North Carolina. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the conference report on H.R. 3474.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. NEAL of North Carolina. Mr. Speaker, I would like to do something out of the order a little. Let me point out to the membership we are holding hearings on Whitewater in our committee, and the gentleman from Massachusetts [Mr. FRANK] is an important part of that. He had planned a colloquy a little later in the session. I would like to interrupt the normal flow of events and enter into that colloquy with him now so he might return to the hearing.

Mr. Speaker, I yield such time as he may consume to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK of Massachusetts. Mr. Speaker, this is an important point where I believe some of our friends on the other side kind of overwrote what they were trying to accomplish, and I would like to get us to what it seems to me was intended by the conference. This is a colloquy I would like to have about section 331, relating to the Secretary of the Treasury's review of rulemakings of two bureaus under the Treasury, the OCC and the OTS.

Mr. Speaker, the language of section 331 regarding OCC and OTS rulemakings which Senator RIEGLE and I proposed and which the conferees accepted, states that "[t]he Secretary of the Treasury may not delay or prevent the issuance of any rule or regulation promulgated by the [OCC or the OTS]." The amendment does not state, nor does it imply, that the Secretary's role in reviewing and coordinating proposed regulations of its bureaus will be abrogated or otherwise adversely affected, does it Mr. Speaker?

Mr. NEAL of North Carolina. No. the language does not disturb the existing working relationship between the Treasury and its bureaus.

Mr. FRANK of Massachusetts. And as I recall, because I was one of those who proposed the compromise, the intent of the conferees was not to prohibit the Treasury's involvement in OCC and OTS rulemakings, but was to ensure that the Treasury does not, in the course of its review of proposed regulations, delay those regulations in a manner that is unreasonable under the circumstances or that effectively prevents their issuance. The term "delay," as used in section 331, does not include the time reasonably required for the Secretary to review proposed regulations and ensure their consistency with other regulations and with sound financial institutions policy, would you agree?

Mr. NEAL of North Carolina. The gentleman is correct.

Mr. FRANK of Massachusetts. And this is what is intended by the managers' statement is it not, Mr. Speaker? The managers' statement makes clear that section 331 does not preclude the Treasury from communicating its policy goals and objectives regarding a rulemaking, nor does it preclude a review process that does not block, delay, or force the rewriting of regulations?

Mr. NEAL of North Carolina. That is correct.

Mr. FRANK of Massachusetts. So we can expect the Secretary's role in reviewing proposed regulations, and again I wanted to stress on broad policymaking, not on a case-by-case situation, we can expect that role to continue, and appropriately so?

Mr. NEAL of North Carolina. Yes, the gentleman is correct.

Mr. FRANK of Massachusetts. Mr. Speaker, I think that is all that we have to cover. Let us say again, if I might, briefly and I did want to stress since you mentioned the hearings, the gentleman from Florida is correct when he talked about the significance of the interstate bill. This is also a significant bill. I think people ought to take note of the fact that the Committee on Banking, Finance and Urban Affairs is capable simultaneously of having differences discussed in the hearing room and at the same time working together on a completely bipartisan basis to bring forward legislation that is going to improve the functioning of the economic system in the United States.

Mr. NEAL of North Carolina. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today to urge the adoption of the conference report on H.R. 3474, the Riegle Community Development and Regulatory Improvement Act of 1994.

Mr. Speaker, I first would like to compliment the chairman of the Banking Committee, Mr. GONZALEZ, and the ranking minority member, Mr. LEACH, for their leadership on this legislation. I would also like to salute the gentleman from New York [Mr. FLAKE] for his work on the community development component of this legislation, Mr. BEREUTER and Mr. BACCHUS of Florida for their efforts on the regulatory reform issue, and Mr. KENNEDY for his work on the consumer protection provisions.

This conference report is the result of a lot of hard work on the part of these and other members of the Banking Committee for the past year and a half.

It incorporates the Community Development Banking and Financial Institutions Act of 1993, passed by the House last November, which includes both a community development banking and a regulatory reform title; the Money Laundering Suppression Act of 1994, adopted by the House this past March; and the National Flood Insurance Reform Act of 1994, passed by the House in May.

This conference report contains five major titles. Let me briefly describe each of them.

Title I establishes a Community Development Financial Institutions Fund, as requested by the administration, to provide financial and technical

assistance to community-based financial institutions [CDFI's]. In turn, these CDFI's will provide credit and technical assistance to qualified distressed communities.

This title also seeks to harness the expertise and resources of traditional financial institutions for community development purposes by funding and making various changes to the Bank Enterprise Act [BEA] program which provides such institutions with incentives for lending to qualified distressed communities.

This legislation authorizes $382 million for fiscal years 1995 through 1998, with one-third of the money designated for the BEA program.

In addition, this title provides consumers with protections against reverse redlining, the practice of providing credit on unfair terms within certain geographic boundaries based on race or ethnicity.

Title II is designed to increase small business access to capital by removing impediments to the securitization of small business loans and leases and by authorizing $50 million to expand State-run capital access programs for small businesses. This title also removes impediments to the securitization of commercial mortgages.

Title III contains approximately 50 provisions designed to provide regulatory burden relief, primarily for smaller banks, by repealing outdated and duplicative provisions.

These provisions direct regulators to consider regulatory burdens and benefits when developing new regulations; require more coordinated and unified examinations of financial institutions; lengthen the exam cycle for certain small, well-capitalized institutions; simplify CALL reports; require regulators to establish a regulatory appeals process, an ombudsman's office and an alternative dispute resolution program; and make various changes to simplify the formation of bank holding companies; among many other things.

Title IV will reduce the filing of unnecessary currency transaction reports that have little or no value to law enforcement authorities, thereby reducing the paperwork burden on financial institutions and improving the ability of law enforcement officials to combat money laundering.

Finally, title V will modernize and reform the National Flood Insurance Program.

Mr. Speaker, taken together, this legislation will help ensure that Americans in downtrodden communities have access to more of the opportunities the rest of us take for granted. It will ensure that bankers can spend less time completing regulatory paperwork and more time making loans. It will increase the flow of credit to businesses across the country. And it will protect consumers from unfair credit practices and protect homeowners from the losses caused by devastating floods.

This is important legislation and I encourage all Members to join with me in supporting this conference report.

Mr. GONZALEZ. Mr. Speaker, I am happy that today the House will cast its final vote on a program that offers support to our Nation's low-income and distressed communities. Right now, in almost all of our hometowns, community development financial institutions are at work building affordable housing, helping small businesses get off the ground, and providing essential basic financial services to those who have not historically been able to afford them. H.R. 3474 contains the President's initiative to establish a fund to provide financial and technical assistance to build greater capacity in these community lenders. While this program is not a panacea for distressed communities it does offer hope for their residents who have too often been bypassed by the financial services industry.

As my colleagues may remember, the House version of H.R. 3474 passed under a suspension of the rules. It contained only two titles—the community development financial institutions program that I just described, and several changes to banking law that will streamline bank regulation. However, during the Senate's consideration of this bill, many other items were added which remain in the conference report before the House today. These include: a program to increase credit availability for small businesses, a measure to better protect consumers from abusive home equity lenders, improvements to the Federal Flood Insurance Program, and the Money Laundering Suppression Act, which also passed the House under suspension of the rules.

H.R. 3474 contains very progressive and much needed consumer protections in title I, subtitle A, known as the Home Ownership and Equity Protection Act. This act amends the Truth in Lending Act to provide enhanced consumer protections for home equity loans with inflated interest rates or particularly high loan points and fees. Under the Home Ownership and Equity Protection Act, lenders that make these mortgages must provide consumers with additional disclosures so that consumers are fully aware of the terms of the loan, including that they could lose their homes if they default on payments. Additionally, this act prohibits certain loan terms that are most likely to cause hardships for low income consumers, particularly, prepayment penalties, balloon payments, and negative amortization. Finally, the act provides for State attorney general enforcement of the provisions, additional civil remedies for consumers, and the maintenance of consumer rights against assignees of these mortgages.

Title II will increase small business access to capital by removing impediments in existing law to the securitization of small business loans and leases. In addition, this title will also facilitate the establishment of capital access programs by the States. Those programs are designed to assist new and developing businesses and the creation of jobs. Congressman KANJORSKI, as chairman of the Economic Growth Subcommittee deserves credit for his work on this title.

Title III includes numerous provisions intended to reduce regulatory burden and streamline needlessly complex regulatory requirements. Among the regulatory improvements are the streamlining of application requirements, the establishment of procedures at the Federal banking agencies to address questions and concerns of consumers and financial institutions, depository institution call report simplification, and a directive to the Federal banking agencies to coordinate, and eventually unify, examinations of institutions in holding company structures subject to oversight by more than one Federal regulator.

Although many of the reforms in this title ease regulatory burdens, none of the measures impose any greater risks on the safety and soundness of insured depository institutions. All of the provisions have been carefully drafted to ensure that adequate protections and safeguards are retained, and that consumers' rights and benefits are not curtailed. In addition, several of the streamlining reforms tighten existing standards, such as the amendments to the Management Interlocks Act that require the Federal banking agencies to review the necessity for continued extension of otherwise prohibited interlocks that have been grandfathered for over 15 years.

Regarding the money laundering reforms in title IV, the General Accounting Office testified before the Banking Committee in May of 1993 and reported that the number of currency transaction reports [CTR's] submitted by financial institutions to the Federal Government was rising dramatically. In fact, the number of CTR's was nearing 10 million on a yearly basis and was seriously threatening the effectiveness of the Federal Government's computerized system—one of the most potent weapons we have against money laundering. Title IV directs financial institutions to submit CTR's for only those currency transactions over $10,000 that provide law enforcement officers with real and useful information. In addition, title IV further perfects Federal and State efforts to track and detect money laundering activities.

Title V contains important reforms to improve the operation and financial condition of the National Flood Insurance Program. The provisions will improve compliance with mandatory purchase requirements by lenders and secondary market purchasers, establish a supplementary mitigation insurance program to reduce claims, and requires a study of other issues for possible legislative action in the future, including the mapping of erosion hazard areas. I commend Congressman KENNEDY for his work on this title.

□ 1230

Mr. BEREUTER. Mr. Speaker, this Member rises in strong support of the Community Development Banking and Regulatory Improvement Act.

Mr. Speaker, I yield 2½ minutes to the distinguished gentleman from Florida [Mr. GOSS].

Mr. GOSS. Mr. Speaker, I thank the distinguished gentleman from Nebraska for yielding time to me.

Mr. Speaker, I and many others are most pleased that the House is moving on this conference report today.

Among other things, H.R. 3474 will provide assistance to community-based financial institutions, will make it easier for small businesses to have access to capital, and it will provide some much-needed regulatory relief for many smaller banks. In addition, this conference report contains a package of reforms for the National Flood Insurance Program, which is of particular interest to people in my district of southwest Florida, and anyone who lives in a coastal or riverine community. Due to exemplary local management of the NFIP, Florida has consistently been a net donor to this program. Unfortunately, in other areas, the NFIP has been experiencing regular and repeated losses, threatening the solvency of the program. Earlier this year the House passed a flood insurance reform bill, H.R. 3191. This bill was a mixed bag—while it contained some sound, sensible measures, it landed wide of the mark in several places.

Fortunately, the flood insurance reform package included in this conference report is greatly improved. As passed by the House, H.R. 3191 would have:

Created a new purpose for the NFIP, completely unrelated to insurance issues—while providing no measurable benefit, this new purpose could have been a major liability for both local governments and FEMA.

In addition, the bill's original language establishing the community rating system was ambiguous, and there were concerns that it could have been used as a back-door means of creating the infamous erosion hazard zones which threatened the economic viability of coastal communities in Florida and other Coastal States.

Finally, the original mitigation assistance program would have been overly burdensome for individuals.

I am happy to say that each of these problems has been addressed in this conference report. I would like to thank my colleagues on the Banking Committee for listening to the comments of the Florida delegation and working to improve this bill in conference.

Mr. Speaker, this is, I think, true deliberative democracy. We have a good product. I urge its support.

Mr. BEREUTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this Member rises in strong support of the Community Development Banking and Regulatory Improvements Act conference report and urges its adoption. This Member would like to thank the chairman of the House Banking Committee, the distinguished Member from Texas, Mr. GONZALEZ, and the ranking minority member of the House Banking Committee, the distinguished Member from Iowa, Mr. LEACH, for their very supportive attitude and assistance in securing a strong bank burden-relief section in this measure. This Member declares victory in his longstanding effort to reduce regulatory burdens for safe and soundly managed depository institutions—an issue that will benefit customers as well as financial institutions.

Indeed, H.R. 3474 addresses many important issues that have been before the Banking Committee for the last several years. This conference report, in conjunction with the companion bill on interstate banking and branching, represent profound changes that will increase investment in underserved communities and small businesses, and will, on the whole, lead to a more efficient financial services industry.

The conference report contains six titles. Title I concerning Community Development and Consumer Protection establishes a Community Development Financial Institutions Fund, as requested by the administration, to provide financial and technical assistance to community-based financial institutions. This title also funds the Flake-Ridge Bank Enterprise Act program which promotes community lending by traditional financial institutions. The bill authorizes $382 million for this purpose for fiscal years 1995 through 1998, with one-third of the money designated for the BEA program. I am pleased that the administration has now indicated its strong support for the BEA and its commitment to funding the program.

Title II on securitization removes impediments in existing law to the securitization of small business loans and leases, as well as commercial mortgages, with the intention of increasing access to capital. Title II also authorizes $50 million to expand State-run Capital Access Programs for small businesses.

Title III on regulatory burden relief contains approximately 50 provisions designed to provide regulatory relief primarily for smaller banks by repealing outdated and duplicative provisions, and would direct regulators to consider regulatory burden when developing new regulations. The Title is based on legislation I first introduced in the 102d Congress and reintroduced last year with Mr. BACCHUS of Florida.

This Member has been concerned, for quite some time, about the increasing amount of mindless or unnecessary regulation heaped on banks and thrifts and the resulting rising costs to consumers in fees. For example, this Member sponsored with a colleague an amendment to the 1991 Federal Deposit Insurance Corporation Improvement Act, FDICIA, that called on the regulators to examine existing regulations and their specific impact on small banks. At the beginning of this session, this Member introduced two comprehensive bills to reduce regulatory burdens on financial institutions:

H.R. 59, the Depository Institution Burden Relief Act of 1993; and

H.R. 962, the Economic Growth and Financial Institutions Regulatory Paperwork Reduction Act of 1993, introduced February 18, 1993, along with his colleague, the distinguished gentleman from Florida, Mr. JIM BACCHUS.

Indeed, this Member would like to especially express his very sincere appreciation to the distinguished gentleman from Florida, Mr. JIM BACCHUS, this Member's cohort in the battle against undue regulatory burdens. His was an active and crucial role in our joint, bipartisan effort to bring a regulatory burden relief conference report to the House Floor today. Although the gentleman has chosen to retire from this House at the end of this Congress, his contributions to regulatory burden-relief for sound financial institutions is but one more of many reasons why his contributions as an active and courageous legislator will be sorely missed.

With respect to regulatory burden-relief, this Member has sought a legislative remedy based on two principles:

First, to provide regulatory relief only for those institutions which are—according to accepted and existing criteria—safe, financially sound, and prudently managed; and

Second, to require the regulators to discard stale regulations, but in a manner that does not affect bank regulators' authority to ensure that a financial institution is operating in a sound and lawful manner. Certain of the specific provisions of title III bear particular mention. Section 306, for example, would lengthen the exam cycle for certain small, well-capitalized institutions to allow these institutions to be examined every 18 months instead of every 12 months.

Section 309 would require each banking agency and the National Credit Union Administration [NCUA] to appoint an ombudsman to act as liaison with respect to any problem that any party may have in dealing with the agency. The Conferees recognized that implementation of these provisions could impose an undue burden on certain Federal agencies with limited staff and budgetary resources. Specifically, it would be expected that the NCUA might meet the requirements by an appropriate part-time employee. Nonetheless, it is intended that these provisions be carried out by each agency identified in this section.

Section 331 clarifies provisions relating to administrative autonomy by providing the FDIC, the Federal Revenue Board and the Office of the Comptroller of the Currency with exclusive authority to conduct litigation through their own attorneys.

Section 342 includes a provision which would require the Federal banking agencies to complete their regulatory review of the Community Reinvestment Act at the earliest practicable time.

In addition, title III contains other notable regulatory relief provisions, including those which would streamline regulatory requirements, eliminate duplicative filings, coordinate and unify examinations, simplify call reports, improve holding company audit requirements, expedite procedures for forming a bank holding company, simplify disclosures for existing depositors, and establish a new notice procedure for bank holding companies to seek approval to engage in certain activities.

Title III is strongly supported by the regulators and the financial industry. These regulatory improvements will lead to increased industry efficiency and consumer benefits.

Title IV of the conference report regarding money laundering reduces the filing of unnecessary currency transaction reports that have little or no value to law enforcement authorities, thereby reducing the paperwork burden on financial institutions.

Title V on flood insurance modernizes and reforms the National Flood Insurance Program. While I know that some Members, including this Member, would have liked to have seen certain additional reforms included, I am nevertheless satisfied that this legislation will make some helpful changes to existing law. I want to mention five reforms to the NFIP in particular.

Title V, of which the chairman, Chairman KENNEDY, of the subcommittee, has worked very long and hard with great energy and perseverance, does take modest steps forward. We had hoped for more, both he and I, but it does modernize and reform the National Flood Insurance Program.

There is more that could be said about that, but I think that the important provisions, the most important improvements are the lender compliance provisions.

Furthermore, Mr. Speaker, title V, the flood insurance provisions included in this conference report, are a small step forward in addressing the solvency and integrity of the National Flood Insurance Program [NFIP]. However, more than just small steps are necessary.

For that reason, this Member is pleased that the Conferees acquiesced to this Member's demand that the reauthorization be for 2 years only. This will provide the Congress with the opportunity to more seriously and comprehensively address shortcomings in the NFIP again in 2 years.

This Member is pleased, however, that under the provisions agreed to in conference, Federal flood insurance will have to have been purchased at least 30 days in advance of a flood event for beneficiaries to be covered. This change initiated and insisted upon by this gentleman closes a loophole in existing law which had allowed persons to wait until the last moment to purchase flood insurance. It is a change which will serve to protect the interests of U.S. taxpayers and the other responsible flood insurance premium payers. It will cause more individuals who should purchase flood insurance to do so routinely to protect against future flooding.

This provision, along with the more important and long overdue additional lender compliance provisions included in the legislation are the strongest points of the flood insurance title of H.R. 3474.

There are about four specific provisions of title V which this Member would vote for his colleagues:

First, title V contains bright line directions for lenders and services who make or service mortgages that are secured by property in special flood hazard areas. It states clearly that they must escrow for flood insurance premiums if they escrow for other items; that they can purchase flood insurance for a property if a borrower fails to do so; and that they will face penalties for noncompliance. This legislation also requires Fannie Mae and Freddie Mac to adopt policies to ensure that the mortgages they purchase that are secured by property in special flood hazard areas are covered by flood insurance for the term of the loan. The effect of these reforms should be to dramatically increase the rate of participation in the NFIP.

Second, title V establishes a grant program for States and communities to fund cost-effective flood control measures such as elevating, relocating, or demolishing flood-prone properties. The grant program is designed to award grants evenly among States and communities and is not intended to fund large-scale projects such as seawalls or levies.

Third, title V expands flood insurance coverage to include the costs of rebuilding structures that are repetitively damaged or substantially damaged, provided they are rebuilt in a manner to withstand future flooding. This is an important reform because, over time, it will remove from the inventory of insured properties those that have cost the NFIP the most.

Fourth, title V requires a study of the economic impact of mapping coastal and riverine areas subject to high rates of erosion. The study will provide Congress with the specific information it currently lacks to make additional reforms to the NFIP.

□ 1240

Mr. Speaker, I reserve the balance of my time.

Mr. NEAL of North Carolina. Mr. Speaker, I yield 1 minute to the gentleman from Maryland [Mr. MFUME].

Mr. MFUME. Mr. Speaker, I want to commend the gentleman from North Carolina [Mr. Neal], the gentleman from Nebraska [Mr. BEREUTER], the chairman of the Committee on Banking, Finance and Urban Affairs, and its ranking minority member, for their work to get us to this point. I also thank their respective colleagues in the other body, and other Members who have worked so hard to get us to where we are today on this conference report.

Mr. BEREUTER. Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from California [Mr. MOORHEAD], the ranking minority member of the Committee on Energy and Commerce.

Mr. MOORHEAD. Mr. Speaker, I rise in strong support of the conference report on H.R. 3474. Of particular interest to the members of the Energy and Commerce Committee are the provisions of the bill relating to the securitization of small business and commercial real estate loans.

The availability of capital is critical for millions of small U.S. businesses as they seek to develop new products, expand facilities and add employees.

In recent years and for a number of reasons, the financing available to small businesses from traditional sources, such as banks, appears to have fallen short of the needs of small businesses. At the same time, many costs of small businesses, particularly those related to regulation, have grown. The result of these trends has contributed to less vitality in the small business sector, which is the traditional backbone of the U.S. economy.

This legislation will help to increase the availability and affordability of credit to small business by removing regulatory obstacles that hinder the securitization of small business loans and leases.

Securitization will enable investors who do not lend directly to small businesses, such as pension funds and insurance companies, to invest in small business loans made by other financial institutions.

This bill also contains measures designed to make the commercial mortgage market more efficient and liquid and to increase the ability of commercial property lenders to obtain fresh capital for new loans. Although real estate markets in some areas of the country have begun to recover, instability and depressed values are still the norm in many regions. This bill will help to facilitate recovery in this important market sector.

I urge my colleagues to join me in supporting this conference report.

Mr. NEAL of North Carolina. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. KANJORSKI].

Mr. KANJORSKI. Mr. Speaker, I rise in support of the conference agreement on H.R. 3474, the Community Development and Regulatory Improvement Act of 1994. This bill represents and important shot in the arm to our Nation's

economy and I believe that many aspects of this legislation are essential for the United States to make long-term gains in the global marketplace.

During the consideration of this legislation, I was particularly active in the parts of the bill dealing with the creation of new secondary markets. For the benefit of our colleagues, I would like to take a few minutes and describe how, under title II and section 347 of this conference agreement, this issue was resolved.

Subtitle A of title II is intended to facilitate the creation of new jobs and stimulate economic growth in the United States by removing impediments in existing law to the securitization of small business loans and leases. This is accomplished by creating a new "small business related security" composed of small business loans and leases made by banks and other leading institutions. These new securities may then be sold to individual and institutional investors.

We expect that as a result of the creation of these new securities, banks and other lending institution will experience increased demand to purchase many of the small business loans they have made and currently hold in their own portfolios. In addition to creating new demand for the purchase of small business loans and leases, the sale of these loans and leases by lending institutions will increase their own liquidity, which should translate into increased lending to small businesses at lower interest rates. In other words, through the use of a secondary market, lending institutions will be better able to turn over and recycle funds as new loans to small businesses.

Under the subtitle's provisions, to enhance the creation of these new small business related securities, these securities are afforded benefits under the Secondary Mortgage Market Enhancement Act of 1984 [SMMEA], including eased margin requirements, permission for insured depository institutions to purchase the securities, and preemption of certain State securities laws. In addition, subtitle A provides that federally insured depository institutions will be required to hold risk based capital only on the portions of small business loans which they retain.

The Subcommittee on Economic Growth and Credit Formation, which I chair, held an extensive set of hearings on the creation of a new and robust secondary market. During this Congress, my subcommittee held six hearings on the need for a new secondary market for all business, commercial, and community development debt and equity investments. This is more hearings than were held by all other House and Senate committees combined. I believe that this conference report is a step in the right direction for robust securitization. At the same time, I am concerned that it does not go far enough.

Mid-size businesses will not share in the opportunities offered by the secondary market because they will not meet the strict definition of a small business as dictated by the Small Business Administration's regulations. Hearings held by my subcommittee have conclusively shown that medium-sized businesses, often called gazelles, are creating an increasingly large proportion of new jobs in the U.S. economy. Across this country, countless healthy medium-sized businesses face the same obstacles as small businesses in securing new financing, or even renewing an established line of credit. Frequently these mid-sized businesses provide a significant share of the jobs in local economies. Nevertheless, these businesses, and their current and potential new employees, are excluded from the benefits of this legislation.

As a result of this legislation, small business and commercial real estate will have access to a newly created secondary market. Large businesses already have access to the capital markets by virtue of their ability to directly issue their own commercial paper. The housing market enjoys its own established and successful secondary market. Medium-sized business will be one of the few sectors of our economy without effective access to a secondary market, putting them at a potentially severe competitive disadvantage.

Ironically, one of the other sectors of our economy left without effective access to a secondary market under this legislation is community development loans. Testimony given during my subcommittee's hearings clearly outlines the very real need for a secondary market for community development loans. Yet, such access is not afforded in the very bill in which we provide for the establishment of community development financial institutions. Many of us in Congress regard the level of funding provided for the creation of community development financial institutions as insufficient. A way to multiply and leverage the limited Federal capital of these institutions would be to allow them to sell all of their loans into the secondary market.

Despite these important missed opportunities, Mr. Speaker, I urge my colleagues to support the adoption of this conference report. While I believe that it is too limited, it is a positive step forward in increasing the availability of capital to small business and, therefore, in promoting economic development.

Mr. Speaker, for the benefits of our colleagues, I would like to highlight one part of subtitle A of title II of this conference agreement. Section 209 calls for the Board of Governors of the Federal Reserve System and the Securities and Exchange Commission to conduct joint studies of the impact of the provisions of this title on the credit and securities markets. The studies will include an evaluation of the impact of this title on the availability of credit for businesses and commercial enterprises in general, and in particular for businesses in low- and moderate-income areas, businesses owned by women and minorities, community development efforts, community development financial institutions, different geographical regions, and a diversity of types of businesses.

It is extremely important that we quickly gain insights into the extent to which the provisions of this subtitle are helping or hurting different types of businesses. During our hearings, concerns were raised that, if left unchecked, this new market may well increase demand for loans of only a limited number of business profiles. This so-called "cherry-picking" by the market may not be troubling in and of itself; however, if it results in decreasing the availability of credit to businesses which do not meet whatever profiles the market finds most desirable, it is critical that we understand if unintended, negative consequences are resulting from this legislation.

These section 209 studies will also examine the structure and operation of these new markets including the types of entities, such as pension funds and insurance companies, that are expected to be significant purchasers of these securities. Again, it is extremely important for us to determine if the structure and operation of these new markets represent a threat to the integrity of pension and insurance funds. If corrective measures are necessary in the future, it is far better for us to recognize this as early as possible. This is particularly true in the case of pension funds.

Let me remind my colleagues that, through the Pension Benefit Guaranty Corporation, the Federal Government is ultimately liable for the costs of large pension fund losses. Throughout my subcommittee's consideration of secondary market legislation, a constant theme I have sounded is the need to ensure that we are not sowing the seeds of a future savings and loan-type financial disaster for our pension funds. I am sufficiently convinced that this legislation does not represent such a threat; however, it is crucial that we have the kind of early warning system that is represented in the section 209 studies. In my mind, this is particularly important given the provisions contained in section 347 of this Act, which incorporate commercial real estate into the existing definition of a mortgage related security, significantly facilitating the securitization of commercial real estate.

Mr. Speaker, facilitating the securitization of small business loans will play an important role in spurring economic growth in this country. For this reason alone, the conference report should be adopted; however, as

many of my colleagues of the Banking Committee have noted, there are many other important reasons to support this legislation. The Community Development and Regulatory Improvement Act of 1994 is the bipartisan byproduct of all our banking subcommittees. It represents hundreds, if not thousands of hours of work over 20 months by our entire committee. Virtually every Member of our committee contributed to this important legislation, and I would like to comment briefly on the other titles of this landmark legislation.

Subtitle A of title I, the Community Development Banking and Financial Institutions Act, is President Clinton's original CDFI bill. Chairmen GONZALEZ, NEAL, KENNEDY, and I jointly introduced the President's bill along with many other members of our committee. Our ranking Republican members, Mr. LEACH, Mr. MCCOLLUM, Mr. MCCANDLESS, and Mr. RIDGE, worked with us on this important legislation to help develop financial institutions and expand the availability of credit for economic growth in underserved areas. I am also pleased that subtitle A also includes the Flake-Ridge Bank Enterprise Act proposal to expand lending to underserved individuals by traditional financial institutions.

Subtitle B of title I, the Home Ownership and Equity Protection Act, prohibits unfair and deceptive practices which have robbed many Americans of their most valuable asset, their home. It also requires better disclosure of the cost and terms of high cost mortgages. This legislation should put an end to the ability of unscrupulous lenders to prey on senior citizens and other vulnerable homeowners and consequently I was proud to join Consumer Credit Subcommittee Chairman KENNEDY in introducing the original bill which eventually became subtitle B of this bill.

I have already described in some detail, the importance of subtitle A of title II which promotes economic growth and credit formation by facilitating the securitization of small business loans and leases, and commercial real estate. Subtitle B of title II will also expand the supply of credit for small business lending by providing Federal matching funds for State programs that provide special reserves to guarantee losses on small business loans. These capital access programs represent a unique partnership among lenders, small business, State governments and the Federal Government. They have the potential to greatly expand small business lending.

Since not all States currently have these capital access programs, it is my strong hope as the subcommittee chairman with jurisdiction over this program that the Community Development Financial Institutions Fund which will administer this program will work particularly closely with States which currently do not have capital access programs to help them set up programs. I also expect that the CDFI fund will work to ensure a fair geographic distribution of Federal funds under this Act.

Title III of the bill provides long overdue regulatory and paperwork reductions for federally insured financial institutions. Special credit should be given to Congressman BACCHUS of Florida and Congressman BEREUTER of Nebraska for shepherding this bipartisan initiative through the Congress. I was pleased to work with them to get rid of statutory and regulatory requirements that were duplicative or had outlived their usefulness. These changes will provide significant relief for financial institutions, making it easier for them to do their real job, providing credit to American consumers and businesses, without jeopardizing the safety and soundness of our financial system.

Title IV of the bill is legislation which has passed the House several times which is designed to reduce money-laundering. By hampering the ability of drug kingpins, organized crime, and even common criminals to launder the proceeds of their ill-gotten gains, we make it more difficult for them to stay in business. Equally importantly, we make it easier for Federal, State, and local officials to track down and prosecute criminals. Chairmen GONZALEZ and NEAL worked diligently on this title which will have the side benefit of reducing the paperwork burden on honest businessmen and financial institutions while simultaneously enhancing the ability of our law enforcement community to catch criminals.

Title V of the bill makes major changes in our Federal Flood Insurance Program. It is an initiative that is very important to northeastern Pennsylvania which, as many of my colleagues will remember, in 1972 was the center of the largest flood in our Nation's history to that date, the flood which accompanied tropical storm Agnes. At my request, former Policy Research and Insurance Subcommittee Chairman Ben Erdreich of Alabama brought our committee to Wilkes-Barre, PA, several years ago on the anniversary of the big flood to learn from the people of northeastern Pennsylvania how the flood insurance program could, and should, be changed.

I am pleased that after Chairman Erdreich's departure his good work on this issue was taken up by Consumer Credit Subcommittee Chairman JOE KENNEDY, who, working with myself, Congressman BEREUTER of Nebraska, and other Members of our committee has produced a bill which will significantly increase both participation in the National Flood Insurance Program and the financial stability of the flood insurance fund. These amendments are the most significant improvements in this program since it was created.

The bill brings into the flood insurance program lenders who were not previously included, it strengthens mandatory coverage requirements and requires escrowing of insurance premiums when an escrow account is established for other purposes like local real estate taxes and fire insurance, it codifies the current community rating system and provides incentives for better floodplain management, it creates a new supplementary mitigation insurance program to reduce the number of properties which are subject to flooding, and it provides direct funding for community mitigation assistance.

I am particularly pleased that the conference agreement includes provisions I added to the original House version of the flood insurance bill which authorize mitigation funds to be used for minor physical changes for whole groups of homes, and even whole neighborhoods. In my area we have often seen how minor physical changes such as flood proofing sewers, grading to direct flood waters away from homes, installing or improving floodgates, retention ponds, drain pipes, and pumping stations, and minor changes to dikes and levees, can be much more cost-effective than moving or elevating homes.

The conference agreement also includes provisions I authored which authorize the use of in-kind contributions to cover up to one-half of the cost of the local share of mitigation projects. It also includes language I inserted which allows communities to work together on mitigation activities, or to authorize other political subdivisions or authorities of a state such as counties to conduct broader mitigation activities for them. This is a sensible approach which will enable communities to achieve economies of scale, and to produce mitigation plans which help the entire region, rather than helping one community at the expense of another.

Mr. Speaker, title V of this bill will increase participation in the flood insurance program, which has been much lower than it should have been. By spreading the risk over a broader pool, and by increasing mitigation activities which reduce losses, it should help to restrain flood insurance premiums. These are long overdue changes and I commend Subcommittee Chairman KENNEDY, his ranking Republican Congressman AL MCCANDLESS, Congressman BEREUTER and all the other Members who worked so long and hard to develop this bipartisan consensus bill.

Finally, Mr. Speaker, title VI of this bill includes numerous miscellaneous and technical changes in our banking laws which will make them easier to understand and administer.

Mr. Speaker, the bill which Chairman GONZALEZ brings to the floor today on

behalf of the Banking Committee is good for consumers, financial institutions, and our economy. It will make credit more readily available to average and underserved consumers and businesses thus creating jobs and expanding our economy. It will reduce unnecessary and expensive paperwork. It will protect senior citizens and other consumers from unfair and deceptive practices. It will shore up our National Flood Insurance Program. It will even help to deter crime and catch criminals. In short, it is a bipartisan bill which represents the best work of this institution, and it deserves the support of every Member of this body.

□ 1250

Mr. BEREUTER. Mr. Speaker, it is my pleasure to yield 5 minutes to the distinguished gentleman from Wisconsin [Mr. ROTH], a member of the Committee on Banking, Finance and Urban Affairs.

Mr. ROTH. Mr. Speaker, I thank my friend from Nebraska for yielding me this time.

Mr. Speaker, I urge my colleagues to approve this conference report on the Community Development Financial Institutions Act. This bill will make credit more available and at lower cost for consumers and small businesses.

We all know that no legislation is perfect. And this is a big, complicated, technical bill covering about 400 pages of very small type.

My colleagues on the conference committee, as well as both House and Senate Banking Committees, worked diligently for many overtime hours on this measure.

This legislation has strong bipartisan support in the Congress, in the financial services industry, and among many consumer groups.

Wisconsin's strong and vibrant financial services industry supports and will benefit by this legislation.

Looking ahead to future congressional action to further strengthen our financial services industry, I again commend to my colleagues the example of the Wisconsin experience.

Wisconsin is rightly famous for its successful and effective combination of supervision and enterprise for all segments of our financial industry.

Key sections of this measure move in the Wisconsin pattern.

So I will vote for the bill even though I have grave reservations about the bill's provisions that create a new Federal bureaucracy to create new subsidized nonbank lending institutions in urban inner-cities.

More than offsetting these objectionable provisions, in my judgment, are the 51 new, substantive sections providing significant regulatory relief to our banks, savings and loan associations and to the consumers they serve.

The bill addresses many other aspects of our Nation's financial services industry, including anticrime provisions to discourage money-laundering by drug traffickers and other criminals.

The bill clears away unnecessary legal obstacles to the securitization of business loans for resale into secondary markets.

An attempt is made to provide greater consumer protection against so-called high-cost mortgage lenders.

The bill also reforms our flood-insurance program to reduce losses of taxpayers money and to discourage new construction in flood-prone areas.

No other industry in the United States is more heavily regulated than our federally insured financial institutions.

Trade associations have estimated the regulatory burden on banks alone at more than $40 billion a year—a staggering amount that inevitably is paid for by consumers in fees and higher interest rates.

All in the name of safety and soundness, of course, Congress was panicked by the S&L collapse into imposing in 1991 layers and layers of new and unnecessary rules and regulations.

Some of these new regulations are still being implemented. They are driving up consumer costs because lenders must pass on the regulatory costs to borrowers and savers.

Insured lenders must do so if they are to remain in business and to continue their traditional vital role as the Nation's basic economic engine.

This portion of the bill is extremely technical, but it does begin to peel off some of the red tape, unnecessary paperwork, and general aggravation that comes with the heavy hand of the Federal Government.

The bill provides for formal consideration of the financial impact of any new regulations and a transition period for implementation.

The legislation streamlines many regulatory requirements, eliminates duplicative filings, and reduces numbers and kinds of examinations.

Community banking institutions with assets of $250 million or less will benefit most from these provisions.

The bill mandates an appeals procedure to improve fairness and appropriateness of Federal examiners operations and directives.

Federal regulatory agencies are required to coordinate their activities generally to reduce the Government's heavy hand upon the industry.

Mr. Speaker, this bill contains hundreds of compromises, many the product of years of collective consideration and discussion.

It is the distilled product of figurative legislative blood, sweat, and tears.

This legislation deserves approval, and I urge my colleagues to join me in voting for this legislation.

□ 1300

Mr. NEAL of North Carolina. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from New York [Mr. FLAKE].

Mr. FLAKE. Mr. Speaker, I rise today in strong support of the conference report on the Community Development and Regulatory Improvement Act, H.R. 3474.

We commend the President for lifting the concerns of communities to such a high height as he announced early on that he wanted new institutions that would invest in communities that have often been overlooked and, indeed, underserved by many of our banking communities.

I commend the gentleman from Texas, Mr. GONZALEZ, our chairman, Chairman RIEGEL, and commend all of those including the gentleman from North Carolina, Mr. NEAL, who, as chairman of Financial Institutions, has brought to us this moment of sharing what I consider to be one of the greatest pieces of legislation in this body, because it speaks to an area of concern that has often been overlooked. I thank Senator DODD. I thank the gentleman from Iowa [Mr. LEACH], and I thank the gentleman from Pennsylvania [Mr. RIDGE], who for the last 4 years have worked with me in trying to put together components of this bill that are now in place.

One needs but to do an analysis of the various communities that are a part of this landscape to realize that our country has had certain communities that have been ignored and overlooked. In those communities there has been a lack of investment; therefore, small businesses have not been able to thrive. Many of the commercial strips have not been rebuilt.

As the gentleman from Pennsylvania [Mr. KANJORSKI] has indicated, in too many instances there has not been a will to make investments in those communities.

This bill allows us an opportunity not only to create new entities but also to be able to mainstream existing entities in a way that will create jobs in the one sector of American society that is growing. That sector is the small-business sector.

By building up the small-business sector in these communities, we create the kind of jobs that eliminate the necessity for building more jails, giving more young men and women who could otherwise be productive individuals if given an opportunity in those communities the right to be able to participate fully in the American dream, that dream of having a job, being able to afford a home, being able to get a good education for their children and fulfill their responsibilities.

It is my hope that every Member today will vote in support of this conference report, because I believe that it says to the whole of America that at

last we will not overlook communities but we will mainstream into the whole of this democracy all of those communities that have been ignored.

Mr. Speaker, I hope that all of our colleagues will join us and vote unanimously for the passage of this conference report.

Mr. BEREUTER. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. LAZIO], a very active and distinguished member of the Committee on Banking, Finance and Urban Affairs. Even though he is in his first term, he is active in many important areas.

Mr. LAZIO. Mr. Speaker, I thank the gentleman from Nebraska for his kind remarks, and I thank the gentleman for yielding me this time.

Mr. Speaker, I rise today in support of the conference report to H.R. 3474. In particular, I want to address title V of the bill, the National Flood Insurance Reform Act.

Certainly, before he leaves, I want to commend my good friend, the gentleman from New York [Mr. FLAKE], who just spoke, for his help on this one point.

Mr. Speaker, I represent thousands of middle-class coastal residents who would have been adversely affected by this title as reported by the House Banking Committee. The economic recovery is showing few signs of life on Long Island, and the committee provisions of sections 407 and 604 would have depressed the struggling real estate industry in my district.

Thanks to the work of the subcommittee chairman, the ranking member of the subcommittee, Mr. MCCANDLESS and his staff, a sound compromise was reached when the bill was brought to the floor as H.R. 3191.

The compromise ensures compliance with the National Flood Program through lender compliance provisions which enjoy widespread support from the lending industry. Therefore, more people will be paying into the national flood insurance fund, more structures will meet minimum building codes, and lenders will have expanded powers to protect their collateral.

The compromise mandates a study of the controversial erosion hazard zones. FEMA will have the authority to map erosion hazard zones in a sample survey of communities around the country. FEMA will also conduct a cost-benefit analysis of erosion hazard maps to determine if nationwide mapping will save the national flood insurance fund money. FEMA will also study the economic affects of such mapping on the affected communities. Many coastal communities rely on property taxes from coastal residents to pay for their local firemen, policemen, and teachers. The compromise recognizes the importance of giving Congress the facts first so an informed decision can be made.

When I spoke during the debate on H.R. 3191, I mentioned reservations I had concerning the bill's purposes clause. As a member of the conference committee on title 5, I am happy to report to Members who shared my concern that this provision has been struck from the bill.

Mr. Speaker, the rest of the conference report contains provisions that will enhance community development and financial institutions. Other Members have spoken about those provisions and I share their enthusiasm for the report.

Mr. NEAL of North Carolina. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from New Jersey [Mr. KLEIN].

Mr. KLEIN. Mr. Speaker, I rise in strong support of the conference report on H.R. 3474, the Community Development and Regulatory Improvement Act.

This legislation, which first passed the House on November 21 by voice vote, provides $382 million over the next 4 years to assist a wide variety of financial institutions and organizations to finance economic development in distressed urban and rural areas across the United States.

Mr. Speaker, this money will be leveraged by attracting private bank funds to invest in rebuilding these areas which so sorely need it, and most important, it will help to create jobs, more new, good, high-paying jobs in areas where unemployment is very high.

The newly created Community Development Banking and Financial Institutions Fund would provide this financial assistance through equity investments, grants, loans, credit union shares, and deposits. The end result will be additional private investment in urban areas like so many we have in my area of northern New Jersey where there has been a longstanding credit shortage and where traditional lending institutions are nowhere to be found.

Many cities in my own congressional district are positioned to reap the benefits of community development banking. Organizations eligible to receive assistance must have a long-term plan in place to serve the credit and development needs of disadvantaged groups or an economically distressed area. But this is not a handout my friends. These organizations must match the assistance they receive.

Funds may be used for a wide variety of activities such as commercial facilities, business creation and expansion efforts, community services for low- and moderate-income people, development services and low- and middle-income housing. This is in truth an ideal public-private partnership.

But this conference agreement does much more.

It helps establish secondary markets for business loans in order to increase small business access to capital.

And by doing that, again, it leverages the amount of funds that are available for investment in these areas which so sorely need it in order to create the new jobs.

It contains a number of provisions to cut paperwork requirements for banks and exempt healthy small banks from annual examination requirements. The savings resulting from relieving these overburdened regulations can be passed on to consumers.

Increased lending means increased investment. And again, I stress new jobs.

Mr. Speaker, I was proud to be an original cosponsor of this bill, and I am proud to support it now. I urge all to vote for the conference report.

Mr. BEREUTER. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Pennsylvania [Mr. RIDGE], an active and involved member of the Committee on Banking, Finance and Urban Affairs.

□ 1310

Mr. RIDGE. I thank the gentleman for yielding this time to me.

Mr. Speaker, this community development bank bill is a worthy first step to address the banking needs of our poorest urban and rural Pennsylvania communities, and I support it as a downpayment on future activity.

Almost 4 years ago, my colleague, the gentleman from New York, FLOYD FLAKE, and I came up with a new idea: Why not offer incentives to banks and thrifts seeking to expand their lending in underserved areas? Why not provide incentives for banks and thrifts that radically increase their investment in targeted areas? In creating the Bank Enterprise Act, we said then, as we still believe now, that "neighborhoods without credit are like land without rain—nothing grows. No amount of direct government involvement, no amount at all, can compensate for a nonexistent private sector. Land without rain becomes lifeless desert, and neighborhoods without credit become desolate places as well."

We also inserted the first Federal statute on community development banks when we stipulated that banks could earn credit for capitalizing the South Shores of this country.

In the bill before us today, I regret that two-thirds of the money goes to what I believe will become highly bureaucratic, government-sponsored specialty lenders. I regret that we are supposed to have two kinds of financial institutions—mainstream ones for most Pennsylvanians and carve out lenders for our poorer areas. I have always believed that people left behind want to become part of the mainstreams gain. That is the American dream. Do not separate us with separate institutions—bring us back to the main office, the mainstream.

But this shortcoming will be made up by the fact that the one-third of funds going to the Bank Enterprise Act will

leverage at least ten times that amount in private dollars, and $125 million will become $1.25 billion in new activity. Neighborhoods in North Philadelphia, Erie, and Washington Counties are some places that come to mind immediately as benefitting from this bill. Others will benefit as well, as banks and neighborhood groups put their heads together and learn to win.

Finally, I thank my colleagues for their help and support on this measure. I believe we will see very soon that incentives work better and longer than punitive measures. We will find that banks can make a profit on these ventures and people in the neighborhoods will start rejoining the mainstream of opportunity.

Mr. BEREUTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would say to the gentleman from Pennsylvania [Mr. RIDGE] that I share his concerns just expressed. I appreciate very much the initiative of the gentleman from Pennsylvania and the gentleman from New York [Mr. FLAKE]. I feel that is a better provision in that particular title.

Mr. Speaker, several Members have already made reference to the flood insurance reform elements of this multifaceted legislation.

I would say while the revisions to the National Flood Insurance Program included in H.R. 3474 do move us in the right direction, a true reform of the program will not be achieved until the Congress exerts the will to put a stop to the repeated claims made on the NFIP by those who with great interstate and intrastate cross-subsidization, knowingly build and rebuild in unstable flood prone areas. Until such true reform is achieved, the solvency of the fund will continue to be threatened; bailouts from the taxpayers for the fund and much higher costs for flood and hurricane damage will continue. The necessary comprehensive reform provisions were reintroduced in this Congress by this Member once again in the form of H.R. 62, but only limited elements of its survived committee and conference action.

This Member strongly urges his colleagues to support the passage of the conference report.

In closing, let me say that literally years of work have gone into the CDFI bill and the interstate bill by Congress, the administration, the affected industry and consumer groups. While certain notable provisions were not included in the final package, such as the fair trade in financial services provision, the conference report represents one of the most constructive pieces of legislation that has been passed during my tenure on the Banking Committee. The conference report provides much needed financial industry reforms and regulatory improvements, and I urge its prompt adoption.

Mr. Speaker, I would like to recognize two former colleagues, the gentleman from Alabama, Ben Erdreich, and the distinguished Member, the gentleman from Delaware, Mr. Tom Carper, now Governor Carper, who both had elements in the earlier legislation. Their leadership continues to be felt in this legislation that we are passing here today.

Finally, I would like to say that we have a great deal of dedication and effective staff assistants in the crafting of this multifaceted bill. I want to mention Joe Seidel, Rob Zimmer, Sean Cassidy, Terri Miller, Gary Parker, Jim Hyland, Stacy Kincaid, and Joe Pigg, who joined in working very effectively and dedicatedly. I want to thank all those staff members who deserve any kind of recognition they receive, which is far too little for all the work that they do.

Mr. Speaker, I yield such time as he may consume to the gentleman from Louisiana [Mr. BAKER], a distinguished member of the Committee on Banking, Finance and Urban Affairs, who is very active in several of the provisions of this bill.

Mr. BAKER of Louisiana. I thank the gentleman for yielding this time to me.

Mr. Speaker, I wish to compliment the gentleman from Nebraska [Mr. BEREUTER] for his work, and the gentleman from North Carolina [Mr. NEAL] for his work on this measure. it does contain a number of important elements which I think are important to the modernization of our financial system, not the least of which is the community development bank proposal, to which the gentleman from Pennsylvania [Mr. RIDGE], spoke just moments ago, which I think will make great strides in making access by those in minority communities, the opportunity to get access to needed credit.

I also wish to speak to the important elements included in this measure relating to small-business loan securitization and commercial mortgage securitization, simply stating that these two aspects, I think, will probably enhance market opportunities for the Mom-and-Pop businesses of America to get access to credit for commercial needs that heretofore has been very difficult to obtain.

Allowing these mortgages to be originated by the small bank in a rural community or an inner-city bank for a particular business growth plan, and take that loan and basically sell it off to Wall Street, this is a very important tool which will open up vast opportunities for extension of credit.

The gentleman from New York [Mr. D'AMATO] on the Senate side, was a strong advocate of the loan securitization measure in the Senate, and the gentleman from Massachusetts [Mr. FRANK] on the commercial mortgage provisions. I have worked with their staffs, and I think we have accomplished a great deal with the inclusion of these two measures in this package.

Mr. Speaker, last but certainly not least, the gentleman from Nebraska [Mr. BEREUTER] is to be complimented for his hard work and effort on the regulatory relief measures. I think simplifying the regulatory process, lowering the cost to make credit available will ultimately work not just to the commercial mortgage and banking interests but to the consumer interests. The less regulatory interference we have in these activities, the lower costs required to get access, everybody wins.

To those Members who have worked so many hours on this matter, let me say I appreciate your efforts, and I know the banks and consumers will eventually appreciate your efforts.

Mr. BEREUTER. Mr. Speaker, I yield myself such time as I may consume.

I simply want to say that I thank the gentleman for his kind remarks and thank him for all of his great work on this legislation. It bears his mark, as it does of many Members of the majority and the minority.

Having no further requests for time, Mr. Speaker, I urge strong support of this legislation.

Mr. Speaker, I yield back the balance of my time.

Mr. NEAL of North Carolina. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we hear daily, constantly, a drumbeat of negative comments in the press and from other sources about our Congress, and so little is ever said about the positive contribution that this institution makes to the lives of the American people.

I have become ever more troubled by this and do not know, frankly, what to do about it. I do not know that anything will be done about it. Maybe it has always been that way and always will be.

But the fact of the matter is that the people that serve in the House are almost to a person fine, decent, honest, hardworking, dedicated people who are devoting their lives to serving others. Unfortunately, that message rarely comes through.

Not only is that true in a general sense but it is true in a very specific sense. Hardly a day goes by here without legislation being reported out of committee or passing this body or the Senate, or finally, as today, being approved as a conference report—and much of that legislation would significantly improve the lives of the American public; legislation that would significantly improve the lives of the people we represent, the American people.

Let me just point out that is our job here. Most of us see our jobs here as being servants of the American people, trying to improve the lives of our people, and laboring to improve the human condition. Day in and day out, we do things that accomplish that.

□ 1320

Let me just take a minute here in closing to point out what this legislation does. I cannot begin to do it justice, and I am not going to take long because we have other business to deal with—other business, I would say, that will help the American people.

Earlier I commented briefly on the interstate bill we just passed, and how much easier it will make life. I pointed out how much less suffering there will be with interstate branching when economic conditions deteriorate in various parts of this country because those conditions will have less of an impact on people. I mentioned how less expensive it is likely that the financial system will be to the American public because the system will be strengthened by interstate branching legislation.

The community development bill that is a part of this big bill before us now will in many ways improve the everyday living conditions of thousands of people all around this country. It will raise their standard of living, make it easier to educate their children, and help improve their standard of living. Likewise the small business loan securitization provisions will make it easier for small business to attract new capital, grow, provide jobs and thus improve the standard of living for thousands, tens of thousands of American citizens. The regulatory relief provisions in this bill may sound dry and dull, I am sure, to most people, but in over 50 ways they will reduce unnecessary red tape and regulations, to make it more possible for banks to do what they are there to do, which is to make loans to help our economy work for the benefit of all of our people. I commend the gentleman from Nebraska [Mr. BEREUTER] and the gentleman from Florida [Mr. BACCHUS] for their leadership on the regulatory relief title. I would also point out this bill's provisions to tighten the money laundering statutes, so that law enforcement agencies can spend their time tracking down drug dealers, instead of wasting their time shuffling paper.

All of this, legislation has happened with the very strong support of the Clinton administration, which has led the way and has provided the initial push for much of this. All of this has also enjoyed great bipartisan support within the Congress, and is a very good example of this Congress working, as it should, for the benefit of the American people.

So, Mr. Speaker, I want to say I am very grateful to all of my colleagues here who have worked hard on this legislation and who, day in, day out, after weekend in, weekend out as well, spend their lives working for the benefit of the American people. I also want to thank the administration for their tireless efforts on behalf of the American people, and also let me thank staff members who have worked tirelessly over many months on this and other legislation.

This legislation that we are passing today is vastly complicated, and took months of hard work on the part of a number of people. I would just like to mention some of the full Banking Committee staff who worked on it. Armando Falcon, Amy Friend, Kevin Petrasic, Kelsay Meek; Rick Maurano; Briget Polichene; Leslie Fisher; and Joe Reilly have worked tirelessly to help us produce this very fine legislation and we could not have done so without them.

Mr. Speaker, I thank them and, of course, the staffs of the other subcommittees for all their hard work in helping us develop and pass this legislation.

Mr. MFUME. Mr. Speaker, will the gentleman yield?

Mr. NEAL of North Carolina. I yield to the gentleman from Maryland.

Mr. MFUME. Mr. Speaker, I rise to congratulate the gentleman from North Carolina [Mr. NEAL] on his many years of work on the Committee on Banking, Finance and Urban Affairs, recognizing that for all intents and purposes this is probably the last major piece of legislation that he will be moving forward under his leadership here in the House. There are many of us who have served on that committee a number of years with him, have gone through a number of debates and worked on a number of issues, and I know I speak on behalf of all of them when I express our sincere thanks for his leadership over many difficult years through many major pieces of legislation and for being truly a gentleman and a distinguished, very distinguished, member of the Committee on Banking, Finance and Urban Affairs.

Mr. NEAL of North Carolina. Mr. Speaker, I thank the distinguished gentleman from Maryland.

Mr. BEREUTER. Mr. Speaker, will the gentleman yield?

Mr. NEAL of North Carolina. I yield to the gentleman from Nebraska.

Mr. BEREUTER. Mr. Speaker, the gentleman should know how this gentleman feels about him, and I expressed my views about the gentleman's service, his traits, his admirable qualities and the contributions he has made to his district, and State and Nation as we discussed the interstate banking bill, but I think it is true, as the gentleman from Maryland suggested, this may well be one of the last major bills where the gentleman from North Carolina plays a role, and I think he has provided one more service to the country by the perspective that he has just provided to, not only the body, but especially to people who are listening to the proceedings and who will read about these proceedings because he has talked about the valuable way that Members, with the assistance of their staff, make their contributions to serve the American public at a time when bashing the Congress is very popular, unfortunately, and when sometimes engaged in by Members of this institution for political purposes. The gentleman has put the proper perspective on the routine, positive activity that goes on in this body, and the gentleman has been a leader in providing that kind of bipartisan, positive action for the House, and we are going to miss him greatly, and I wish him well in his continued public service and in his private life.

Mr. COBLE. Mr. Speaker, will the gentleman yield?

Mr. NEAL of North Carolina. I yield to the gentleman from North Carolina.

Mr. COBLE. Mr. Speaker, I may be completely out of line because I do not sit on the Committee on Banking, Finance and Urban Affairs, but, since we are extending roses to the gentleman from North Carolina [Mr. NEAL], at this time I see no one on the floor who is from North Carolina.

Mr. Speaker, the gentleman from North Carolina and I share a common area in the piedmont of North Carolina. Our districts are contiguous to one another. We represent jointly tobacco, textiles, furniture, other industries, and, being a nonmember of the Committee on Banking, Finance and Urban Affairs, I would like to add to what the gentleman from Maryland [Mr. MFUME] and the gentleman from Nebraska [Mr. BEREUTER] have said and extend good wishes to him as he begins a new portion of his life.

Mr. RUSH. Mr. Speaker, I rise today in strong support of the conference report for the Community Development Banking and Financial Institutions Act, a pivotal piece of legislation which the House will consider today. House Banking, Finance and Urban Affairs Committee Chairman HENRY GONZALEZ, Senate Banking, Housing and Urban Affairs Committee Chairman DONALD RIEGLE, and President Clinton are to be heartily congratulated for their efforts in putting together this landmark legislation.

When this legislation was introduced, I commended the administration for their extensive outreach effort to community, banking and consumer groups in putting this bill together. In May, I introduced the Community Development Financial Institutions Act of 1993, H.R. 2250. I must say that I considered it a mark of honor that their and my bills ended up looking so very similar—twin sons of different mothers, if you will. Through discussions with many of the same individuals and groups and because of the administration's and my mutual desire to generate effective and comprehensive community development, we developed analogous approaches to many of the critical issues fundamental to such an effort. And it is because we substantially came to share the same approach that I rise today in support of this bill.

I strongly believe that this legislation will palpably and responsibly begin to address the

credit and community development needs of our Nation's most disinvested areas. I support this bill because of my belief that meeting the economic needs of the people of inner city communities, rural areas and close-in suburban areas is one of a series of steps necessary to make sure that equal opportunities are fully extended to all Americans. The bill is designed to assist Americans who, as President Clinton has described them, are "willing to work hard and play by the rules."

This legislation will create the Community Development Banking and Financial Institutions Fund, an entity with a mission of fostering the growth and, where necessary, the establishment that will increase access to credit and financial services by low- and moderate-income people as well as small, minority- and women-owned businesses. These are the groups and individuals which have traditionally been denied access to adequate levels of capital and credit. All too frequently, these groups and individuals are located within disinvested communities like many of those located in Illinois' First Congressional District, which I represent.

Community development financial institutions, known as CDFI's across the country, which are innovative entities comprised of individuals who know first hand what steps to take to improve their communities, will now be able to better obtain the economic resources with which to do so. The fund, through competitive awarding of a wide range of assistance, will enable creative ventures to be undertaken including everything from supporting the efforts of local groups to demolish and remove abandoned buildings, to facilitating the development of low- and moderate-income housing, to helping groups with successful track records building small projects to obtain capital and credit to do more of their crucial work. Organizations and financial institutions will apply for assistance from the fund—such as community development banks, credit unions, loan funds, community development corporations, microlenders, and other entities.

The administrator of the fund will determine which among competing proposals from CDFI's will do the most comprehensive job of rejuvenating all aspects of the target community's economic and social vitality. And, Mr. Speaker, the fund will accomplish these goals in a way that does not create one more Federal bureaucracy, but instead will build on the insights gained from some of the hard-fought struggles, and mistakes, of the past as these CDFI's learned what did and did not work in fostering community development.

The fund will encourage healthy competition among applicants to get the most bang for its limited bucks. It will require matching private funds for much of the assistance it awards, which will mean that applicants will not only have to compete on the basis of the comprehensiveness of their application, but will be put through the additional real world filter of securing scarce private sector funds.

Finally, the real significance of this legislation is that it is not just about credit or banking. It is about genuine, comprehensive, permanent community development. With this bill, we will give individuals the tools to determine their own destinies; to take their, and their families', futures into their own hands and work hard to achieve what, until now, has been on the horizon but still beyond their grasp—that elusive goal called prosperity. Real prosperity cannot exist without the economic building blocks that so many of the hard working men and women in disinvested urban, suburban, and rural communities lack. The kind of development that the fund will foster is that which will measurably and steadily increase the confidence of the residents, business owners, and workers in targeted communities that their own futures and opportunities are on the rise. But just as critically, it will also convince outside investors that these communities merit their careful and considered attention—and their investment dollars.

I urge my colleagues to support this bill, which is designed to foster increased access to good-paying jobs; encourage entrepreneurship and self-sufficiency; increase living standards and quality of life; make credit and financial services more readily available; and give community members access to a broader spectrum of goods and services. I believe that it will engender myriad economic opportunities, including ownership of businesses, buildings, homes, and other assets within our communities.

By devoting resources to precisely targeted community development financial institutions that are undertaking activities that aim to reduce the cycle of violence and hopelessness that so many of our citizens now experience, by putting our people back to work at decent jobs, and by helping to ensure that our communities believe in the possibilities that underlie even our Nation's most deep-seated problems, I firmly believe that the Community Development Banking and Financial Institutions Act will be a catalyst for real change in the lives of countless Americans during the years to come.

Mr. ORTON. Mr. Speaker, I rise today in strong support of H.R. 3474, the Community Development and Regulatory Improvement Act.

This bill proves that we in Congress can work together in a bipartisan manner to enact legislation which benefits people throughout our country. While this bill is popularly referred to as a banking bill, it would more appropriately be called a borrower's bill. Because that is who will most benefit by passage of this bill. Small businesses, individuals, homebuyers, and almost anyone seeking credit may be impacted by the provisions of H.R. 3474.

I am particularly pleased to see this legislation becoming law. As a cosponsor of H.R. 962, the Regulatory Relief Act, I believe it is critical that we eliminate unneeded banking regulations which take time and resources away from banks' primary function—lending. I particularly commend Representatives DOUG BEREUTER and JIM BACCHUS for their hard work in passing most of the provisions in their bill.

I am also pleased to see us enact provisions to promote secondary markets transactions for small business and commercial real estate. This has not been given much attention. However, in the long run, it could have a significant impact on increasing credit in these areas. I was pleased to be an original cosponsor of the House version of the final bill that passed, and would like to commend my good friend and colleague, PAUL KANJORSKI, for his hard work in making this a reality.

Finally, I am supportive of the administration's initiative to create more community development financial institutions. The purpose of this title is to provide leveraging for community-based lenders seeking to provide funds to borrowers having difficulty obtaining credit from traditional lending sources. I am pleased to see the conference report contain my Credit Union Community Development Enhancement Act, a bill I introduced to provide additional funds for the already successful community development credit union revolving loan fund.

Most of all, I am pleased to see that the bill we are passing today contains so many recommendations made by participants at a congressional field hearing held in my district last fall.

Last August, Representative KANJORSKI agreed to have the Economic Growth and Credit Formation Subcommittee, which he chairs, hold a field hearing in West Valley City, UT. I invited a wide range of participants, including Utah Lt. Governor Olene Walker, and representatives of small businesses, banks, credit unions, realtors, and low-income and minority business groups.

This field hearing focussed on credit availability for small businesses, real estate, housing, and consumers. The panelists made a very effective case that we in Washington need to take action to improve credit availability for businesses and consumers alike. Their recommendations were very specific.

I would like all of the panelists to know that I listened very carefully to these recommendations. Upon returning to Washington, I pushed for adoption of changes to our banking and securities laws which reflected these recommendations. Today, with passage of H.R. 3474, many of these recommendations are becoming a reality. I believe this shows that legislators can be responsive to those they represent.

Let me outline some specific examples. A number of the panelists of our field hearing made a strong case for the elimination of burdensome, unnecessary banking regulations. Specifically, Lt. Governor Walker made a "plea for a reduction in banking regulations." She went on to explain how this is critical to maintain credit availability for a wide range of businesses, including software businesses, which are so vital in Utah.

This plea was echoed by Robert Ligget, representing the Salt Lake Area Chamber of Commerce. Noting the difficulty small businesses have in obtaining financing, he asked us in Washington to "remove excessive regulation that inhibits the banks from lending." He explained the link between unneeded regulations and reduced lending by noting that "The net effect for business has been that the lending banks have had to create larger, more complicated hoops for small businesses to jump through in order to comply with the new regulations."

These thoughts were also echoed by bankers who must comply with these regulations. Representatives of both big and small banks

made a persuasive case that they are sidetracked from their primary role as lender by the need to comply with complicated and costly regulations. Many of these regulations serve no purpose in protecting the safety and soundness of these institutions.

Similar comments were made by representatives of credit unions, homebuilders, and builders and advocates of affordable rental housing. The message was loud and clear: we have to eliminate burdensome banking regulations which impede loans for small businesses, for affordable housing, for homebuilding, and for consumers throughout Utah.

So what have we done in Congress? We listened. Today, with passage of the regulatory relief portion of the bill, we will be eliminating dozens of unnecessary banking regulations. These include directing banking regulators to review and streamline regulations, requiring regulators to coordinate and unify banking examinations, providing for more flexibility with regard to micromanagement provisions, and many other provisions.

At our field hearing, we also heard from panelists about the need for programs to provide credit to businesses and individuals who are creditworthy, but have trouble obtaining credit from traditional lenders. Veda Barrie-Weatherbee, the president of the Utah Association of Women Business Owners, described the special difficulties women entrepreneurs have in obtaining credit. She outlined a number of steps that should be taken.

We also heard from Pete Suazo, of the Salt Lake Minority Business Development Center. He characterized the special problems that minorities sometimes have in obtaining credit, and also made suggestions to meet this need. These suggestions included eliminating unneeded banking regulations, which we have done in this bill. He also advocated expanded lending to minority businesses through programs targeted to these borrowers, but doing so within the private sector.

I believe we are doing just that with the enactment of the Community Development Financial Institutions title of H.R. 3474. This title will provide leveraged financing for community-based lending institutions which serve low-income individuals and targeted populations within underserved areas. The program also provides training programs for financial institutions in order to help them undertake development financing. This need for training was specifically cited by Mr. Suazo and Ms. Barrie-Weatherbee.

Finally, I would like to not a major recommendation Chairman KANJORSKI made at this hearing. He mentioned the introduction of H.R. 2600, his Business, Commercial and Community Development Secondary Market Development Act. I was pleased to be an original cosponsor of this bill, which became the House version of the secondary markets legislation that we are passing in H.R. 3474. As Chairman KANJORSKI stated,

> A secondary market will expand the overall supply of credit by purchasing loans made by banks and packaging them into large pools of loans which are sold to institutional investors like pensions funds and insurance companies. A secondary market helps redeploy funds where they are needed.

I believe this new title may prove to be especially beneficial for Utah. We are a high-growth State, in need of additional capital from other areas of the country not enjoying the same robust growth we have. Secondary markets allow local lending institutions to sell off portions of loan portfolios and use the funds to make additional loans. In the same way that secondary markets have become a tremendous source of low-rate financing for the residential mortgage market, expanding these markets to small businesses and commercial real estate could have a dramatic long-term effect for credit in these areas.

In short, the bill we are passing today is an important legislative achievement, which should have the practical effect of increasing lending and encouraging economic growth. I commend the many individuals in the House and Senate who have made this bill a reality and urge final adoption.

Ms. ROYBAL-ALLARD. Mr. Speaker, I rise in strong support of the conference report for H.R. 3474, the Community Development and Regulatory Improvement Act.

This landmark legislation includes a number of provisions that will help finance much-needed economic development in distressed areas of the country and stimulate community revitalization. The targeting of assistance to organizations and financial institutions geared toward community development, will enable the newly-created Community Development Banking and Financial Institutions Fund to significantly improve prospects for real and meaningful economic growth and community revitalization.

H.R. 3474 also provides important incentives for banks and thrifts to make investments in distressed communities. Historically, these communities have simply been unable to break the vicious cycle that perpetuates chronic poverty because of the unavailability of adequate sources of private sector financing.

I also strongly support the conference report because of the strong consumer protection provisions protecting homeowners against high cost loans and because of the meaningful reforms to the national flood insurance program. In addition, the provisions related to small business capital formation and paperwork reduction and regulatory relief will further stimulate opportunities for financial institutions to improve their operations.

H.R. 3474 is one of the most important pieces of legislation to be considered by Congress in this session. I urge my colleagues to vote yes on the conference report.

Mr. VENTO. Mr. Speaker, I rise in support of H.R. 3474, the Riegle Community Development Regulatory Improvement Act. I commend Chairman GONZALEZ for his leadership on this legislation. I congratulate my colleagues on the House Banking Committee for their hard work on this important initiative.

Mr. Speaker, H.R. 3474 is composed of several unrelated but important components. However, the key elements of this bill, along with H.R. 3841, the Riegle-Neal Interstate Banking and Branching Efficiency Act, which we will consider separately, have somewhat common goals—to increase the efficiency of the total American financial services network and its ability to interface, while at the same time to provide needed credit opportunities to local communities and individual consumers.

The centerpiece of H.R. 3474 is title I which authorizes the National Fund for Community Development Banking. This is a key initiative and while a larger authorization commitment could have accomplished more, this program provides a crucial, much needed lifeline in the areas slated for such institutions.

President Clinton as a candidate in 1992 appropriately recognized the need for such a new mechanism to help communities and consumers. As this initiative has moved forward, I have been contacted by more and more groups with creative and exciting concepts to help the people in my district and across Minnesota; groups that need crucial financial help and that can bring the community development financial institutions proposal to fruition. It is important to note that those individuals who have contacted me represented low income neighborhoods or disadvantaged groups such as native Americans and the Hmong, a Southeast Asian minority group with a significant presence in Minnesota. I am pleased that the final product specifically includes Indian tribes as eligible recipients and Indian reservations as eligible communities. Equally important, the definition of targeted population is sufficiently broad to include Minnesota's Hmong population.

Title I also contains a careful compromise on the issue of high cost mortgages. The House Banking, Financing and Urban Affairs Committee has seen egregious examples of lenders who have taken advantage of vulnerable, often elderly and low-income folks with exorbitant high interest rate loans. The outrageous consequence of such loans is too often foreclosure and displacement of people from their homes. This conference agreement balances the concern of the legitimate industry and consumer use of this type of loan with the need to regulate and prevent the unacceptable practices of some.

Title II is an important title which will expand the availability of credit for small businesses by creating a secondary market for small business loans. I am pleased we were able to come to this agreement which will be another tool to assist with credit crunch concerns.

Title III, the paperwork reduction and regulatory improvement title, includes modifications to reduce red tape to allow banks to efficiently conduct their business. An important section of this title requires Federal banking agencies to consider the burden and benefits of any new regulations.

In addition, this bill requires Federal banking agencies to review and streamline its regulations and written supervisory policies within 2 years. The goal of this review is to eliminate inconsistent, outmoded or duplicative requirements.

Finally, this conference agreement includes flood insurance reform which represents many years of hard work by several members and their staff. And while I may have hoped for stronger environmental consideration in the mitigation efforts of this agreement, I am mindful that we have strengthened and expanded the insurance purchasing requirements. I support the codification of the community rating system which provides incentives for preventing actions by communities in order to reduce insurance losses. This goes hand in hand with the establishment of a national flood mitigation fund that will provide grants to reduce the risk of flood damage for use in relocation, demolition and other mitigation efforts.

Mr. Speaker, today's proposed action by the House will represent major changes in our Nation's financial services network. Interstate banking and branching, the creation of the National Fund for Community Development Banking, flood insurance reform and the regulatory streamlined provisions will translate into greater access of capitol and better services for our constituents and communities—and better credit availability translates into more enterprise and a stronger, more effective, efficient U.S. economy.

Mr. MORAN. Mr. Speaker, I rise in support of the conference report on the Community Development and Regulatory Improvement Act.

This legislation provides many communities with the seed capital they desperately need to reverse redlining and revitalize their community.

We are all familiar with the success of Chicago's Southside Bank.

With the passage of this conference report, Chicago's success can be duplicated in other communities across this country.

I also want to call attention to another provision in this bill that has gone largely unnoticed but will have comparable or greater impact on the availability of capital and credit for small businesses and commercial real estate development including the construction of more moderate- and low-income housing.

This provision will facilitate the creation of a secondary market for commercial and small business loans.

By removing the legal impediments, this legislation will create the financial mechanism through which the lending community will be able to attract more capital, provide greater liquidity, and lower the cost of borrowing.

Just as Fannie Mae's and Freddie Mac's ability to convert residential mortgages into securities has expanded the opportunity for home ownership, this legislation will enable many struggling businesses to secure the capital they need to survive and grow.

Mr. Speaker, more than 3 years ago during the height of the recession when businesses were failing for lack of credit, I offered a sense-of-the-Congress resolution on the credit crunch.

This resolution outlined a series of regulatory and tax policy changes necessary to end the crisis, stabilize collapsing real estate values, and revitalize the banking industry.

This resolution called for restoration of the passive loss provision for real estate, liberalization of pension fund investment rules, removal of the tax penalties for loan restructuring, elimination of mark-to-market liquidation-based appraisals, and securitization of commercial loans.

All but one of these recommendations have become a reality. With today's favorable vote, the securitization of business and commercial loans will soon become a reality.

Mr. LAFALCE. Mr. Speaker, I rise in support of this legislation. This omnibus legislation contains several elements that are intended to facilitate the flow of credit to parts of our economy that have historically been underserved. Title I of the legislation, the Community Development Financial Institutions Act, will encourage the flow of capital to low- and moderate-income communities. The legislation builds on the framework of the administration's original proposal, which contemplates a network of independent community development banking entities. However, an important addition to the concept of community development banking has been made in the form of the Bank Enterprise Act, initially passed by Congress in 1991 as part of the FDICIA legislation, and finally provided with funding in this legislation.

The Bank Enterprise Act is based on the proposition that the most effective way to increase the level of lending and investment in low- and moderate-income communities is to provide incentives for existing financial institutions to get involved in serving those communities. It is our commercial banking system that has the capital resources required to meet the needs of underserved communities. Therefore, our objective is to find ways to channel the available resources into the communities where they are needed.

The Bank Enterprise Act is an effort to ensure that our underserved communities are brought into the mainstream of the financial services marketplace. We must avoid marginalizing low- and moderate-income communities by assuming they can only be served by a separate, specialized network of lending entities. This is not to suggest that lending institutions specializing in serving underserved communities do not have an important role to play, but this role must be in close cooperation with—rather than in conflict with—existing financial institutions. Our objective is an efficient and effective financial services marketplace which recognizes both the needs and opportunities involved in lending and investing in historically underserved communities.

Title 2 of this legislation will encourage the development of a secondary market for small business loans. This is an issue that I have been involved with for the past decade. Whereas larger businesses can access the capital markets, small businesses remain dependent on bank loans for their financing. Yet because bank loans to small businesses are structured to meet the specific needs of individual businesses and are therefore difficult to standardize, the development of a secondary market in small business loans has been slow.

This legislation will lift various regulatory barriers that have hindered the development of a secondary market for small business loans. It remains to be seen whether doing so will provide a sufficient incentive for the market to develop. However, this legislation represents a necessary first step in the process of encouraging the securitization of small business loans. This bill gives the Federal Reserve and the SEC the responsibility to study the development of the secondary market for small business loans. Within a few years, we may conclude that additional steps are needed to encourage the securitization process.

Finally, title 3 of the bill represents an important first step in addressing the overwhelming regulatory burden currently stifling our regulated financial institutions. It has become increasingly difficult for our banks and thrifts to concentrate on providing credit when they are forced to spend so much of their time and resources addressing regulatory demands that too often have no relevance whatsoever to safety and soundness. Although there remains much more to be done in the area of relieving regulatory burden, this legislation hopefully represents a turning point.

This is important legislation and I urge its passage.

Mr. SCHUMER. Mr. Speaker, I rise in support of both banking conference bills that are on the floor today—the interstate banking bill and the Community Development and Regulatory Improvement Act.

Both of these bills are good for consumers and good for the financial services industry, and they both deserve the bipartisan support that they have received thus far.

The interstate banking bill will allow banks to merge and expand across State lines without needing to have a separately managed bank in each State. That means that banks can branch out to other States but not have to needlessly have a separate board of directors, group or executives, and capitalization requirement for each of the 50 States.

Finally, after many attempts, we will have a truly integrated, national banking system. This means a more efficient banking system which will reduce the cost and expand services to consumers in every State.

This bill will contribute to a stronger banking system that will be less vulnerable to the massive failures that we saw in the past. If you look at many of the bank failures in the eighties, a lot of the banks were governed by arcane and obtusive State regulations.

The bill includes safeguards to protect small community banks, and banks will still have to follow State requirements on fair lending, consumer protection, community reinvestment, and taxation. In addition, the bill has strong requirements ensuring that all banks are adequately capitalized.

Both the interstate branching bill and the CDFI bill deserves our strong support.

In my limited time, I would like to express my disappointment that another very important bill was not included in the conference agreement. I am referring to the fair trade in financial services bill that I introduced with Congressman LEACH and Congressman STARK.

Fair trade in financial services and tremendous bipartisan support, passing the Senate by a wide margin and passing the House Banking Committee by, I believe, a unanimous vote.

It would give the Treasury Department the right to sanction foreign-owned banks in America if that country discriminates against our banks and financial services overseas.

It makes complete sense. We should have the same opportunity to export our financial services that we give to virtually every other nation.

For decades we have been victims of our own sense of fair play. Certain predator foreign trading partners have taken advantage of America's fair and open banking and financial services laws to invest heavily in the United States while our firms are shut out from competing in their country.

We have the most advanced and most competitive financial services industry in the world.

We are the champs.

But in certain countries, like Japan, our firms cannot even play the game. It's like having an international basketball competition but not allowing the dream team to play. Our financial services industry is the dream team of

the finance world. But, because U.S.T.R. is notoriously weak when it comes to the service sector—particularly the financial service sector—our team cannot even get off the bus.

The Fair Trade in Financial Services Act was left out of the conference on purely jurisdictional grounds. Yes, jurisdiction is important, but each committee squandered a year-long opportunity to mark up and comment on the bill.

What we have lost by not including fair trade in financial services is the chance to improve our trade balance by billions of dollars. Our dream-team, financial service sector, if allowed to fully compete in Japan, South Korea, Brazil and elsewhere would generate billions of dollars in wealth for our country. By having our banks in these countries, our companies would be able to find capital to expand our businesses abroad. All of these mean American jobs and a stronger U.S. economy.

It is a shame that we were not able to include this very important legislation which was endorsed, if I may add, by the Treasury Department, U.S.T.R., the banking industry, the insurance industry, and the securities industry.

Chairman GONZALEZ and Congressman FRANK, I would like to express my gratitude to you for your attempts to find a way to include this language in the conference report. I greatly appreciate the hours and hours that both of you spent to try and get this fair trade language in the bill. Unfortunately, we have missed a great opportunity, and one of our strongest industry sectors will continue mostly as a specter in the competition of world trade.

Mrs. UNSOELD. Mr. Speaker, I rise in strong support of the two banking bills before us on the floor today. The Interstate Banking and Branching Efficiency Act is a vital initiative to increase the efficiency of interstate banking while also protecting the rights of States to control entry into their markets. This legislation not only provides a workable solution to a problem that has been plaguing legislators for decades—but it does so in a bi-partisan and non-controversial way.

I am also delighted that we are about to pass the Community Development and Regulatory Improvement Act, legislation which will establish a fund to finance economic development in distressed communities, restrict the activities of lenders targeting high-cost loans to low-income areas, and reduce unnecessary paperwork. I am particularly pleased over the inclusion in this bill of regulatory burden relief provisions authored by Representatives BACHUS and BEREUTER. Whenever possible we should remove paperwork burdens that fail to protect taxpayers and may serve only to confuse consumers.

Mr. MARKEY. Mr. Speaker, I am pleased to support, on behalf of the Subcommittee on Telecommunications and Finance, the conference committee's report on the Riegle-Neal Community Development and Regulatory Improvement Act of 1994. As you know, this legislation represents the fulfillment of a major Clinton administration initiative, and I am extremely pleased to rise in support of it here today.

My subcommittee looked carefully at the provisions of this legislation which are designed to greatly increase the capital available to small businesses for growth and expansion. Increasing the flow of capital, and making the flow more steady and predictable, is vitally important to the health of our Nation's economy.

Small businesses employ more than 57 million Americans. They also employ more than half of the workers in my home State. Despite their crucial role in the economy, however, these small businesses—the same ones that help put dinner on the table in over half the homes in Massachusetts—experienced in the late 1980's and early 1990's a devastating credit crunch from which they have only recently begun to recover. A few weeks ago, however, I was reminded of how far we still have to go. The New England Regional Administrator of the Small Business Administration said that "many [small] business owners are still financing their businesses and inventories on their credit cards. That's a crime. [But] they can't get the door open to get access to capital."

Although some statistics indicate that the worst problems are behind us and that many small businesses are now helping to rebuild and restore the nation's economic muscle, and Congress owes it to workers and taxpayers to take reasonable steps to make sure that the credit crunch does not reappear.

The small business provisions of the administration's community development banking bill should go a long way to protect us against future cyclical credit crunches. The key elements of the bill are the provisions that will, for the first time, help create a vibrant secondary market for small business loans, a process known as securitization. Securitization is one of those Wall Street words that has a numbing effect on most intelligent people. Unlike most other arcane Wall Street words, however, this one is both important and relevant to anyone who cares about real economic growth.

Securitization enables lenders to provide more capital, borrowers to get more reliable access to credit, and investors to purchase new types of financial instruments. This is possible by allowing banks and other lenders to sell loans. Many people with home mortgages, or car loans, or student loans, are familiar with this because for many years now, banks have routinely sold these loans to other institutions. Buyers of these loans typically join or pool them together with hundreds or even thousands of other similar loans that have also been purchased from banks or other lenders. This single pool of near-identical loans is then registered with the Securities and Exchange Commission, often by means of a simplified and less expensive process, and interests or shares in the securitized pool are sold to investors. The cash flow generated by the loan payments made by the borrowers finances the payments to investors. Perhaps most important, however, the bank now has the ability to make new loans because its capital—which is the most important indicator of how much money it has available to lend—was replenished when it sold the original loan.

The evidence suggests that these benefits are both real and lasting. Securitization has worked successfully in the residential mortgage market. In 1984, the Energy and Commerce Committee helped draft the Secondary Mortgage Market Enhancement Act [SMMEA], which facilitated the development of a private secondary market for residential mortgages. It is noteworthy that even in the worst days of the credit crunch in New England and other parts of the country, mortgages remained readily available to qualified borrowers. The small business securitization proposal is modeled almost exactly on SMMEA.

Mr. Speaker, the securitization provisions of the community development banking bill will increase capital available to small businesses, will make the flow of capital more steady and predictable, and will achieve all of this at no cost to taxpayers and without creating new risks for investors.

Finally, I also note that the Senate provisions on fair trade in financial services were not included in the conference report. I regret that we were not able to reach an agreement in this area and hope that we will continue our work on this issue in the next Congress. I hope that U.S. trade representatives will work on this area in the interim and help secure national treatment for American securities firms abroad.

I wish to commend Chairman GONZALEZ and Chairman RIEGLE for their outstanding leadership on this issue, and to compliment the conferees and their respective staffs on the House and Senate Banking Committees, the Energy and Commerce Committee, as well as my own subcommittee, all of whom together worked diligently and effectively to bring the small business provisions of this bill to the floor today. I urge my colleagues in the House to give this legislation their full support.

Mr. DINGELL. Mr. Speaker, I rise in support of the conference report on H.R. 3474, the Riegle Community Development and Regulatory Improvement Act. I especially want to commend the gentleman from Texas [Mr. GONZALEZ] and Senator RIEGLE, the distinguished Senator from Michigan, for their leadership, and the memberships of the House and Senate Banking Committees and the members of the conference committee for their diligence and hard work on this legislation and for the courtesies that they extended to the conferees from the Committee on Energy and Commerce. We pledge to do our part within our jurisdiction to see that the laws that we enact today are implemented in the public interest and for their intended purposes. We are pleased to have been able to contribute to this important effort to facilitate community development and small business capital formation.

The following is provided as clarification of conference report 103–652 as it relates to certain matters within the rule X jurisdiction of the Committee on Energy and Commerce over "securities and exchanges" and shall constitute the legislative history along with that conference report:

Title I.—Community Development And Consumer Protection

Subtitle A—Community Development Banking and Financial Institutions Act.

1. Establishment of Fund. Section 104(h) expressly prohibits the Fund from issuing stock, bonds, debentures, notes, or other securities. The Fund would not have authority to issue securities of any kind. In addition to prohibiting the issuance of the Fund's own securities, this provision prohibits the Fund from engaging in securitization activity with respect to loans or equity investments in its portfolio. It is not the intent of Congress

that the Fund engage in securities activities, including any secondary market activities with respect to securities.

2. Assistance Provided by the Fund. Section 108(a)(2) requires that the Fund's equity investment assistance be structured in such a way that the Fund does not own more than 50 percent of the equity of an assisted community development financial institution and may not "control" the operations of such institution. The Fund may only hold transferable, nonvoting equity investments; however, such investments may provide for convertibility to voting stock upon transfer by the Fund.

It is not the intent of Congress that the Fund engage in making and selling equity investments on a regular basis. While the Fund may seek to sell an equity investment in its portfolio from time to time, in general, the Fund is not authorized to engage in the securities business, including any secondary market activities with respect to securities.

In addition, this provision is not intended to impact the determination of "control" for purposes of the federal securities laws. As such, the Fund's equity ownership position and its involvement in the operations of the community development financial institution would be among the facts and circumstances considered in determining "control" for purposes of the federal securities laws. Similarly, although the Fund may hold only nonvoting equity securities, the potential conversion of those securities of voting stock upon a transfer would be a factor in determining "control" for purposes of the federal securities laws. If the Fund is determined to "control" the issuer of the equity securities, the Fund would be an "affiliate" of the issuer under the Securities Act of 1933 and, absent an available exemption from registration, would be required to register its resales of the equity securities described in this section. As a general matter, Congress intends that investors purchasing securities from the Fund should have the benefits of disclosure and prospectus delivery requirements imposed under the federal securities laws.

Section 108(f)(3) provides that the Fund has authority to impose sanctions against assisted community development financial institutions if such entitles engage in, among other things, fraud or mismanagement. To the extent that any such fraud or malfeasance involves securities activities of an assisted institution, the Fund shall also refer such matter to the Securities and Exchange Commission for its investigation.

Section 108(g) would permit the Fund to invest in, and then resell, its equity investments (e.g., securities). It is not the intent of Congress that the Fund engage in making and selling equity investments on a regular basis. While the Fund may seek to sell an equity investment in its portfolio from time to time, in general, the Fund is not authorized to engage in the securities business, including any secondary market activities with respect to securities.

Title II—Small Business Loan Securitization

1. Underwriting. Section 206 should not be interpreted to permit national banks (which are exempt from broker-dealer regulation pursuant to the Securities Exchange Act of 1934) to participate in the underwriting of small business related securities.

Title III.—Paperwork Reduction and Regulatory Improvement

Section 340. Simplified Disclosure for Existing Depositors.

Section 340 amends Section 43(b)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1831t(b)(3)) to require depositors to acknowledge that a "noninsured depository institution" is not federally insured. As a matter of law, registered broker-dealers and investment companies are not engaged in the type of activities that would render them "depository institutions" for the purpose of §1831t. Moreover, due to the disclosure requirements already contained in the federal securities regulatory scheme, customers of such firms are already comprehensively regulated under a federal scheme that promotes investor protection.

Section 347. Commercial Mortgage Related Securities.

1. Underwriting. Section 347 should not be interpreted to permit national banks (which are exempt from broker-dealer regulation pursuant to the Securities Exchange Act of 1934) to participate in the underwriting of mortgage related, including commercial mortgage related, securities.

2. Effective date. Section 347(d) provides that Section 347 will not go into effect until the Comptroller of the Currency has promulgated final regulations regarding bank purchases of commercial mortgage related securities as investment securities.

Mr. FIELDS of Texas. Mr. Speaker, through the joint efforts of the Banking Committee and the Energy and Commerce Committee leadership, including Chairman DINGELL, ranking member CARLOS MOORHEAD and Subcommittee Chairman MARKEY, we have produced agreement on some critical titles of this bill relating to the securitization of small business and commercial real estate loans. I also want to commend Senator D'AMATO the distinguished Senator from New York, for his leadership and hard work on this legislation.

Small businesses are vitally important to employment and the overall vitality of the U.S. economy. They account for at least half of the entire U.S. gross domestic product and have always been an important source of new jobs, new products, and new technologies.

In order to play their crucial role in economic growth and job creation, small businesses must have access to capital.

Title II, subtitle A of the bill amends the Federal securities laws to encourage the securitization of, and the growth of, a secondary market for small business and commercial real estate loans.

The approach of the bill is based on the framework for securitization of mortgage loans developed in the Secondary Mortgage Market Enhancement Act of 1984 [SMMEA]. SMMEA removed a number of legal impediments to the securitization of residential mortgages which has led to a large and thriving secondary market for mortgage loans.

The adoption of a SMEAA-like approach for small business loans will, among other things, increase the supply of capital to small businesses. That is, by selling loans to investors, thereby transferring risks and generating fee income, lenders will free up resources to make new loans.

The legislation extends to small business related securities the same exemptions to margin requirements and delivery rules that are available to mortgage-backed securities under SMMEA. It also amends the Federal securities laws to include commercial real estate loans in the definition of mortgage-related securities under SMEAA.

The legislation also encourages the sale and marketing of small business and commercial real estate related securities by preempting current State blue sky and legal investment laws with respect to such securities. States will be able to opt out of these preemptions so long as they do so within 7 years after the bill's enactment.

In short, enactment of this legislation will make it easier for small firms to raise capital and for investors, directly or indirectly, to invest in small firms and commercial real estate ventures.

This legislation is a narrow, focused, and consistent approach based on a proven regulatory framework that has been tested in the marketplace and is working extremely well.

It encourages securitization and fosters a secondary market without sacrificing market integrity and investor protection, the touchstones of the Federal securities laws.

Mr. STOKES. Mr. Speaker, I rise today in strong support of the conference report on H.R. 3474, Community Development Financial Institutions. I want to take this opportunity to commend the chairman of the Banking Committee, Congressman GONZALEZ, for his leadership and steadfast determination to bring this very important legislation through the Conference Committee and to the House floor.

The Community Development Financial Institutions Act is vital to promoting economic growth in communities all over the United States, especially communities like east Cleveland, and the city of Cleveland in my congressional district, as well as the city of San Antonio, which is represented by the gentleman from Texas. The bill establishes a wholly owned Government corporation, known as the Community Development Financial Institutions Fund, to provide financial and technical assistance to financial institutions which have community development as their primary mission, and serve an underserved area or population. The bill provides $382 million over 4 years in "seed capital" for banks, credit unions, and other lending institutions which are committed to serving low-income communities. Many of these institutions are presently unable to meet the financial needs of businesses and individuals in their communities due to a lack of adequate capital.

The Community Development Financial Institutions Fund, by relying on the existing infrastructure of nonprofit alternative lenders already present in many communities, will produce more immediate results than establishing a network of community development banks from scratch. One of the many advantages of providing "seed capital" to alternative lenders is that the funds can often be used to leverage additional funding from banks and Government agencies. Through the matching requirements in the legislation, lenders will have to assume more of the risk for loans to microenterprises and disadvantaged businesses. This will in turn make community development projects funded through their seed money more attractive to traditional financial institutions, who are faced with regulations restricting the amount of high-risk loans they can make.

Mr. Speaker, I am extremely pleased to give my support to this important and worthwhile legislation. This is an enormous step forward to revitalizing low-income and disadvantaged communities in our Nation's cities and in rural

areas. As a Member of Congress who has represented economically disadvantaged communities in Cleveland, Ohio, for the past 25 years in this House, I believe that passage of this legislation will bring about significant improvements in the lives of my constituents, and, in turn, all Americans will benefit from the increased economic independence for low-income citizens which will be created through the establishment of the Community Development Financial Institutions Fund. I strongly urge all my colleagues to support this bill and to vote in favor of adoption of the conference report.

Mr. NEAL of North Carolina: Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore (Mr. BILBRAY). The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the yeas appeared to have it.

Mr. MFUME. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 410, nays 12, answered "present" 2, not voting 10, as follows:

[Roll No. 375]

YEAS—410

Abercrombie
Ackerman
Allard
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Bacchus (FL)
Bachus (AL)
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barca
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bateman
Becerra
Beilenson
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Blackwell
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burton
Buyer
Byrne
Callahan
Calvert
Camp
Canady
Cantwell
Cardin
Carr
Castle
Chapman
Clay
Clayton
Clinger
Clyburn
Coble
Coleman
Collins (GA)
Collins (MI)
Combest
Condit
Conyers
Cooper
Coppersmith
Costello
Coyne
Cramer
Crapo
Cunningham
Danner
Darden
de la Garza
Deal
DeLauro
DeLay
Dellums
Derrick
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Dooley
Doolittle
Dornan
Dreier
Duncan
Dunn
Durbin
Edwards (CA)
Edwards (TX)
Ehlers
Emerson
Engel
English
Eshoo
Evans
Everett
Ewing
Farr
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Fingerhut
Fish
Flake
Foglietta
Ford (MI)
Fowler
Frank (MA)
Franks (CT)
Franks (NJ)
Frost
Furse
Gallegly
Gallo
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Grams
Grandy
Green
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Hansen
Harman
Hastert
Hastings
Hayes
Hefley
Hefner
Herger
Hilliard
Hinchey
Hoagland
Hobson
Hochbrueckner
Hoekstra
Hoke
Holden
Horn
Houghton
Hoyer
Huffington
Hughes
Hunter
Hutchinson
Hutto
Inglis
Inhofe
Inslee
Istook
Jacobs
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E.B.
Johnston
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klein
Klink
Klug
Knollenberg
Kolbe
Kopetski
Kreidler
Kyl
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Lazio
Leach
Lehman
Levin
Levy
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
Lloyd
Long
Lowey
Lucas
Machtley
Maloney
Mann
Manton
Manzullo
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McHale
McHugh
McInnis
McKeon
McKinney
McMillan
McNulty
Meehan
Meek
Menendez
Meyers
Mfume
Mica
Michel
Miller (CA)
Miller (FL)
Mineta
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murphy
Murtha
Myers
Nadler
Neal (MA)
Neal (NC)
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quillen
Quinn
Rahall
Ramstad
Ravenel
Reed
Regula
Reynolds
Richardson
Ridge
Roberts
Roemer
Rogers
Ros-Lehtinen
Rostenkowski
Roth
Roukema
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Sawyer
Saxton
Schaefer
Schenk
Schiff
Schroeder
Schumer
Scott
Sensenbrenner
Serrano
Sharp
Shaw
Shays
Shepherd
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (IA)
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Spence
Spratt
Stark
Stearns
Stenholm
Stokes
Strickland
Studds
Stupak
Swett
Swift
Synar
Talent
Tanner
Tauzin
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Traficant
Tucker
Unsoeld
Upton
Valentine
Velázquez
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Waters
Watt
Waxman
Weldon
Wheat
Whitten
Williams
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—12

Archer
Armey
Crane
Gekas
Hancock
Johnson, Sam
Rangel
Rohrabacher
Royce
Solomon
Stump
Taylor (MS)

ANSWERED "PRESENT"—2

Brooks
Hyde

NOT VOTING—10

Clement
Collins (IL)
Cox
DeFazio
Ford (TN)
Laughlin
Rose
Sundquist
Washington
Wilson

□ 1348

Mr. ROHRABACHER changed his vote from "yea" to "nay."

Mr. STUPAK changed his vote from "nay" to "yea."

Mr. HYDE changed his vote from "yea" to "present."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1350

COMMUNICATION FROM THE CHAIRMAN OF THE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

The SPEAKER pro tempore laid before the House the following communication from the Chairman of the Committee on Public Works and Transportation, which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations:

HOUSE OF REPRESENTATIVES,
Washington, DC, July 28, 1994.

Hon. THOMAS S. FOLEY,
Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: Pursuant to the provisions of the Public Buildings Act of 1959, I am transmitting herewith the resolutions (originals plus one copy) approved today by the Committee on Public Works and Transportation.

Sincerely yours,

NORMAN Y. MINETA,
Chair, Committee on Public Works and Transportation.

Enclosures.

COMMITTEE RESOLUTION

Resolved by the Committee on Public Works and Transportation of the U.S. House of Representatives, that pursuant to section 11(b) of the Public Buildings Act of 1959 (40 U.S.C. 610), the Administrator of General Services shall investigate the feasibility and need for acquiring or constructing a federal building in Columbia, South Carolina, and submit a report to Congress within 60 days.

COMMITTEE RESOLUTION

Resolved by the Committee on Public Works and Transportation of the U.S. House of Representatives, that pursuant to section 11(b) of the Public Buildings Act of 1959 (40 U.S.C. 610), the Administrator of General Services shall investigate the feasibility for a federal geo-science building to be located at the University of Hawaii (UH), Hilo, Hawaii, and submit a report to Congress within 90 days.

COMMITTEE RESOLUTION

Resolved by the Committee on Public Works and Transportation of the U.S. House

of Representatives, that pursuant to section 11(b) of the Public Buildings Act of 1959, (40 U.S.C. 610), the Administrator of General Services shall investigate the feasibility and need for acquiring or constructing a federal building in Corpus Christi, Texas, and submit a report to Congress within 60 days.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 4506, ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT, 1995

Mr. BEVILL. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill (H.R. 4506) making appropriations for energy and water development for the fiscal year ending September 30, 1995, and for other purposes.

The SPEAKER pro tempore (Mr. BILBRAY). Is there objection to the request of the gentleman from Alabama?

There was no objection.

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 1995

Mr. HALL of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 504 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 504

Resolved, That all points of order against the conference report to accompany the bill (H.R. 4426) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1995, and against its consideration are waived.

The SPEAKER pro tempore. The gentleman from Ohio [Mr. HALL] is recognized for 1 hour.

Mr. HALL of Ohio. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from New York [Mr. SOLOMON], pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 504 is the rule that provides for the consideration of the conference report on H.R. 4426, the fiscal year 1995 foreign operations appropriation bill. The rule would waive all points of order against the conference report, and against its consideration. This is necessary so that we may bring up this important bill in a timely fashion and move forward on important legislative business.

This legislation, Mr. Speaker, appropriates funds for our U.S. foreign aid programs. This final agreement is a fiscally sound compromise which spends less money than we have in the past, while responding to the changing needs of the world. It is approximately $630 million under the amount appropriated last year.

This bill also successfully balances the need to exercise fiscal restraint while still meeting our moral obligation to assist those suffering from hunger and poverty around the world. I would personally like to commend Chairman OBEY for specific language directing the Agency for International Development to fund child survival activities at the recommended level of $280 million, basic education at $135 million, and, micronutrient programs at $25 million.

Finally, the bill contains a fiscal year 1994 supplemental appropriation of $50 million for Rwandan refugees. These funds are desperately needed for a people dying of hunger and disease. I would point out that these humanitarian funds are able to be provided without violating any budget restrictions.

Mr. Speaker, this is an excellent rule which passed the House Rules Committee by voice vote. I would urge my colleagues to adopt it.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as the gentleman from Ohio [Mr. HALL] has just indicated, we have before us a rule that provides for the expeditious consideration of the conference report on the foreign operations appropriations bill for fiscal year 1995.

This rule waives all points of order against the conference report itself and against its consideration.

I must say to Members that a rule of this type has become something of a standard procedure for the foreign operations conference report—and there is a compelling reason for that.

Mr. Speaker, let me interrupt for a minute and just announce that I am not going to call for a vote on this rule, in case Members are waiting around for that purpose. The rule will not take that long, but there probably will not be a vote on it. Therefore, I would ask for a little order.

Mr. Speaker, the reason is simply this: Congress has not enacted a foreign aid authorization bill since 1985. Indeed, I remember it well because I served as a conferee for that bill 9 years ago. That is the last time we had an authorization bill on this floor.

Mr. Speaker, in the absence of authorizing legislation since then, the Appropriations Subcommittee on Foreign Operations has had no choice but to step into the breach each year and, in effect, write the annual foreign aid bill.

It hardly needs noting that many items in this conference report are unauthorized. It also contains legislative language several items that are out of scope, and even a tariff measure.

That last item, Members may be interested to know, is new authority for the President to impose import sanctions on Serbia and its ally Montenegro.

Mr. Speaker, given the special circumstances that surround this legislation and the need to bring it to the floor in an expeditious manner, I shall not ask Members to oppose this rule—despite the waivers.

Turning now to the substance of the conference report itself, I find a number of items that will prompt me to vote "no" on final passage.

First, there is the question of the spending level. I know the statement will be made that this bill represents a reduction in spending from the fiscal year 1994 level.

By my calculations, that reduction is in the neighborhood of 7 percent. But let us take a closer look.

The fiscal year 1994 appropriations bill contained a massive aid package for the former Soviet Union, but that aid package was charged as a supplemental appropriation for fiscal year 1993.

So one must subtract that supplemental appropriation from last year's bill to get a better idea of what was the actual appropriated level for fiscal year 1994 spending.

Based on that calculation, I have concluded that this present conference report actually represents an increase of about 4 percent above the fiscal year 1994 appropriated level.

That figure is probably even a little higher when rescissions are taken into account.

Mr. Speaker, during a period when our own domestic budget is subject to intense pressure and serious cuts have been made in many programs, I cannot support an increase in overseas programs.

Then there is the issue of a $99 million subsidy appropriation to facilitate the forgiveness of Jordan's official debt to our Government.

Here again, Mr. Speaker, I cannot justify this expenditure. As a matter of principle, I have consistently opposed debt relief for other countries throughout my congressional career, and I cannot alter that stance today.

The United States has already committed—and spent—tens of billions of dollars toward the establishment of a secure political environment in the Middle East.

In terms of absolute dollars, the Middle East has received more from the United States than has any other region—by far. Figure it out on a per capita basis and the line will go off the chart.

Do not get me wrong; this has not gone for naught. And it is for very good reason that the United States is the only country that can serve as an honest broker—trusted by all sides—in the Middle East.

But does there not come a time when pure self-interest should be enough to bring some of these countries to the peace table? How many more candy canes and gumdrops must we throw around to induce some of these countries to cooperate?

Finally, Mr. Speaker, it is much to be regretted that this conference report does not contain an amendment concerning North Korea that was passed by a 95-to-0 vote in the Senate.

That amendment would have prohibited any and all United States aid from going to the Kim family theme park in Tyranny, otherwise known as North Korea.

The amendment was evidently prompted by a plan that is being floated by the administration to provide the North Korean Communist regime with a nuclear reactor which has application for civilian use as an incentive for North Korea to give up its current nuclear program.

Nobody can question the value of such a goal. But using this means to reach that end is so ludicrous on its face that the Senate was moved to vote unanimously for an amendment that would have stopped it.

Mr. Speaker, there are other problems with this conference report that concern me. Suffice to say that enough of the priorities and programs contained in this legislation are of such dubious value in my own mind that I cannot support it on final passage.

Mr. Speaker, I do not oppose the rule; let me make that clear.

□ 1400

Mr. Speaker, I yield whatever time he might consume to the gentleman from Sanibel, FL [Mr. GOSS], a very valuable member of the Committee on Rules and a former member of the Committee on Foreign Affairs.

Mr. GOSS. Mr. Speaker, I thank the distinguished gentleman from Glens Falls, NY [Mr. SOLOMON], the ranking member of the Committee on Rules, for yielding me this time. I wanted to speak for a moment to again underscore some of the points he has made and add a few others, particularly with regard to Haiti.

Mr. Speaker, I understand the need to move this conference report quickly—the emergency funds for crises such as Rwanda are urgently needed. I also understand the need for certain waivers—many of the programs funded in this bill remain unauthorized because we have not passed a foreign and authorization bill since 1985. But as we continue the recent trend of considering conference reports under rules that waive all points of order, it is important to remember that conference reports are privileged and do not need a rule for consideration. These routine waivers are a dangerous trend that needs to be addressed. It is also interesting to note some of the things we are protecting under the blanket waiver: $90 million in debt forgiveness to Jordan, for instance. Some would suggest that this is a very large speaking fee for King Hussein's recent appearance before Congress. The other issue at stake here is the United States policy toward Haiti. Since the revote of the Goss amendment to the defense authorization, this House has not had an official stance of Haiti.

This is a potentially dangerous abdication of our responsibilities. I had intended to offer a motion to recommit this conference report with instructions to accept the Senate amendment on Haiti—deleted in conference—which stated it was the sense of Congress that the President should not invade Haiti without first seeking authorization from Congress. I find it troubling that the administration has seen fit to go hat in hand to the United Nations for approval for an invasion of Haiti, yet it refuses to consult Congress. While I will not offer my motion to recommit today, I want to let Members know that we will have to revisit this issue one way or another in the near future—at the very least, we will need to consider a supplemental appropriations package to cover the hundreds of millions of dollars that are being spent on our constantly changing Haiti policy. And the DOD estimates that this figure will be over $1 billion should we decide to invade.

Mr. Speaker, I do not know where that $1 billion is going to come from and I do not know where the hundreds of millions that are being spent now are going to come from, but I know that we are going to have to reckon with it sooner or later. I know there will be a tendency to say, "Let us just add it to the national debt." That is what we do when we have these kinds of things. I do not think that answer is going to satisfy people anymore, especially when we are talking about things as inane as invading a friendly foreign country that is a neighboring country.

I feel at this point that it is necessary to go forward with this rule, and I supported the rule. I am not going to be able to support the bill because I think some things have been put up in here that do not have the approval necessary of the people of the United States of America. I do know we have not faced the Haiti issue. I am sorry we have missed that opportunity.

Mr. SOLOMON. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. HALL of Ohio. Mr. Speaker, I have no further requests for time, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. OBEY. Mr. Speaker, pursuant to House Resolution 504, I call up the conference report on the bill (H.R. 4426), making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1995.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. SWIFT). Pursuant to the rule, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of August 1, 1994, at page 18811.)

The SPEAKER pro tempore. The gentleman from Wisconsin [Mr. OBEY] will be recognized for 30 minutes and the gentleman from Louisiana [Mr. LIVINGSON] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I will not take long. I simply want to thank the House for their support of the bill when it was before us previously and to indicate that the bill has really not changed all that much since it has left the body, save for the two emergency requests which have been referred to earlier in discussion today, the provision which helps facilitate the peace accord announced on the White House lawn last week between Israel and Jordan, and the emergency funding for the starving souls in Rwanda.

This bill is $664 million below the amount contained in the bill which was enacted last year, $419 million below the administration's request, $151 million below the committee's 602(b) allocation.

We had 166 amendments adopted by the Senate. Only 19 of them were financial. The others were legislative. We stripped most of them out. There are no new earmarks in this bill above those contained last year.

Mr. Speaker, I think that is all I need to say, except that I think it is important for the House to take note of the departure of persons who have served this House and served it well. Those who know Mike Marek who has served as my foreign affairs assistant for the past 19 years know that he has been appointed by President Clinton to be the new alternative executive director at the World Bank. I am going to miss him terribly, and I know the committee is going to miss him terribly, but I think that is an honor which he has simply earned.

Mike has seen this bill come before this House since 1975. He has seen this committee work with the demise of the Soviet Union, with the year after year conflict in the Middle East which is now finally giving way to peace agreements in the Middle East. He has given his energy and talents to the committee and has with great graciousness explained me to all kinds of Members of the House, and that takes a special talent, I think. But I really do appreciate the work that he has done.

Mike was born and educated in Chicago, IL, he has degrees from both Boston University and Roosevelt University. He is the recipient of the American Foreign Service Association

Award for Recognition and Appreciation and is a founding member of the Congressional Staff Forum on Food and International Development.

I simply wanted to publicly thank him for all the service he has provided to me, to my constituents, to this House and this country. I think he epitomizes what public service is supposed to be all about, and I wanted to extend a special thanks to him and all of the members of the staff who have worked so hard to help put this bill together.

I also wanted to extend my appreciation to all of the members of the subcommittee, including the gentleman from Louisiana [Mr. LIVINGSTON], our ranking Republican member, who has been of invaluable assistance in putting together a bipartisan bill.

Mr. Speaker, I include the program summary of the bill and related documents, as follows:

FOREIGN OPERATIONS, EXPORT FINANCING AND RELATED PROGRAMS APPROPRIATIONS BILL, 1995

PROGRAM SUMMARY

The conference committee has considered the bill H.R. 4426, and has recommended a total of $13,679,235,750 and $149,000,000 in a fiscal year 1994 supplemental.

The bill is $345,721,344 below the President's request and $663,651,116 below the fiscal year 1994 appropriation.

INTERNATIONAL FINANCIAL INSTITUTIONS

The committe has recommended $1,927,894,750 of the $2,101,977,094 requested for the international financial institutions, including $90,000,000 for the Global Environment Facility of the World Bank. The overall reduction is $174,082,344 below this year's request.

DEVELOPMENT ASSISTANCE

For development assistance, the committee has recommended a total of $1,303,000,000. Of that, $853,000,000 is for general development assistance, which is $43,000,000 above the level requested by the President. Population programs are funded at $450,000,000, the amount requested. For Africa, the committee has included $802,000,000 in the Development Fund for Africa, an increase of $19,300,000 above the request. The committee has also included $169,998,000 for disaster assistance worldwide. Much of this assistance is likely to be used in Africa. The committee has included $7,000,000 for debt restructuring for poor countries eligible for relief under the Toronto terms.

ASSISTANCE FOR CHILDREN

The committee has recommended substantial funding for a number of health, children's and development-related programs. Population assistance is recommended at $450,000,000 plus amounts from the Development Fund for Africa and $50,000,000 for the U.N. Population Fund [UNFPA]. This represents an increase of about $70,000,000 over the population amounts provided last year.

The committee has recommended that the Agency for International Development [AID] should provide at least $280,000,000 for Child Survival, $135,000,000 for Basic Education and $25,000,000 for micronutrients from all sources of funds. This is a slight increase in the amounts recommended for fiscal year 1994.

ASSISTANCE TO THE NEW INDEPENDENT STATES OF THE FORMER SOVIET UNION AND EASTERN EUROPE

The committee has included a total of $850,000,000 in assistance to the New Independent States of the former Soviet Union, which is $50,000,000 below the President's request. The Committee has also provided $359,000,000 for Eastern Europe and the Baltics.

REFUGEE ASSISTANCE

The committee has recommended a total of $721,000,000 for refugee programs. Of that, $671,000,000 is for the Migration and Refugee Assistance Program, and $50,000,000 is for the Emergency Refugee and Migration Assistance Fund.

EXPORT ASSISTANCE

For export and trade related programs, the committee has recommended a total of $935,031,000. The subsidy appropriation for the Export-Import Bank is $786,551,000, which is an $86,551,000 increase over last year's appropriation when adjusted for the increase provided for the New Independent States of the former Soviet Union. The Trade and Development Agency is funded at $44,986,000. The committee has provided $33,944,000 for the subsidy appropriation for the Overseas Private Investment Corporation.

SECURITY ASSISTANCE

Economic Assistance under the Economic Support Fund totals $2,349,000,000. Of this, $1,200,000,000 has been earmarked for Israel, $815,000,000 for Egypt, and $15,000,000 for Cyprus. These are the levels requested by the President.

For Foreign Military Financing, the committee has recommended a grant program of $3,151,279,000 and a loan program of $619,650,000. The net effect of these actions is a military assistance program level of $3,770,929,000. The committee has included $10,000,000 for the Non-Proliferation and Disarmament Fund, $15,244,000 for Anti-Terrorism Assistance and $105,000,000 for International Narcotics Control.

FISCAL YEAR 1994 SUPPLEMENTAL

The committee also included supplemental appropriations for fiscal year 1994 providing for debt forgiveness for Jordan and emergency refugee and disaster assistance funds for Rwanda.

The Jordan debt relief subsidy appropriation totals $99,000,000 which will permit the forgiveness of up to $220,000,000 of debt owed to AID.

The Emergency Assistance for Rwanda supplemental includes $30,000,000 for the Emergency Refugee and Migration Assistance Fund and $20,000,000 for International Disaster Assistance.

FOREIGN OPERATIONS APPROPRIATIONS BILL, 1995 (H.R. 4426)

	FY 1994 Enacted	FY 1995 Estimate	House	Senate	Conference	Conference compared with enacted
TITLE I - MULTILATERAL ECONOMIC ASSISTANCE						
FUNDS APPROPRIATED TO THE PRESIDENT						
International Financial Institutions						
World Bank Group						
Contribution to the International Bank for Reconstruction and Development:						
Paid-in capital	27,910,500	23,288,564	23,009,101	23,009,101	23,009,101	-4,901,399
(Limitation on callable capital)	(902,439,500)	(752,959,427)	(743,923,914)	(743,923,914)	(743,923,914)	(-158,515,586)
Contribution to the Global Environment Facility	30,000,000	100,000,000	88,800,000	98,800,000	90,000,000	+60,000,000
Total, contribution to the International Bank for Reconstruction and Development	(960,350,000)	(876,247,991)	(855,733,015)	(865,733,015)	(856,933,015)	(-103,416,985)
Contribution to the International Development Association	1,024,332,000	1,250,000,000	1,235,000,000	1,207,750,000	1,235,000,000	+210,668,000
Contribution to the International Finance Corporation	35,761,500	88,743,028	68,743,028	68,743,028	68,743,028	+32,981,528
Total, World Bank Group	(2,020,443,500)	(2,214,991,019)	(2,159,476,043)	(2,142,226,043)	(2,160,676,043)	(+140,232,543)
Budget authority	1,118,004,000	1,462,031,592	1,415,552,129	1,398,302,129	1,416,752,129	+298,748,129
Limitation on callable capital	(902,439,500)	(752,959,427)	(743,923,914)	(743,923,914)	(743,923,914)	(-158,515,586)
Contribution to the Inter-American Development Bank:						
Inter-regional paid-in capital	56,166,000	28,453,400	28,111,959	28,111,959	28,111,959	-28,054,041
(Limitation on callable capital)	(2,190,283,457)	(1,614,585,575)	(1,594,568,180)	(1,594,568,180)	(1,594,568,180)	(-595,715,277)
Fund for special operations	20,164,000	21,597,000	21,338,000	21,338,000	21,338,000	+1,174,000
Inter-American Investment Corporation	.....	190,000	190,000	190,000	190,000	+190,000
Enterprise for the Americas Multilateral Investment Fund	75,000,000	100,000,000	75,000,000	75,000,000	75,000,000	.....
Total, contribution to the Inter-American Development Bank	(2,341,613,457)	(1,764,825,975)	(1,719,208,139)	(1,719,208,139)	(1,719,208,139)	(-622,405,318)
Contribution to the Asian Development Bank:						
Paid-in capital	13,026,366	.....	.....	.....	.....	-13,026,366
Development fund	62,500,000	170,000,000	167,960,000	167,960,000	167,960,000	+105,460,000
(Limitation on callable capital)	(95,438,437)	.....	.....	.....	.....	(-95,438,437)
Total, contribution to the Asian Development Bank	(170,964,803)	(170,000,000)	(167,960,000)	(167,960,000)	(167,960,000)	(-3,004,803)
Contribution to the African Development Fund	135,000,000	125,738,167	124,229,309	124,229,309	124,229,309	-10,770,691
Contribution to the African Development Bank:						
Paid-in capital	.....	133,000	133,000	133,000	133,000	+133,000
(Limitation on callable capital)	.....	(2,002,540)	(2,002,540)	(2,002,540)	(2,002,540)	(+2,002,540)
Total, contribution to the African Development Bank	.....	(2,135,540)	(2,135,540)	(2,135,540)	(2,135,540)	(+2,135,540)
Contribution to the European Bank for Reconstruction and Development:						
Paid-in capital	.....	70,020,600	69,180,353	69,180,353	69,180,353	+69,180,353
(Limitation on callable capital)	.....	(163,381,400)	(161,420,824)	(161,420,824)	(161,420,824)	(+161,420,824)
Total, contribution to the European Bank for Reconstruction and Development	.....	(233,402,000)	(230,601,177)	(230,601,177)	(230,601,177)	(+230,601,177)
Multilateral development banks - other	.....	23,813,335	.....	.....	.....	.....
International Monetary Fund						
Contribution to the enhanced structural adjustment facility	.....	100,000,000	.....	25,000,000	25,000,000	+25,000,000
Total, contribution to International Financial Institutions	(4,668,021,760)	(4,634,906,036)	(4,403,610,208)	(4,411,360,208)	(4,429,810,208)	(-238,211,552)
Budget authority	1,479,860,366	2,101,977,094	1,901,694,750	1,909,444,750	1,927,894,750	+448,034,384
(Limitation on callable capital)	(3,188,161,394)	(2,532,928,942)	(2,501,915,458)	(2,501,915,458)	(2,501,915,458)	(-686,245,936)
International Organizations and Programs						
International organizations and programs	360,628,000	403,000,000	366,000,000	382,000,000	374,000,000	+13,372,000
Total, title I, contribution for Multilateral Economic Assistance	(5,028,649,760)	(5,037,906,036)	(4,769,610,208)	(4,793,360,208)	(4,803,810,208)	(-224,839,552)
Budget authority	1,840,488,366	2,504,977,094	2,267,694,750	2,291,444,750	2,301,894,750	+461,406,384
(Limitation on callable capital)	(3,188,161,394)	(2,532,928,942)	(2,501,915,458)	(2,501,915,458)	(2,501,915,458)	(-686,245,936)
TITLE II - BILATERAL ECONOMIC ASSISTANCE						
FUNDS APPROPRIATED TO THE PRESIDENT						
Agency for International Development						
Development assistance	811,900,000	811,000,000	811,000,000	882,000,000	853,000,000	+41,100,000
Rescission (sec. 545(b))	-5,100,000	.....	.....	.....	.....	+5,100,000
Population, development assistance	392,000,000	450,000,000	450,000,000	450,000,000	450,000,000	+58,000,000
Sub-Saharan Africa:						
Development assistance	784,000,000	782,700,000	790,000,000	802,000,000	802,000,000	+18,000,000
International disaster assistance	145,985,000	169,998,000	169,998,000	169,998,000	169,998,000	+24,013,000
Debt restructuring	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	.....

FOREIGN OPERATIONS APPROPRIATIONS BILL, 1995 (H.R. 4426), continued

	FY 1994 Enacted	FY 1995 Estimate	House	Senate	Conference	Conference compared with enacted
Micro and Small Enterprise Development program:						
Subsidy appropriations	1,000,000	1,500,000	1,500,000	1,500,000	1,500,000	+500,000
Administrative expenses	.....	500,000	500,000	500,000	500,000	+500,000
(Estimated level of guaranteed loans)	(25,000,000)	(25,989,000)	(25,989,000)	(18,564,000)	(18,564,000)	(-6,436,000)
(Estimated level of direct loans)	.....	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(+1,000,000)
Housing and other credit guaranty programs:						
Subsidy appropriations	16,078,000	19,300,000	19,300,000	19,300,000	19,300,000	+3,222,000
Operating expenses	8,239,000	8,000,000	8,000,000	8,000,000	8,000,000	-239,000
(Estimated level of guaranteed loans)	(110,000,000)	(137,474,000)	(137,474,000)	(137,474,000)	(137,474,000)	(+27,474,000)
Subtotal, development assistance	2,161,102,000	2,249,998,000	2,257,298,000	2,340,298,000	2,311,298,000	+150,196,000
Payment to the Foreign Service Retirement and Disability Fund	44,151,000	45,118,000	45,118,000	45,118,000	45,118,000	+967,000
Operating expenses of the Agency for International Development	501,760,000	526,111,000	517,500,000	517,800,000	517,500,000	+15,740,000
Reform and downsizing	3,000,000	.....	.....	.....	.....	-3,000,000
Operating expenses of the Agency for International Development Office of Inspector General	39,118,000	39,954,000	39,118,000	39,118,000	39,118,000	.....
Subtotal, Agency for International Development	2,749,131,000	2,861,181,000	2,859,034,000	2,942,334,000	2,913,034,000	+163,903,000
Economic Initiatives						
Economic support fund	2,364,562,000	2,414,502,000	2,339,000,000	2,359,200,000	2,349,000,000	-15,562,000
Rescission (sec. 545(a))	-203,000,000	.....	.....	.....	.....	+203,000,000
International fund for Ireland	19,600,000	20,000,000	19,600,000	15,000,000	19,600,000	.....
Assistance for the Philippines: Multilateral assistance initiative for the Philippines	(20,000,000)	.....	.....	.....	.....	.....
Assistance for Eastern Europe	390,000,000	380,000,000	360,000,000	359,000,000	359,000,000	-31,000,000
Assistance for former republics of the Soviet Union	548,820,000	900,000,000	875,500,000	839,000,000	850,000,000	+301,180,000
Supplemental, 1993 (P.L. 103-87) - Foreign Ops	630,000,000	.....	.....	.....	.....	-630,000,000
Supplemental, 1993 (P.L. 103-87) - Defense	979,000,000	.....	.....	.....	.....	-979,000,000
Procurement: General provisions	.....	-1,598,000	-1,598,000	-1,598,000	-1,598,000	-1,598,000
Subtotal, Economic Initiatives	4,728,982,000	3,712,904,000	3,592,502,000	3,570,602,000	3,576,002,000	-1,152,980,000
Total, Agency for International Development	7,478,113,000	6,574,085,000	6,451,536,000	6,512,936,000	6,489,036,000	-989,077,000
Independent Agencies						
African Development Foundation						
Appropriations	16,905,000	16,905,000	16,905,000	16,905,000	16,905,000	.....
Inter-American Foundation						
Appropriations	30,960,000	30,960,000	30,960,000	30,960,000	30,960,000	.....
Total, Funds Appropriated to the President	7,525,978,000	6,621,950,000	6,499,401,000	6,560,801,000	6,536,901,000	-989,077,000
Peace Corps						
Appropriations	219,745,000	225,411,000	219,745,000	221,745,000	219,745,000	.....
Department of State						
International narcotics control	100,000,000	152,400,000	115,000,000	100,000,000	105,000,000	+5,000,000
Migration and refugee assistance	670,688,000	632,888,000	670,688,000	671,000,000	671,000,000	+312,000
Refugee resettlement assistance	.....	.....	12,000,000	.....	6,000,000	+6,000,000
United States Emergency Refugee and Migration Assistance Fund	49,261,000	50,000,000	50,000,000	50,000,000	50,000,000	+739,000
Anti-terrorism assistance	15,244,000	15,244,000	15,244,000	15,244,000	15,244,000	.....
Nonproliferation and Disarmament Fund	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	.....
Total, Department of State	845,193,000	860,532,000	872,932,000	846,244,000	857,244,000	+12,051,000
Total, title II, Bilateral economic assistance	8,590,916,000	7,707,893,000	7,592,078,000	7,628,790,000	7,613,890,000	-977,026,000
Appropriations	(8,799,016,000)	(7,707,893,000)	(7,592,078,000)	(7,628,790,000)	(7,613,890,000)	(-1,185,126,000)
Rescissions	(-208,100,000)	.....	.....	.....	.....	(+208,100,000)
(Estimated level of direct/guaranteed loans)	(135,000,000)	(164,463,000)	(164,463,000)	(157,038,000)	(157,038,000)	(+22,038,000)
TITLE III - MILITARY ASSISTANCE						
FUNDS APPROPRIATED TO THE PRESIDENT						
International Military Education and Training	21,250,000	25,500,000	25,500,000	25,500,000	25,500,000	+4,250,000
(By transfer)	.....	.....	.....	(850,000)	(850,000)	(+850,000)
Military to military contact	(10,000,000)	46,300,000	12,000,000	12,000,000	12,000,000	+12,000,000

FOREIGN OPERATIONS APPROPRIATIONS BILL, 1995 (H.R. 4426), continued

	FY 1994 Enacted	FY 1995 Estimate	House	Senate	Conference	Conference compared with enacted
Foreign Military Financing Program:						
Grants	3,149,279,000	3,162,458,000	3,149,279,000	3,151,279,000	3,151,279,000	+2,000,000
(Limitation on administrative expenses)	(23,558,000)	(23,558,000)	(22,150,000)	(22,150,000)	(22,150,000)	(-1,408,000)
Direct concessional loans:						
Subsidy appropriations	46,530,000	59,598,000	47,917,000	47,917,000	47,917,000	+1,387,000
(Estimated level of direct loans)	(769,500,000)	(770,000,000)	(619,650,000)	(619,650,000)	(619,650,000)	(-149,850,000)
FMF program level	(3,918,779,000)	(3,932,458,000)	(3,768,929,000)	(3,770,929,000)	(3,770,929,000)	(-147,850,000)
Subtotal, Foreign military financing program	3,195,809,000	3,222,056,000	3,197,196,000	3,199,196,000	3,199,196,000	+3,387,000
Reappropriation (deobligation/reobligation) authority (sec. 515):						
Foreign military financing	500,000					-500,000
Total, Foreign military assistance	3,196,309,000	3,222,056,000	3,197,196,000	3,199,196,000	3,199,196,000	+2,887,000
Special Defense Acquisition Fund:						
Offsetting collections	-266,000,000	-282,000,000	-282,000,000	-282,000,000	-282,000,000	-16,000,000
Peacekeeping operations	75,623,000	75,000,000	75,000,000	75,000,000	75,000,000	-623,000
Total, title III, Military assistance programs	3,027,182,000	3,086,856,000	3,027,696,000	3,029,696,000	3,029,696,000	+2,514,000
(By transfer)				(850,000)	(850,000)	(+850,000)
(Limitation on obligations)	(23,558,000)	(23,558,000)	(22,150,000)	(22,150,000)	(22,150,000)	(-1,408,000)
(Estimated level of direct loans)	(769,500,000)	(770,000,000)	(619,650,000)	(619,650,000)	(619,650,000)	(-149,850,000)
TITLE IV - EXPORT ASSISTANCE						
EXPORT-IMPORT BANK OF THE UNITED STATES						
Limitation of Program Activity:						
Subsidy appropriations	1,000,000,000	799,873,000	792,653,000	786,551,000	786,551,000	-213,449,000
(Loan limitation)		(17,637,000,000)	(19,000,000,000)			
Administrative expenses	45,369,000	45,228,000	44,550,000	45,228,000	45,228,000	-141,000
Negative subsidy	-51,783,000	-49,656,000	-49,656,000	-49,656,000	-49,656,000	+2,127,000
Total, Export-Import Bank of the United States	993,586,000	795,445,000	787,547,000	782,123,000	782,123,000	-211,463,000
OVERSEAS PRIVATE INVESTMENT CORPORATION						
Loan subsidies:						
Direct	2,717,000	2,829,000	5,658,000	8,487,000	8,214,000	+5,497,000
Guaranteed	6,348,000	8,819,000	17,638,000	26,457,000	25,730,000	+19,382,000
Total	9,065,000	11,648,000	23,296,000	34,944,000	33,944,000	+24,879,000
Operating expenses	7,518,000	8,383,000	7,933,000	7,933,000	7,933,000	+415,000
Non-credit administrative expenses		16,389,000	16,389,000	16,389,000	16,389,000	+16,389,000
Offsetting collections		-151,620,000	-151,620,000	-151,620,000	-151,620,000	-151,620,000
(Estimated level of direct loans)		(19,895,000)	(19,895,000)	(59,685,000)	(19,895,000)	(+19,895,000)
(Estimated level of guaranteed loans)		(481,913,000)	(481,913,000)	(445,700,000)	(481,913,000)	(+481,913,000)
Total, Overseas Private Investment Corporation	16,583,000	-115,200,000	-104,002,000	-92,354,000	-93,354,000	-109,937,000
FUNDS APPROPRIATED TO THE PRESIDENT						
Trade and Development Assistance						
Trade and development	40,000,000	44,986,000	44,986,000	44,986,000	44,986,000	+4,986,000
Total, title IV, Export assistance	1,050,169,000	725,231,000	728,531,000	734,755,000	733,755,000	-316,414,000
(Loan limitation)		(18,138,808,000)	(19,501,808,000)	(505,385,000)	(501,808,000)	(+501,808,000)
FY 1994 SUPPLEMENTAL APPROPRIATIONS						
DEPARTMENT OF STATE						
Jordan debt relief subsidy appropriations					99,000,000	+99,000,000
(Loan forgiveness limitation)					(220,000,000)	(+220,000,000)
Agency for International Development						
International disaster assistance (emergency)		20,000,000			20,000,000	+20,000,000
DEPARTMENT OF STATE						
United States Emergency Refugee and Migration Assistance Fund (emergency)		30,000,000			30,000,000	+30,000,000
GENERAL PROVISIONS						
OVERSEAS PRIVATE INVESTMENT CORPORATION						
Loan subsidies:						
Direct (by transfer) (sec. 573)				(2,904,000)	(2,904,000)	(+2,904,000)
Guaranteed (by transfer) (sec. 573)				(9,096,000)	(9,096,000)	(+9,096,000)

FOREIGN OPERATIONS APPROPRIATIONS BILL, 1995 (H.R. 4426), continued

	FY 1994 Enacted	FY 1995 Estimate	House	Senate	Conference	Conference compared with enacted
TRADE AND DEVELOPMENT ASSISTANCE						
Trade and development (by transfer) (sec. 573)				(1,000,000)	(1,000,000)	(+1,000,000)
Total, FY 1994 Supplemental Appropriations		50,000,000			149,000,000	+149,000,000
Supplemental, 1994 (P.L. 103-211)	-165,868,500					+165,868,500
Grand total	14,342,886,866	14,074,957,094	13,615,999,750	13,684,685,750	13,828,235,750	-514,651,116
Fiscal year 1994		(50,000,000)			(149,000,000)	(+149,000,000)
Fiscal year 1995	(14,342,886,866)	(14,024,957,094)	(13,615,999,750)	(13,684,685,750)	(13,679,235,750)	(-663,651,116)
Appropriations	(14,716,855,366)	(14,024,957,094)	(13,615,999,750)	(13,684,685,750)	(13,679,235,750)	(-1,037,619,616)
Rescissions	(-373,968,500)					(+373,968,500)
(By transfer)				(13,850,000)	(13,850,000)	(+13,850,000)
(Limitation on obligations)	(23,558,000)	(23,558,000)	(22,150,000)	(22,150,000)	(22,150,000)	(-1,408,000)
(Limitation on callable capital)	(3,188,161,394)	(2,532,928,942)	(2,501,915,458)	(2,501,915,458)	(2,501,915,458)	(-686,245,936)
(Estimated level of direct/guaranteed loans)	(904,500,000)	(19,073,271,000)	(20,285,921,000)	(1,282,073,000)	(1,498,496,000)	(+593,996,000)

Mr. McDADE. Mr. Speaker, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Pennsylvania.

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Mr. McDADE. Mr. Speaker, I want to say that I want to acknowledge in front of the House of Representatives the work of the distinguished gentleman from Wisconsin [Mr. OBEY], who has so long and so hard labored over this very, very difficult bill, as has my dear friend, the gentleman from the State of Louisiana [Mr. LIVINGSTON]. I echo the gentleman's comments about the members of the staff who have worked long and hard to help bring this to fruition.

I do want the House to know, in the higher traditions of bipartisanship of this body, this bill is unanimously supported, virtually, and that is in large part due to the work of the able gentleman from Wisconsin and the able gentleman from Louisiana.

Mr. Speaker, I rise in support of the conference report to accompany H.R. 4426, the foreign operations bill and to urge its approval by this House.

Mr. Speaker, I want to call attention to the provisions of this bill that implement the administration's request for debt relief for Jordan. The committee acted to help provide some momentum for the Washington declaration ending the state of belligerency between Israel and Jordan. This was an historic act that we hope will be followed up by other historic acts if we are to have peace in the Middle East. I want to especially thank Chairman DAVE OBEY and ranking Republican member BOB LIVINGSTON for producing a bill that gives support to the peace process while protecting the interests of Congress and the taxpayers regarding future assistance to Jordan. The conference report provides $99 million in outlays to forgive $220 million in Jordanian debt. We expect that any future requests will be transmitted as a budget request to the Congress. This is to assure a better process than this time, when we were consulted very late. No budget request has been forthcoming and a Presidential endorsement has been hard to find. Any future forgiveness will be contingent on future appropriations and the report language is quite specific that future requests will be judged on progress toward a formal peace treaty, an end to the economic embargo against Israel, and formal compliance with U.N. sanctions against Iraq.

Mr. Speaker, the committee also provided authority for Jordan to purchase excess defense articles limited by report language to small arms and ammunition and by bill language to compliance with the U.N. sanctions against Iraq. Any other requests after the signing of a formal peace treaty would be provided in accordance with existing notification procedures. These provisions are such that I believe all Members of the House can support them. Our success in working them out should serve as a sign to the administration that when we are consulted we are constructive and we can enjoy success.

Mr. Speaker, this is a good bill. It deserves our support. It makes a modest but tangible contribution to our efforts toward peace in the Middle East.

Mr. OBEY. Mr. Chairman, I thank the gentleman from Pennsylvania.

Mr. Speaker, I reserve the balance of my time.

Mr. LIVINGSTON. Mr. Speaker, I yield myself such time as I might consume.

Mr. Chairman, I want to thank the gentleman from Wisconsin [Mr. OBEY], the chairman of the subcommittee and the full Committee on Appropriations, as well as the gentleman from Pennsylvania [Mr. McDADE], for their comments and for their cooperation and guidance on this bill. I think we have a remarkable achievement that satisfies the needs and concerns of all of the Members from the various viewpoints that were expressed, both on the subcommittee, the full committee, both houses of Congress and this entire body. So I thank the Members for their cooperation.

I also want to specifically thank the staff on both sides of the aisle for being so fair and working in generally bipartisan effort to bring forward this bill to the floor and make sure that it got through the conference. I add a special note to thank Mike Marek who has been on Chairman OBEY's staff, and has been his principal adviser on foreign policy and international economic trade and defense issues since 1975. We wish him well as he undertakes his new responsibilities at the World Bank, and thank him for all his valiant service here in the House of Representatives.

Mr. Speaker, throughout the progress of this bill in the House, and ultimately in the conference which lasted to 3 o'clock in the morning while Chairman OBEY had pneumonia, we enjoyed spirited debate with the other body, and we considered some 166 Senate amendments, plus administration requests for emergency supplemental appropriations for Jordan and Rwanda.

The House was largely successful in fending off harmful amendments and excessive earmarking which would tie the hands of the executive branch with Congressional micromanagement. We have produced a conference report that I think all Members can support.

Traditionally, this is not a popular bill, but this year's bill is responsible given the declining foreign aid budget.

Last year: $12.9 billion in fiscal year 1994 BA+$1.6 billion in fiscal year 1993 Supplementals (Russia)=$14.5 billion (total).

This year: $13,679,235,750 in fiscal year 1995 BA+$149,000,000 in fiscal year 1994 Supplemental=$13,828,235,750 (Total in fiscal year 1995 conference agreement).

$680 million less than last year's tally; $196 million less than the President's request.

The conference report represents a downward trend. It is substantially less than the 1985 peak of $19 billion, which amounts to $25.8 billion when adjusted for inflation.

We earmark funding levels to honor our Camp David commitments to Egypt and Israel. This funding is crucial to support the ongoing Middle East peace process. $3 billion for Israel and $2.1 billion for Egypt.

The conference report provides $850 million for the New Independent States of the former Soviet Union. These funds will support the historic opportunity to help develop free markets and democracy in the former Soviet Union.

The conferees provide $1.9 billion for the multilateral development banks [MDBs], which cuts $174 million from the President's request. The United States is $850 million in arrears to the MDB's. This legislation fulfills our negotiated obligations and makes a downpayment on arrearages.

The House provided nearly full funding for development assistance, Sub-Saharan Africa, international refugees, and disaster assistance in the House bill, and the conference report provides even more funding for these programs that benefit the world's most impoverished nations.

The conference agreement cuts $65 million in economic support funds from request. If you take out Egypt and Israel, only $324 million for the rest of the world—the United States provided $811 million in 1985.

If you take out Egypt and Israel, we provide only $29 million in foreign military financing [FMF] grants and only a $48 million subsidy to provide $620 million in FMF loans. Only 5 years ago, we provided $1.6 billion in FMF grants to our other allies beside Egypt and Israel.

I would prefer to see more funding for our strategic allies through the ESF and FMF programs, but I understand that tough decisions must be made to meet the declining foreign aid budget.

The conferees provide $734 million in export subsidies through Export-Import Bank, Overseas Private Investment Corp [OPIC], and the Trade Development Administration [TDA]. That's $5 million above the President's request.

We maintain the Kemp-Kasten language which prevents funding for abortions, or funding for organizations which practice coerced abortions.

The conference agreement also responds to the heralded Washington declaration that ends the state of belligerency between Jordan and Israel. In order to help ensure that this progress continues, and to encourage further significant steps in the peace process by Jordan, the conferees have provided $99 million in appropriations to permit the forgiveness of up to $220 million in Jordan's crippling debt problem. Due to the diligent effort of the appropriations ranking member, Mr. McDADE, the statement of managers makes it clear that any future debt relief for Jordan will be based on reaching a

final peace agreement with Israel, ending Jordan's economic boycott of Israel, and complying with the United Nations embargo of Iraq.

The conference report also addresses the disaster in Rwanda with $50 million in emergency supplemental appropriations for refugee and disaster assistance. This emergency supplement appropriation will provide immediate funding to address one of the worst humanitarian disasters in a decade.

In summary, the conference report continues our support for Israel and Egypt during this crucial time as the peace process moves forward.

It continues our privatization and democratization efforts in the former Soviet Union. It provides humanitarian and refugee assistance to our turmoil-racked world. And, we continue the trend of reduced levels of foreign aid. I urge my colleagues to support this responsible conference report.

Mr. Speaker, I reserve the balance of my time.

Mr. OBEY. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Vermont [Mr. SANDERS].

Mr. SANDERS. Mr. Speaker, I thank the chairman of the subcommittee for yielding me the time.

Mr. Speaker, as you know American trade policy during the last several decades has been in many ways a disaster for the average American worker. Instead of exporting products, the United States has been exporting jobs. Millions of decent paying manufacturing jobs in the United States have been exported to desperate Third World countries where workers are paid starvation wages and are denied the most basic worker rights. This policy is unfair to American workers who are losing their jobs and seeing their wages decline and it is equally unfair to the desperate workers in impoverished countries who are crying out for dignity.

Mr. Speaker, to a significant degree the international financial institutions such as the World Bank and the International Monetary Fund are financially underwriting this process. Time after time, IMF loans and World Bank projects have only exacerbated poverty in already terribly poor countries, and American workers are seeing their right and living standards moving in the direction of Third World levels.

Mr. Speaker, the amendment that I introduced that is incorporated in this bill as the encouragement of fair labor practices, is a very simple but important piece of legislation. For the first time in the history of the international financial institutions, these powerful organizations will be asked to respect the basic rights of working people everywhere. Specifically what this provision does is require the United States to use its influence to pressure these institutions and borrowing countries to guarantee fundamental worker rights.

This is extremely important to American workers because, without fair labor practices, multinational corporations are often encouraged by economic factors to take advantage of labor forces who are easily exploited. This perverse dynamic in the global economy is illustrated by the fact that, in 1992, American companies invested $16 billion in new plants and equipment in China where to say the very least, many workers do not have fundamental worker rights. Therefore, my fair labor practices amendment not only protects the workers abroad, but also discourage the export of American jobs. It begins leveling the playing field on which hardworking Americans are competing for their livelihood.

Mr. Speaker, the U.S. Government should be working hard to protect decent-paying jobs in America and at the same time trying to improve the standard of living of desperate workers throughout the world. My amendment does both.

I want to take this opportunity to thank Chairman OBEY for incorporating the amendment into the Foreign Operations Appropriations bill and Subcommittee Chairman FRANK for his strong support for this legislation throughout the process.

Mr. LIVINGSTON. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. PORTER], a very distinguished member of the subcommittee.

Mr. PORTER. Mr. Speaker, I want to thank my good friend, the gentleman from Louisiana [Mr. LIVINGSTON], for yielding me the time, and thank him for his hard work in helping to guide this conference report through the process and getting it to the floor in what may be record time. I also commend Mr. OBEY for his leadership on our bill and for his fine efforts in his new role as full committee chairman, and I thank the staff of both parties for the fine job they do in producing the bill moving it expeditiously down the legislative trail.

Mr. Speaker, there are a number of issues in this bill that I believe are high priorities including voluntary family planning, assistance for Israel and Egypt for Cyprus, for Armenia, and the countries of the former Soviet Union, our further commitments to the Middle East peace process, humanitarian assistance to places like Rwanda, and others. But I would like to focus my comments today on one issue—our relationship with Turkey.

I believe that in the post-cold-war world, the United States has a responsibility to ourselves and our citizens to promote our values—respect for human rights, the rule of law, democracy, and independent judiciary, good relations with neighbors, free markets—to all corners of the globe. We must reexamine our cold war security arrangements and reshape them to reflect these priorities.

In the post-cold-war world, the need for the United States to sometimes overlook violations of the values on which our country is based in order to further our security interests has been eliminated. There are simply no circumstances today where the national security benefits to our Nation outweigh the moral repugnance of supporting repressive regimes.

In the post-cold-war world, our litmus test for foreign assistance must be shared values. Our foreign policy like every nation's foreign policy, is predicated upon advancing our Nation's interests. Thus, where nations aspire to a free and fair political and economic system, we should be willing to help them reach those goals. But where they do not—and Turkey is one of the glaring examples of a country that does not, through its systematic abuse of human rights—we should make our feelings known clearly and quickly by cutting off all foreign aid, except humanitarian assistance.

I am very pleased that this conference report embraces this new way of thinking regarding Turkey. Turkey has been highlighted by the State Department, Amnesty International, Freedom House, Human Rights Watch, and many, many other monitoring groups as an egregious abuser of the rights of all of its citizens and particularly of its Kurdish population.

Turkey has repressed the Kurds for decades, but in the last 18 months the government-instigated violence has reached unprecedented levels. My wife, Kathryn, visited Turkey in April to attempt to meet with six Kurdish parliamentarians who were arrested and their lawyers, who were also arrested. Not only was she denied access to the parliamentarians, she was followed everywhere she went, and while she was there several human rights activists were murdered, execution-style or disappeared in the town of Diyakirbir, where she was staying. Unfortunately, that is not unusual in that part of Turkey in these times.

But these incidents, Mr. Speaker, only bring into focus the larger picture of the atrocities that are being perpetrated against the Kurds in Turkey. Since 1984, 11,000 people have been killed in the southeast of Turkey—the Kurdish area—but one-third of them, nearly 4,000, have been killed in the last year alone. Nine hundred Kurdish villages have been razed. Some were evacuated first. There are allegations that people were rounded up and killed in others. Nine of the Turkish Human Rights Association's workers have been killed in the last year and 27 of its 57 offices have been closed. In 1992, 17 journalists and 14 distributors of pro-Kurdish publications have been assassinated, many shot in the back of the head. And 40 people have died in house raids by the police.

It is a travesty that we are providing any funds to the Turkish Government

while it has the fresh blood of innocent noncombatants on its hands and is apparently committing more atrocities every day. By doing so we are endorsing this type of barbarism, and providing the Government the resources—the very equipment—by which it is carried on.

Worse yet, despite years of systematic abuses, the Turkish Government apparently believes it is above reproach and should be allowed to operate in accordance with a separate set of standards than the other civilized nations of the world. When the House passed its version of this bill, which conditioned 25 percent of U.S. military assistance to Turkey, Turkish Prime Minister Tansu Ciller said publicly that she would not accept foreign assistance that had any conditions attached. The arrogance of this statement, especially by the head of a government that is trying actively to enter the EU, is staggering. It evidences that Turkey has yet to accept the inalienability of human rights that the other EU members recognized long ago and that Turkey is far, far away from qualifying for EU membership.

Turkey clearly does not share our values in may political areas, and they are retrogressing on human rights. While I would have preferred a 100-percent cutoff until the President could certify that the violations had substantially stopped, the provision in this bill conditioning 10 percent of Turkish military aid is designed to send a message that we are serious on this matter, even if Turkey is not.

I strongly believe we need to do more and completely stop our complicity in this situation. I will continue to encourage the subcommittee to make clear to Turkey that in a time of very tight budgets we simply do not have money to give to violators of human rights, particularly blatant, unabashed violators like Turkey.

I also support the conditionality this bill places on Turkey for its conduct relating to Cyprus. For the last 20 years, the separation of Cyprus has been enforced by 35,000 Turkish troops stationed in the northern third of the island. Turkey is the only nation that recognizes the north as a legitimate political entity. It has sent tens of thousands of settlers to the north and has provided massive economic assistance to the north. Clearly, Turkey has great influence with the Turkish-Cypriot leadership. Yet it has made very, very little effort to find a fair and democratic settlement to the ongoing separation of Cyprus. I believe Turkey, the nation that divided Cyprus, is responsible for working actively to find a solution, and I look forward to the State Department report regarding the extent of Turkey's efforts.

Mr. Speaker, this conference report also contains a healthy increase in funds for international family planning. Sustainable development and the preservation of the environment are nearly impossible in undeveloped nations when their population is skyrocketing. A number of nations have annual population growth rates of 4 percent. In order to simply stay even, these nations have to have growth rates of 4 percent. Starting from this hole, it is almost impossible to get ahead. Even if these countries could achieve economic growth greater than their population growth, at such a high rate it would almost certainly come at a very high environmental cost as natural resources are harvested, agriculture leads to soil and water degradation, and factories pollute the air and water.

This conference report addresses this pressing concern and provides a nearly 15-percent increase in population funding in the development assistance account. These funds will provide education about voluntary family planning services and services to tens of millions of couples around the globe. The bill also provides funds through the U.N. fund for population activities, which will help the United States take a strong leadership role at the International Conference on Population and Development in Cairo in September, which I and a number of other Members plan to attend.

Also, I support the earmarks in the FMF and ESF accounts to fully meet our Nation's Camp David commitments. The Middle East remains a very volatile area, but tremendous progress is being made toward peace. Continued strong support from the United States and our allies is key to achieving a lasting solution, and I commend the chairman for ensuring that these funds can be made available.

In addition, this conference report provides ample funds in the section on the Newly Independent States for the nation of Armenia. Armenia, which has a vibrant democratic system, is privatizing and embracing free markets, respects the human rights of its citizens and, in many ways, is a model NIS country, is suffering greatly from an embargo by several of its neighbors. We must continue to support Armenia with no less than the level of assistance it received last year, which is $75 million from the NIS funds provided in this bill.

In addition, there is one other issue I would like to raise. During the conference, an issue that effects a company in Illinois, Cobra Electronics. Cobra has suffered significant economic losses as a result of violations of its international trademarks. While the conferees did not take formal action on this problem, some of us believe it is important to note for the RECORD that we consider this a very serious matter, and that we will continue to track the progress of this case to see what the Government of Paraguay will take to protect Cobra's rightful trademark.

Cobra Electronics, a Chicago-based company which employs 125 people in Northern Illinois, has unsuccessfully sought protection from the Paraguayan Government of its worldwide trademark rights for cordless phones, CB radios, and other products marketed in Paraguay. These rights are registered and recognized around the world. Paraguay's trademark office has not acted on Cobra's attempt to register its name and trademark. More importantly, in clear violation of Cobra's rights, the Paraguayan trademark office has accepted the registration of another company, Importadora y Exportadora Pascaos S.R.L. [Pascos]. Pascos has now moved through the Paraguayan legal process to seize all legitimate Cobra products in Paraguay.

The State Department and the USTR have begun working with the Paraguayans to support Cobra's rights, and I encourage them to continue to do so. Cobra has waited over 2 years to have this situation resolved by the Paraguayan legal system, and it is clear that United States Government intervention at the highest levels is necessary and appropriate. I am concerned about Paraguay's unwillingness to address this issue, and I urge Members to join me in monitoring this situation in the future.

Mr. Speaker, I encourage Members to vote for this conference report.

□ 1420

Mr. OBEY. Mr. Speaker, I yield 1 minute to the distinguished gentleman from California [Mr. TORRES].

Mr. TORRES. Mr. Speaker, I would like to rise to enter into a brief colloquy with the gentleman.

Mr. Speaker, I rise today to express my concern about the deep cuts sustained by the Latin American and Caribbean region over the last 2 years and, in light of the historic, strategic, economic, and cultural importance of the region to the United States, I want to convey my strong support for full funding of the President's request for the region. As we approach the December summit of the Americas, these resources will signal the commitment of the United States to the long-term prosperity and development of the region.

Mr. Speaker, it is my understanding that the committee supports full funding at the request level for Latin America for both development assistance and the Economic Support Fund to promote economic development and regional stability. Is this correct?

Mr. OBEY. Mr. Speaker, will the gentleman yield?

Mr. TORRES. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Speaker, the gentleman is correct.

Mr. LIVINGSTON. Mr. Speaker, I yield 4 minutes to the gentleman from

Iowa [Mr. LIGHTFOOT], another distinguished member of the subcommittee.

Mr. LIGHTFOOT. Mr. Speaker, I rise in support of the conference report. Let me commend Chairman OBEY and our ranking member, BOB LIVINGSTON, for a job well done. This is not a popular bill but it is important to promoting the national interests of our country.

Although the bill is largely devoid of earmarks, I am pleased it includes the earmark for the Camp David Accord countries. This year we have seen great progress toward lasting peace in the Middle East. But only one country is taking the risks toward peace and this earmark demonstrates our commitment to our democratic ally, Israel.

This earmark is more than a symbol. Earlier this year I was disturbed to learn that among the options under consideration by the National Security Council to reduce our U.N. peacekeeping arrearage, was one option to reduce aid to Israel and Egypt. At a March 1 hearing before our subcommittee, Secretary of State Christopher did not deny this option was under consideration. Later one State Department official explained to my staff that the State Department was like a business, all options had to be considered.

Well, unlike the lifetime bureaucrats at State, I run a business and let me tell you, some options are never considered because they make no sense. And at this point I see no reason to add to Israel's uncertainty by leaving the funding of Israel and Egypt to administration promises.

I also commend the conferees for accepting Senate language with regard to the PLO. Congress is sending a signal to the PLO that they should live up to their commitments.

There is one issue within this bill that troubles me. That is the issue of Jordanian debt relief.

Although we are all pleased with Jordan's July 25 decision to end its state of war with Israel, Jordan simply does not yet deserve U.S. debt relief. At the end of my statement I will submit for the RECORD a two-part article which appeared in the Christian Science Monitor. These articles detail Jordan's role as Iraq's supplier of military goods.

According to the Monitor, this administration, desperate for a foreign policy victory, has turned a blind eye to Jordanian violation of U.N. sanctions against Iraq and agreed to suspend U.S. inspection of ships bound for Jordan. Former CIA Director Gates states that Jordan is the major point of entry for military goods bound for Iraq. Gates argues that President Clinton's suspension of shipboard inspection is tantamount to lifting the embargo against Iraq.

If the Administration continues this policy of ignoring the long-term implications of Iraq's possible reemergence as a destabilizing force in the Middle East, then I believe Congress should consider taking action next year similar to what we have done in this conference report with respect to the PLO.

But, by and large, this is a good conference report, it continues the downward spiral in foreign assistance spending and with the one exception I mentioned, I commend this report to my colleagues for adoption.

Mr. Speaker, I include for the RECORD the Monitor article, as follows:

[From the Christian Science Monitor, July 18, 1994]

U.S. TURNS BLIND EYE TO JORDAN'S BREACH OF SANCTIONS ON IRAQ

(By Amy Kaslow)

Even as the Clinton administration nudges Jordan toward a peace pact with Israel, it is looking the other way as Jordan permits exports to Iraq that could help retool the war-making capability of Iraqi leader Saddam Hussein.

According to United States court documents and interviews with U.S. law-enforcement and government officials, United Nations diplomats and businessmen from Mideast and Western countries, the White House has purposely remained idle as Jordan has allowed the re-export to Iraq of so-called dual-use equipment that can be used for both military and civilian purposes.

This conciliatory approach, which as become more fixed as the Arab-Israeli peace talks have gained momentum during the past year, sources say, is in direct contrast to the administration's tough public stand on UN sanctions involved at the end of the Gulf war to strangle Iraq's military might.

President Clinton hopes to sponsor a historic hand-shaking agreement between Israel and Jordan at the White House on July 25. The two Mideast nations begin open talks on final details of an agreement today.

A State Department official denies that the U.S. is lenient on Jordan's violations of the sanctions. "That is nonsense, absolute nonsense. Any agreement we reach with the Jordanians [to promote new ties with Israel] will maintain and strengthen sanctions against the [Iraqi] regime and will not weaken them." But, he adds, "we think it is well-understood that the peace process and the sanctions are not related and we certainly do not relate them."

But other sources in the State and Treasury Departments, all of whom request anonymity, describe how Washington is increasingly tolerant of embargo violations that provide Iraq access not only to defense materials but also to international financing needed to rebuild its war machine. Jordan, a pivotal player in the U.S.-sponsored Mideast peace process, is at the center of the Iraqi procurement network.

QUESTION OF WORTH

"The question the administration has to answer is: Is it worth it?" asserts a senior U.S. official who has been monitoring Iraq's compliance with the embargo. He asks whether it is worth jeopardizing the U.S. policy toward Iraq for the sake of cementing Jordanian ties with Israel. "It's putting Iraq back on the fast track, and all of this peace stuff will be moot if Saddam is able to build his arsenal and mobilize his military again," the official says.

Robert Gates, former director of the Central Intelligence Agency (CIA) during the Bush administration, says "Part of the problem is that the Clinton administration has tactical instead of strategic plans. By tactical I mean a short-term perspective, such as responding to Jordan's pleas for help without a full consideration of the long-term implications of Iraq's possible reemergence as a destabilizing force in the Middle East."

In the past month, the Clinton administration has withheld support for U.S. Customs officials who have sought help from the CIA and the National Security Council (NSC) in investigating U.S.-based Jordanian nationals engaged in the export of dual-use equipment to Iraq through holding companies in Jordan. Several indictments have been issued in recent months by grand juries and at least a dozen other investigations are under way.

A host of products—from the most basic, such as tires for military trucks, to the technical, such as agricultural and veterinarian equipment that can be used for biological-weapons programs or devices used for testing nuclear military equipment—are transported into Iraq through Jordan, U.S. court documents show.

In order for the Customs Service or the Justice Department to proceed with Jordanian-related matters, they have had to go through the State Department's Jordan desk routinely since early this year, says a senior US official monitoring Iraq's sanctions compliance. "Often the desk will [terminate] investigations in favor of diplomatic considerations," the official says. "While the State Department maintains major leverage over timing and what will be allowed to be presented, the NSC itself is handling all matters dealing with Jordan," given the White House drive for a Jordanian-Israeli peace pact, he adds.

Another senior State Department official concedes that the administration is giving Jordan some slack and will do all it can to avoid exposing major sanctions violations and forced US action against the kingdom. "We're trying to get goodies for Jordan right now [including Clinton's recent pledge to forgive Jordan's $900 million debt and plans to help it beef up Jordan's military]. The last thing we want to do is embarrass the Jordanians and push them away from the peace process," this official says.

BENIGN NEGLECT

Despite its demands for steadfast support for the sanctions, the US has failed in its obligation to apprise Capitol Hill lawmakers and specially designated UN international monitors of the Jordanian infractions.

The White House sends Congress a bimonthly update on international compliance with the sanctions. The last three public 60-day reviews delivered by the White House, covering December 1993 through May of this year, make no mention of Jordanian violations of the embargo. That includes the latest report Clinton signed on June 6, which he sent to US lawmakers just to weeks before King Hussein made his first official visit to Washington. Ironically, Clinton did stress that "continued vigilance is necessary because we believe that Saddam Hussein is committed to rebuilding his WMD [weapons of mass destruction] capability."

At the United Nations Iraqi Sanctions Committee "there have been no official complaints over the last few months," says Jinghang Wan, special aide to the committee. The last action investigated by the committee was in December 1993, he says.

Law-enforcement officials are slugging through a backlog of old cases, and continue to uncover new illegal export schemes involving Amman. Still working their way through US courts are transgressions uncovered in the late-1980s and early-1990s that implicate Jordan. Last Wednesday, the US Attorney for the District of Columbia charged

four US-based firms and two individuals with conspiracy to skirt US export-licensing procedures to send components for cluster bombs and warheads to Iraq through Jordan's port of Aqaba.

Just last March, US customs officials charged a Jordanian national who set up an illegal export operation from Richmond, Va. According to court records, Al M. Harb (who uses a number of other aliases) procured for shipment via Jordan, globe valves, motor brushes, and other technical goods bound for Iraq's nuclear program.

Detailing such schemes as the Al Harb case, Thomas Madigan, a senior special agent of the US Customs Service who worked on the Harb case as well as three other illegal Iraqi procurement cases, swore in a February affadavit: "I am aware that the Iraqi government has developed an intricate network of transshipment routes designed to circumvent international scrutiny of the procurement of restricted commodities. It has been my investigative experience that neighboring Jordan has served as the primary point of diversion for illegal smuggling into Iraq since implementation of the embargo."

Currently, law-enforcement officials say there are at least a dozen sitting grand juries probing US-based individuals and companies who are now sending contraband to Iraq.

Customs officials at headquarters here, however, claim that these investigations are not centrally coordinated either by their agency or by the US Justice Department; rather they are spearheaded by the individual agents in the field. Furthermore, even when these field investigators manage to uncover a network, they receive little of the support from the intelligence community that is needed to successfully bring cases to trial.

LOW MORALE AT CUSTOMS

"Morale is low because we feel we are going to be undercut by those with 'higher purposes,'" says one investigator. Sources familiar with the Al Harb case, for example, claim that the NSC and CIA are failing to provide valuable information about front companies and individuals in Amman that is essential to prosecutors.

Mr. Gates, who says that during his tenure as CIA director, the agency worked very closely with US customs investigators, says Jordan has been the biggest enabler to Iraq's effort to rebuild its defensive and offensive capacity. He adds that according to US intelligence reports, some members of "the [Jordanian] royal family and the Cabinet" have been involved in the "smuggling and busting" of the embargo against Iraq.

US knowledge of their culpability "was so detailed" during the Bush administration, Gates recalls, that "on a couple of occasions I was sent to Jordan to take it up with the king. He was very unhappy to learn [that] there were efforts to evade the sanctions. I had the impression that the specifics I conveyed to him were shocking to him." Gates is uncertain whether the king was shocked because he had been unaware of this information or because US intelligence knew of it.

A Mideast businessman with close ties to Amman says that during US meetings with Jordanian officials, the administration thanks Jordan for its past help in adhering to the embargo. White House reports on just how well that has been achieved "really don't matter" he adds cynically, "they're going to put the best gloss on this."

[From the Christian Science Monitor, July 19, 1994]

IN PEACE BID, U.S. EASES GRIP ON JORDAN TRADE

(By Amy Kaslow)

When Jordan's King Hussein met with United States Secretary of State Warren Christopher in London this past April, the Arab monarch pressed for an end to the US-led interception of ships heading for the Jordanian port of Aqaba. Hussein had long complained that US warships stopping United Nations-embargoed goods from reaching Iraq were damaging to Jordan's already ailing economy.

Anxious to move forward in its regional peace initiative, the Clinton administration acceded to the Jordanian request after the king said it was the only way Jordan would enter bilateral negotiations with Israel.

Critics of the recent US decision, including US Customs and Pentagon officials, charge that it increases the opportunities for Jordan's transfer of forbidden goods to neighboring Iraq, including equipment for Saddam Hussein's military.

There to intercept contraband cargo, the US ships had diverted vessels from delivering prohibited goods since the sanctions were imposed against Iraq in August 1990. Jordan claims this action has cost the Hashemite Kingdom more than $1 billion.

This month, in a Jordanian-US agreement, the London-based Lloyd's Register assumes its role as neutral examiner of Aqaba-bound ships. Verifications of the cargo will not be done, as before, aboard ships at sea, but on land, where Jordanian port and customs officials will assist the Lloyds agent in "monitoring," not "searching," the cargo, according to Jordanian officials.

A senior administration official who tracks compliance with sanctions against Iraq fears that the new inspection agreement "could significantly alter that [sanctions] picture" by providing Jordan-based firms the opportunity to conceal a greater amount of cargo and to transport it more quickly to Iraq. He in fact contends that Iraq has been able to resupply and fine-tune its weapons-of-mass-destruction program of late, largely with supplies coming through its border with Jordan.

Robert Gates, Central Intelligence Agency director during the Bush administration, says evidence suggests that Jordan is the major point of entry for military goods bound for Iraq. He calls the new Lloyds agreement "tantamount to lifting the embargo against Iraq."

Indeed, that appears to be what many foreign suppliers are banking on. According to import-export merchants and intelligence sources, Amman is the center where foreigners are using their embassies as commercial outposts for re-exports to Iraq. According to a Mideast businessman, "They are using Jordan as a conduit and importing for reexport everything Jordan normally imports, including high-technology equipment, trucks, tires, fertilizers, and chemicals"-all of which Iraq desires for its nuclear, biological, and chemical weapons programs.

Jordan's infractions have been documented in US courts and in on-going US Customs investigations that reveal US-based Jordanian nationals transferring forbidden materials to Iraq through Jordanian holding companies—but the Clinton administration has decided not to take action in many of these cases.

In fact, to entice King Hussein into a face-to-face meeting with Israeli Prime Minister Yitzhak Rabin, now scheduled to take place July 25 in Washington, the US has offered debt relief and military assistance to Jordan.

"This [US] government is aware of the lack of total cooperation we get from the Jordanian government, but you can only push so far," a Pentagon official says. "This is an administration that is afraid of confrontation. We're aware of the [Jordanian] front companies, but there has been little or no action to get the front companies to shut down."

The only reason they would shut down is if there were no financial incentives to keep operating, the Middle Eastern businessman says. While the Iraqis are in a money crunch, he says, "they are still paying off [some very high-level] Jordanians," to form front companies.

Iraq's need for hard currency has led it to aggressively seek outlets for oil exports. Again, the White House has remained silent to a proposal that would provide Iraq with more foreign exchange.

Under the proposal, Jordan could sell a portion of the 60,000 barrels of oil it is allowed to import daily from Iraq under the UN embargo to West Bank and Gaza Palestinians. At present, the Iraqi oil helps pay down an old debt to Jordan; the Hashemite Kingdom pays for part of the oil mainly with bartered goods.

A senior member of Clinton's foreign policy team who was present at a Paris donors' conference for Palestinian aid several weeks ago recounts that a proposal was made to ship Iraqi oil through Jordan to the Palestinians. It struck him as a possible violation and he reported it when he returned to Washington.

A source close to the king insists that the request for the oil, which came straight from the Palestine Liberation Organization, has become a "very politically embarrassing issue." He says, "We told them we are not an oil-producing country, but that we are getting our supplies from Iraq." Jordan's refining capacity is small, and the country refines what it needs, and no more, he says. "We are not in a position to provide it to others." Besides, he says, "there is no sound basis for it now. I am not going to not observe UN resolutions pertaining to the sanctions."

Jingzhang Wan, special aid to the UN Sanctions Committee, along with other UN officials, has heard a lot of discussion about the possible oil deal. But, he says, "no country has complained or asked us to investigate this, so we have taken no official action."

Amman is home to a new front company for the illegal export of Iraqi oil, according to Al-Sharq Al-Awsat, an Arab newspaper in London. It reported last month that "Baghdad has begun to implement a new marketing strategy for its oil sales . . . which relies on Iraqi-Iranian cooperation in connection with export facilities and on a network of front companies owned by the Iraqi government." It reported that the Iraq oil ministry has set up two broker companies abroad under Iraqi names, one of which is in Amman.

Iraq is currently violating the sanctions by selling oil, according to a Saudi Arabian official. He says US intelligence has shared aerial photos with the Saudis that reveal truck movements across the Iraqi-Iranian border as Iraq exports some 25,000 barrels of oil per day. Iran has been selling it at a profit on the spot market and moving it to Sudan, which has sent Iraq food and livestock in return, the Saudi official says.

His country strongly opposes any relaxation of the embargo against Iraq, and is impatient with Washington's failure to clamp

down on the Jordanians. The Saudi official says Riyadh advised against the recent US decision to change the inspection sites for ships at the Aquba port. "The administration can force the Jordanian government to put an end to [sanctions violations], but it has looked toward the peace process, which is its overriding concern," he says. The result is that "the US [has] closed an eye" as Iraq rebuilds its military strength.

Mr. LIVINGSTON. Mr. Speaker, I yield 4 minutes to the gentleman from Alabama [Mr. CALLAHAN], another member of the subcommittee.

□ 1430

Mr. CALLAHAN. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, I rise to thank the gentleman from Louisiana for his patience and understanding and his efforts to assist me as a new member of the subcommittee on foreign operations. I also want to thank the chairman of the committee, the gentleman from Wisconsin [Mr. OBEY], for the efforts he has made to be bipartisan and fair in all the deliberations we have had during the progress of this bill.

Mr. Speaker, the foreign aid bill is not a popular bill to handle, it is not something you go back to your district and are proud to say, "We have given a great deal of money to foreign countries," when we indeed are borrowing money for our needs in this country.

But under the circumstances, I think it is as fair a bill as we can possibly expect. There are some things in this bill that I really do not like, and thus I am going to vote against it. But I must admit we are moving in the right direction.

We have reduced historically for the last 3 years the amount of aid we are sending to foreign countries, we have put some constraints on some of the recipients of this money. This is moving in the right direction.

So while it is still not a popular bill and it is still not a bill I can vote for, I must admit it is an improvement.

For example, one of the things I supported was the McConnell amendment to the Senate bill. Senator MCCONNELL had some language that the other body adopted, that we ought to tell President Yeltsin to get out of Estonia and to get out by August 31 or lose the aid provided in this bill. We in the conference decided to remove that language. But in the interim, Mr. Yeltsin finally changed his mind and said, "We are getting out of Estonia and we are getting out by August 31."

So only time will tell whether or not the message of the McConnell amendment had any impact on Mr. Yeltsin at all, but I think it did.

On the aid to the NIS, the former Soviet Union States, we were successful in putting language in the bill that would restrict to the country of Russia only 50 percent of the $850 million that we are sending to Russia and the other states. So we made some good steps.

Incidentally, I do not think it comes as any surprise to the Members of this body that I have been against aid to Russia; we did and were able and were successful in bringing that aid down by $50 to $850 million, which I think is the right direction.

One other thing that concerns me in this bill, and in our foreign policy, is the indication that the administration wants to forgive Jordan's $700 million debt to the United States. While I welcome the peace between Israel and Jordan, I think it is a magnificent step, and I agreed with everything King Hussein said when he came and addressed this body, let me tell this body we are making a serious mistake in the forgiveness of this debt. We are sending the wrong message. Even though this bill does not forgive all of the $700 million, it does forgive some $200 million of the debt to Jordan.

So I am still going to vote against the bill, but I am not here advocating that people vote against it; I just wanted to bring out some of the things that I am still concerned about and, hopefully, by next year we will be able to address in a more positive fashion.

Mr. OBEY. Mr. Speaker, I yield 2 minutes to the distinguished gentlewoman from New York [Mrs. LOWEY].

Mrs. LOWEY. I thank the gentleman from Wisconsin for yielding this time to me.

Mr. Speaker, I rise in strong support of the conference report, and I thank the gentleman from Wisconsin [Mr. OBEY] for all the consideration he has given to me over the past year.

I also want to congratulate Mr. Mike Marek and wish him good luck and godspeed. I also want to thank all the staff on the committee who have been so very helpful to me as the bill has moved along.

Mr. Speaker, this bill deserves our support. I am particularly proud that it includes $3 billion in aid to Israel and $80 million for the resettlement of refugees there. It also includes a requirement I authored that any aid to the Palestinians is linked to the PLO's compliance with the terms of its agreement with Irsrael.

The conference report also cuts off IMET training to Indonesia and a ban on the transfer of small arms to that country. The Government of Indonesia must know that United States relations with Indonesia will not be normalized until the people of East Timor are granted their basic human rights.

This bill continues our aid to the States of the former Soviet Union with a clear statement that all such aid must be monitored closely and targetted carefully. I am particularly pleased that we include $75 million for Armenia.

This bill also sends a strong message to Turkey that unless they end their occupation of Cyprus, and improve human rights for their own minorities, they will face growing opposition in Congress to aid to Turkey of any kind.

Again, I urge support for this conference report. It is a good bill.

Mr. LIVINGSTON. Mr. Speaker, I am very pleased to yield 4 minutes to the gentleman from New York [Mr. GILMAN], the outstanding ranking member of the authorizing committee, the Committee on Foreign Affairs.

Mr. GILMAN. I thank the gentleman for yielding time to me.

Mr. Speaker, I rise in support of the conference report on H.R. 4426, the fiscal year 1995 fiscal assistance appropriations bill. I commend chairman OBEY and the distinguished ranking member, Mr. LIVINGSTON, for crafting a responsible foreign assistance appropriations package.

The conference report provides $13.673 billion in fiscal year 1995 foreign assistance appropriations, a reduction of $669.8 million from the fiscal year 1994 enacted level. The conference report also includes a fiscal year 1994 supplemental appropriations for debt relief for Jordan and a fiscal year 1994 emergency supplemental appropriations for Rwanda.

I am gratified that this bill retains the Camp David accords earmark. We are finally seeing the fruits of our labors with the new peace agreement between Israel and Jordan. Our continued commitment should encourage continuation of the peace process in the region.

I am also pleased that the conferees recommended that the USAID should increase its funding for Child Survival, Basic Education, and Micronutrient programs. These programs have demonstrated their benefit. Although the earmark did not survive the conference, I am pleased that AID Administrator Atwood has committed to meet these levels.

I am also pleased that up to $30 million has been set aside for law enforcement training efforts in Russia and the other New Independent States. Today organized crime and corruption seriously jeopardize reform and democracy in this region. This critical law enforcement training will be carried out by our FBI, DEA, U.S. Customs, and other U.S. law enforcement entities. It will help to thwart, and prevent the further spread of this crime epidemic, that affects both the region and our own domestic problems, aggravated by these organized crime elements in Russia with their growing links to the United States.

Crime now seriously threatens democracy and reform in the former Soviet Union. We can ill afford to ignore the problem any longer, while providing massive amounts of U.S. aid intended to promote this desired reform and democracy.

An article in last week's Moscow daily Izvestia reportedly indicates that mafia clans control more than 40,000

businesses in Russia, and that as much as $20 billion made from criminal activity, is eventually laundered in the West.

This Nation owes a huge debt of gratitude to FBI Director Louie Freeh for his foresight and leadership in helping fight the corrosive effect of this massive organized crime epidemic in the former Soviet Union, after the collapse of communism. He also knows that this organized crime there, affects us Americans here at home, as well.

FBI Director Freeh has traveled to Russia and the region, and learned first hand the basic training needs of the local police, and border control agencies to fight this scourge. Basic skills that are needed now by local police to get a handle on this organized crime before it smothers reform, democracy, and turns the Russian people to unacceptable totalitarian alternatives, can now be provided under this bill.

Our action here is a clear message that Congress sees organized crime in this region, as a serious threat today. We want all our Government agencies to be responsive to the threat in the former Soviet Union, and make it a priority.

Incidentally, this $30 million in police training dollars isn't strictly just another overseas assistance program needed in Russia today. These dollars provided for in this bill, also have domestic U.S. benefits as well.

Many elements of organized crime in that region of the world have developed links to the United States, and are now operating here in places like New York City. In fact, as part of FBI Director Freeh's most recent visit to Russia, the Russian authorities asked his assistance with at least six Soviet criminals currently operating in the United States. The Russian mafia links to the United States and the threat to our own domestic society, are clear.

I thank Chairman OBEY and ranking Republican member Mr. LIVINGSTON, along with Senators D'AMATO, MCCONNELL, and LEAHY for their leadership and support for these critical moneys for law enforcement training in the former Soviet Union, and the New Independent States.

History will someday judge this initial $30 million law enforcement training effort, as recognition in the United States of the real threat organized crime presents to reform and democracy in Russia today. It will also establish a strong and effective United States led effort to help prevent this organized crime threat from bringing the fledgling reform and democracy in Russia and the region to its knees.

My only disappointment is the decrease in funding for the international narcotics matter appropriation for the State Department. This is the second year where this important program has been forced to absorb a nearly 33 percent cut. This reduction will make it much harder for us to keep up our fight overseas against drug production and distribution, before they reach our streets and our schools here at home. We are already feeling the impact of increased drug use for the first time since the Carter era. This severe cut does nothing to reverse that alarming trend.

Accordingly, despite this single reservation, I urge adoption of this conference report.

Mr. OBEY. Mr. Speaker, I yield 2 minutes to the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. I thank the gentleman for yielding this time to me.

Mr. Speaker, I rise today in support of the fiscal year 1995 foreign operations appropriations conference report. As a member of the Foreign Operations Subcommittee, I would like to commend Chairman OBEY and ranking minority member LIVINGSTON as well as the subcommittee staff for their many hours of hard work.

Foreign aid legislation has become an increasingly unpopular expenditure in recent years, but it is still vitally important to the economic, political, humanitarian, and security interests of the United States. This year, the conferees have recommended $13.7 billion for foreign aid programs. This provides $7.6 billion, 56 percent, for bilateral economic assistance; $2.3 billion, 17 percent, for multilateral economic assistance; $3.2 billion, 22 percent, for military assistance; and $734 million, 5 percent, for export assistance.

Mr. Speaker, this conference report represents an equitable balance between computing foreign and domestic policy goals. Moreover, it signifies a commitment by the United States to remain engaged in global affairs while acknowledging pressing domestic needs.

Mr. Speaker, among the many programs of note, I would like to acknowledge several which deserve special recognition and that I have strongly supported during our consideration of the foreign operations bill. I would like to express my support for the continued aid to the republics of the former Soviet Union. The conference report has approved $850 million in aid of which 50 percent is designated for Russia. These funds will be used to support the withdrawal and resettlement of Soviet military personnel from the Baltic nations and former Soviet republics. In addition, the funds will expand U.S. trade and investment programs, assist in the development of energy and environmental initiatives, and provide additional humanitarian assistance. An investment like this represents a forward thinking approach to our foreign policy regarding Russia and the rest of the republics. By assisting Russia now, we may prevent future political and economic instability which would only assist Vladimir Zhirinovsky and other vocal opponents of Russia's nascent democracy.

Additionally, the report provides $359 million for the Baltic States and the countries of central and eastern Europe. These funds would also be used to improve the political and economic infrastructures of the region's budding democracies.

The conference report also provides $2.2 billion in aid for the countries of Africa, including $802 million for the development fund for Africa, $170 million for international disaster assistance, and $860 million in United States funds to be disbursed through multilateral institutions. Sub-Saharan Africa is the only region of the world where poverty is projected to continue increasing. This trend must be reversed and I am pleased that the conference report demonstrates a commitment to advancing sustainable development and fighting poverty in sub-Saharan Africa. The report also includes $50 million in emergency supplemental fiscal year 1994 assistance for Rwandan refugees.

Mr. Speaker, I am also pleased that the conference report reflects continued support for such important transnational issues as population development assistance and UNFPA funding, the environment, refugee aid, and nonproliferation. Specifically, $450 million has been provided for bilateral population activities which is an increase of $58 million over fiscal year 1994. The conference report also contains language which addresses my concerns and the concerns of a number of colleagues about UNFPA's participation in China, a country which continues to engage in draconian family planning practices.

While $7 million has been allocated for voluntary family planning programs in China, this represents a reduction in United States funding and is meant to ensure that the United States does not in any way subsidize China's programs.

The conference has also urged that $280 million be provided for child survival activities, $135 million for basic education, $25 million for micronutrients programs, and $13 million for the Agency for International Development's [AID] Women in Development Program. AID has reported to Congress that programs designed to assist children in the developing world can make a profound and immediate difference in the lives of the children, their families, and their communities in more than 60 countries. These programs represent an investment with substantial returns for the United States.

The conference report also recognizes the central role played by women in the economies of the developing world by funding AID's Women in Development Program. The conference report reflects the hope that AID will assist women in activities that are critical to

their self-reliance and development. Of particular importance are programs dedicated to economic self-reliance, such as microenterprise development. The Grameen Bank in Bangladesh is an excellent illustration of a successful microenterprise investment which assists women entrepreneurs. In addition, programs designed to counteract local discrimination against women will be assisted through this appropriation.

This conference report also contains $121 million for international AIDS programs. I believe that money spent now to prevent HIV transmission throughout the developing world should be as important a funding priority as bilateral military assistance and I am pleased that the conferees agree.

Mr. Speaker, I am also very thankful that the peace process in the Middle East has continued to develop positively. The conference report reflects continued support for this process by forgiving $220 million in AID debt to Jordan. The conference report has also recommended that $7 million in economic support funds be provided for the Middle East Regional Cooperation Program. This program complements the peace talks on regional issues such as water, the environment, and economic cooperation. Programs like this demonstrate that peaceful cooperation can yield tangible benefits for all parties involved. In addition to this program, I am pleased that the conferees have continued to support both Israel and Egypt with generous levels of support. The report also includes $80 million for refugee resettlement in Israel.

Finally Mr. Speaker, I am pleased to note that the conference report indicates continued support for human rights throughout the world. In Indonesia, small arms transfers have been banned pending improvements in the human rights situation in East Timor. In Zaire, a prohibition on United States aid has been continued because of continuing electoral and human rights abuses. Under this conference report, the traditional 7 to 10 ratio of aid to Greece and Turkey is maintained. Greece will receive $225 million and Turkey will receive $365 million.

Mr. Speaker, we can be justifiably proud of this foreign operations bill. This conference report provides maximum flexibility and congressional guidance and will allow the administration and Congress to work together on promoting a foreign aid agenda which promotes democracy, sustainable development, and new priorities based on a rapidly changing world. I urge my colleagues to support this conference report.

□ 1440

Mr. LIVINGSTON. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. OXLEY], the gentleman with the broken hand.

Mr. OXLEY. Mr. Speaker, when the House first considered the 1995 foreign operations appropriations bill, Mr. GILMAN, Mr. RANGEL, and I sought to boost funding for international counter-narcotics programs by about $52 million to meet the President's request. Through the cooperation of Chairman OBEY we succeeded in getting an increase of $15 million, but in the conference we lost all but $5 million of that increase.

These are cooperative programs to combat narcotics traffickers in source nations in Latin America and Asia. President Clinton has indicated his desire to emphasize in-country operations. Unfortunately, we have seen international antidrug programs cut, not expanded, by the U.S. Congress.

Illegal drug use is, in large part, a function of availability. Cooperative international drug enforcement and an unambiguous foreign counter-narcotics policy are critical to combatting drug abuse in America.

More to the point, slashing our international antidrug efforts can only lead to the increased flow of South American cocaine and Asian heroin into this country and onto our streets. The results will be cheaper, purer, more readily available coke and smack. In other words, more crime, more misery, and more death in America.

Mr. Speaker, I am deeply concerned by the dramatic cuts we have seen in antidrug foreign aid, and I am deeply disappointed that this conference report does so little to restore them.

Mr. OBEY. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Speaker, I rise in strong support of the conference report. I want to say that it has been a joy to work with members of this subcommittee on both sides of the aisle, and the bill that has been produced by the subcommittee and by the full committee is a very good one.

I rise especially, Mr. Speaker, to join the chairman, the gentleman from Wisconsin [Mr. OBEY], in the encomiums heaped upon our mutual friend, Mike Marek. I knew Mike Marek, I think, long before the gentleman from Wisconsin [Mr. OBEY] knew him. In fact, Mike participated in a congressional campaign of mine as a volunteer in 1968, and, with the lessons he learned in that campaign Mr. Speaker, he had the foundation with which to go to a graduate school in Massachusetts where he earned a degree that led to his being hired by Mr. OBEY. Mike has been warm, and friendly and cooperative. He has been a true, and loyal and conscientious member of the staff. It has been a joy to work with him in connection with work on the bill and on other matters as well. I dislike very much to see him go because of his many contributions to the work of this committee, but I know that the new job that he will be taking very shortly will give him the opportunity to exercise his talents in a much broader field and with greater responsibilities, and I wish him the best of luck.

Mr. LIVINGSTON. Mr. Speaker, I yield 4 minutes to the gentleman from Texas [Mr. DELAY].

Mr. DELAY. Mr. Speaker, I take this time to express my deep concern about the funding level in this bill for the Global Environment Facility or GEF. When the House considered the foreign operations bill in May, I offered an amendment to reduce the funding level for the GEF from $98.8 million to last year's level of $30 million.

I offered my amendment because since its inception, the GEF's performance has been nothing short of dismal. And, despite a scathing internal review of the GEF's performance and abundant complaints from contributor countries and environmental groups, the GEF has blatantly failed to implement critical recommendations of reform.

In an effort to address the well-documented failure of the GEF's activities and to discuss necessary reforms, a GEF restructuring meeting including the United States and other contributor countries was held this March.

The response of the Environmental Defense Fund after the meeting was that

> "The GEF restructuring . . . did not deal with issues that are critical to ensure that the permanent GEF is a transparent and accountable entity . . . these are fundamental problems especially in light of the highly critical official evaluation report of the GEF pilot program . . . the report concluded that no new money should be invested in GEF projects until the GEF had put in place strategy and a set of guidelines.

The administration's response was to declare that the GEF had progressed toward making some reforms and where they haven't yet developed reforms they are in the process of developing them. And, in its wisdom, the administration pledged to contribute over $400 million over the next 4 years to the GEF and released $30 million to the GEF in previously withheld fiscal year 1994 funds.

The $98 million appropriation level included in the original House bill and the final level of $90 million—a tripling of the U.S. contribution—agreed on by the conference would erroneously lead Members to believe that this program has been an unheralded success.

Despite the funding level included in the House bill, I think the chairman of the subcommittee recognizes the magnitude of problems at the GEF. The chairman offered an amendment to my amendment during House consideration that reduced the GEF's fiscal year 1995 funding by $10 million. I agreed to accept his amendment because the chairman gave me his word that if the GEF was not performing in a productive and competent manner by the time of the conference, that he would support a $30 million appropriation level for the GEF.

Since the House consideration, the GEF held its first council meeting on July 12 and 13 failing to resolve the GEF's well-documented problems and postponing critical decisions for meetings later in the year.

Further, the GEF is trying to get council approval of plans for up to $400 million in new projects over the next year. This approach directly contradicts the essence of the internal review which states clearly that no new money should be invested in GEF until reforms are in place. The Environmental Defense Funds agrees, "The strategy must come first and then the projects" and that the rush to get projects off the ground has resulted in poorly designed schemes.

Despite the clear lack of progress since the May 25 consideration of the foreign operations bill, the conference decided to allocate $90 million to the GEF.

Mr. Speaker, I am greatly disappointed that the conference committee chose to ignore the entrenched problems of the GEF and allocate a funding level three times that of last year. Clearly, giving the GEF more money is putting taxpayer dollars at great risk. Frankly, I don't think we ought to be sending any money to the GEF until reforms have been implemented and evaluated as successful.

I hope that the officials at the World Bank and the GEF take heed of the widespread disapproval of their activities over this next year because, make no mistake, if the necessary reforms continue to go ignored, there will be an all-out effort to zero out the U.S. contribution to the GEF next year.

□ 1450

Mr. LIVINGSTON. Mr. Speaker, I yield myself such time as I might consume.

Mr. Speaker, I want to say at the outset that it is my fondest hope that America's great allies, Greece and Turkey, will soon put aside their differences of past ages and lay down their arms and learn to live in peace with each other. Both are loyal and trusted allies of the United States, and the provisions that affect them in this bill are simply intended to lead them to enjoy the benefits of peace, democracy, and respect for human rights of their own citizens.

That being said, Mr. Speaker, I also want to say that we now, in the passage of the conference report of this bill, have to recognize that the old Soviet Union, known to many of us as the "Evil Empire," has collapsed. But America is making her way through the quagmire of a tumultuous and dangerous world yet today. We still stand very much as a beacon of freedom and liberty around the world. And while foreign assistance is not popular in my district or throughout most part of this country, it is still a very important component in our overall foreign policy, in that it allows us to maintain a presence and a role among those countries that genuinely need humanitarian aid or assistance in their efforts to provide democracy for their own people.

With these goals in mind, I think it is also important to recall that this conference report does indeed represent a downward trend. It is substantially less than the 1985 peak of $19 billion, which now in today's dollars would amount to $25.8 billion if adjusted for inflation.

This is a good bill, it is a reduced bill, but it meets the needs of the United States in the troubled world, and I urge the adoption of the conference report.

Mr. Speaker, I yield back the balance of my time.

Mr. OBEY. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Maryland [Mr. HOYER], the Democratic caucus chairman.

Mr. HOYER. Mr. Speaker, I want to commend my distinguished colleagues on the Foreign Operations Conference Committee who worked until 3 o'clock in the morning last Friday to finalize this important piece of legislation. I wish to particularly praise the leadership of Mr. OBEY and Mr. LEAHY, as well as the fine work of Mr. PORTER, Mr. DECONCINI, and others who devoted close attention to the sections pertaining to Turkey. I want to express my strong support for the principled position that was adopted with respect to Turkey.

Passage of this bill sends an unequivocable message to the Government of Turkey that this Congress will not conduct business as usual when United States supplied equipment is used against civilians and to destroy crops, livestock, and villages. Additionally, as the conference report language indicates, this legislation reflects our deep concern over the fact that parliamentarians, journalists, and others face capital punishment simply for their expressing their opinions.

We have long urged Turkey's leaders to seek nonmilitary solutions to the Kurdish question, but our appeals have fallen upon deaf ears. We are making it clear that we cannot unconditionally provide aid which is used by Turkey's military to wage an increasingly costly and violent campaign against Kurdish civilians. Mr. Speaker, recent pressure from the United States Government has prompted some Turkish officials to claim that United States officials and Members of Congress want to change Turkey's borders and contest the right of Turkey's Government to defend its citizens against terrorism. This could not be farther from the truth. The United States respects both principles. This legislation expresses our belief that the Turkish Government must not pursue its war against terrorism at the expense of free speech and other human rights and against civilians.

Mr. Speaker, while I realize that this legislation will cause consternation among some of Turkey's leaders and people, this action is not simply a shortsighted slap on the wrist to express our displeasure with the uncompromising military approach of Turkey's leadership toward its Kurdish citizenry. Turkey is a critical economic and strategic partner whose predominately pro-Western, secular government makes it a strong ally of the United States. This legislation attempts to promote a long-term, mutually respectful alliance that can only realize its full potential if a peaceful resolution of the Kurdish crisis is reached and the primary threat to Turkish democracy is resolved. Peaceful resolution of this issue would strengthen democratic institutions and bring Turkey closer to realizing its CSCE and other international commitments. This important bill gives added substance to a growing chorus calling on Turkey to pursue political approaches to the Kurdish situation.

Mr. Speaker, I am very pleased to see that the conferees agreed to keep my language offered during full committee markup that requires the Secretary of State to consult with the Department of Defense in compiling a report on use of U.S. supplied equipment and other pressing rights issues. It is clear that Turkey's military leaders play a critical role in policymaking. Over the years the Pentagon has developed close ties with Turkey's military and holds substantial influence with the Turkish military. DOD has both the expertise and personnel on the ground to contribute significantly to the report. DOD's participation in compiling the report further demonstrates this body's concern and understanding of a complex and difficult situation.

Mr. Speaker, the central dilemma facing our Government is how to encourage the further development of democratic institutions and respect for human rights without isolating Turkey or turning its leaders and people away from a pro-Western orientation. As a proven ally and supporter of Turkey, the United States is in a better position than most to effectuate this diplomatic balancing act. Our shared strategic and economic interests in promoting peace and stability in the former Yugoslavia, Central Asia, the Middle East, and in other areas make cooperation between our states critical. So, while Turkey remains a close NATO partner and ally, this legislation is a measured and responsible statement of our concern over the deteriorating rights situation and demonstrates that business as usual is out of the question as long as an uncompromising military approach to the Kurdish question is pursued. Our alliance will be much stronger, as will Turkey's democracy

and economy, when the Kurdish situation is peacefully resolved.

Mr. Speaker, I urge passage of this conference report.

Mr. OBEY. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Mr. Speaker, I rise in reluctant support of this report, reluctant because I am opposed to the aid to the PLO.

Mr. Speaker, I rise in reluctant support of H.R. 4426, the conference report on Foreign Operations, Export Financing and Related Programs Appropriations Act of 1995.

This report merits our bipartisan support because it maintains U.S. leadership and presence as a force for peace around the world. I am pleased that the bill includes $3 billion of earmarked aid to Israel. This money continues to be a critical importance to the State of Israel. Nothing should be compromised in our unwavering support for the security of Israel.

The conference report also includes language prohibiting the creation of a new United States Government office in any part of Jerusalem established to deal with the Palestinian Authority over issues regarding the West Bank and Gaza. This reaffirms United States policy that no official meeting will take place in Jerusalem between United States and Palestinian Authority officials.

I also support the language removing the President's authority to provide direct aid to the PLO until they strictly comply with their peace accord promises. The PLO must be held to the toughest standard.

While all these provisions are reason enough to support the conference report, I wish to point out one area where I strongly disagree with the chairman and that is giving aid to the PLO.

Aid cannot and should not be given to the PLO until they make good on their promises—not one second before. The PLO has a long history of hostility to Israel, with their orchestration of the horrific killings against innocent civilians, and continued economic terrorism by complying with the Arab boycott. This hostility is not a thing of the past, it continues to be perpetrated today. Their covenant still calls for the destruction of the State of Israel, and since September 1993 there have been 89 terrorist attacks on Israelis.

Last year I opposed a waiver that would enable the PLO to receive aid. It was my demand then, and it still is today, that the PLO make good on their commitments. Not only must Yassir Arafat erase the violent sections of the PLO covenant, but he must renounce the Arab boycott against Israel and get a hold of all the factions of the PLO. If he cannot stop the terrorist attacks by members of the PLO umbrella, and he will not denounce them, he should not have said he could do so. Mr. Arafat's consistent inability to do what he says he is going to do makes him a questionable recipient of U.S. aid. False promises, and a lack of control are formula for disaster.

On three separate occasions, the PLO signed agreements pledging to control and eliminate violence and terrorism against Israelis. They committed to:

First, renounce terrorism and other acts of violence;

Second, prevent incitement to violence;

Third, change their covenant;

Fourth, prosecute terrorists; and

Fifth, discipline violators by "assuming responsibility over all PLO elements and personnel."

Even with this list of unfulfilled promises, we have committed ourselves to give the PLO substantial assistance to be used in the West Bank and Gaza.

Mr. Speaker, no aid should be given to the PLO at least until they reciprocate the concessions made with the State of Israel. It is now or never. If we do not take this opportunity to impress upon them the importance of reciprocity, then any future negotiations will not be able to force them to do so.

Mr. OBEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would simply say in closing that I think this is a bill which is certainly in the interests of the United States and its citizens to pass, and I urge Members to support it.

I would have simply one observation for a number of groups who have lobbied this bill, and, in my view, lobbied it with a minimum of fairness and lobbied it with a minimum recognition of reality. The fact is that this committee takes a lot of heat from a lot of sources in order to provide each and every dollar in this bill. This is not the most popular bill in the world.

There are a large number of groups who seem to assume that they are automatically entitled to a specific dollar amount in the bill. There is no party entitled to money under this bill. Every agency, every country, every group looking for money, needs to earn it.

I would simply note in light of some of the criticism that has been made of the committee since the conference by groups who are unhappy because they did not get more money guaranteed to their favorite constituency, that it is not the job of this committee to guarantee money to any group. It is the job of this committee to protect the national interests of the United States and to protect the interests of the American taxpayer.

Mr. Speaker, I would simply make the point further that were it not for this committee and were it not for this Congress, there would have been no aid provided in the first place to all kinds of nations which were formerly part of the Soviet Union.

It just seems to me as I sat in conference that people ought to remember a lesson that old Ben Riehle from my hometown tried to deliver a long time ago. Ben was a farmer who represented rural Marathon County, in the legislature and he was in a debate one night with his opponent, who was a teacher. They were appearing before the local teacher association.

Ben's opponent strode up to the mike and he said he was for increased teacher salaries, he was for increased State aid to education, he was for increased aid to vocational and technical education, but he was against a tax increase.

When it came Ben's turn to speak, Ben simply looked at the group, and he said "I know you are unhappy with my votes on the Joint Finance Committee, because I have not always supported every dollar that you ever wanted. But I would just remind you of one thing. I may not have voted for every dollar you ever got. And if you are thoughtful about it, you will think about it and you will recognize there is a message in there somewhere."

Mr. Speaker, I would deliver the same message to every single political group in this country who seem to believe that they can demand of this committee that we provide a specific amount of money, regardless of how much that leaves for somebody else.

□ 1600

In this bill as in all others there is a need to share. There is a need to share equitably. There is a need to put the national interest before the needs of any individual group.

I would not just ask those who lobby this committee, I would demand of them that they recognize that it is our duty to recognize that fact. They have no business lobbying this Congress if they do not recognize that we have an obligation to put the national interest and the overall interest first.

I think if everybody recognizes that on the outside as well as the inside, this country would function a whole lot better.

Mrs. MALONEY. Mr. Speaker, I rise in strong support of the conference agreement on Foreign Operations Appropriations and I urge the House to pass it.

I first want to commend Chairman OBEY for all of his hard work, and I also want to pay tribute to my colleagues from New York who serve on the subcommittee that put the bill together—NITA LOWEY and JOSE SERRANO.

Mr. Speaker, as focused as the Congress and our constituents are on solving America's domestic problems, we cannot forget the important role that the United States must play in a host of regions around the world. And I believe that this bill advances U.S. foreign policy objectives in several critical ways.

First, however, I must note that in keeping with our objectives to cut spending and reduce the deficit, the conference agreement before us today represents a net reduction of over $600 million from what we are currently spending on foreign aid. Critics of foreign and must recognize that foreign aid is not exempt from budget cuts and that well over a half-a-billion dollars in spending has been eliminated.

But in many areas, Mr. Speaker, I think that the funding in this bill is very well spent. For example, the agreement includes a $15 million earmark for Cyprus—critical funding that will help the citizens of this island nation address their economic problems while continuing their heroic fight for freedom and justice. I'm also pleased that for the first time in 20 years, American aid to Turkey is being conditioned

on that country's human rights record. The bill mandates that 10 percent of loans to Turkey be withheld pending an administration report on human rights abuses by the Turkish military.

Other provisions of note include an appropriation of $20 million for the International Fund for Ireland. This funding will be used for job creation and investment in the Republic of Ireland and in Northern Ireland and will help facilitate the ongoing peacemaking efforts.

I'm also proud that Congress is responding to the tragedy and turmoil in Rwanda by including $50 million in emergency assistance to help the Rwandan refugees. It would be inconceivable for us to turn our back on the millions who are suffering in this ravaged nation.

Finally, Mr. Speaker, I want to address the important provisions in the bill pertaining to the Middle East. I strongly support the $3 billion economic and military assistance package for Israel because it is imperative for us to continue to provide Israel with the help it needs to advance on the historic road to peace. I'm also pleased that the bill includes strong language that condemns the Arab boycott of Israel. Earlier this year, the President signed a version of my bill, the Arab Boycott Arms Sales Prohibition Act, which will bar U.S. weapons transfers to nation that blacklist American companies who do business with Israel. As the cause of peace advances in the Middle East, there is no excuse for Arab countries to continue the blatantly discriminatory policy of the boycott.

The legislation before us today also recognizes that the climate in the Middle East is changing. I am pleased that the bill includes a tough new provision requiring any U.S. aid to the PLO to be conditioned on the PLO's honoring its peace agreement with Israel.

I also support the loan forgiveness provisions for Jordan, which I believe will enhance the rapidly-moving Israeli-Jordanian peace efforts. A few months ago, it would have been inconceivable to imagine Prime Minister Rabin and King Hussein sitting side-by-side in the House of Representatives addressing a Joint Session of Congress. Or that just yesterday, the King would fly over Israeli air space, his plane escorted by Israeli fighter pilots, while speaking with Mr. Rabin on the phone. Yesterday, the Israeli Knesset voted 91 to 3 to approve the Washington Declaration agreement between Israel and Jordan. The Clinton administration deserves enormous credit for this achievement, and we in Congress must do all that we can to help Israel and its neighbors conclude fair and lasting peace agreements.

Mr. PACKARD. Mr. Speaker, I rise in opposition to H.R. 4426, the fiscal year 1995 Foreign Operations Appropriations bill. This bill represents fiscal irresponsibility and ignores the strategic interests of the United States.

As this Nation faces a soaring deficit, and tight budgetary constraints, Congress has an obligation to carefully scrutinize all spending—especially that which we send overseas. However, the Foreign Aid bill we have before us, abrogates that responsibility. We can hardly afford the kind of whimsical spending this bill represents.

For example, this bill offers aid to North Korea. This flies in the face of common sense. Clinton administration officials have warned members that these funds may ultimately fund North Korea's dreaded nuclear program. The American taxpayers deserve a more responsible use of their hard-earned dollars.

Furthermore, this Congress should not be funding a foreign policy which the American people know is wrong. Only 35 percent of the American people give the Clinton administration's foreign policy passing marks.

The huge $400 billion deficit hangs over our country, getting bigger every year threatening the economic health of America. Congress can send a signal to the American people that this institution is serious about the economic well-being of this country. Congress has continually demonstrated its lack of discipline by passing spending bills like this, full of wasteful spending.

If we are to provide our children and grandchildren with any kind of a legacy, we must ensure that legacy is not one of economic decline caused by congressional inability to control its insatiable appetite for spending.

Mr. Speaker, our responsibility is to represent the interests of the American people and to advance the strategic interests of the United States. This bill does neither. For this reason, I urge my colleagues to not support this bill.

Mr. OBEY. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore (Mr. SYNAR). The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. LIVINGSTON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 341, nays 85, not voting 8, as follows:

[Roll No. 376]

YEAS—341

Abercrombie
Ackerman
Allard
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Bacchus (FL)
Bachus (AL)
Baesler
Ballenger
Barca
Barcia
Barlow
Barrett (WI)
Bartlett
Bateman
Becerra
Beilenson
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Blackwell
Bliley
Blute
Boehlert
Boehner
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Burton
Byrne
Calvert
Camp
Cantwell
Cardin
Carr
Castle
Chapman
Clay
Clayton
Clinger
Clyburn
Coble
Coleman
Collins (MI)
Conyers
Cooper
Coppersmith
Cox
Coyne
Cramer
Cunningham
Danner
Darden
de la Garza
Deal
DeLauro
DeLay
Dellums
Derrick
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Dooley
Dornan
Dunn
Durbin
Edwards (CA)
Edwards (TX)
Ehlers
Engel
English
Eshoo
Evans
Ewing
Farr
Fawell
Fazio
Fields (LA)
Filner
Fingerhut
Fish
Flake
Foglietta
Ford (MI)
Fowler
Frank (MA)
Franks (CT)
Franks (NJ)
Frost
Furse
Gallo
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodlatte
Gordon
Grams
Green
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hamburg
Hamilton
Harman
Hastert
Hastings
Hefner
Hilliard
Hinchey
Hoagland
Hobson
Hochbrueckner
Hoekstra
Hoke
Holden
Horn
Houghton
Hoyer
Huffington
Hughes
Hunter
Hutto
Hyde
Inhofe
Inslee
Istook
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E.B.
Johnston
Kanjorski
Kasich
Kennedy
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klein
Klink
Klug
Knollenberg
Kolbe
Kopetski
Kreidler
Kyl
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Lazio
Leach
Lehman
Levin
Levy
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
Long
Lowey
Lucas
Machtley
Maloney
Mann
Manton
Manzullo
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McHale
McHugh
McInnis
McKinney
McMillan
McNulty
Meehan
Meek
Menendez
Meyers
Mfume
Michel
Miller (CA)
Mineta
Mink
Moakley
Molinari
Mollohan
Moran
Morella
Murphy
Murtha
Nadler
Neal (MA)
Neal (NC)
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quinn
Ramstad
Rangel
Ravenel
Reed
Regula
Reynolds
Richardson
Ridge
Ros-Lehtinen
Rose
Rostenkowski
Roukema
Rowland
Roybal-Allard
Royce
Rush
Sabo
Sangmeister
Santorum
Sawyer
Saxton
Schenk
Schiff
Schumer
Scott
Serrano
Sharp
Shaw
Shays
Shepherd
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (IA)
Smith (NJ)
Smith (TX)
Snowe
Spratt
Stenholm
Stokes
Strickland
Studds
Stupak
Swett
Swift
Synar
Talent
Tauzin
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Tucker
Unsoeld
Upton
Velázquez
Vento
Visclosky
Vucanovich
Walsh
Waters
Watt
Waxman
Wheat
Whitten
Williams
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)
Zeliff
Zimmer

NAYS—85

Applegate
Archer
Armey
Baker (CA)
Baker (LA)
Barrett (NE)
Barton
Bonilla
Brooks
Bunning
Buyer
Callahan

Canady	Inglis	Roth
Collins (GA)	Jacobs	Sanders
Combest	Johnson, Sam	Sarpalius
Condit	Kaptur	Schaefer
Costello	Lewis (FL)	Schroeder
Crane	Lloyd	Sensenbrenner
Crapo	McCandless	Shuster
Doolittle	McKeon	Slattery
Dreier	Mica	Smith (MI)
Duncan	Miller (FL)	Smith (OR)
Emerson	Minge	Solomon
Everett	Montgomery	Spence
Fields (TX)	Moorhead	Stark
Gallegly	Myers	Stearns
Gekas	Nussle	Stump
Goodling	Orton	Tanner
Goss	Oxley	Taylor (MS)
Grandy	Packard	Traficant
Hall (TX)	Petri	Valentine
Hancock	Pombo	Volkmer
Hansen	Rahall	Walker
Hayes	Roberts	Weldon
Hefley	Roemer	Young (FL)
Herger	Rogers	
Hutchinson	Rohrabacher	

NOT VOTING—8

Clement	Ford (TN)	Sundquist
Collins (IL)	Laughlin	Washington
DeFazio	Quillen	

□ 1524

Mr. EMERSON changed his vote from "yea" to "nay."

Mr. DELAY and Mr. ALLARD changed their vote from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. OBEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report on H.R. 4426, and that I may be permitted to include charts, tables, and other materials.

The SPEAKER pro tempore (Mr. CLYBURN). Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 4649, DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 1995 AND DISTRICT OF COLUMBIA SUPPLEMENTAL APPROPRIATIONS AND RESCISSIONS ACT, 1994

Mr. OBEY. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill (H.R. 4649) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1995, and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 4277, SOCIAL SECURITY ADMINISTRATIVE REFORM ACT OF 1994

Mr. GIBBONS. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill (H.R. 4277) to establish the Social Security Administration as an independent agency and to make other improvements in the Old-Age, Survivors, and Disability Insurance Program.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

APPOINTMENT OF CONFEREES ON S. 1587, FEDERAL ACQUISITION STREAMLINING ACT OF 1994

Mr. CONYERS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1587) to revise and streamline the acquisition laws of the Federal Government, and for other purposes, with a House amendment thereto, insist on the House amendment, and agree to the conference asked by the Senate.

The SPEAKER pro tempore (Mr. TORRES). Is there objection to the request of the gentleman from Michigan?

The Chair hears none and, without objection, appoints the following conferees:

Conferees from the Committee on Government Operations, for consideration of the Senate bill, and the House amendment, and modifications committed to conference:

Messrs. CONYERS, SYNAR, NEAL of North Carolina, LANTOS, OWENS, TOWNS, SPRATT, and RUSH, Mrs. MALONEY, Ms. MARGOLIES-MEZVINSKY, and Messrs. CLINGER, MCCANDLESS, HASTERT, KYL, SHAYS, and SCHIFF.

As additional conferees from the Committee on Armed Services, for consideration of the Senate bill, and the House amendment, and modifications committed to conference:

Messrs. DELLUMS, SISISKY, EVANS, BILBRAY and EDWARDS of Texas, Ms. FURSE, and Messrs. SPENCE, KASICH, BATEMAN, and WELDON.

As additional conferees from the Committee on Education and Labor, for consideration of sections 4024(d), 4101(b), 4101(c), 6101-02, 8005(c)(2), and 11001-04 of the Senate bill, and section 4105 of the House amendment, and modifications committed to conference:

Messrs. FORD of Michigan, MURPHY, and FAWELL.

As additional conferees from the Committee on the Judiciary, for consideration of sections 1421-22, 1437, 2451, 2551-53, 2555, that portion of section 4011 that adds a new section 29(b)(2) to the Federal Procurement Policy Act, sections 4024 (a), (b), (c), and (f), 4101 (b) and (c), 6001-04, 6053, and 8005 (c)(3) and (c)(4) of the Senate bill; and that portion of section 4011 that adds a new section 4B(c) to the Federal Procurement Policy Act, that portion of section 4031 that adds a new subsection (c)(9) to section 23012a of title 10, United States Code, that portion of section 4041 that adds a new subsection (c)(2) to section 302A of the Federal Property and Administrative Services Act of 1949, sections 4051, 5003, that portion of section 7106 that adds a new section 2285(a)(12) to title 10, United States Code, that portion of section 7205 that adds a new section 314D(a)(4) to the Federal Property and Administrative Services Act of 1949, and section 7301(b) of the House amendment, and modifications committed to conference:

Messrs. BROOKS, BRYANT, and FISH.

As additional conferees from the Committee on Public Works and Transportation, for consideration of sections 1056 and 1067 of the Senate bill and modifications committed to conference:

Messrs. MINETA, TRAFICANT, and SHUSTER.

As additional conferees from the Committee on Small Business, for consideration of sections 1055(b)(2), 2554, 4102-05, that portion of section 4011 that adds a new section 29(b)(1) to the Office of Federal Procurement Policy Act, sections 4012, 4014(d), 4015(d), and 4074 of the Senate bill, and sections 4104 and 8002 of the House amendment, and modifications committed to conference:

Mr. LAFALCE, Mr. SMITH of Iowa, and Mrs. MEYERS of Kansas.

There was no objection.

□ 1530

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 4590

Mr. BARLOW. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 4590.

The SPEAKER pro tempore (Mr. TORRES). Is there objection to the request of the gentleman from Kentucky?

There was no objection.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

HAITI

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. GOSS] is recognized for 5 minutes.

Mr. GOSS. Mr. Speaker, Mr. Speaker, media accounts this morning in the newspapers of the Washington area and the other major cities across the country indicated that the President's "B team" has met again yesterday to talk about the situation in Haiti.

The media reports indicate that there is considerable disarray among the ranks of the President's advisers, and there is considerable disagreement in the team effort on what to do about our Haitian policy. National Security Adviser Strobe Talbott, according to the media accounts, is ready for an early charge into Haiti. The media does not indicate in their report whether Mr. Talbott himself wants to be in the lead, but he is arguing for an early invasion of Haiti. He called the idea of offering inducements to the military

regime that is illegally there in power, the military junta, he called the idea of trying to negotiate and offer them inducements to leave as "morally repugnant."

But Secretary of Defense William Perry wants to do everything possible to avoid military conflict, and he countered to the media that it is immoral for the United States not to do whatever it can to avoid the loss of lives of American soldiers and expenditure of taxpayers' money.

It seems to me those are pretty basic and severe disagreements, and it is a shame they are there, because apparently nobody was in the room, and there is nobody on the B team that has a better idea than either of those two bad ideas. And there are some very good ideas about negotiating with the moderates that do not involve bribes to the military, and do not involve the invading of Haiti with our military might.

Last night President Clinton held a prime time press conference and when asked whether or not he will seek congressional approval now that he has gotten the approval from the United Nations, seems a reasonable question to ask the President of the United States, he said he would welcome the support of the U.S. Congress, but he did not say that he was willing to ask for it. If we look closely at the word and the followup comments the President made in that press conference, it clearly indicates that he has absolutely no intention of asking for Congress' views or opinions on the subject of invading Haiti as this time.

I wonder why the President would go to a bunch of foreigners in New York at the United Nations and get their approval to use our troops in harm's way, and he will not come to the elected representatives of the people of the United States, including those people who presumably would be in an armed invasion, and ask us what we felt about such an invasion? It is a rather curious omission on the President's part.

When asked if there were any security issues in Haiti that would require an invasion, in other words, are the Haitians about to invade us, or are our borders about to be overtaken by armed Haitians, or unarmed Haitians for that matter, that was not the case, not at all. The President merely outlined a domino theory saying there are possible ramifications from the seriously bad situation in Haiti which we have made in large part because of our embargo or other countries in the Central and South American area. What he is basically saying is things are really bad in Haiti, and that means it might get bad elsewhere in the area, and that is our justification to invade.

I wonder if we are going to use that criteria for our armed services, does that mean we are going to invade the Dominican Republic where somebody suggested that the elections were not quite up to standards in terms of democratic oversight, or are we going to go anyplace else in the world every time we feel that democracy has not been handled in the same way that we would handle it in this country, and the only way we are going to get their cooperation is to send our military might?

I think that while we are talking about this and not getting very good answers from the White House on any of these points at all, the White House has made some commentary about gee, we have a lot of friends from Latin America who are really happy that we are going to think about invading Haiti. It turns out that is not really true. It turns out our allies in the Western Hemisphere, our neighbors and friends are not exactly jockeying for a place in the front line to lead the charge into Haiti. So far I think we have only Argentina, which is perhaps explained by the fact that we have now departed from a rather longstanding policy. Members will recall the Falklands war, the Malvinas Islands war between Argentina and Great Britain, which is a very serious matter for those two countries, and there were a great many casualties for those two countries, we have now changed our policy. It seems we have not been providing any assistance to Argentina and the price for them invading Haiti it seems is to change our policy. I wonder if that upsets our friends in Great Britain? Interesting point.

□ 1540

Brazil, Mexico, Venezuela, Uruguay, and Argentina have today said they would much rather meet with that military junta in Haiti than have an invasion.

So it seems our friends are not exactly with us on this idea of an invasion. In fact, there are very few people who think it is a good idea.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 4217, FEDERAL CROP INSURANCE REFORM ACT OF 1994

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 103-666) on the resolution (H. Res. 507) providing for consideration of the bill (H.R. 4217) to reform the Federal crop insurance program, and for other purposes, which was referred to the House Calendar and ordered to be printed.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DORNAN] is recognized for 5 minutes.

THE CONDOM QUEEN MUST BE DEPOSED

Mr. DORNAN. Mr. Speaker, my subject today is the Surgeon General of the United States of America.

I had considered articles of impeachment, which is a privileged resolution, against Joycelyn Elders.

Then I looked at all the constitutional aspects of what she has done to hurt young people and the health of our country with this strange, fake, naval admiral's uniform and all of these rows of ribbons. There was rumor she was wearing a Purple Heart. I found out that is not true, however.

What are these two or three rows of ribbons she wears? She has never seen combat except in Arkansas. I am not going to throw stones at Arkansas, because big parts of California are combat zones now with crime.

But I looked at the articles of impeachment and everybody in this House would have to go on record as for or against Joycelyn Elders. Then I looked at the Constitution, which I respect so greatly, as we all do here, Mr. Speaker, and I said, "No. I will just do an hour special order."

So, Mr. Speaker, all of your friends and cousins, all of the great Americans visiting us in the gallery tonight, about 200 of them, 1,300,000 watching C-Span because we adjourned a little early tonight, everybody is going to have to be satisfied with the quotes and facts about Joycelyn Elders that I will insert for the RECORD.

Her quotes are so offensive and were coming out so regularly like clockwork until her son was busted for drugs, but even then she had the nerve to suggest we legalize drugs as a means to reduce crime. I had better repeat that, Mr. Speaker: Joycelyn Elders, knowing her son was busted for cocaine but before the public knew it, started upping the heat on legalizing drugs. Then when it came out her son was busted for cocaine and was going through a trial, she lowered her voice a little.

So here comes all of these quotes. My favorite is the one that she said when somebody held up a "Condom Queen" sign. She said:

> If Condom Queen means what I want to do to help young people, then, yes, I accept that title. I am the Condom Queen.

Well, I think the Condom Queen should be deposed. We do not have to banish her. Let her go back to Arkansas and live with all of those social problems that are going off the charts that started when she was the director of the health department in the State of Arkansas.

So I am going to put in the RECORD an article I wrote on the importance of two-parent families that was published in the Christian Science Monitor. I will also put in all of Joycelyn Elders quotes on religious bigotry, on abortion, on glorifying homosexuality, on teenage sexuality; I have got numerous quotes here, Mr. Speaker, that are just sizzling. I mean, if anybody had said any one of these things 5 years ago, 10 years ago, 20 years ago, they would have been out of office. Remember Earl

Butz, Secretary of Agriculture, privately told a joke to a person on an airplane that was distasteful. I think it was demeaning to one ethnic group of Americans. He was forced to resign because a newsman overheard the joke.

I mean, any one of these statements of hers would have caused somebody to be fired.

Let me close on this: Kristine Gebbie, the former czarina who said that when we teach kids about abstinence, and I am looking at some young faces in the gallery, we must also tell them how pleasurable it is that they are abstaining from. What a blithering idiot. She has been let go by the Clinton administration. Why? Because the activist homosexual community said to Clinton, "Dump the AIDS czarina," for all the wrong reasons, for all the wrong reasons, of course. She is gone, never the less.

Homosexuals are 1 percent of the Nation. Practicing Christians and Orthodox Jews who go to church or temple regularly still constitute an overwhelming majority of this country, more than any nation on the planet, more than any nation in history.

Christians say to the President, "Please, get rid of Joycelyn Elders," and he defies us. He says, "I like what you are doing, Joycelyn. Keep it up. I am proud of you. I stand behind you." Homosexuals ask for the end of the czarina, Gebbie is gone. Where are the President's priorities? It is outrageous. Joycelyn Elders has got to go.

Mr. Speaker, at this point in the RECORD I would like to insert 30 of Joycelyn Elders more infamous statements.

SURGEON GENERAL JOYCELYN ELDERS

1. The overall mission of the Office of the United States Surgeon General is the protection, improvement, and advancement of the health of all of the American people. The primary responsibility of the Surgeon General is to advise the Nation on public health matters.

2. As the nation's top spokesperson on issues of public health, the American people look to the person who serves as Surgeon General for guidance and leadership on such matters.

3. Clearly, our current Surgeon General, Joycelyn Elders, has failed in these regards.

4. Joycelyn Elders has demonstrated hostility towards mainstream American values and demonized American citizens who want public policy to reflect their moral and religious beliefs.

5. She has abused and violated the public trust and compromised her ability to unify the American people under the common goal of sound public health policies. Moreover, her policies and pronouncements are dangerous to the health and well-being of families in America.

TEENAGE SEXUALITY

6. Joycelyn Elders continues to taunt and ridicule Americans who advocate the principles of sexual restraint and responsibility as a means of preventing unwanted pregnancies and sexually-transmitted diseases.

7. She refuses to acknowledge that abstinence is the only proven method of preventing unplanned pregnancies and sexually-transmitted diseases.

8. In fact, Joycelyn Elders' prescription for dealing with the problem of teenage pregnancy includes unrestricted and tax-funded abortion, free condoms in schools, and explicit and graphic sex education beginning as early as kindergarten.

9. She even went so far as to say, "We have driver's ed for our kids. We've taught them what to do in the front seat of the car, but not what to do in the back seat." (Evening Times, 3/4/92).

10. Yet during the Surgeon General's previous tenure as Arkansas health director, the incidence of teenage pregnancy and sexually transmitted diseases actually rose steadily—even after posting steady declines in the years before her appointment (Alan Guttmacher Institute and Arkansas Department of Health).

HOMOSEXUALITY

11. The Surgeon General continues to advocate a re-definition of the traditional family structure by supporting the adoption of children by homosexuals (USA Weekend Interview, 6/2–5/94).

12. She has said, "Yes [Boy Scouts should admit homosexuals]. I also think girls who are lesbians should be allowed to join the Girl Scouts." (USA Weekend Interview, 6/3–5/94).

13. Regardless of documented evidence that shows homosexual behavior to be associated with such deadly communicable diseases as AIDS and hepatitis, the Surgeon General has endorsed homosexual sex as "wonderful," "normal" and "healthy" (The Advocate, 3/94). This has given a false sense of security to all those who engage in high-risk sexual behavior.

ABORTION

14. Joycelyn Elders is a tireless advocate for abortion on demand. She has even said that, "Abortion has reduced the number of children with severe birth defects * * *. The number of Down's Syndrome infants in Washington State in 1976 was 64 percent lower than it would have been without legal abortion * * *. Abortion was the single most important factor in the significant decrease in neonatal mortality between 1964 and 1977." (Testimony before Senate Labor Committee Committee on FOCA, 5/23/90).

15. The Surgeon General continues to insult and demean Americans who believe preborn children are human beings worthy of constitutional protections as well.

16. To a group of pro-abortion supporters, she snapped, "We would like for the right to life and antichoice groups to really get over their love affair with the fetus and start supporting children." (Arkansas Democrat-Gazette 1/19/92).

17. The Surgeon General has also characterized people who oppose abortion as "non-Christians with slave-master mentalities" who want "to keep people poor, ignorant, and enslaved." (American Medical News, 1/11/93).

18. For those who are morally opposed to taxpayer financed abortion, the Surgeon General claimed, "If Medicaid does not pay for abortions, does not pay for family planning, but pays for prenatal care and delivery, that's saying: I'll pay for you to have another good, healthy slave." (Arkansas Democrat-Gazette 1/19/92).

RELIGIOUS BIGOTRY

19. The Surgeon General has publicly demonized and marginalized Americans whose values are rooted in religious tenets and who advocate public policies that reflect their values.

20. She has characterized those who hold moral and religious values as harmful to our nation's children and has said, "We've got to be strong to take on those people who are selling our children out in the name of religion." (June 22, 1994, Lesbian and Gay Health Conference).

21. The Surgeon General has also criticized how religious leaders view human sexuality and has called those who oppose sex education the "un-Christian religious right" (June 22, 1994 Lesbian and Gay Health Conference).

22. When asked why there was such a sharp rise in teen pregnancy in Arkansas during her tenure as Arkansas Health Director to "poverty and ignorance and the Bible-Belt mentality." (National Review, "Life and Death in Arkansas," 4/26/93).

22. Furthermore, she continues to wage a non-stop, public attack on Roman Catholics by saying, prior to her appointment, "Look who's fighting the pro-choice movement: a celibate, male-dominated Church." (Address to Arkansas Coalition for Choice, 1/18/92).

JUDGMENT CALLS

24. The Surgeon General has demonstrated reckless judgment on serious societal problems with statements such as, "I would hope that we would provide them [drug-abusing prostitutes] Norplant, so they could still use sex if they must to buy their drugs." (CNBC "Talk Live", 6/19/93); and

25. In addition, despite strong evidence that illegal drug use is on the rise, the Surgeon General has said that "We would markedly reduce our crime rate if drugs were legalized" (National Press Club Luncheon) and recommended that "we have doctors or clinics set up where addicts can get their drugs free or pay $1." (USA Weekend, 6/3–5/94).

26. She has even justified higher federal spending on AIDS research rather than on cancer and heart disease because, "most of the people that die with heart disease and cancer are our elderly population, you know, and we all will probably die with something sooner or later" and that "we are losing the people that's going to be paying my Social Security, and that bothers me." (Senate committee hearing, 5/11/94).

27. And while claiming to care about the health of our children, Joycelyn Elders recklessly refused to notify the public about defective condoms dispensed by the state of Arkansas to school-based clinics.

IN CONCLUSION

28. The Surgeon General continues to exploit her privileged position and compromise her ability to unite the American people under the common goal of improving the health of the general public.

29. More importantly, she is failing to carry out the overall mission of the Office of the United States Surgeon General and is therefore failing to protect, improve, and advance the health of all Americans.

30. She is not deserving of our nation's top public health post and the President should ask for her resignation immediately.

THE OMNIBUS CRIME CONTROL ACT OF 1994

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. HORN] is recognized for 5 minutes.

Mr. HORN. Mr. Speaker, the Omnibus Crime Control Act of 1994 is an attack on a multitude of criminal actions that have battered our quality of life: murder, drug dealing, armed assault, rape,

robbery, kidnaping, carjacking, child pornography, domestic violence. It contains an arsenal of weapons intended to return peace and security to our Nation's communities through measures that are punitive as well as preventive.

While some may accuse Congress of election-year politicking with this bill, and we have certainly heard a lot of partisan wrangling over parts of it and intraparty wrangling, the crime situation has moved far beyond politics. It is time to attack, and the Crime Control Act is a solid weapon to lead that attack.

Among its provisions, the Crime Control Act will provide $8.7 billion for new State prison construction. It sets aside 40 percent of the total for States that adopt truth-in-sentencing laws, requiring defendants to serve at least 85 percent of their sentence. It earmarks $8.8 billion to put 100,000 new police officers on the street.

Last year, I authored and put into the defense authorization act a program that is called Troops to Cops, which provided for retirees from the military who are not able to serve their full 20 or more years, if they joined a local police, a county sheriff's office, the Federal Government would reimburse that salary up to $25,000 the first year, another $25,000 years two through five. This is a great addition to help the local law enforcement of this country in their most difficult times that they have ever faced.

The Crime Control Act also authorizes $1 billion for the Border Patrol and Immigration and Naturalization Service, enough to fund almost 6,000 new Border Patrol agents who will be added to the current force of 4,900, and at last give us the tools to help control illegal immigration.

The Crime Control Act will impose the "three strikes and you're out" sentencing, mandatory life imprisonment without parole for criminals convicted of three violent crimes or serious drug offenses.

The act authorizes $1.8 billion to fight violence against women, a too-long-overlooked crime. Funds will go to train police, support battered women's shelters, promote rape-awareness education, and establish a national family violence hotline.

The Crime Control Act will also authorize funds for reimbursement to States for the costs of incarcerating illegal aliens. The bill alone in California is approximately $375 million a year to incarcerate illegal aliens. It is important to note the crime bill does not include the highly controversial Racial Justice Act which would have required judges to consider the defendant's race in sentences imposing the death penalty. I did not support that provision. It would have produced a number of damaging effects on our ability to control crime, both as a State and as a nation.

Mr. Speaker, whereas I support the merits of the program included in the crime bill, I do not support all of the methods for its funding. This Congress has authorized spending for a range of new and/or expanded programs, and proposes to pay for them with phantom savings.

□ 1550

The $30 billion funding mechanism for the crime bill is a hoax. A trust fund was created to provide for the contents of this bill. However, it is based on pure fiction. The formula was designed on the premise that Vice President GORE's proposal for a reduction in Federal spending, as determined by the National Performance Review, would provide $22 billion in savings. I am dubious that that money will be there to pay for these programs.

Despite this funding formula, there is a quality mixture of punitive and preventive measures in this bill. These measures are vital to combating crime in our communities, and I cannot hold these programs hostage to the excessive funding and extraneous padding that is also contained in parts of this bill. I have serious reservations as to whether these programs will ever materialize, but I am willing to take that chance with the hope that they will take effect and reduce the impact of crime on the lives of all too many Americans.

IS THE CLINTON HEALTH CARE BILL DEAD?

The SPEAKER pro tempore (Mr. TORRES). Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, the gentleman from Tennessee [Mr. DUNCAN] is recognized for 5 minutes.

Mr. DUNCAN. Mr. Speaker, the front page of the Washington Post this past Friday had this headline: "Health Bill Heads for House Floor—Democrats Retain Clinton Provisions."

Now, the Washington Post is a very liberal newspaper.

When they printed the headline—"Democrats Retain Clinton Provisions" they did not mean that as a negative headline.

However, as almost every recent poll has shown, a strong majority of the American people are opposed to the Clinton health plan.

Yet I am afraid that there is a misconception out in the country that the Clinton bill is dead.

The truth is that very minor changes have been made and as the Post said, the major provisions of the Clinton plan have been retained and are very much alive.

Apparently, due to the President's great unpopularity, the Clinton plan has been renamed but the nuts and bolts or core of the program has been reworked into the bill we will deal with in this body in just a few days.

Let's talk about the Clinton plan for a few moments.

Paul Craig Roberts, the nationally syndicated columnist wrote this:

> President Clinton's health plan will fail, because it will drive up demand but not supply. The result will be price increases or rationing. Price increases, combined with the expanded coverage Mr. Clinton wants, can mean an explosive increase in health care expenditures. Rationing can mean a deterioration in the quality and timeliness of care or denying treatment in cases where the patient's prospects are not good or the cost exceeds the value of the person's life.

Mr. Roberts went on to say that:

> Government has never improved anything it has touched, and the more deeply it gets involved in medical services the worse they are going to get.

Let me repeat that:

> Government has never improved anything it has touched, and the more deeply it gets involved in medical services the worse they are going to get.

Medicaid is a perfect example that proves this last point.

A few years ago, when Medicaid was passed, those who believe in government medicine, told us it would solve our medical problems.

Today, even liberals admit that it is filled with waste, fraud, and abuse.

Senator ROCKEFELLER, who recently was quoted as saying he was going to give us a national health plan whether the people wanted it or not, said this is a few months ago about Medicaid: "It is a horrible program, a vile program, and it ought to be abolished."

A scholar at the Brookings Institute, a liberal think tank, was quoted in the same article, as saying, jokingly: "Medicaid is a success story of the American political process. We make something so bad that we have to go to total reform."

Talk about an omen of things to come. If we go to some type of national or socialized health care now, it may sound good at first, but a few years down the road, we will be sorry we ever did it.

If we get the Federal Government even more involved in health care than now, I believe that in a few years, it will lead to shortages, waiting periods, a declining quality, and people in rural areas having to go further distances for certain types of treatment, and ultimately a black market, all at much greater cost than now.

Before the Federal Government got into the medical system in a big way, our medical costs were about 5 or 6 percent of our gross national product. Now they are 2½ times that much.

Why? The problem is twofold—first, too many Federal rules, regulations, and too much redtape already.

And second, insurance. As Paul Craig Roberts wrote:

> Insurance, whether private or government, drives up the price of health care, because a "third party" pays the bill. The patient will demand all he can get, and the provider

doesn't have to prescribe with the patient's budget in mind. Government programs * * * simply load more demand on the system.

G. Scott Hunter, wrote in the Medical News:

The real problem is that the system is backward. It encourages people to use more health care. It should encourage people to be thrifty about health care and practice worthwhile activities like preventive care. This irony has been brought on by a combination of citizen expectations on government and government acceptance of responsibility for the system, good or bad.

The only system presently before us that gives people incentive to not overuse the system is through some type of medical savings account.

This is because a person's use of the medical system goes up exactly in relation to the degree to which it is subsidized.

The Clinton plan, or some version thereof, will force costs to go up at the same time that quality goes down.

In the end, any big government medical plan will be all right for those with wealth or power or influence, or those who work for the Government, but the people will get the leftovers, or the crumbs, if anything at all.

MEDICARE, SOCIAL SECURITY, HEALTH CARE: FUTURE COSTS WILL EXCEED FUTURE FEDERAL REVENUES

The SPEAKER pro tempore. Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, the gentleman from Texas [Mr. DELAY] is recognized for 5 minutes.

Mr. DELAY. Mr. Speaker, I take this 5 minutes to really worry and wonder what is going on in this House. We just got notification this morning that the Democrat leadership has decided to extend the recess a week to pass the health care reform measure, but the Democrat leadership have no bill, they do not know what this bill is going to be. It changes every day. It is amazing to me they are even considering stuffing down the throats of the American people a health care reform proposal that they do not even know what it is. I am just outraged by the lack of leadership of the Democrat-controlled House and the Democrat-controlled Senate.

I heard it for the last few days that the majority leader over in the other body is chastizing Republicans for so-called throwing up roadblocks in front of health care reform. The Republicans are not putting roadblocks in front of health care reform. We had a bill introduced over a year ago, way before the Democrat President or the Democrat House or the Democrat Senate even introduced a bill. We have been, for days and weeks, working on a bipartisan measure with other Democrats, trying to write a bipartisan health care reform.

Then the majority leader of the other body said the Republicans warned us against Social Security, and they were wrong; they warned us about Medicare, and they were wrong; they warned us about the President's tax increase last year, and they were wrong.

Well, let me tell you that the American people know we were not wrong. In Medicare, when it was instituted in 1967, 3 percent of Federal revenues went to the program. In 1994, 20 percent of the our Federal revenues go to Medicare and Medicaid spending. We warned the American people that Medicare would do this. At this rate, by the year 2015, our spending on these programs will equal 100 percent of Federal revenues.

I do not particularly say, based on those figures—I do not think you can say that Medicare is a success, based on these figures.

Mr. Speaker, in 1965 the estimated benefits for the hospital insurance Medicare in the year 1990 were projected at $9 billion to be spent on Medicare. The actual 1990 expenditure was $67 billion. I think we were right about Medicare.

Now, Social Security, many, many years ago, the Republicans warned the American people that this would be a program that we could not afford. The United Seniors Association reports that the trustees' report predicts that combined expenditures for Social Security will exceed current tax income in the year 2013. The accumulative deficit between outlays and receipts by the year 2029 will be $127.3 trillion, going to Social Security by the year 2029.

□ 1600

In 1994 dollars, Mr. Speaker, that is $13 trillion, or three times our current national debt. That is a success that the Democrats are parading around the United States?

The Republicans warned the American people many years ago that Social Security would come to this. It is broke. They have been raiding the trust account to pay for their social programs, and they call it a success?

And let us talk about the tax increase of last year. They have been running around. The President last night in his press conference was touting the success of his program. This recovery that we are presently in is the slowest recovery on record, and it is because the Federal Government is taking private capital out of individuals' hands and are spending it themselves. The job growth that they are so proud of is the slowest job growth in any recovery coming out of a recession. We have interest rates going up, and they have been going up month by month. Housing starts have just declined by 14 percent.

This is a success?

Now they say we are going to spend the next couple of weeks talking on a health care reform package that we do not know what it is. They rewrite it every day. All they are doing is writing it so they can get 218 votes and stuff it down our throats. We will not be able to see it, and certainly the American people will not be able to see it.

I say, "If you got a bill, write the bill, lay it out over the August recess, let the American people see it, and then let's debate it in September."

WHAT'S THE RUSH?

The SPEAKER pro tempore (Mr. TORRES). Under a previous order of the House, the gentleman from New Jersey [Mr. SAXTON] is recognized for 5 minutes.

Mr. SAXTON. Mr. Speaker, I would like to thank the gentleman from Texas [Mr. DELAY] for bringing to our attention something that I think is of very vital interest.

I called back to my district office last night, and then again earlier today, and I asked my district director what it was that my constituents were saying about this health care debate that we are involved in. She went back, and got the records, and came out, and she said, "It's pretty consistent. Almost everybody is saying, 'Why don't they take their time? What's the rush?'".

Mr. Speaker, some of them have long enough memories to remember what we did with catastrophic care. We passed it, went home and found out that it did not sell, came back here and repealed it. It was a disaster.

So, the basic message is:

"What's the rush?"

"Take your time."

"Do it right."

"It's too important."

"It's not a political issue; it's a family issue. It affects my health. It affects my children's health. It affects my parents' health."

"Please do this right. Don't do it for some ulterior reason. Don't do it for some political reason."

"What's the rush?"

Well, I brought this chart with me to tell my colleagues what I think is the rush.

Here we are in the end of the chart in 1994 today. Today we learned that we are going to adjourn maybe on August 19 because somehow maybe the Democrat leadership can twist enough arms, or bend enough elbows, or find enough votes somehow to get something passed. Nobody knows what it is. But August 19 seems to be the drop-dead date.

Then all the way out in 1999 is when this program, I am told, will be fully implemented, 5 calendar years away.

What is the rush?

Well, the rush is November 8. There is an election coming, and we have to do something because during the campaign it was a major issue. And then

President Clinton came here, right there, held up his pen and said, "If you don't do it my way, I'll veto it."

"My way or the highway," he said.

November 8 is coming.

He went to Jersey City in my home State this week, and he stood at a podium and he pounded the podium until the presidential seal fell off. The message was, "We are going to do this, and we're going to do it my way," because November 8 is coming; it's an election. All of a sudden it is a political issue.

When I listen to my constituents, and I listen to their concerns and their questions, they do not care about November 8. They care about their health care. That is what this is about.

Let me tell my colleagues what some of the questions are they are asking me:

"Give me the answers, tell us the answers, go slow so we'll know what the answers are before you guys and ladies vote."

"How will health care reform affect my paycheck," they ask me, and I wish they would call everybody in this House and ask that question.

My older American citizens are asking me, "I hear they are going to cut Medicare maybe by $10 billion. How will that affect my Medicare plan? Will I have to buy extra supplemental? Will I have to make an appointment months ahead to go to the doctor? How does it affect my Medicare plan?"

"What kind of an effect," they say, "will it have on my job if my small businessman employer has to pay an extra tax, 80 percent or whatever it is? Will he be able to afford to keep me, or will he find a way to do without me? How will it affect my job?" they ask.

"How will it affect my small business," my business men and women are saying.

"At my drug store I have a certain markup that I can put on things, and, if I have to pay 80 percent of my part-time employees' health care, how will that affect my business?"

"How much will health care reform raise my taxes?" my constituents are asking.

Mr. Speaker, they are not asking about November 8. These are the questions they are asking.

I had a lady call me the other day. She said, "I just got back from England. I have an aunt there, and my aunt just went to the hospital and had an operation on her shoulder, and she told me how thankful she was that she thought enough to buy her own private health care plan because they have a government run health care system, and she said that in order to get her shoulder fixed she used her private health care plan because she would have had to have waited 3 years to get her shoulder taken care of otherwise."

So, in conclusion, Mr. Speaker, my constituents are asking these questions. They are not mentioning November 8. They do not care, and we should not either. We should take our time and do it right.

A MIXTURE OF BAD AND GOOD IN THE CRIME BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. KINGSTON] is recognized for 5 minutes.

Mr. KINGSTON. Mr. Speaker, my friends, Mr. and Mrs. Max Gardner in Baxley, GA, are owners of the Baxley News Banner. Mr. Gardner recently had a column in his paper which I thought was interesting. He tells a story of a little boy who wanted $100 very badly, and his mother said, "Well, why don't you pray for it?"

So, Mr. Speaker, he started praying to the Lord to send him $100, and, after a couple of weeks, he did not get his $100.

So, he was frustrated, and he decided he would write the President about it, and let me say parenthetically this is not this President necessarily. It is Presidents in general. He wrote the President and asked him for $100.

Mr. Speaker, the President was so amused by this letter that he sent the boy $5, and the little boy got it and was glad, and that night when he was saying his prayers he thanked the Lord for sending the $100 to him, and he said in his prayer:

"Dear God, thank you very much for the money, and I understand that you had to send it through a middle man, but please next time don't use anybody in Washington because they take too much of it out before sending it to me."

Mr. Speaker, I think that is the case with our taxes in general.

When we look at the crime bill, which we will be voting on the rule for tomorrow, we can see a good bill, a good concept, but with too much politics taken out, too much money deducted for non-crime-fighting things. The crime bill has lots of good in it. It has many decent programs in it that could help for prevention. It aims to put a hundred thousand police officers on the street. It contains the Byrne grant funding which is very important. It has about $1.8 billion used to fight violence against women, and it trains police to help in cases of domestic violence, and it has support for battered women shelters and promotes rape awareness education.

□ 1610

It has a national registration for any person convicted of a state criminal offense against a minor. It has $8.7 billion for new construction of prisons. It funds new Border Patrol agents. It also authorizes about $1.8 billion to fight illegal immigration. It contains the three-strikes-and-you-are-out.

All this is good stuff. It is all things that we need in the fight against crime.

However, we get to the Washington portion of the crime bill. When we read the fine print we find out that out of the 100,000 officers the bill aims to support, only 20,000 are paid for. The rest of them have to be funded through State and local governments. We find out that the $8.7 billion for new prisons was cut down from about 13 or 14 billion that was originally in the House bill. We find out that out of the $33 billion in the bill, $9 billion goes to social programs such as midnight basketball, promoting arts, crafts and dance, and self-esteem programs.

Now, we are already spending about $24 billion on 154 social programs aimed at high-risk inner city youth. If this is a way that works, why is it not working now, and why will spending $9 billion more on top of the $24 billion make a difference?

I want to repeat that number one more time. We have in place today, without additional legislation, 154 different programs. This is ironic, considering the Vice President's task force, one of his big things is to consolidate. But here we are, adding to it, and these programs are ineffective.

What is worse is the bill does not earmark where this $9 billion in social spending is going to go. Seventy-five percent of that is left up to the President. How convenient for an election year, because with here we go, we have passed this, it is somewhat of a stimulus program, and it is a social pork barrel program. And the President can go in, and if you are in Congress and you voted with the President on NAFTA, you voted for his tax increase, or did whatever, the President can come in and say, "And here today, to my favorite Congress Member sitting on the fence with 1 percent margin between his or her opponent, I am going to give a new grant or inner-city program."

My goodness, is this politics at its worst? We are talking crime control. We don't need this kind of thing. This is what is wrong with America today. This is why we had 110 new freshmen elected this year.

Mr. Speaker, I am going to vote "no" on the rule. I think we can do better than this. I urge my colleagues to do the same. Let us send the bill back and get one that is better.

Mr. Speaker, I include for the RECORD the editorial by Max Gardner.

[From the Baxley (GA) News-Banner]

SPEND, SPEND, SPEND . . .

(By Max Gardner)

Volumes have been written about government spending and taxation. But the more solutions that are offered the worser the situation seems to get.

Taxes consume the largest portion of our incomes today, and we do not see any full-fledged efforts by our national leaders to ease the burden.

I received the following little story that sums it up pretty well:

A little boy needed $100.00 very badly and his mother told him to pray to God for it. He

prayed and prayed for two weeks but nothing turned up. Then he decided to write God a letter requesting the $100.00. When the postal authorities received the letter addressed to God, they opened it up and decided to send it to the President.

The President was so impressed, touched and amused that he instructed his secretary to send the little boy a check for $5.00. He thought this would appear to be a lot of money to a little boy. The little boy was delighted with the $5.00 and sat down to write a thank you letter to God, which reads as follows:

"Dear God, thank you very much for sending me the money. I noticed that you had to send it through Washington. As usual, those characters deducted $95.00."

The government certainly gets its generous cut. Now some of those greedy liberals who want to solve every problem by feeding it money are looking goggly-eyed at the nation's Social Security funds.

Lord help us if they get their mitts into this fund.

I am really concerned about our younger people who are paying in Social Security today. They could face the possibility of no funds available when they become eligible age.

And also they are trying to up the age on eligibility. What good will Social Security be to a person if he or she is at death's door?

Not all in Washington are spend-crazy idiots, however. Thank God we have a few like Congressman Jack Kingston who is fighting hard to cut out liberal, wasteful government spending.

Let's give him and others like him our full support.

SUPPORT THE PELOSI BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia [Mr. WOLF] is recognized for 5 minutes.

Mr. WOLF. Mr. Speaker, I would like to address the House and my colleagues today about an issue that we are going to vote on next week, and that is the Pelosi bill, dealing with MFN for only a very narrow segment of the industry in China. The Pelosi bill does not eliminate MFN for China. The Pelosi bill deals with only the People's Liberation Army, which has done terrible things. We have seen pictures at Tiananmen Square and we know what they have done, and I have brought some pictures, some are so graphic that I probably will not show them today, but perhaps later on for Members, and also goods made by slave labor.

I had the opportunity to visit Beijing Prison No. 1, a slave labor prison, where 40 Tiananmen Square demonstrators were. The American people really do not want to permit goods to come in made by slave labor.

So we are really only talking about this very narrow thing. This is a graphic picture of a chemical processing room at a Qionghai garment factory, and the chemical eats into the naked bodies. This is slave labor working on this process in the garment factory.

The other pictures are too graphic, and I do not think we will deal with them today.

Let me say at the outset there are good and decent people on both sides of this issue, and I just want to share with the body a thought or two that I have with regard to this issue. As we do, it is important to remember this bill only deals with the People's Liberation Army, and also with slave labor goods.

I want to bring to the body's attention and talk about something that Secretary of State Hull said in 1933, a telegram indicating that in his opinion the mistreatment of the Jews in Nazi Germany was no longer a problem. I will insert these cables in the CONGRESSIONAL RECORD.

The first cable, March 3, 1933, said Mr. Hull reveals he had received reports that the entire Jewish population was "living under the shadow of a campaign of murder," scheduled to begin in a few days, but "pay no credence to them." The second cable of March 21, 1933, said although the State Department admits that the U.S. press was reporting widespread mistreatment of Jews in Germany, "telegrams thus far received from the embassy do not appear to bear out the gravity of the situation."

The March 24 cablegram, despite receiving pleas to take up the issue with the German Government, Mr. Hull was "of the opinion that outside intercession has rarely produced the results desired, and have frequently aggravated the situation."

Mr. Speaker, I would also like to include for the RECORD a New York Times article with the text of another telegram Mr. Hull sent 3 days later. In it he stated, "In the opinion of the embassy, such a stabilization appears to have been reached in the field of personal mistreatment, and there are indications that in other phases the situation is improving."

That was in 1933. We all know what happened after that.

We should not close our eyes in 1994 to the brutality occurring in China, persecution of the churches, eugenics, human organ transplant sales, torture of prisoners, slave labor, weapons sales to the Middle East and other countries, and other massive human rights violations.

Please understand I am not suggesting that the People's Republic of China is the 1994 version of the genocidal Nazi Germany. But, as in the thirties, when there was an unwillingness to believe that human rights violations could be occurring, I personally fear that the world today may be naively turning away from ongoing brutal repression in the People's Republic of China, and I believe that the world should not be silent in 1994, as it was in 1933.

This is a tough issue. Many people think it is a trade issue. I have been for every free trade bill in the Congress. I have never voted for the protectionist bill since I have been here. But I think this is a human rights bill, and it is also targeted against the People's Liberation Army.

Now, again, let me just say, there are good people on both sides, very decent people, and some people said this is not an important vote, because, one, the President is going to veto it. Well, nobody is going to get elected because of their vote or get defeated because of their vote. But this vote gives us an opportunity, even if the President does veto it, to send a message to the Chinese Government that the United States Congress cares about this issue.

Mr. Speaker, I will insert in the RECORD the documents that I spoke about.

[From the New York Times, March 27, 1933]

NAZIS END ATTACKS ON JEWS IN REICH, OUR EMBASSY FINDS

HOPES FOR EARLY CALM

WASHINGTON, March 26.—Mistreatment of Jews in Germany has virtually ceased, according to Secretary of State Hull, who conveyed this information today in telegrams to Dr. Cyrus Adler of Philadelphia and rabbi Stephen S. Wise of New York, who came to Washington last week to protest against German treatment of Jews.

Mr. Hull said Germans felt that such a far-reaching political readjustment could not have taken place without some delay in reaching a state of equilibrium. The situation was improving, he asserted, largely as the result of demands for discipline by Chancellor Hitler and also the reiteration by Vice Chancellor von Papen of the necessity for a cessation of individual depredations.

The Secretary of State will continue to watch the situation, he said, but felt hopeful that conditions would soon become normal.

SECRETARY HULL'S TELEGRAM

Secretary Hull's telegram to Rabbi Wise and Dr. Adler follows:

You will remember that at the time of your recent call at the department I informed you that, in view of numerous press statements indicating widespread mistreatment of the Jews in Germany, I would request the American Embassy at Berlin in consultation with the principal consulates in Germany to investigate the situation and submit a report.

A reply has now been received indicating that whereas there was for a short time considerable physical mistreatment of Jews, this phase may be considered virtually terminated. There was also some picketing of Jewish merchandising stores and instances of professional discrimination. These manifestations were viewed with serious concern by the German Government.

Hitler, in his capacity as leader of the Nazi party, issued an order calling upon his followers to maintain law and order, to avoid molesting foreigners, disrupting trade, and to avoid the creation of possibly embarrassing international incidents.

Later, von Papen delivered a speech at Breslau in which he not only reiterated Hitler's appeals for discipline but abjured the victors of the last election not to spoil their triumph by unworthy acts of revenge and violence which could only bring discredit upon the new regime in foreign countries. As a result, the embassy reports that the au thority of the regular police has been reinforced.

The feeling has been widespread in Germany that following so far-reaching a political readjustment as has recently taken

place, some time must elapse before a state of equilibrium could be re-established. In the opinion of the embassy, such a stabilization appears to have been reached in the field of personal mistreatment, and there are indications that in other phases the situation is improving.

I feel hopeful, in view of the reported attitude of high German officials and the evidences of amelioration already indicated, that the situation, which has caused such widespread concern throughout the country, will soon revert to normal. Meanwhile, I shall continue to watch the situation closely, with a sympathetic interest and with a desire to be helpful in whatever way possible.

CORDELL HULL,
Secretary of State.

LEADERS REPLY TO HULL

The American Jewish Congress, through its officers, announced last night that the organization had replied to Secretary Hull's telegram. The text of the reply was as follows:

In the name of the American Jewish Congress we wish to thank you for your prompt report on the situation in Germany, which confirms our fears that there has been "considerable physical mistreatment of Jews, picketing of Jewish merchandising stores, and instances of professional discrimination."

The American Jewish Congress notes your statement that Hitler "has issued an order calling upon his followers to maintain law and order, to avoid molesting foreigners, disrupting trade and to avoid the creation of possibly embarrassing international incidents."

We are deeply grateful for your assurances that you will continue to watch the situation closely with a sympathetic interest. For we feel that, in view of the official program of the Nazi party and its record of thirteen years disseminating hatred against the Jewish people, the Jews of Germany are in great and imminent jeopardy of life and property, of civil rights and religious liberty. Until the status of the Jewish citizens of Germany is safeguarded and the position of the non-national Jews is secured, the enlightened option of America must watch with profoundest anxiety the development of events in Germany.

May we repeat what we emphasized in the course of our visit to the State Department, namely, that we are moved by no feeling of unfriendliness or ill will to the German nation. Our concern is for the security of the Jews of Germany and the safeguarding of their human and political rights.

STEPHEN S. WISE,
Honorary President.
BERNARD S. DEUTSCH,
President, The American Jewish Congress.

NEURATH DENIES RUMORS

GERMAN FOREIGN MINISTER CONDEMNS ANTI-NAZI PROPAGANDA

BERLIN, March 26.—Foreign Minister Constantin von Neurath, ordinarily the Hitler Cabinet's silent man who seldom receives journalists, broke his silence today to throw the entire weight of his internationally known personality against what he considers "the deliberate, sudden rebirth of the vilification campaign conducted during the World War against the German Government."

Speaking quietly, but with an inner emotion that even his composed attitude of a man of the world could not hide, he declared:

"It is my duty, both because I must defend the honor of my people and because I am a responsible statesman, to warn the world against permitting the baneful spirit of calumny in vogue during the war to flare up again."

To a general question regarding the Federal Government's attitude toward news published in the foreign press of alleged acts of terror committed against different-minded persons, and especially Jews, Baron von Neurath replied:

"Even the best organized administrative apparatus would not suffice to go to the bottom of each and every one of these malicious false reports and deny them.

"I find no other explanation for the present propaganda unloosed against the German Government than to consider it a deliberate, sudden rebirth of the vilification campaign conducted during the World War.

"Just as Belgian atrocity stories then mentioned chopped-off children's arms, so there is talk today of allegedly gouged eyes and cut-off ears. One would really think that the foreign public, which meanwhile realized the untruth of the World War atrocity stories, would not so easily again be deceived by a new dishing-up of similar fairy tales.

SOCIALISTS FOUND UNINJURED

"How absurd such propaganda is you yourself experienced Tuesday. That very morning you could read of unbelievable atrocities committed on Messrs. Breitscheld and Wels, but in the afternoon you had the opportunity with your own eyes to see these two gentlemen participate in the Reichstag session. (Dr. Rudolf Breitscheld and Otto Wels are Socialist members of the Reichstag.)

"It would seem to me that this one reference renders unnecessary my dwelling on other details.

"If at the beginning of the national revolution certain excesses may have been committed by isolated individuals, then that is certainly regrettable. At the same time it must be said that never in history did a revolutionary upheaval occur like that which now is completed in Germany without an accompaniment of certain hardships.

"According to my opinion, the German people gave proof of their tremendous innate discipline by the fact that such arbitrary individual acts took place only in a new cases, and even then only in comparatively mild form.

"You will yourself have noticed that the energetic appeals by the Reich's Chancellor and Minister Goering, who several days ago decreed severest penalties for such like arbitrary acts by individuals, were thoroughly and unqualifiedly successful and that no more cases of unauthorized procedure became known.

"As concerns Jews, I can only say that their propagandists abroad are rendering their co-religionists in Germany no service by giving the German public, through their distorted and untruthful news about persecution and torture of Jews, the impression that they actually halt at nothing, not even at lies and calumny, to fight the present German Government.

"Why, even a prominent Jewish banker told one of your American colleagues, "we reject all foreign interferences. German Jews are human enough to help ourselves.'

"Actually, every visitor must agree that when he walks through the streets of Berlin even today he encounters Jews, poor as well as elegantly dressed, who are attending their business. Nobody has harmed them.

SAYS PRESS WAS DUPED

"It is most regrettable that not only the yellow press but even some papers of the highest standing have permitted themselves to be duped by this propaganda. For instance, a big American sheet wrote several days ago that foreign correspondents must submit their reports to a censor. You must admit this was not the case.

"In those few instances, where telegraph authorities on the basis of an international treaty, held up reports of foreign correspondents, their news items were either untrue or so distorted that their publication indubitably had to be considered dangerous to the State.

"That in times like these steps were taken against them can be considered by nobody who thinks impartially by nobody who thinks impartially as an arbitrary interference with the freedom of the press. Amicable relations between peoples are not served if the grown irresponsible, malicious rumor managering.

When, therefore, is this very frank talk I have spoken so sharply against this sort of propaganda by the foreign press, I did it not only because I must defend the honor of my people but because as a responsible statesman I also have the duty to warn the world against permitting the baneful war-time spirit of vilification to flare up again."

DEPARTMENT OF STATE,
Washington, March 3, 1933.

AMERICAN EMBASSY,
Berlin, Germany

The following appeared as an Associate Press dispatch from London today in the Public Ledger, Philadelphia:

"London Daily Herald said today plans were complete for Anti-Jewish program in Germany on a scale as terrible as any instance Jewish persecution in two thousand years."

The paper ascribed its information to "high source" and whole Jewish population of Germany totaling six hundred thousand is living under shadow of a campaign of murder which may be initiated within a few hours and cannot be postponed for more than a few days".

While this Government is disinclined to lend credence to this report, it is causing widespread distress among a large section of the American people. You may, in your discretion, talk the matter over with German Government and acquaint them with the apprehension and distress that is being felt here.

STINSON

DEPARTMENT OF STATE,
Washington, March 21, 1933.

AMERICAN EMBASSY,
Berlin, Germany

Press reports indicating widespread mistreatment of Jews in Germany, are causing deep concern and even alarm to a large section of our population. This is showing itself not only in press comment, but in a series of meetings and conferences, the most important of which is to be a mass meeting scheduled in New York for March 27. A delegation of important Jewish leaders called at the Department this afternoon.

Telegrams thus far received from the Embassy would not appear to bear out the gravity of the situation reported above. It is important, however, for us to have an exact picture of what is taking place. Please therefore telegraph us the facts as you see them, after consulting the principal Consulates, by telephone if necessary, with a view to ascertaining the situation throughout different parts of the country.

HULL

DEPARTMENT OF STATE,
Washington, March 24, 1933.

AMERICAN EMBASSY,
Berlin, Germany

Public opinion in this country continues alarmed at the persistent press reports of mistreatment of Jews in Germany. We are under heavy pressure to make representations in their behalf to the German Government. I am of the opinion that outside intercession has rarely produced the results desired and has frequently aggravated the situation. Nevertheless if you perceive any way in which this Government could usefully be of assistance, I should appreciate your frank and confidential advice. On Monday next there is to be held in New York a monster mass meeting. If prior to that date an amelioration in the situation has taken place, which you could report in form susceptible of release to the press, together with public assurance by Hitler and other leaders, it would have a claiming effect.

HULL

SUPPORT UNIVERSAL COVERAGE AND SHARED RESPONSIBILITY IN HEALTH CARE REFORM

The SPEAKER pro tempore. Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, the gentleman from West Virginia [Mr. WISE] is recognized for 60 minutes as the designee of the Majority Leader.

Mr. WISE. Mr. Speaker, I am pleased to be joined today, in effect cosponsoring this special order, by the gentleman from Maryland [Mr. CARDIN], a member of the Ways and Means Committee, and someone long active in health care who has a lot of respect in this body for his extensive knowledge of the subject. It is a privilege to be with him tonight.

Tonight, as last night, the subject was universal coverage, why it is that in comprehensive health care reform, all people need to be in the pool. There was a long discussion about that last night. Tonight what we are taking on is the shared responsibility. That is, how do you, what is the vehicle for providing that insurance.

□ 1620

So the legislation that is being shaped by the House leadership, by the majority leader particularly, builds upon that which we already have in our system of shared responsibility. That is, requiring employers to provide insurance.

In other words, getting the insurance where 9 out of 10 Americans who already have private insurance get it, and that is through the workplace, where we work.

Just as all Federal employees, including Members of this House, get theirs through the Federal employees health benefits pool in which the employer contributes a certain percentage and the employee contributes a certain percentage, just as most Americans who have insurance get it through their workplace, so would this legislation seek to expand upon that.

This is also about those people who work every day, who do their jobs that we run into and encounter every day and yet do not have insurance. And indeed, some of them work for the most profitable corporations of this land, those who work in fast food restaurants, those who work in gas stations, those who work in the hotels, those who work in a large number. And they are doing, incidentally, Mr. Speaker, what it is that our society asks them to do, do not get on welfare. Do not be on the dole. Go to work. And so they go to work. And they go to work at $4.25 an hour, the legal minimum wage, or they go to work at $5 or $6 or $7 an hour. And they do what society asks them to do.

But there is a problem. They do not have health insurance. As we discussed last night, when they finally get their health coverage and, yes, they will get treated at a hospital, but it will cost everyone in this room and in society four times as much for that person to go into the hospital emergency room as it does to get their treatment the regular way, which they would have gotten had they had health insurance.

So this is about those people who work every day, and it is about shared responsibility.

Under the plan that the House leadership is coming forward with, there would be shared responsibility that, by 1997, all businesses over 100 persons would have to provide insurance, and the employer would pay 80 percent of the premium. By 1999, 5 years from today, all businesses, that includes those under 100 persons, would have to supply insurance with the employer providing 80 percent of the premium. However, the employer gets certain assistance to do that.

The assistance, for instance, is that, first of all, they have reduced premium obligations through a tax credit of up to 50 percent of the employer's share of the premium. When you sort through it, what it means is that for many employers under 100 persons, while the requirement is that they pay 80 percent of the premium cost, after you take the 50 percent tax credit, that cuts it in half and so they are paying 40 percent of the premium cost.

It works out for many employers, those with under 25 employees, for instance, whose average income is $11,000 or less, it works out to an increase of about 61 cents an hour. But for that, everybody in the firm, including the employer and his or her spouse, often working in the firm, has a comprehensive policy and it cannot be taken away.

Other benefits to the employer include community ratings, spreading the cost out over a much bigger group, not just focusing on that restaurant or machine shop or gas station or whatever, where there maybe is 10 employees. And it one person gets seriously ill, the costs shoot up for everybody. Now the costs are spread out over the entire population. It keeps the rates down. They get relief through changes made to workers compensation.

Our hope is that that part that the employer is presently paying to workers compensation for health care, if a person is injured on the job, they need health care, and certainly in my State of West Virginia, that is one of the leading, if not the leading, concern of small businesses, that that would be taken care of through the health insurance system while leaving the rehabilitation and the weekly stipend checks to the workers comp system. But at any rate, that should result in significantly lower worker comp premiums.

The employer, for the first time, would have access to a safety net public program for those employers who have basically low-income workers, a Medicare Part C program. And, yes, there would also be, for those that find it worthwhile, a medical savings account that they would be eligible for in which they would buy a policy for their employees that would have a $2,000 out-of-pocket deductible, and then they would put the balance in an account that the employee would then be able to bank and decide whether or not to sue that for the basic primary health care or not.

Finally, self-employed individuals, a growing number in our society, who are now today not able to deduct any percent of their health care costs, would be able to deduct 80 percent of the premiums under this proposal.

Why are we even talking about employer-based health care?

Incidentally, just so everyone understands, the employer is paying 80 percent; the employee is sharing and paying up to 20 percent for low-income workers, and we will discuss that later. There is assistance for them as well. But everybody is paying. The employer is not asked to bear the whole freight, but the employer pays something. The employee pays something. The government pays something. So everybody is in this together. It is shared responsibility.

How did we get to the situation where 9 out of 10 Americans who have private insurance are deriving it from the workplace? Because following World War II, we had millions of people coming into the workplace that were returning home from abroad. And it was a social policy in this country of, first of all, getting them working and, second, how can we provide health care. This Congress chose not to address the issue of national health care then, although President Truman made proposals. And so instead they went to seeing what kind of incentives could be placed to provide insurance.

Well, if the government is not going to provide the insurance, who does? And so the goal was to have the employer provide the insurance. And to do

that, the Congress instituted certain tax incentives that would encourage the employers of this country to provide that insurance.

One of them was deductibility of the premium costs as a business expense. The second was to make the benefits of the policy nontaxable to the employee. You and I do not pay, Mr. Speaker, income taxes based upon the value of that policy to us. And so that was the accord that was reached.

And the result was that more and more employers offered health insurance. In fact, during the 1970's and 1980's, employers even offered that health insurance in lieu of raises.

So you can see what has happened in our society. Income, real take-home income has actually been on a flat line or in some cases sloped downward, and that was done because people would have preferred to have kept their health insurance intact.

Now, some have suggested that the employer responsibility, the shared responsibility is some kind of wild idea that President Clinton came up with and it is harum-scarum and drives everybody out of business. Let me just suggest to you who originally came up with a very comprehensive shared responsibility concept.

Yes, it was that well-known radical socialist, single-payer advocate Richard Milhous Nixon who, in 1974, sent to this Congress a comprehensive health care bill which had, as its backbone, a shared responsibility provision by which employers would pay for 65 percent of the premium for a comprehensive plan. Employees would be responsible for 35 percent, and that over several years would then go up to a 75/25 split.

It also had other aspects of universal coverage because low-wage workers and low-income persons would get assistance through, yes, something similar to what is today called Medicare Part C. And so this is 1974 that this was proposed, and it is today 1994. So to those who would say delay because we have not had time to look at it, I would say, it has been about 20 years of exploration in this area.

There is much more to talk about, but I see my good friend, the gentleman from Maryland [Mr. CARDIN], who serves on the committee on Ways and Means, who was instrumental in putting together much of the components of this plan.

I welcome the remarks he may wish to make.

Mr. Speaker, I yield to the gentleman from Maryland [Mr. CARDIN].

Mr. CARDIN. Mr. Speaker, I thank the gentleman for yielding to me.

First let me compliment my friend, the gentleman from West Virginia [Mr. WISE], for his hard work on health care reform, and his passion to bring this issue to the floor tonight, and his work on crafting a bill that will accomplish universal coverage and deal with the problems we have in our community.

Mr. Speaker, I first want to appreciate the gentleman's reference to 20 years ago. Actually we can go back 60 years that we have been debating health care reform. It is interesting that one of our colleagues from the other side of the aisle said "what is the rush?"

Mr. Speaker, we have been debating this issue for 60 years. It took us 30 years to get Medicare enacted, and now we are still trying to take care of the rest of our people, many of whom work every day of the week, trying to play according to the rules, and have no health insurance in order to protect their family.

The problems are real, Mr. Speaker. We need to address those problems now. Let me tell Members about real cases of people in my district in Maryland, about a mom who had to go on welfare, who has two children. She has been offered a job at minimum wage and would like to get off of welfare, would like to take that job, but one of her children has a major medical problem. If that mom accepts a job that does not have health care benefits, she jeopardizes giving up her Medicaid, her health care that she has today.

Mr. Speaker, I don't know of a person in this Chamber who does not want to enact welfare reform. The most important thing we can do for welfare reform is to guarantee everyone the right to insurance, so we need to move now. We need to address that problem, so that mom can get off welfare, can have insurance protection to help her family.

Let me tell you about a small business person who is in my district, playing according to the rules, runs a small retail establishment, provides health care insurance for his employees and wants to do that, because he believes it is the right thing to do, to provide health care benefits.

That person today is confronted with a real dilemma, because many of his competitors are not providing health care for their employees. Yet he is expected to compete in our marketplace today providing health care, finding ever-increasing premiums for his health insurance, and wondering whether he will be able to continue his health insurance.

What makes matters worse is that that person, the person who is providing health insurance, is being asked not only to pay for his own employees but for the employees of his competitor who work down the street.

We see, as you know, many people do not pay their bills. They have no insurance. They use our doctors and hospitals, but they do not pay their bills. It becomes uncompensated care.

At the University of Maryland Medical Center in Baltimore, 16 percent of their billings go uncollected because of uncompensated care. That raises the rates that you and I pay, and that small business person pays for his employees because they have to pay higher premiums to cover the uncompensated care, the uninsured. That is not fair. That is not fair to the person playing according to the rules.

Mr. Speaker, let me tell you about one more family in my district who has a young child who was born with a birth defect, a problem. The insurance industry calls that a preexisting condition. They do not have adequate insurance coverage to cover that child's needs, because of the practices within the insurance community.

What we want to do is to provide universal insurance coverage. It is the only answer. There is no other choice. Our colleague, the gentlewoman from Connecticut [Ms. DELAURO], last night pointed out why you cannot do incremental, you cannot just enact insurance reform and believe that you have done the job, because you have not.

If we just do insurance reform and do not provide universal coverage, which happens as people who are the oldest, who are the most vulnerable, who are the most expensive, who have preexisting conditions, become insured, sure, we want to get them insured, but the younger people, the less costly people without any shared responsibility with their employer, decide to leave the insurance pools. They do not want to pay the insurance cost, They do not think they are going to get sick.

The cost of insurance becomes more expensive for people who already have insurance. They leave the insurance pool. More and more people become uninsured. The problems get worse.

We have no choice, Mr. Speaker. The only way to answer the questions that have been posed by my constituents and the gentleman's constituents is to provide universal coverage. It is the only way we can do it.

The bill being put together by the majority leader, the gentleman from Missouri [Mr. GEPHARDT], is the only bill that will give us that universal coverage. Let me explain why. There are three ways, basically, you can get to universal insurance coverage. One way is to have the Government do it, the single-payer system. That will do it, but you and I know that we are not going to get the votes to pass that bill in this Congress.

There is a second way that you can get to universal coverage. We could pass an individual mandate and require all of our constituents to have health insurance. We could do that, but you and I know that a family working in my district who makes $20,000, where the employer does not pay any of the costs of health benefits, that that person cannot afford $5,000 of out-of-pocket costs in order to pay for the health benefits of his family.

It is not enforceable, it cannot work, unless we are willing to put up huge

Government subsidies and raise taxes to do it. We do not have the will to do that in this body. That is not the way we are going to proceed.

As you pointed out, Mr. WISE, the way that most people get their insurance today is through the marketplace, through the employment, so the third way and the way in which the majority leader's bill is configured is shared responsibility, having all employers and all employees contribute to the cost of their health care. That builds on our current system and has the least disruption, and is the fairest.

Why should that small business in my district have to pay the bill and its competitor not? The majority leader is putting together a bill where everyone pays their fair share. No free riders.

How do you finance the plan? That has been asked to me by many people. We finance it through premiums, by everybody paying premiums, rather than having so many people get health care today without paying their bills and without paying premiums. That is a fair way to do it.

Is it affordable? That is a very important point. We want to make sure it is affordable for the individual and affordable for the business, and as you pointed out, give relief for small businesses. If it is a small business that has low-wage workers, we give a tax credit. That impact may well be as low as paying 40 percent of the premium, which comes out to be about 45 cents an hour of additional labor costs, and it comes into effect in 1999. We give the small company four years to prepare for this change. It is very affordable. It deals with the problem.

Yes, we need universal coverage. We have proceeded the only feasible way to accomplish universal coverage, a fair way, an equitable way, a way that will achieve the results that we all believe in, and will do it in a way that will build on our current system, build on the quality of our current system.

I have a lot more that I could say, but I see we have been joined by some very distinguished individuals who have been extremely important in the development of health care reform in the House of Representatives, so at this time I want to thank the gentleman again.

Mr. WISE. I thank the gentleman from Maryland for taking this time with me in putting this special order together.

I yield to the gentlewoman from North Carolina [Mrs. CLAYTON] who has been very active on this issue.

Mrs. CLAYTON. Thank you for yielding to me. I would like to join with the gentleman in a colloquy.

Mr. Speaker, I am from a small business community and I am also from a rural community, so from that perspective, we look at it in terms of impact, the possibility of regulation causing the small business an enormous burden and taking away from its productivity.

We had hearings today, and we thank the chairman for having those, and we heard the administrator not only talk about what is in the plan, but given the condition of small businesses right now, small businesses right now by and large are the victims of high costs, and they have bare minimum coverage.

With having a health care plan where universal coverage is included, that gives them, in my judgment, and I like your comment on it, it gives them some relief for those businesses that are now covered. They will now have more affordable insurance premiums, and even better coverage, because what they are paying now is because they have to buy in small pools and they can bear the bare minimum. It is not really covering them.

Mr. Speaker, would the gentleman from West Virginia comment on that?

Mr. WISE. The gentlewoman raises a good point. I know she has small businesses in her district just like mine that are trying to provide insurance. I remember one of the small business people in my district, Jim Tillson, who runs an interior decorating firm, points out that he provides insurance for his employees, but every time he goes to bid against somebody for a job, whether Government or private sector, and that person does not provide insurance, he is at an automatic cost disadvantage, because he is doing what he should and yet the other person then comes in and they are late, and they have, because they are not putting in 8 to 10 to 14 percent of their labor costs into health insurance, they often come in and have an edge.

□ 1640

There is another way that small businesses lose as well, because the small businessperson who could provide insurance but chooses not to may think that they are getting a break because they do not have to worry about their employees, but they are getting caught several different ways. First of all, they are paying more taxes, because their employees will eventually end up in the hospital and that uncompensated care is going to get paid somehow. In many cases, if they end up on Medicaid, we all pay.

Second is that if that employer is actually trying to provide some level of insurance to himself or herself or their family, they may not recognize that the premium they are paying, that they can take 30 percent of that premium and realize it is cost shifting. In other words, it is being used to pay the cost that somebody else did not pay. Therefore, all of us who have private insurance are paying. So that would be another great advantage, I believe, to having universal coverage and employer-based.

The third is that, I know this is true in North Carolina just like it is in West Virginia, workers' compensation costs are an increasingly higher component of a small business' burden, and those costs can be lessened in terms of the health care part of it by enactment of this kind of legislation, particularly if we are able as many of us are urging that the workers' comp burden would then go to the health part, the treatment of the injury that the worker suffered would be under the health plan, not under workers' comp. So that should assist that business as well.

I just wondered, too, if the gentlewoman might comment for just a second about any studies on job loss that have been done.

Mrs. CLAYTON. I will comment on that, not so much the study, but I want to comment that there are 92,000 individuals in my district uninsured. That is completely unacceptable. Then when you further look at that, 81 percent of those individuals are people who work and they are not covered.

Why should such a large number of people who are working not have coverage? The universal coverage means that once you get everyone in that pool, rural businesses in rural communities will certainly have that economy of scale. Some people are proposing and certainly the Chamber of Commerce, yes, we want reform, and the reforms that they are speaking about are good, these are issues that will be in our plan as well, but they miss the advantage of having everyone in there to reduce the cost as well as to raise the quality of care.

As far as losing jobs, the Rural Study Research Institute published a study comparing President Clinton's plan, COOPER's plan and one of the senatorial plans. What they found was that as it relates to businesses in rural communities over the long haul, it would not change it; although it would increase in the immediate future, over the long haul it would not be detrimental to small businesses.

What they further found, however, that the workers that would be improved, they would add to the productivity and, therefore, the inured benefit in not having to retrain and rehire would be to the business' advantage. More important, the rural families, those 92,000 people I was talking about, their health would be greatly enhanced.

So there are studies comparing that there is not that much negative impact projected if we had the shared responsibility.

Mr. CARDIN. Could I ask the gentleman to yield on the job loss issue, because I think we have heard that issue over and over again from some of the opponents of health care reform. We do not lose jobs when we increase the standards for working people in this country. We increase job opportunity and jobs in our community.

I heard the same arguments when we passed the minimum wage increase. We did not lose any jobs.

Mr. WISE. A 90-cent-an-hour minimum wage increase several years ago and the predictions were job killer, brings the economy to a halt, millions lost. Absolutely untrue. And many of the businesses that would be affected by this would be getting far less than a minimum wage increase and would be getting comprehensive health coverage.

Mr. CARDIN. The same arguments I might say were made when we passed the Medicare tax. We did not lose jobs. Instead we protected a group of people. Then when we passed Social Security back in the 1930's, the same arguments were made, we were going to lose jobs. We do not lose jobs when we improve the standard of living for people who are working.

Mrs. CLAYTON. Again in rural areas, there will be an increase of business opportunity as a result of health care reform. What will they be? There will be health-related industries. There will be the infrastructure and delivery. There will be the enhancement to the rural hospital, bringing in health providers. And in many of the smaller communities, the local hospital is the employer, so there is the opportunity of increasing business activity as it relates to the health industry. But the productivity of the citizen has to inure to the business benefit and I think that is very, very important.

Mr. WISE. I thank the gentlewoman for that contribution.

I would now yield any time he would wish to the majority leader who has been so active and has, of course, brought us to this point today.

Mr. GEPHARDT. I thank the gentleman for yielding. I want to support this point, that requiring employers and employees to be involved in shared responsibility really is at the heart of successful health care reform. I want to elaborate more as the people on the floor have been about why this is so vital to this effort of successful reform.

If voluntary programs were workable, the people who work for employers today would have been covered a long time ago. It is an attractive idea to say, "Well, let's put money out there, let's put subsidies out there and see if we can get people involved."

There are a couple of problems with that. One, where do we get the money to give them the subsidies? We usually get it from the people that are already involved. So we have to say to the 83 percent of employers and employees that they are already involved: "We want you to pay more money, to offer subsidies to people that have not done what you have done for a long, long time," without giving the people who have been involved any benefit or any help that you can give them through getting everybody involved.

In other words, you have got to ask them for more money to get people to do things that they have already been doing, and you give them no benefit in reduced premiums because you cannot ensure them that any of these people will get involved. So they will see it as a double unfairness.

The other thing I would like to bring up is that some have said this is a requirement, it is a mandate, it is a requirement of employers and employees and that is something we have never done. I want to point out to Members that when we did the Social Security Program, there were lots of Members who said, "Let's have a voluntary Social Security program. Let's let employers and employees voluntarily set up a pension program." If that is the case we would have made, we never would have had Social Security. Social Security is a requirement. It is a mandate. Every employer in the country and every employee in the country has to pay a payroll tax to put away the money so that they can get a pension when people hit 62 and 65 years of age.

When Medicare was on the floor of this House in 1965, the same suggestion was made. People said, "Make it a voluntary program. Why require people to do this?"

The problem was, if we did not make it mandatory to have a Medicare payroll tax, the Medicare Program would never have been achieved.

We all know that both programs are very popular. No one on this side of the aisle in the Republican Party, no one on the Democratic side will get up today and seriously suggest that we get rid of the mandatory nature of the Social Security Program or the Medicare Program. No one, I think, in the Congress would make that suggestion. If it worked for the elderly with the Pension Program and the Medicare Program, why will it not work with regard to medicine and medical care for everyone in the country?

The reason a requirement is necessary is that we will never get everybody involved until everybody knows what the rules are, and we will never stop the cost-shifting, we will never stop the unfairness and the unworkability of what we are doing today.

□ 1650

The final point is that people say this is going to lose jobs, that people will not be able to make these payments, they will close down their companies and jobs will be lost. This is the same argument we hear every time there is a suggestion to increase the minimum wage.

I have voted for minimum wage increases two or three times since I have been in Congress, and every time people will come and say we cannot do this because we will have to shut down companies and jobs will be lost. That is what people said when the minimum wage was increased by 90 cents in 1988. To my recollection, no jobs were lost because of the minimum wage increase. In fact, I would argue jobs were probably created because consumers, workers had more money and were able to buy more products and feed that money back into our economic system, which created more jobs. It is synergistic.

I would make the same argument about health care, but I would also say that small employers can afford this. If people will just look at our bill, the cost for many small businesses would be 60 cents an hour, less than the minimum wage increase of 1988. Some firms would have to pay 90 cents an hour, some firms a dollar, some firms a dollar and a quarter. They would have 4 years to get ready to do it.

We are not going to have a minimum wage increase in that time. If we get health care done, there is not going to be a minimum wage increase. So this supplants the minimum wage increase.

Let us also remember that under our bill companies that now provide insurance will get subsidies as well. This will lower the cost for companies that are already providing insurance. So they will be helped as well as the companies that are not now providing insurance. So the majority of companies in the country that are small and have a lot of low-wage employees, that are providing insurance today, will have their costs lowered for health care insurance. So it will help them create jobs, help them be able to do better at what they are doing.

The Economic Policy Institute says that more than 250,000 manufacturing jobs will be created as a result of this kind of a bill. The Employees Benefit Research Institute says 660,000 jobs will be created if we can pass this kind of a bill. The Brookings Institute estimates that 750,000 home health care jobs would be created as a result of this bill. And again, small business, which now pays as much as 35 percent more than large businesses for health care, will get dramatic discounts. That is why the Wall Street Journal called health care reform an unexpected windfall for small businesses.

I can understand small business people being concerned if they are asked to commit to a requirement. If I was a small businessman I would be concerned. But we have to look past the concern to the facts. The facts are that most small businesses would be advantaged, helped by the requirement that everybody has got to be in the pool, everybody has to be participating, everybody has to be responsible.

I want to end my little piece of this debate tonight with the word responsible. People say this bill is all about the right to have health care. Yes, it is about the right to have health care, but it is more about the responsibility to pay for health care. This is not a bill just about rights. It is a bill about responsibilities.

What is responsibility? Mr. BENNETT on the Republican side has written a

book about virtue. It is a good book. In the book he talks about responsibility, how we all have to be responsible, responsible to ourselves and responsible to each other. The requirement or mandate for health care coverage in our bill is primarily about responsibility, the responsibility of employers to their workers, the responsibility of workers to their employers and to their fellow workers, the responsibility to ourselves.

If I am young, well, and healthy I probably would want to gamble on not having health insurance. So if I do not have health insurance as a young person, because my employer does not give it to me or I am not even working, maybe I am self-employed and I do not want to come up with the money, what happens if I get sick? What do I do? I probably do not go to a doctor if it is something that I do not think is too serious because I do not have coverage. I do not have insurance. I have not been responsible for prepayment of my health coverage. So maybe I get sicker than I should get, and then maybe I end up in an emergency room. Then I have worse problems than I should have had because I was not responsible to myself, as well as the cost I now put on all of my brothers and sisters who live in this country who are going to have to pay my cost.

This issue of the mandate, this issue of the requirement is primarily an issue about responsibility, responsibility to ourselves, our responsibility to our fellow country people. Our bill says at bottom, as we said in the 1930's in Social Security, as we said in the 1960's in Medicare, that each of us as Americans have to be responsible. That is how you get rights. It is the mirror of rights.

I just say to the gentleman who has taken this special order tonight to speak up for this requirement that in my view this is a debate at bottom about responsibility, about all of our responsibility to ourselves and each other. I believe with all my heart that the American people want us to be talking about this and doing this, and getting everyone to do it.

It would be terrific if we could put out some incentives and everybody would do the responsible thing. We know they would not do that in Social Security, they would not do that in Medicare. They are not going to do it in health care. We need the help of this requirement in the law to make this a better society.

Mr. WISE. I thank the majority leader for a very eloquent statement that I think lays out clearly what the issues are here.

Mr. Speaker, I am delighted to see the gentleman from Oregon [Mr. WYDEN], who has been an active member of the Committee on Energy and Commerce, certainly long active in health care.

Mr. Speaker, I yield to the gentleman from Oregon [Mr. WYDEN].

Mr. WYDEN. I thank the gentleman for yielding and want to pick up on the excellent statement he and the majority leader have made, because I think small business and the issue of how small business is treated in this discussion is probably the key piece to doing health care reform right.

The fact of the matter is in districts like mine across the country there are very few big businesses. Most of our districts are made up of small businesses. If health care ends up putting small businesses out of business, then folks are not going to have jobs, let alone health care. I think most of our constituents would think that would be fairly foolish, even by Federal standards. So this job has got to be done right.

I want to lay out why I think the Gephardt-Foley proposal is an effort to address the concerns of small business in a thoughtful way by talking first about a block in any one of our neighborhoods that is made up primarily of small businesses. Let us say that we have two small businesses on the block, and one of them covers their people and the other does not.

What we know in our State, and I think in virtually any part of the country is the business that covers its people, offers preventive coverage, catastrophic coverage, and some outpatient services, it is no Cadillac, it is no Mercedes, it is the basics, and small business does it in many instances at considerable hardship, but we also know that there is a business down the street that may not cover its people.

□ 1700

Well, those employees get sick. They are not going to be able to defy human nature. They are going to get sick, but they are not going to get early preventive coverage or maybe the outpatient services, and we know that they are going to end up going to the hospital emergency room, and when they go to the hospital emergency room, those expenses, and I want our colleagues to focus on this, those expenses are socialized. The hospital has got to socialize those expenses and pass them on to everybody else in the community, and especially the small businesses.

So what is helpful about what the gentleman from West Virginia and the majority leader are doing is they are saying we are going to bend over backwards to be sensitive to small business. That is why there have been so many changes like the voluntary alliance kind of concept.

But we are going to say we are going to be fair to all of the small businesses, make sure that all of them get a fair shake, and we do not perpetuate the situation we have today where the small businesses that often, at considerable expense and difficulty, cover their people end up having to pay a higher premium simply because there are many who do not.

I understand our caucus leader, the gentleman from Maryland, is under considerable time constraints, and I would be happy to have him yielded to for any comments that he chooses to make. We will pick him up a little bit later in the debate.

If I could continue then for a bit longer, it seems to me that, recognizing the situation of those two businesses located next to each other, one of them covering their people, the other not covering their people, when we started this discussion over a year ago, most of the small businesses that I talked to felt that they considered it fair that they make a contribution to the costs of their workers' health care. In fact, I could go into almost any Chamber of Commerce in my State, explain about health care financing, say that individuals should have to contribute because there needs to be individual responsibility, the Government has a role for the destitute, but, yes, businesses should contribute as well, because otherwise the businesses who cover their people would be subsidizing the ones who were not, and in virtually any Chamber of Commerce in my State when the debate started, the vast majority of small businesses would say, "Yes, we should make a contribution to the costs of our workers' health care, because it is unfair to do otherwise."

Over this period of a year, with all of the lobbying and all of the distortion and all of the half-truths, there has been this sense across the land that instead of saying we are all going to make a contribution to equitable financing of health care, that somehow the Federal Government was going to apply a tourniquet around the throats of our small businesses and in effect strangle them in the early days of their getting their business off the ground; well, I think what we have seen, as a result of a year's worth of listening to those small businesses to show that we were going to be especially sensitive to the messages coming from Chambers of Commerce and Rotary Clubs and the like, we have now the list of the many changes which the gentleman from West Virginia has put down, and I note that it does not even talk about some of the other ones that are of great benefit to small business such as the matter of voluntary alliances so the little guy can pool his purchasing power.

I think what is valuable about the gentleman's chart is that many of these changes have been made in direct response to what Members of this body have heard in the last year. They did not come about by accident. They came because the small business community said, "Yes, we are prepared to do our fair share. We know we have all

got to contribute, but when the Congress takes this up, make it as nonbureaucratic and nonregulatory as possible." And what the gentleman's chart shows is that the Congress, now, in moving toward consideration of this bill in the next few weeks, has listened to the small business community and moved to make this bill less bureaucratic and less regulatory, so that it is not "one size fits all" Federal health policy, but health policy that can work for the small businesses across our country.

Mr. WISE. I thank the gentleman from Oregon very much. You, of course, were in the very beginning of this debate, which has gone on for well over a year now, and have been one of the advocates for small business and have been pointing out the impacts to small business, been one of the ones saying to businesses, "Actually put the pencil to it; do not just react to the arguments that are made by a lobbying group who, of course, gets paid based on how much conflict they can create, not on how much consensus." So you have taken a very, very active role, for which we are all grateful.

As we have been to the West in Oregon, we are going to move farther west right now to the gentleman from Hawaii. I think Hawaii has a unique story, because, of course, Hawaii is, I believe, and the gentleman may correct me, the only State that in its entirety has an employer mandate or shared responsibility in effect and has been in effect for quite awhile.

I yield to the gentleman from Hawaii [Mr. ABERCROMBIE].

Mr. ABERCROMBIE. I thank the gentleman very much. I certainly appreciate this opportunity to get away a little bit from some of the heated rhetoric, to get away from some of the apocalyptic statements that have been made, to be able to focus for us in this special order for those who are observing here in the gallery and those who are tuning in to our debate and for those who will hear about it, that Hawaii, the 50th State, has for 20 years, and I would like to repeat that, for those who may not be aware of it, for 20 years, had a prepaid health care plan.

Mr. Speaker, I have in my hand the entire debate that took place starting in 1973. Here we are in 1994, 20-plus years later, trying to come to a determination that was reached two decades earlier by your fellow citizens out in the State of Hawaii.

What we did, and of particular interest here in this special order, is see to it that small businesses and those who could not otherwise afford insurance had their concerns addressed.

Hawaii, as many people no doubt know, is made up of business which is agriculturally based, governmental business with respect to the military and other Federal, State, and local government entities that have great prominence due to the particular nature of our State being the forward basing area, if you will, in the Pacific for the United States military, and tourism. All of these are, in effect, service-economy-based activities, and I want to indicate that for many years now, and I hope that the message that I am bringing will be listened to outside the light of partisan rhetoric, because this was overwhelmingly passed in the Hawaii State legislature and is overwhelmingly supported by most people, people in the State of Hawaii.

You will find that in this State of small businesses, of a service economy, that we have had, as a result of the passage of the prepaid health care plan in 1974, a situation in which virtually all employees are covered, all regular employees are covered by an employer mandate. Now, you can call it anything that you want. There is an obligation of the employer to address the health needs of the employee.

This has been in effect for 20 years. Within 20 days of passage, insurance companies who were there purely for one reason and one reason only, to extract the maximum amount of money from the individual or the business and return as little as possible to that individual or to that business with respect to any damages or medical services or any other kind of activity normally associated with medical insurance, went out of business.

Now, this is commonly known as cherrypicking. In other words, for those of you who are not familiar with it, the insurance companies look to see how they can maximize their profit and minimize their risk, not maximize their service to you, not maximize the medical services available to you as an individual, far from it, in fact, to keep you from getting those medical services, to minimize it.

Now, this is what happened: Virtually every company now offers the 100-percent coverage; we are talking about 80 percent, we are talking about 50 percent, we are talking about employee contributions. Very, very rapidly after the passage of our bill 20 years ago, businesses realized when the genuine health insurance companies came into existence, when real competition came into existence, when a health maintenance organization like the Kaiser Corp. and a Blue Cross/Blue Shield cooperative endeavors such as the Hawaii Health Insurance, Hawaii Medical Insurance Association, came into existence, doctors and hospitals offering an insurance policy, they began to compete with one another to drive prices down, not up, down.

□ 1710

Now, do not forget, Mr. Speaker, that we are in a situation in which most of our costs are higher than on the mainland. We are an island State. In order for us to get between our counties, between the major islands, we have to fly between the islands. We do not have roads, we cannot paddle. Well, if you have a team of paddlers and you train all year, you could make it in 8 or 10 hours between Molokai and Oahu. The fact is all or a majority of our costs are much higher than they are on the mainland, for obvious reasons having to do with our isolation, distance from one another.

All prices are higher except in one category, Mr. Speaker: health care costs. They are down a considerable percentage, 10 or 12 percent, depending on the area of the country compared.

No matter where you measure it in the rest of the country, our health insurance costs are down.

Also, Mr. Speaker, our unemployment figures have been consistently the lowest in the country.

One of the things you hear is if you put in employer mandates for small businesses, people are going to be fired, people are going to lose their jobs. If that is the case, why is it that Hawaii has one of the highest employment figures in the Nation?

You will see, if people will examine the situation honestly—and, Mr. Speaker, I am not trying to put this in partisan terms—I am hopeful that people on the other side of the aisle and those who have their doubts or are struggling to try to come up with something affirmative on this side of the aisle will realize this is something that effects everybody in the Nation. This is one vested interest group, one special interest group that does not have a voice other than the voices that we bring to it on the floor of this Congress; that is, the average person in the consuming public.

I can assure you that the experience of Hawaii indicates that not only does small business thrive but this becomes a distinct benefit and actually stabilizes the work force.

People have less anxiety, people have security, they are enthusiastic about their work.

And one final point with respect to this, because of all the publicity generated recently about some of the big franchises, Pizza Hut, in particular.

We have heard so much in the abstract and we have been able to particularize about Pizza Hut. This is one of the big franchises in country.

The reason it is such a good example to bring up is because everybody is familiar with it. I believe it is in all 50 States, if I am not mistaken.

Pizza Hut has health insurance for its employees in Germany, its employees in Japan, and its employees in Hawaii.

Now, do you mean they cannot provide that, then, in the other 49 States when they have been doing it for 20 years and they are expanding and they are good employers? There is nothing special about Pizza Hut employers, the

franchisee in Hawaii. The people involved in that franchise are fine people, they are good business persons, they contribute to the community. I am proud that they are there, we are happy that they are there. They do a terrific business out there and deservedly so, and they provide health insurance for all of their employees, and their business is expanding.

Well, now, the bottom line is small business does not get hurt, small business and everybody's business improves when you have health care across the body public.

Mr. WISE. If the gentleman could answer this one quick question for me: It has been many years since my wife and I had the privilege of visiting Hawaii—that was before children—my question is are there McDonald franchises in Hawaii?

Mr. ABERCROMBIE. There are McDonald's franchises, every kind, Little Caesar's every kind of franchise there is, and every single one of these franchises, every single one of these national chains, there is COSTCO, Kmarts, all kinds of operations, every single one of them provides health insurance for their employees, does so today, and every one of these businesses is thriving, every one of these businesses in Hawaii is happy to be doing business in Hawaii, and those businesses are expanding.

Mr. WISE. I appreciate that, because now having had children, I know the importance of happy meals. I think a happy meal is even happier when the people serving it have health care, as well as those on the other side of the counter as well.

Mr. ABERCROMBIE. We are all in this together.

Mr. WISE. We certainly are. That is what shared responsibility is all about.

Mr. Speaker, in the couple of minutes left, to summarize: This is about shared responsibility, it is about building upon the base that already most Americans get their health insurance from, and that is 9 out of 10 who have private insurance get it through the workplace. This is about assisting businesses that would have a tough time making it on their own to provide the insurance; this is about assisting them to do that. It is comprehensive.

When you hear the scare tactics, Mr. Speaker, just remember Social Security, which is an employer mandate, shared responsibility by the employer and employee. Most of these arguments were made in the 30's about "job killer," "businesses will go under, how are we to survive?" Now, who is it today that urges that we do away with Social Security?

When you hear these arguments, Mr. Speaker, they were made in 1965 about Medicare. Indeed one of the advocates of not doing a Government mandate, Senator DOLE, the Dole bill we have heard a lot about, he voted against Medicare, incidentally. Yet, 30 years later, who is it that would call seriously to do away with Medicare? You would be lynched, justifiably so, by all of our seniors over 65 who know that that program, while not totally perfect, provides the assurance they need.

And, yes, I have heard about the great cost projections, how much higher Medicare is today than it was projected in 1965. Question: What is the alternative? Do you want to do away with it? No; you want to put it into a comprehensive package so you can deal with all of the issues at once.

We have heard these same arguments on minimum wage, we have heard the same arguments just recently on the deficit reduction package. It was to be a job killer too.

The Wall Street Journal today, ran an op-ed article by Al Hunt pointing out that all the doom and gloom projections about that are wrong and that the economy, instead of going down, is going up.

So that is what this issue is all about. We have a lot to debate over the next couple of weeks. But I just urge Members to look carefully at this issue. If you are serious about universal coverage, we must build upon the base that we know so well, assist employers to perform their obligation, as the employees, those of us who derive insurance from our workplace, while we at the same time meet our obligation, Government meets its obligation, and we reach truly that goal of having everyone with private health insurance that cannot be taken away.

THOUGHTS ON THE VARIOUS HEALTH CARE ALTERNATIVES

The SPEAKER pro tempore (Mr. TORRES). Under the Speaker's previously announced policy of February 11, 1994 and June 10, 1994, the gentleman from Indiana [Mr. BUYER] is recognized for 60 minutes as the designee of the minority leader.

Mr. BUYER. I thank the Speaker.

This is a wonderful opportunity for me to address the House. Last week I took the House floor, along with my colleagues, to identify approaches to health care and spell out specifically why the approaches of some of those who are advocating the Gephardt bill, who want to lead this country to a complete Government takeover of health care, would lead to rationing and to poorer quality. I have to admit that having watched the President's press conference last night, I do have to speak of a tremendous disappointment, a disappointment in what the President had stated: "Where is the Republican alternative?"

The President must be ill-served by some members of his staff. Congressman MICHEL introduced his proposal in September of last year, nearly 3 months before we had legislative language of the President's proposal to even debate. It had 140 cosponsors, more than the President's plan of 103, more than the single-payer plan of 88 cosponsors.

So I would say that last night it might be that the President would rather play blame-game to hide the inadequacies and inefficiencies of his own legislative abilities to move forward his own plan. The botton line, Mr. President, for which you are not getting the message from the American people is they do not want a Government takeover of health care. In the debate, actually it really was not a debate, last week, just as tonight, the Democrats went first in a special order for 1 hour and we followed for another hour. Tonight they went for an hour and we followed for 1 hour.

□ 1720

Last week it was my good friend from South Carolina that said from the other side of the aisle, "Let's not fool the American people." Boy, do I agree with that statement, "Let's not fool the American people."

Those whom I respect in this debate are those who say what we need for America is a single-payer plan. I respect them because they do not finesse it, they do not wiggle it, they do not waggle it. They come right out and say, "We think the government can run it better." They do not even finesse it. They are honest about it.

The ones that the American people should be frightened of are those who finesse it, who wiggle it, and even spin it, saying, "Well, we're going to look out after you, the small business people. We're going to look out after you, the middle class."

Well, I say to my colleagues, Whenever you put big government, big business and big labor bosses in the same room, middle class, look out, here it comes.

What I would like to do here tonight, Mr. Speaker, is address what the President said he had not seen. Well, I say to the President, I know that those of you in the White House are watching. Listen to what we would like to propose. You know it's been out there a lot. Those of us who believe that you are about to lead America on the wrong path, we support substantive incremental reforms in the present health care system to preserve the quality and to also preserve the freedom of choice of alternative methods of treatment and medical facilities.

What Congress can and should be doing to move a system that has coverage of Americans between debate it between 85 and 87 percent; if we want to move it forward to coverage of the 94 to 95 percent, there are things that we can do within the present medical system we have in this country without having Government intervention or Government take over health care. The

Congress can have insurance market reforms to address the affordability and preexisting conditions. We can move to greater risk pooling, to voluntary alliances. We can have the Medisave accounts. We can move with real tort reform and, that is, medical malpractice reform initiatives. We can move forward in issues of tax fairness. Those big-C corporations get to deduct 100 percent of their insurance premiums. Why not subchapter S corporations, sole proprietors, and partnerships? And also expanding the access into rural health care initiatives and also community health care hospitals and clinics?

There are many things we can do. Let me first address insurance market reforms.

I have to cite, if my colleagues recall, to win public support for the President for his health reform initiative he came here into the Congress, and he sought out and publicized health care horror stories of, quote, average Americans. Since announcing their plan last September the Clintons have invited carefully selected groups of citizens to share their heartrending stories at various forums and town meetings. They have depended heavily on the anecdotal evidence to persuade the Nation that there is truly the crisis of health care for which only Government can provide the support and initiative. The Clintons' cases are intended to show the arbitrariness and inadequacies of the current system, but on further examination paint rather a different picture of our health care situation. I would like to share with my colleagues the case of the Andersons.

The President claims that health-care reform is necessary because current medical costs are destroying the finances of many American families. To illustrate his point, he told the story of Richard Anderson in his first State of the Union Address. A few years ago Anderson was working as a parts salesman at a car dealership in Reno, NV, where he had health-insurance coverage for himself and his wife at a cost of just over $40 a month. Then, as the President described it, Anderson "lost his job and, with it, his health insurance. Two weeks later, his wife Judy suffered a cerebral aneurysm. He rushed her to the hospital, where she stayed in intensive care for 21 days. The Andersons' bills were over $120,000. Although Judy recovered and Richard went back to work, the bills were too much for them, and they were literally forced into bankruptcy."

That is what the President told this body and the Nation.

The actual course of events is considerably more complicated. First, despite being fired, Richard Anderson had the option of continuing his health insurance through COBRA. His wife was still employed, but they decided that they could not afford the investment of $240 a month even temporarily while he looked for another job. Even without insurance, the Andersons agree that Judy got excellent care during her emergency. Moreover, they weren't exactly forced into bankruptcy.

A closer look at the hospital—they maintain a fund to reimburse hardship patients. Families earning up to 150 percent of the poverty line can apply for a total remittance of their debt. Families earning a bit more, up to 175 percent of the poverty line, can apply for a 50-percent reduction in the bill and set up a long-term repayment plan for the rest. According to hospital records the Andersons were sent two applications for the fund, but they failed to use them. They chose bankruptcy instead because it was the least costly of their options and was an added benefit because it also wiped out their consumer debts with J.C. Penney's and Mastercard.

The reason I took the time to go into this is because, as my colleagues know, we can do all kinds of things in here in the Congress, but, as my colleagues know, we cannot legislate personal responsibility. If the Government wants to come in and take over health care, we cannot legislate personal responsibility. But I will tell my colleagues what we can do, though.

When we get out there and ask about universal coverage, people have terrific concerns about the issues of portability and preexisting conditions. We can address that without Government taking over health care.

I would like to yield to a gentleman who is with us who has a district that is 30 miles from Chicago's Loop in western Du Page County in the 14th District of Illinois which also contains the Fox River Valley with the industrial cities of Elgin and Aurora. He is the leader of the Republican health care task force, and I am pleased to welcome him to this special order, the gentleman from Illinois [Mr. HASTERT].

Mr. HASTERT. Mr. Speaker, I appreciate the gentleman from Indiana [Mr. BUYER] having this order. I think it is certainly timely, and it is timely to really look at these issues in depth and try to lay them out because what the American people really want are some choices, and I have to hand it to the gentleman from Indiana. Not only has he been a leader here on the House floor in trying to get these issues out, but I had the privilege of traveling through his district and talking to some of his folks about health care concerns, and he certainly has been in touch with his district, and the people who make the economic wheels turn in that district, and the people, just common folk, who need health insurance and certainly want to see it change.

I see one of the things that we want to talk about here tonight is we think there needs to be some change in health care. As a matter of fact, Republicans about 3 years ago looked at the situation, and we saw rising health care costs, and we saw folks that did not have portability because they could not move from job to job and make sure that they had health insurance, and we saw the problem with preexisting conditions.

I say, if your daughter has juvenile diabetes, and you lost your job, or you wanted to go to a better hospital, you were tied to the job you were at because you probably couldn't get insurance at the next stop.

Mr. Speaker, we felt those were real problems and started to try to find ways to solve those problems. I started working on health care in this Congress long before we ever knew that Bill Clinton was going to be President. But I have to hand it to the President. He has escalated the discussion and the debate, and it is to the point now where we really have to come down and make tough decisions, and most people in this country want to make sure that they can maintain the choice that they have in health care and they can maintain the quality that they have in health care, and I say to my colleagues, they just don't have the confidence that Government could take over their health care programs, the Government could take over their health care policies and that Government could take over the health care delivery system and folks would still get the quality and the choice that they have today.

As a matter of fact, Mr. Speaker, I have had a couple folks tell me that they are afraid that they are going to get health care quality which has the expediency and efficiency of the Post Office and the compassion of the IRS, and I think maybe that is what happens when Government takes over a huge delivery system that people have to depend on.

□ 1730

So, what are we going to do? What are our options?

One of the things when we lay out parameters of health care, we want to ensure access to health care for every American. I think we share that goal with the President. We want to contain costs. We have to do that, because we cannot afford, for our public debt and the Government financing, to see costs go up and escalate up and out.

It was interesting to hear the gentleman from West Virginia in the previous special order talk about when we brought Medicaid in in 1965, and the prediction was in 1965 that the cost of Medicaid to the Federal Government in 1997 would be $9 billion. I tell you, folks, that cost has escalated, because in 1997 we think that costs will be closer to $121 billion when you start to look at all the medical costs that the Federal Government has to pick up and the private sector has to pick up. That is a huge expansion.

So what we do now in what seems to be minuscule proportions ends up a huge burden on our next generation, on our children's backs and our grandchildren's backs. So we have to be very careful of what we do.

But even more important, on the local and more timely basis, is how do we start to change the health care system so it helps small businesses, so it helps people that do not have insurance today, so it helps those people who have shouldered that burden of carrying their own insurance, picking up the cost of their insurance, and not having that provided necessarily by the place where they work.

Who are the people? We have heard that number, 37 million people, not being covered by health care. I think that is a number that has been put out by HCVA. We see that number thrown out there all the time. But we first have to ask, who are they? You really start to see who they are.

First of all, a big group of those people are people who own their own businesses. They are mom and pop barbers, truck drivers, farmers, beauticians, real estate agents, entrepreneurs. And when they go to the market to buy insurance as one or two people, they may have to pay $5,000, $7,000, $10,000 for health care. And when they have to do it, and they are earning $25,000 or $30,000 or $35,000 in a partnership or proprietorship business at the corner donut shop, all of a sudden they cannot afford health care.

We have to let those people pool with other groups like themselves so they have a group to go to the market so they can buy good, low cost health insurance. That makes sense. It is a common sense approach.

Who is another group of those people? They are folks under 26 years of age. When you talk to a young person under 26 years of age, just out of college or just out on their own trying to make their own way, a lot of those folks do not think they are going to die, let alone get sick. So how do you start? They need good, low cost catastrophic insurance. They need to be able to extend their folks' health care policy as a rider to stay on the policy, and not go out there without insurance.

The other group are people who work for a living. That is about 10 to 11 million people. They fall through the cracks. They are not covered by Medicare or Medicaid. What they do is they earn a living. They are under 100 percent of poverty, and not covered by insurance. Yet, they are folks who go to the hospital, wait until they are very sick to get care, and the emergency room costs and the costs of health care for those folks are very, very expensive.

So when they cannot pay, hospitals charge everybody else about 140 to 160 percent of the real cost of services to cross-subsidize or cost-shift for this 10 or 11 million people who have had a hard time paying for insurance, still need health care, providers give them health care, and then cost-shift to pay for it. So we need to address the needs of those people.

So I think when we start to calculate how do you do these things, one of the things we probably ought to do is reform Medicaid by giving Medicaid recipients the same choices as other Americans. We can privatize those billions of dollars that we send out to States into health care providers and huge bureaucracies and say let us let the private sector start to deal with this. Let us let the market bring down health care costs.

Another thing we need to do is give those small business people a chance to have 100 percent deductibility. When they go out and buy their insurance, just like any other business, but they have zero deductibility, that is wrong. It is not fair. So when a barber or truck driver or shoe salesman that owns his own shop goes out to buy insurance, he ought to have deductibility.

If that small business is a start-up business, and they have employees who have to buy their own insurance, they ought to get 100 percent deductibility, too. But what we do not want to do is to put a huge government mandate on small businesses, the start-up businesses.

In my district, and I think the gentleman from Indiana's district, they are very similar areas, we found that 70 percent of the new jobs created in the last year and a half are jobs that were created by small business, start up businesses, entrepreneurs starting up. When you start up with a business with a mom and pop organization or three or four people, and you are trying to make a payroll, maybe you cannot cover all those huge benefits. But shall we say we are going to put a mandate on those businesses, and say either you give health care or close down?

In my district, we would lose thousands of jobs. In the State of Illinois, we would lose 142,000 jobs, mostly on the back of small business, if we put out a health care mandate on small businesses.

Not only is that unfair, that is not smart. So we need to find the answers. I have always said, if we are going to pass health care in this country, Republicans cannot do it by themselves, and Democrats should not have to do it by themselves. We ought to do it on a bipartisan basis. We ought to bring the best ideas from both parties together. We ought to meet right over there in the middle aisle and come up with a good health care plan that we can present to the American people, that the American people can be proud of, and that represents mainstream America, not one end of the spectrum or the other end of the spectrum.

So I really appreciate your taking on this special order tonight. I know that some of your colleagues are here and have done a lot of work on this issue as well. It is going to be an interesting couple of weeks. But I think what the American people ought to know, they ought to be able to read what those health care bills have in them, they ought to be able to digest what those health care bills have in them, and they ought to know how it affects them before they let their Congressmen and Senators know what kind of bills they want for their future and their children.

So I thank the gentleman from Indiana immensely.

Mr. BUYER. Reclaiming my time, I appreciate your comments. You could not be more right on point. I am a Member of the body who is expressing a disappointment that the Gephardt bill would be introduced to the body, knowing that it would not receive any votes from the Republican side.

Why would you introduce a bill that is only going to deal with one side of the body? I think that that is wrong, that we should come together in a bipartisan fashion. And applaud your efforts to meet with those on the Rowland-Bilirakis and Cooper-Grandy to draft a bipartisan bill that will have a tremendous amount of substance for the incremental reforms to the President's system, without going out and having a complete brain transplant and revamp a whole new system.

Something, Mr. HASTERT, that you had mentioned about having these reforms to the private system without governmental controls, are you stating that a substitute bill that is being drafted right now is expanding insurance coverage without price controls or mandates and, if so, we are talking about moving access and moving coverage from 85 to around 91 percent? That is attainable, is it not, Mr. HASTERT?

Mr. HASTERT. I think we can do better than that. I can't give you exact details of the bill, because it is still being drafted and some things are still being negotiated. What we are trying to do is build a bill that does not have mandates in it, that lets business work its will, take care of its employees the best they can, give everybody a chance to get insurance who are not covered at their workplace, and at a low cost, a fair way to do it, those people who cannot afford insurance and are below 100 percent of poverty, to get some help on a free market way to do that, and then to move forward and say I think we can get by the year 2004, or sometime out there, up to a coverage of 95 percent coverage.

□ 1740

I think that is fair to say. The Lewin Group, who does a lot of number crunching around this city, has said

about the same thing. So I think we can achieve it. We are not there yet. But I hope we will be by the end of this week or the first of next week. And that bill comes out, the American people can take a look at it.

Mr. BUYER. The Lewin-VHI agrees not only with what you said, but they agree with the CBO that three basic reforms would cover 91 percent of the population. That is insurance market reforms, the 100 percent deductibility for individuals and the self-employed, and then the low-income premium subsidies, up to 200 percent of the poverty level. We are talking about doing much more than that, about the greater risk pooling and Medisave accounts, tort reform, the expansion of community health centers and rural health care initiatives and many other things. So I appreciate the gentleman's contribution.

Let me, since we just mentioned Medisave accounts, let me yield to the gentleman who represents the 10th district of Ohio, an industrial base of sound-minded people who are pragmatic and family-oriented, that is the gentleman from Ohio [Mr. HOKE].

Mr. HOKE. I thank the gentleman for yielding time. I really thank the gentleman from Indiana very much for his leadership in putting together this special order. It is in fact something I really like to talk about, the medical savings accounts, because I think that of all of the different plans and ideas that have been presented to the U.S. Congress and presented to the American people, probably medical savings has the greatest promise for actually having a real impact on the way that medical health care or medical services are delivered to the American people.

I will tell you why. Because the thing that is driving this debate more than anything else is not quality; it is not access. In fact, it is cost. The reason for that is that we have gone from spending 5 percent of our gross domestic product on health care in 1960 to spending 15 percent and more in 1994. In other words, we have tripled the amount of resources that are going to health care over the past 30 years. Why is that? How is that possible?

Because remember when we talk about health care and we talk about the problems with respect to health care, we are talking about a three-legged stool. One has to do with access; one has to do with quality, and the third has to do with cost. In this country the debate does not really focus on quality. There is large agreement that we do deliver the best quality health care in the world. There is some debate about access. Even though it is true that nearly 86, 87 percent of the American people have health care coverage and, in fact, it is also true that everybody who presents to an emergency room must be cared for, because of legislation that was enacted by this Congress, nonetheless, not everybody has access, certainly to preventative care or to care with dignity in this country. There is a debate about that.

But about which there is no question is the debate that goes on over cost. And the really insidious problem with respect to cost is that because costs have skyrocketed so much, it makes it impossible for, it squeezes out those people that are least able to afford health care from the system. So what is the solution? Is the solution more third-party payment and more Government payment? Or is there a different solution?

I would submit to you that the reason that we have skyrocketing costs with respect to health care is that we do not have a market for it. And the way that you best test that notion is by recognizing that none of us, none of us actually pay for our own health care. We do not pay for it ourselves personally. And becoming alienated from the function of actually buying the health care is at the nub of the problem. Who pays for the health care?

Well, 90 percent of the health care in this country is paid for either by insurance companies or by the Government. In other words, we personally do not pay out of our own pockets. It is paid by third parties.

What is the effect of that? The effect of that is that we have lost, in this case, 183 million drivers, those that are covered personally by private insurance, we have lost the power of 183 million drivers of price in this marketplace.

And for those of you who think that perhaps this is not a perfect market, and we cannot apply market principles to health care, let me give you one example where it worked so very, very well, that health care costs are not covered by insurance. This is in the area of something that most of the people in this Chamber looking around are familiar with. It has to do with eyewear. It has to do with the correction of vision, clearly a health problem, and yet something that is not covered generally by insurance.

It is something that we have to pay for out of our own pockets. What do we have in terms of the choices that are available for eyewear? We can go to optometrists. We can go to an ophthalmologist, or we can go to opticians. We can go to any mall in the country and get eyewear provided for us. And what has happened with respect to price? With respect to price, we have got an incredible record. Glasses have remained flat in inflation adjusted terms over the past 30 years and contact lenses have gone dramatically down in price over the past 30 years.

Mr. BUYER. In your discussions about bringing innovation into health care reform, in your discussion about the Medisave accounts, let us not forget that it was Pat Rooney of Indiana who runs the Golden Rule Insurance Co., that came up with this idea of injection of personal responsibility back into the health care equation.

I agree with the gentleman from Ohio when he says that we are distancing ourselves from the responsibility when we just receive the bill and send it off to an insurance company and not worry about what the cost is.

So right now that is what is happening. Employees elect a high-deductible, low-cost policy. Employers deposit the funds into an account for employees to cover routine medical bills. That is what we want to do. That is the Medisave accounts. The Golden Rule Insurance Co., deposits $2,000 a year into a medical savings account for employees who choose a $3,000 family deductible. Employees at Golden Rule have an option of a traditional policy with a $500 deductible and a 20-percent copayment up to a maximum of $1,000.

In 1993, 80 percent of the employees chose the medical savings account option. In 1994, the number is up to 90 percent who have chosen this Medisave account option. In 1993, the Golden Rule health costs were 40 percent lower than they otherwise would have been. Critics claim that medical savings accounts will not incentivize individuals to invest in preventive care. However, experience at Golden Rule shows just the opposite.

Of those employees who use the medical savings account, 1 out of every 5 used their medical savings account for a medical service they would not have purchased under the traditional insurance plan.

Mr. HOKE. I appreciate that. That is right. Mr. Rooney has shown a lot of leadership in this area. The Golden Rule Co., has used, and they have used medical savings accounts without having the tax advantages that would be a part of the plan that is in the Republican leader's health bill as well as in the Medisaver Patients Empowerment Act.

I would like to just explain on a very graphic basis exactly how a medical savings account works. It is a fairly easy concept. Right now the average amount of money that is spent on the average family plan in the United States for medical insurance is $4,500, $4,500 on average. Some plans are a lot more expensive; some are less expensive. But if you have got $4,500, what a medical savings account plan does, what Medisave would do is take, of that $4,500, $1,500 to purchase a high deductible comprehensive health insurance policy. That is what we are trying to do with self-insurance. We are trying to eliminate the anxiety that comes from believing that we might get wiped out financially.

So we take $1,500, buy a health insurance policy with a high-deductible amount. The deductible amount in this case is $3,000, a $3,000 deductible. We

take the cash, the $3,000 that is left over from the $4,500 after the $1,500 is spent on the catastrophic or the high deductible insurance policy, and we put that $3,000 into a medical savings account.

From that medical savings account, each individual can draw down for whatever purchases, medical purchases he or she chooses for his or her family, and up to the amount of the $3,000 would come directly out of the savings account. Any money at the end of the year that is left over would belong to that individual. It does not go back to the company. It does not go to the insurance company. It does not go to the Government. It actually belongs to the individual. There is a tremendous financial incentive to make rational cost conscious choices.

Mr. BUYER. I thank the gentleman for his contribution. Medical savings accounts, says a study by the Cato Institute, would lower the Nation's annual health care bill by $300 billion and reduce administrative costs by $33 billion.

□ 1750

That is a tremendous number.

Where the Great and Little Miami Rivers drain south in Western Ohio sits the 8th district, represented by the gentleman by the name of JOHN BOEHNER.

I yield to the gentleman from Ohio [Mr. BOEHNER].

Mr. BOEHNER. I would like to thank the gentleman from Indiana for yielding time, and I would like to thank him for his efforts in putting together this special order and for his leadership on this issue.

Mr. Speaker, I come to the floor tonight to take part in this as a former small businessman, as a matter of fact, as someone who still owns part of a small business back in Ohio, in trying to look at what is going on here in Congress with regard to health care from the viewpoint of a small business person trying to succeed in America.

If we begin to look at the Clinton bill, Clinton-Gephardt bill, the Clinton-Mitchell bill, you will see that the central pain feature to pay for those bills is the employer mandate. It has been estimated by a number of research firms that that employer mandate will cost Americans, 1 to 3 million Americans, their jobs.

For those Americans who do not lose their jobs, they are going to see their wages reduced, their fringe benefits reduced, as a result of this requirement to make employers pay. Some 25 million American workers are estimated to be in this category that may see their wages not increase as fast as inflation, or their benefits reduced.

Companies that can pass along this increasing cost are going to do that. What does that do? That is nothing more than a tax on consumers, because it causes consumers to go out and consume those goods and services the companies provide, and they are required to pay higher prices because of this mandate. It is nothing more than a tax on them because of it.

Small businesses in America that currently do not offer health insurance would love to be able to do so today because it makes good business sense, and it makes good business sense today because if you want to be successful, we all know the key to a small business succeeding are the employees that they are able to keep on their payroll, because it is not the owner of the business that makes it successful, it is the employees that they have that make every company in America as successful as they are.

If they could do it, they would, but the reason they are not is, very simply, there are a lot of marginal businesses in this country. Think about your local dry cleaner, think about the local grocery store owner, or maybe the local gas station, that is being hit not only with health care mandates and employer mandates, but being hit by the Clean Air Act and other laws and other agencies of the Federal Government forcing up their costs.

To compound this problem, Mr. Speaker, or to solve this problem, I should say, what the Clinton folks and the Gephardt folks and the people over in the other body want to do is to offer subsidies to small employers, because they know if they have an employer mandate, it is going to have a devastating impact on employment in America, so they want to overcome this by giving subsidies to small employers.

Where do these subsidies come from? They come from the taxpayers. Either we are going to raise taxes or we are going to cut spending, but when it is all said and done, it is going to come from taxpayers, many of whom are small business people in America.

The second point I would make about subsidies is this promise: We are going to subsidize this. It is not going to really cost you very much. That is what we say, but what is going to happen next year when the budget crunch gets a little tougher? What is going to happen the year after?

We all know what the history of promises from Congress are. We can all look 5 years down the road, 7 years down the road, and realize those subsidies are not going to be there and the employer is going to get stuck with the bill.

The third point I make about subsidies is the fact that they are based on the size of a company. I do not know that it makes any sense to say that just because you have 10 employees, that you are more marginal than a company with 100 employees. You just may not be as large.

In my company, we had five employees. We were very successful. However, there are a lot of companies much larger that were in a much more marginal situation.

As we begin to look at the Clinton-Gephardt, Clinton-Mitchell plans, I think they have very serious problems from the viewpoint of a small business person. What is the alternative? I think the alternative, based on the Rowland-Bilirakis bill, would greatly assist small businesses in providing health insurance to their employees without mandates and without new taxes.

We would do this in several ways. First, we would allow small businesses to more easily group for the purposes of self-insuring, pooling their resources, pooling their risk, in order to bring their costs down.

If you are a small employer with 5 employees or 10, and you go to an insurance company and ask for a group policy, they laugh at you, because if you have anyone in that risk pool of 5 or 10 employees that has any kind of a health problem, it is going to put the rates out of reach for most employers. So by expanding the risk pool, we bring better rates to more employers. It is going to entice more employers to provide insurance for their employees.

Second, Mr. Speaker, we deal with those with preexisting conditions through a modified community rating system. A lot of these employers have an employee or an employees spouse or child that has a preexisting condition that puts their costs out of control.

If we solve the problem with preexisting conditions, as we do in the bipartisan approach, we, again, make it cheaper for small employers to find insurance for their employees.

Third, we change the Tax Code, so that the self-employed who today can only deduct 25 percent of the cost of their health care insurance premiums would be able to deduct the full cost of those premiums. Why is this important? If you are a corporation of any sort, you are allowed to fully deduct the cost of health care for your employees and yourself. However, if you are a partnership, a sole proprietorship, if you are a farmer, you can only deduct 25 percent of those premiums. It is discriminatory.

Therefore, if we put in 100 percent deductiblity for employers, it is going to entice more of those small employers to in fact be able to offer insurance to their employees. This type of approach, based on the market, based on having faith in the free enterprise system, we believe best delivers more health care to more Americans as opposed to the Clinton idea.

We all know the Government is too big and spends too much. We all know clearly that, as we see in the Clinton bill that has been around for the last 9 months, we all know that is going to do nothing more than make Government bigger and make it more expensive.

The American people are trusting us to do the right thing with their money. The American people have a certain cynicism about Government. They have heard about welfare, they have seen welfare not work. There has been a lot of promises given, but very little in the way of results that have been received by average Americans.

Therefore, as we begin to debate the health care issue, we begin to move forward, I would urge my colleagues to do what the American people want. That is trust them and to put these decisions in their hands, and not in the hands of bigger and more expensive Government. I thank the gentleman from Indiana.

Mr. BUYER. I thank the gentleman from Ohio for his contribution to this special order, from the perspective of a small businessman.

We have discussed so far initiatives in which we seek in a bipartisan fashion substantive incremental reforms in our present system to contain costs, open up access in health care, we discussed insurance market reforms, medisave accounts, tax fairness.

We also, let me talk for just a moment on greater risk pooling. What we seek across America are voluntary alliances. In northwest Indiana there is a health alliance. A group of employers in Lake, Porter, and LaPorte Counties in northwest Indiana have voluntarily joined together to gain market clout to buy health care coverage for their employees. Right now there are 340 employers who are in this alliance who enjoy savings of around 10 percent, which is extremely important. These employers are gaining access through innovation for occupational medicine programs and other medical programs. Employers in Porter County are already enjoying savings, like I said, of even 10 percent, 50 percent on occupational health. One of the obstacles the alliance faces is the area of employers with employees with preexisting conditions.

That is why what we seek to do here, in a bipartisan bill, would be to address the preexisting conditions and portability, so when we have businesses out there who want a risk pool and provide greater coverage for their employees, allow them to do that, and at the same time, let us stop this discriminatory practice that is going on and the cherry picking on portability and preexisting conditions.

There are many of them across the country, from California to Cleveland, OH, and even Minnesota's Business Health Care Action Group, a purchasing group of 21 employers, reduced its members' insurance premiums by 10 percent.

□ 1800

There are many things that we can do rather than, as the gentleman from Ohio said, let government take over health care. Government is already becoming too big, too large and too intrusive in the daily lives of the American people.

I would like now to yield to the gentleman who represents the Gold Rush counties in the foothills of the Sierras above Sacramento, CA. That district has truly produced a statesman with concerns for his constituents in California, and that is JOHN DOOLITTLE, to discuss universal coverage, what it really means.

Mr. DOOLITTLE. I thank the gentleman for raising this very important special order and giving us the opportunity to comment on some of the fundamentals of health care reform.

Earlier today I mentioned a quote by President Washington, and I would just like to reiterate what the gentleman from Ohio [Mr. BOEHNER] said: "Government is too big and spends too much."

President Washington said it a little differently but basically the same way:

> Government is not reason, it is not eloquence, it is force, and like fire it is a dangerous servant and a fearful master.

We could substitute today perhaps for "government" the word "Washington." Washington is not just eloquence, it is not reason obviously by what we see going on in the Halls of Congress each day. It ultimately is backed up by force. Whatever we do to pass a law involves the use of force and here the Clinton administration is talking about doing something with force that could be very, very detrimental to every American. I would like to talk about that.

I would like to also quote the junior Senator from West Virginia just to indicate that these people are serious when they talk about they know what is best for you and they are going to cram it down your throats whether you like it or not. Here is the quote:

> We are going to push through health care regardless of the views of the American people.

I would submit, Mr. Speaker, that is what is going on right now during the next 2 weeks.

These health care bills are about 1,300 to 1,500 pages long. They are extremely complex. Yet we have not even seen, we cannot even read the bill that the House of Representatives is supposed to consider. Why? Because it has not been written yet. Why? Because they are doing horse trading in the so-called proverbial smoke-filled rooms looking for that 218 votes, the magic majority. You can imagine what kind of sausage will be crafted in that sort of circumstance. Yet this is a process that is going to impact 1/7 of our national economy and will affect something that most of us hold near and dear, namely, our own health care and that of our family and friends and loved ones. That sets the stage by simply sharing the views of the junior Senator from West Virginia.

In yesterday's Washington Post, Mr. Samuelson who I believe is a Democrat, a more liberal person, writing for the Washington Post, made this observation. I would like just to share it because it has been spoken of before here but we as a Nation need to recognize what is at stake and what the problem really is. Before you offer a cure as a physician to someone's ailment, you better have a proper diagnosis. I would submit that the Clinton administration has misdiagnosed what the problem is and they are about ready to prescribe a cure that, far from helping the patient, could kill the patient and certainly will make the patient much sicker. Here is the quote:

> Health spending is not at the edge of the entitlement problem. It is the essence of the problem. Runaway health spending is the central problem—and it will get worse with time.

My colleagues on the opposite side of the aisle talk about the Medicare program and how great it is. This is a program that has tremendous problems paying for itself. We have hiked the taxes at least twice since 1986 in order to deal with this problem and we still have not dealt with it and under the Clinton proposal, we are going to expand it a great deal more, because we are going to mandate costs, we are going to pass a law that says every employer has to provide health insurance and then we are going to put a program together that figures out how we are going to cut here and so forth in order to pay for this. Figure what this means.

Steven Robinson in another article, I am just going to take it down briefly to what it means for the average individual.

He explains that in order to deal with cost-shifting, which we presently have right now, Medicare reimbursement rates to doctors and hospitals are about 45 percent to 55 percent of their normal charges. So how do they make up for it? They charge everybody else with private insurance more. That raises everybody else's costs. In order to deal with that problem, universal health coverage has been proposed. That means we have got to deal with a way to help people afford the premiums for those who cannot afford it, and that costs a certain amount of money. It actually costs under our projections $22 billion. Then the increased utilization which results, because now these people who do not have health insurance wait, they ration themselves. They cannot afford it, so they do not go as often as they otherwise could. But all the studies show, and we have seen this with the entitlement programs we have now, once you create an entitlement, once something becomes free you use more of it. Therefore, the projected increases in utilization is $39 billion.

As Mr. Robinson observes, what you end up doing in order to deal with saving, the cost of eliminating $29 billion

in cost-shifting is going to be $59 billion in taxpayer money. It does not make sense. It is not businesslike.

What does that mean for the average family? For every person in the country, it means an extra $316 per person to pay for this. Universal coverage will force the government to seek ways to contain costs. That means we are going to get price controls. It will also result in rationing when the price controls fail to do the job, and we have rationing now in the great Canada, which is always cited as the example.

What that means for the average family is that we are going to tax them more, $316 per person. What are the statistics about taxes already in this country?

The average family of 4 with a median income pays 24 percent of its total income to the U.S. Government in taxes. Now we are going to take $316 times 4 and add it on to the tax burden of the average family.

Oh, yes, if I had time I would go in here and quote Mr. Samuelson further. When you really project out these costs, you heard the gentleman from Illinois [Mr. HASTERT] explain what is happening to Medicare, the costs have increased manyfold. It is reasonable to project that that is what will happen here and the debt, which is $4.5 trillion today, which is going to be $1 trillion more under President Clinton's 5-year deficit reduction plan, imagine what happens to the national debt when we go into this socialized health care that is being proposed.

Let me just say that rather than going for increased government, which we know has failed in the Soviet Union and in Communist China and in Cuba and throughout the world, let us go for freedom. Let us take the view of George Washington and Thomas Jefferson, who is President Clinton's mentor, supposedly. Let us go for that government which governs least, governs best. If we want to help people with health care, do not mandate universal coverage but go with the suggestions that have been offered by the speakers here. Help people help themselves. Create the opportunity with lower taxes, with more economic growth, with more job creation for people to be able to afford health insurance. People want health insurance. The only reason they do not have it is because they cannot afford it. Let us go to Medisave accounts which address the heart of the issue, cost control and let us get away from governmental directives passed down from on high with all the insensitivity and inefficiency of government and let us go with something that we know works, that has been proven around the world that works.

I thank the gentleman for the opportunity to offer those comments.

Mr. Speaker, I include for the RECORD the newspaper articles referred to in my remarks, as follows:

UNSPEAKABLE RUNAWAY SPENDING

(By Robert J. Samuelson)

If you haven't heard, we now have a Bipartisan Commission on Entitlement and Tax Reform. President Clinton created it last year to find ways to cut budget deficits and spending on entitlement programs, such as Social Security and Medicare. It's a hard job, which would get harder if Congress passes health insurance for the under-65 population. This would instantly become the largest entitlement in U.S. history. So far, the Entitlement Commission hasn't said "boo" about it.

What ought to be said is simple: Hold on, let's not invent new entitlements before controlling the old. But Sen. Bob Kerrey, the commission's chairman, admits he's reluctant to broach the health care issue because it might plunge the commission into partisan paralysis. (Two-thirds of its 32 members are members of Congress.) This, he argues, would sabotage any chance of consensus on what he sees as the larger issue: how to accommodate the retirement of the "baby boom" in the 21st century. By 2030, one American in five will be over 65, up from one in eight now.

Sounds reasonable. It isn't. The trouble with Kerrey's logic is that the pressures of an aging population stem mainly from rising health spending. Passage of new national health insurance would almost certainly make matters worse. It would probably increase spending while also changing the political climate. If vast new coverage is voted for younger Americans, older Americans will be even more reluctant—if that is possible—to consider controlling their own health care costs.

The Entitlement Commission's projections show the importance of health costs. Of course, an aging population will raise Social Security spending. By 2030, it's expected to hit 6.7 percent of our national income (gross domestic product). Today, it's 4.8 percent. That's a hefty increase of about two-fifths. Still, it could be tempered by raising the retirement age slightly (after all, we're living longer) and trimming some benefits.

The real spending explosion occurs in Medicare and Medicaid. (Medicare provides general insurance for the over-65 population; Medicaid helps pay for the poor and for nursing home care for the old.) Their spending, the commission estimates, could rise from 3.8 percent of national income in 1995 to 11 percent in 2030. That's tripling. The huge increase reflects two pressures: Health costs are growing faster than inflation, and the old need more care than the young. Only the first can be changed.

If it isn't, pressure for higher taxes or cutbacks in spending would be huge. By 2030 projected Medicare and Medicaid budgets would absorb more than half of all federal taxes under current laws; Social Security would take another large chunk. To run the rest of government would require at least a 50 percent jump in taxes, assuming that other programs remain at present levels.

Projections so far into the future are obviously inexact, but they do provide rough orders of magnitude. Health spending is not at the edge of the entitlement problem. It is the essence of the problem. What this suggests is that the entire health care debate has been misdirected. Sure, uncertain and incomplete insurance coverage are problems. But they could be alleviated (though not eliminated) by some fairly modest reforms. Runaway health spending is the central problem—and it will get worse with time.

Naturally, the health debate has all but ignored spending control. "Let's face it, you don't see any cost containment buses rolling across the country," as Lawrence O'Donnell, Jr., staff director of the Senate Finance Committee, told The Post. The plan of the House Democratic leadership creates huge new Medicare benefits and simply asserts that spending will be held down. Just how is unclear. But even critics of "universal coverage" have not truly addressed spending control. This epitomizes entitlement politics. Everyone emphasizes benefits and "rights," and no one mentions limits.

An "employer mandate"—the centerpiece of the Clinton program and that of House Democrats—is the response of politicians frustrated by high budget deficits and taxes from providing new government benefits. The solution is simply to order companies, via the "mandate," to spend money on government's behalf. Politically, this is appealing. In the future, Congress could please selected constituencies (advocates for children, cancer victims, alcoholics, etc.) by quietly expanding the mandate without corresponding increases in taxes or the budget deficit.

No honest observer of Congress can expect this power to be exercised with restraint. Every new benefit will seem compelling; every possible restriction will seem cruel. The mandate would represent a new category of entitlements worth hundreds of billions of dollars. It's a second budget, conveniently placed "off budget." It is an evasion of choice; to be sure, the choices are all hard. Medical advances often carry steep price tags. Consider the use of "in vitro fertilization" to induce pregnancy; a new study finds that the cost of a successful birth ranges from $67,000 to $114,000. Any realistic effort to limit spending would require restrictions on insurance coverage, cuts in federal tax subsidies for insurance or strict government cost controls.

But hard choices will only become harder with time. If the Entitlement Commission doesn't pronounce on this, what's it supposed to do? To be fair, Kerrey has personally been forthright in talking about the long-term problems of government spending, including health care. The idea of a commission was his, not Clinton's. And indeed, the Clintons (husband and wife) have championed the "something for nothing" rhetoric that defines the entitlement mentality. It is an exercise in national make-believe, as a new Wall Street Journal/NBC poll again shows.

In the poll, 61 percent of respondents say they favor cutting federal entitlement programs. But 66 percent of the respondents also oppose cutting Social Security, Medicare and Medicaid—the biggest entitlements. We are in a vicious circle. Politicians won't discuss choices, because that would offend public opinion. But the public hardly knows the choices exist, because politicians won't discuss them. Does anyone dare break the circle? Can anyone do so without committing political suicide?

[From the Washington Times, Mar. 3, 1994]

REPUBLICAN HEALTH CARE DELUSIONS

(By Steven M. Robinson)

There may be no such thing as a free lunch, but apparently dinner at the White House comes close enough to fool some Republican senators.

Last week, a number of Republican senators had dinner with President Clinton. The topic of conversation was health care. According to Sen. Bob Dole and Sen. Robert Packwood, there was a tacit agreement with the president that the goal of health care reform should be universal coverage. This week, at the invitation of Sen. John Chafee,

who was also at the White House dinner, about 30 Republican senators, as well as three Republican governors and a half dozen House Republicans, are meeting in Annapolis to discuss health care. Among the issues to be discussed will be universal coverage. If the other Republicans in attendance agree with the president's dinner guest, Americans may soon be stuck with the bill for the most expensive free lunch in history.

Most Republicans say that what they don't like about Mr. Clinton's health care plan is all of the details. But, in this case, the devil is not in the details, it is in the destination. When it comes to universal coverage, all roads lead to bigger government. Achieving universal coverage will require government mandates on either employers or individuals. Implementing a mandate will require the government to make insurance "affordable" by providing low income subsidies and imposing price controls. Low income subsidies and price controls will lead to higher taxes, bigger deficits and health care rationing. In other words, all of the egregious details in the Clinton health plan are the inevitable result of any plan that promises universal coverage. That is why the goal of universal coverage must be rejected.

There are two arguments most often used to support the case for universal coverage. First, it is suggested that we are already paying for the uninsured through cost-shifting, so universal coverage won't cost anything. Second, it is claimed that the uninsured delay seeking health care until their condition deteriorates into a more costly illness, therefore universal coverage will reduce health care costs through early detection and prevention. Both arguments are wrong.

The cost of the health care of the uninsured in 1994 will be about $47 billion. Assuming the entire cost of health care for the uninsured (except for the $18 billion they pay out-of-pocket) is shifted to those with private insurance in the form of higher taxes and premiums, the total amount of cost-shifting would be $174 per person. However, insuring the uninsured would result in an increase in their utilization of health care services. Since these services would be covered by insurance, premiums would have to increase by at least $39 billion, or $194 per person.

Since some of the uninsured could not afford these premiums, government subsidies would have to be provided. If the Clinton plan were in effect in 1994, subsidies for the uninsured would be at least $20 billion. Thus, in addition to the $194 in higher premiums, those with private insurance would have to pay an additional $122 in higher taxes. Thus, the cost of eliminating $29 billion in cost-shifting would be $59 billion in higher taxes and premiums.

Some Republicans think they could minimize the increase in utilization and reduce the cost of premium subsidies by mandating a less comprehensive insurance policy than Mr. Clinton proposes. However, limiting coverage through higher deductibles or the exclusion of some services would mean continued cost-shifting. When the previously uninsured show up at a hospital in need of urgent medical care, the hospital is not going to tell them to come back when they have an illness that is covered by their policy. There is no reason to believe doctors and hospitals would not continue to provide free care to the same extent they do today. This is not to suggest that Republicans should oppose catastrophic insurance and medical savings accounts for the insured. Clearly, higher deductibles would reduce utilization relative to first-dollar coverage. However, higher deductibles will not reduce utilization relative to no coverage.

For those services that would be covered by a catastrophic or other type of minimum benefit policy, costs would increase. When a hospital provides services for free, it has every incentive to economize, because it might not be able to pass the cost on to its paying customers. But if both the patient and the hospital know insurance is picking up the tab, the patient will expect more and the hospital will be only too happy to comply. Furthermore, the history of Medicare and Medicaid shows that what begins as a minimum benefit will inevitably become a much more generous benefit. In fact, the threat to taxpayers' wallets from congressional pandering is probably greater than the threat to taxpayers' health from government rationing.

The second argument in support of universal coverage is based on the belief that the uninsured delay seeking health care until their condition deteriorates into a more costly illness. It is argued that universal coverage would allow the uninsured to avoid illness through preventive care, or receive care sooner, when it is less costly. While this argument has great intuitive appeal, it is not supported by the facts. The uninsured do not obtain a disproportionate share of their health care from emergency rooms, nor do they receive more expensive care. In fact, only 7 percent of physician contacts by the uninsured occur in an emergency room, and the average health care expense for the uninsured is less than two-thirds of the amount for the insured. Furthermore, numerous studies have shown that most preventive services increase health care costs.

Other countries with universal coverage have not made health care affordable in the sense of providing services more efficiently. Instead, doctors and hospitals have reduced the quality and quantity of services in order to keep costs within the limits set by their government. But, rather than asking Americans to make these sacrifices, Mr. Clinton is trying to sell universal coverage as a free lunch. Republicans have an opportunity this week to tell the president we're not buying.

Mr. BUYER. Mr. Speaker, I appreciate the contributions of the gentleman from California. His concerns about the expanding of entitlements and creation of certain new groups of a broad new menu of health care benefits is extremely concerning to many of us which also means, let us not rush this. Let us not rush and cram a health care bill down the throats of America. Let us give an opportunity for everyone to study what in fact is in there. Give membership here within this body the opportunity to take these competing bills back home to our districts, an opportunity to be, yes, responsible and responsive to the people who sent us here.

I appreciate the gentleman from California highlighting the concerns.

□ 1810

Mr. Speaker, right now I would like to yield for the moment to the gentleman representing the Clearwater and Tarpon areas, an old resort first settled by Greek sponge divers in the early 20th century in Florida, MIKE BILIRAKIS, a leader in this body for true health care reform without a government takeover.

Mr. BILIRAKIS. I certainly thank the gentleman for yielding. In my office I was able to catch a part of this special order. I know many good points were made. I trust the point was made that every Member of this House of Representatives, particularly, I cannot speak for the other body, feels that there are problems out there as far as our health care situation is concerned, and that something has got to be done about it. So there is clearly a feeling of not wanting to be obstructionists, clearly a feeling of a bipartisan effort that has been mentioned by some others here today, and this is a perfect illustration. Ayes appear.

I have a habit of holding many town meetings in my district. I represent an area in terms of age that is one of the older areas in the country. For a period of time, quite a period of time, no matter what the subject may have been, ordinarily I would have the public in my town meetings put up their hands and tell me there are problems with health care, and we have to have some sort of universal health care. They would talk about socialized medicine or something to that effect.

What I am finding now and have been finding for the last year or year and a half is a complete change in attitudes. I think that is basically borne out by the polls. These completely nonpartisan polls that are taken by various newspapers, various members of the media are to the effect that the American people really are frightened, they are really frightened of what Congress may do to them. They are frightened about what Congress may shove down their throat. What the people are really saying to me now is 85 percent of us are basically happy with our health care, and we know there are 15 or 12 percent, whatever the proper figure might be out there that are really hurting. Why do we not just concentrate on the 12 percent or the 15 percent and leave us alone. Of course, others have said basically the same thing. The gentleman from Indiana [Mr. BUYER] has said what is the hurry up there, take it easy, haste makes waste, take your time. Yes, we want to see you do something, we want to see you do something right.

Let me refer to last night's press conference. I know I heard one gentleman from Illinois [Mr. HASTERT] commend the administration for bringing this really to the forefront, for bringing it to the high point in all of our thinking. Without that I doubt very much we would be at this point. But I certainly also commend the President on that particular point.

But he had two unfortunate gentlemen there last night, and he used them as illustrations. One person was having

a problem because of a lack of portability of insurance, and the other individual was having a problem because of preexisting conditions. The Rowland-Bilirakis plan, which is merely a consensus plan, was intended to take care of something like that. What we have received from the administration over this period of time is all or nothing. Let us not get out there and help the people now, and help cut costs now with malpractice reform, with streamlining the system, with antitrust reform and antifraud reforms, things of that nature, but let us sit back and take care of the entire thing first on an all-or-nothing type of approach.

This is something, of course, that all of us feel very strongly that we have to take care now of what we can do now, help people now, save money now, and then we can address the rest. But in any case the Rowland-Bilirakis plan, which is merely a consensus bill, led to a bipartisan group consisting of five Democrats and five Republicans. We have been meeting an average of 5, 6, or 7 hours a day, well into the night. Tonight is really unusual. We met a couple of times earlier today to try to come up with some sort of a bipartisan effort. I would say that the cosponsors of the Rowland-Bilirakis bill as well as the Cooper-Grandy piece of legislation, which is the only other bipartisan bill today out to 52 Democrats. So we should have 52 Democrats out there that should be helpful.

I know time is fleeting here, and I really do not have enough time to really go into what I want to say. But in any case, there are no obstructionists here. We believe very, very strongly in reforming health care, and we are all willing to give and take a little bit. We are going to get the job done.

Mr. BUYER. I appreciate the gentleman's contribution and his leadership for this bipartisan solution is commendable, and his statesmanship.

The only area we have not covered tonight, and I wish we had the time to get into it much more, is medical malpractice reforms.

I think America should realize that great victories were had in the back rooms for trial lawyers in the Gephardt bill, and that is not good-sounding news that America should receive.

In Indiana, 20 years ago, due to the strong leadership of our Governor at the time, Dr. Otis Bowen, medical malpractice reforms were put in place. The reforms included: caps on damages, sharp limits on contingency fees, and prohibitions on double recovery.

Today, in Indiana an orthopedic surgeon pays on average $10,875 per year in malpractice insurance. In Michigan, an orthopedic surgeon pays $108,762, 10 times as much.

All they had to do was just go a little bit to the north.

We need some real medical malpractice reform initiatives, not the hoax that is contained in the Gephardt bill.

Mr. Speaker, I yield to the gentleman from the 11th Congressional District of Michigan which includes one-half of Oakland County plus the suburbs of Redford Township and Livonia west of Detroit where people believe in the free market economics and oppose high taxes, and that is JOE KNOLLENBERG.

Mr. KNOLLENBERG. Mr. Speaker, I in fact want to enlarge on some of the things that were talked about here today. By the way, I do support the Bilirakis-Rowland bill. I think it is the move America wants to see done. If we look at the poll numbers, they tell us very, very clearly and glaringly that America does not want government-run health care. They want to fix what is wrong in what is right. That is precisely what the Bilirakis-Rowland bill does.

Before I came in this afternoon I got a call in my office from one of my constituents. She is a young mother. Her son had to go in for his third operation. It was open heart surgery. While she was there she was telling my staff they talked to patients, talked to doctors, they talked to nurses that told her they were all concerned about government-run health care. They were concerned about, if you want to call it any other name, the Clinton-Gephardt health care plan, which is nothing more than a heavy dose of taxes, of spending and regulation.

It is interesting that people across the country and in my district have concerns that even as we change the name of this bill from the Clinton bill to the Mitchell bill to the Gephardt bill, call it the Clinton-Gephardt bill if you will, people are concerned about government intrusion into their lives, and placing the government, a bureaucrat between themselves and their doctor.

I just want to suggest in the very short time I have, because I know speakers that have come on before have covered the bases, and I know the gentleman from Indiana, Mr. BUYER, wants a minute to wrap up, but I would tell you not just the polls across the country, the polls in my district tell me 9 out of 10 people do not want government-run health care. They want private insurance, and we can do that with the Bilirakis-Rowland bill.

Mr. BUYER. Reclaiming my time, I agree with the gentleman. Whatever you call this bill, on this side of the aisle it is still the Clinton plan, the Clinton plan, the Clinton plan. It does not have mandatory alliances, but it wants to lead to government takeover of health care.

There is a real alternative. It is substantive, incremental reforms in the present system.

□ 1820

WELFARE REFORM AND SUBSIDIES FOR THE TRUE VICTIMS

The SPEAKER pro tempore (Mr. TORRES). Under the Speaker's announced policy of June 10, 1994, and February 11, 1994, the gentleman from New York [Mr. OWENS] is recognized for 60 minutes.

Mr. OWENS. Mr. Speaker, I yield to the distinguished chairman of the Democratic Caucus, the gentleman from Maryland [Mr. HOYER].

THE HEALTH CARE PLAN

Mr. HOYER. I thank my very good friend, the gentleman from New York [Mr. OWENS], who plays such a critical role in Congress as one of the leaders on education issues and health care issues in this country.

Mr. Speaker, I rise because I have heard of the Clinton plan, the Clinton plan, and the Clinton plan. The fact is the previous speakers would like it to be the Clinton plan, because they believe the Clinton plan is unpopular.

However, what we have seen in poll after poll is the components of what the President has suggested are very popular in everybody's district, because Americans in fact want to see universal coverage. They want to see all Americans covered by health care.

As the father of three daughters who have all attained the age of 22, I was very concerned that they would have health care coverage after they no longer were covered under their mother's and my insurance.

Americans know that health care is not an option. Health care is an absolute necessity when you get sick and particularly when you have a child that is sick. You want to have health assurance and health insurance.

Furthermore, Americans know that we need to have health insurance so that we can access not just critical care, not just going to the emergency room when one gets sick, the most expensive interface with the health care system. They know we also need preventive care, well-baby care. They know that we need to take care of people before they get so sick that they have to be hospitalized in critical-care facilities which are the most expensive ways to treat illness.

I have a great deal of respect for the gentleman who have spoken on the other side of the aisle, and I believe they do want to have a health care system that works for Americans. But I want to tell you very honestly that we are going to, in the weeks to come, go over the debate regarding Social Security in the middle 1930's; very little difference than the debate we heard today. We are going to go over the debate we heard in 1965 on Medicare.

Now, we have had substantial administrations, President Reagan and President Bush. They can do it now; if they do not like Medicare, they can put in

bills to repeal Medicare, to turn the clock back, when we had seniors who were without health assurance, who did not have access to the health care system, who, as senior citizens when they most needed health security, had none.

I do not hear anybody saying, "We ought to touch Social Security; it is a lousy system." In fact, it has taken millions and millions and millions of our senior citizens and provided for them a life of dignity and security, certainly not opulence, certainly not wealth, but has provided them with some security that they could rely on, that would always be there.

Then in 1965 we adopted Medicare to make sure that they would have security.

And now what the President is saying and what the Democratic leadership has said in the bill that is known as the Gephardt bill, "Look, the President put a plan on the table. It had certain promises contained in it; Every American would have a health care assurance that would always be there." That is not just a catch phrase. That is security for every American. But it is much more than that. It is also the concept of shared responsibility, to make sure that everybody, all 250 million of us, participated in this assurance program, jointly taking responsibility, not only for ourselves but also joining with others to make sure that our community was a healthy community.

Now, a healthy community is a community of a higher quality of life and a more competitive community.

I heard words from the other side of the aisle like, "expanded bureaucracy," and we agree, that was one of the concerns. And the gentlemen said, "Oh, well, they have dumped the alliances. They are no longer there, but it is still the Clinton plan." In fact, the alliances were a central aspect, but the American public were in fact concerned, and many Members of this House were concerned. So we looked at that. We said, "There is a better way." We have a Medicare system that now exists. We do not have to create a new bureaucracy. We do not have to create any more hires, any more complication.

What we can do is make that accessible to some people and make sure that we have a more competitive private sector system that will compete so that we can keep costs down for individuals and families, because that is critical. That is an issue about average, hard-working, middle-class Americans who make this country great.

Now, those of us who are better off, we can afford perhaps health care, but only if we are millionaires and, frankly, multimillionaires can we have the assurance that we can afford any kind of health care, because it is so expensive when you get really sick.

Furthermore, if you are poor, you participate, but you only participate when you get sick, go to an emergency room, and in the critical-care setting where it is very expensive, and you do not go for free. You may not pay, but, frankly, every hard-working American who either gets their insurance through their employer, which 9 out of 10 do, or purchase it themselves, pay about 15 cents to 25 cents, there is a range, in additional premium dollars, an additional premium tax, if you will, so that they can pay to the providers for that uncompensated care. That is the care that the poor cannot pay for, and they are not in the system.

I heard that word "expanded bureaucracy"; in fact, the Gephardt bill provides that that will not be the case, that we will use existing structure.

I heard that they do not want a Government takeover of the health care system. Again, that debate was exactly what we heard in Medicare. This is not, in fact, any kind of a takeover of the health care system. It is, in fact, a system in which we believe the private sector is going to participate and be very much a part of, and what we are talking about is allowing people to buy private insurance so that they will be assured when they get sick that they will be able to pay for the care that is given to them and to their families.

And I heard that they do not want health care reform to come at the expense of anyone's job. We agree. We agree. That is why we have spent really thousands of hours trying to make sure that we have a system in which businesses, large and small, can participate.

Over 66 percent of businesses now participate jointly with their employees in assuring health care coverage, and those 66 percent that are paying are subsidizing their competitors who do not. We need to have joint responsibility.

We have talked a lot about responsibility. We need to take that responsibility, because very frankly, the employees of the business that does not have insurance, and 80 percent of the uninsured in America are in working families; one member at least in the family is working. These are not deadbeat Americans that some people say, "Oh, well, they do not deserve help." These are hard-working people playing by the rules, and they cannot afford insurance because they do not have any system that helps them get it. So they are being subsidized because they get sick just like the rest of us, and they go to the hospital just like the rest of us. Somebody pays the bill.

Who pays the bill? The 66 percent of the small businesses' employees who are in fact paying insurance, because the hospital bills are higher than they otherwise would be because everybody is not in the system.

□ 1830

Frankly, Mr. Speaker, what I did not hear were words like, "We finally have a solution."

At the outset of this debate, many years ago, frankly, under Presidents Nixon and Truman, both Nixon and Truman, Democrat and Republican, recommended to the Congress—as the gentleman from New York [Mr. OWENS] knows—substantially doing what we recommend today and what President Clinton has recommended and what we have changed but tried to keep the substance of, making sure that all Americans had health care coverage, private insurance that they could apply when they set sick.

I did not hear the words like, "Here is how health care costs can be fairly shared in our community." That is what insurance is all about. We know we are all not going to get sick, just like we know we are not all going to get into an automobile accident; so we pool our resources. An insurance pool is just that because we know one of us is going to get sick or one of us is going to get into an automobile accident and that that will place a real strain on us financially; but if we pool our resources, if we share the responsibility, we can accomplish the objective.

Someone recently said, and I quote—it was a Republican who said it, as a matter of fact—"Republicans have the appetite but not the stomach for health care reform." The appetite but not the stomach.

Now, it is nice to talk about health care assurance for all Americans, it is nice to talk about access. Frankly, people have access now. You can get into the health care system either through the emergency room of a hospital or into a doctor's office if you can afford it, and you can have access to insurance if you can pay for it. The critical component is how do we make sure that all of our family, all 250 million of us, have that assurance of health care security?

This debate will proceed, and I very much appreciate the gentleman from New York [Mr. OWENS] yielding to me. It is important that we act and that we act now. Americans are saying, by numbers of 70 to 80 percent, they expect this Congress to address this question. They know it is not easy, and they do not want some system that changes what we have, the security that they have. But they know that this is a system that is costing too much, is having too many people not covered and is not as competitive as they want to see it.

We are trying to adopt such a bill. We hope in the next few days we will do that. We are going to work hard toward that end. Americans expect us to do that, Americans want us to do that, and Americans deserve our best efforts to accomplish that objective.

Mr. Speaker, I thank the gentleman from New York [Mr. OWENS] again for yielding this floor to me.

Mr. OWENS. Mr. Speaker, I am quite pleased to assist the gentleman in unraveling and clarifying the great partisan plot that is underway to confuse the American people about health care reform.

Mr. Speaker, I want to discuss another subject. We heard before an accusation that health care reform has been moved too fast and that the American people are being rushed into this. But the process started 2 years ago, and I have not seen a more deliberative process applied to any piece of legislation in the 12 years that I have been in the House of Representatives.

This has been and continues to be a very deliberative process, large numbers of people and resources have been brought to bear in developing the legislation relating to health care from the Clinton plan all the way to the present plans being offered by the leadership of the other body and the leadership of this House.

Mr. Speaker, there is another very serious problem which is not getting that kind of deliberative process, not benefiting from that kind of deliberative process. That is, the welfare reform process, the welfare reform proposals.

I think we are being stampeded into the acceptance of legislation related to welfare reform. There is a need for much more deliberation on that.

It is very unfortunate that some of the people who have come forward to serve as the experts on welfare reform have been people who have had no contact with human resources programs in the past. Some of the Members, former members of the Committee on Intelligence, have come forward as experts on welfare reform. Some members on the Committee on Appropriations have come forward as experts on welfare reform. On and on it goes.

It seems some of the people who are most hostile toward poor people have put themselves forward as the experts on welfare reform. They are hostile to poor people, on the one hand. On the other hand, they are not hostile to waste and subsidy in Government.

Now, here is the problem: I think the American people are concerned with welfare reform because they think it will end a great deal of waste in Government and they do not want to see the waste; they want to see people helped. Surveys and focus groups, all kinds of mechanisms, show that basically the American people want to see people helped who do need help but they do not want to see waste.

It is very interesting how Members of Congress from all kinds of committees and all shades of the spectrum, conservative, neoconservative, liberal, everybody wants to move and move rapidly on welfare reform. And yet there are many other areas where there is a great deal of waste in Government that nobody is concerned with.

I think it would be great, and I want to explain from the very beginning that I am not opposed to President Clinton's initiative on welfare reform. I think when he says we are going to end welfare as we know it and we are going to place emphasis on jobs to replace welfare, that he is moving in a direction with which I certainly agree.

Now, I have no problem with putting greater emphasis on jobs and less emphasis on welfare. I will come back to that in a minute. But if you are concerned about waste in Government and you want to see our dollars spent most effectively, then we ought to be concerned with subsidy reform. We ought to ask ourselves the question: In how many ways are we subsidizing people? How many are we subsidizing? Americans, are we subsidizing businessmen, are we subsidizing farmers?

It is one thing to help victims, and we do subsidize victims in order to help them, whether it is a victim of the economic system, a person who needs a job, does not have a job and unemployment insurance is there. If they are not employed and do not qualify for unemployment insurance, welfare is there to help the victim.

If they are the victim of an earthquake, we have earthquake disaster relief funds to help. If they are a victim of a flood, we have relief to help. If they are a victim of a hurricane, we have hurricane relief.

So we help victims. I think it is very much fitting and proper that Government should help victims of all kinds.

But let us take a look at our other subsidies and even subsidies for victims. Welfare victims, people who are on welfare, are victims of an economic order that does not provide the jobs which are necessary. Either the jobs are not there which are necessary for the fathers who, if they had a job, would be able to support their children. I am all in favor of welfare reform which emphasizes a greater enforcement of child support payments. But we also ought to recognize that if the fathers do not have jobs, no matter how hard you try to cannot get them to make payments of money they do not have. Somewhere in welfare reform we ought to put in incentives for fathers who do not make payments, incentives built in so that we provide jobs "for you on condition you make payments." Of course, if we provide a job, we will make certain that you make payments. But there is no discussion of providing jobs to fathers so that fathers will make the payments and take care of their children.

Everything focuses on the mothers of children who are under-age, dependent children. But I am all in favor of a program which understands that the fathers are victims as well as mothers who want to go to work and cannot find jobs, they are victims. We need to help victims. That is what welfare is all about.

Flood relief is all about helping victims, victims of floods who need help, and Government should help. But if we look at what we provide individuals who are victims of floods, we may find that it is far more than we provide individuals who happen to be victims of economic conditions, especially those people who have been victims of floods 2 or 3 times.

□ 1840

They get low interest loans; they get all kinds of disaster relief aid. There are a number of things we do. Victims of earthquakes, some of whom live in the same areas that have been victims of earthquakes more than once, we give low interest loans to rebuild houses. As my colleagues know, large amounts of money are laid out to take care of victims of earthquakes or victims of hurricanes. If we examine some of the expenditures in the budget recently, in just the last 3 years we appropriated $8 billion for earthquake relief for the California earthquake.

Again, I am all in favor of helping victims, but we ought to take a look at how much did each victim get. As my colleagues know, should we say there is a limit? Are we going to argue that welfare, people should be on welfare for 2 years and no more? And we should figure out what is the cost of being on welfare for 2 years. Is that the amount of money we are going to give to all victims whether they are victims of earthquakes, or victims of floods, or victims of hurricanes? Are we going to set a limit on what we give to victims, people who are victims of floods. Last year, the Midwest flood, we appropriated $6 billion, $6 billion. Before that we had the hurricane in Florida. We appropriated $6 billion. I am not saying million; I am talking about billions of dollars to help victims.

I am all in favor of helping victims. Why do we put the welfare victims in another category? I say to my colleagues, "You may find, if you look at the cost per family and the cost per person, what we do to help victims of earthquakes, floods and hurricanes is far greater per individual and per family than we do for some of the victims of economic conditions which forces people onto welfare. That is something we ought to think about, but my main point does not relate to that because victims should be helped.

We all agree that the Government, one of the roles of the Government, should be to come to the aid of people who are victims. There are some people who are not victims who are receiving continual subsidies from the Government, and, if we are going to have welfare reform, I think we ought to broaden it into subsidy reform and even put our emphasis there, deal with subsidy reform even before we deal with welfare reform because welfare, most of the people on welfare, are victims.

Sixty-eight percent of the people on welfare are children who have no control over their fate. Sixty-eight percent are children. The people who are on subsidies, like the farmers home loan mortgage program, are not victims. The farmers who get subsidies for their grazing, and they graze their cattle, and the cattle get fat, and they sell them, and we pay large amounts of money for the meat that we have subsidized, they do not need subsidies; they are not victims. The farmers who are receiving subsidies now at this late date, the farm subsidy program has been going on for many, several, decades. We are subsidizing farmers to keep the price of certain foods up so that we pay twice. We pay as taxpayers on the subsidy, and then we pay a higher price for groceries, a higher price for food, as a result of the subsidies of the farmers.

Farmers now constitute less than 3 percent of the population of the United States, as my colleagues know, so we are not subsidizing individuals. We are subsidizing farming corporations, agricultural corporations. it is big business. We are subsidizing big business and calling it farm subsidies. Then we say we need these farm subsidies in order to guarantee that America will always have farmers and never be in a position where we have our food supply jeopardized. Well, these are big businesses like any other big business, and why should we subsidize them in order to have them produce a product? Let them face competition. The farm subsidies are enormous, billions of dollars. It goes on, and on, and we have not weighed in to do anything about that.

Farmers home loan mortgages, to go back to farmers for a minute, farmers home loan mortgages have been exposed as a massive racketeering enterprise. Do my colleagues hear what I am saying; a massive racketeering enterprise. On the front pages of the Washington Post several months ago there was a story which nobody questioned the facts. The facts were accepted as true, that $11.5 billion in loans, and I said $11.5 billion, not million, $11.5 billion in loans had been forgiven by the Department of Agriculture to farmers. These are farmers home loan mortgages. Eleven point five billion had been forgiven. What does it mean to forgive? It means that loans that had been loans before were transformed into gifts. They do not have to pay it back. The taxpayers' moneys have been given to the farmers, $11.5 billion over the last 5 years. I say to my colleagues, "If you want to save money, then let's go after that kind of subsidy which is going to nonvictims."

These are loans on farms. Eleven point five billion was forgiven.

In the same story, Mr. Speaker, the names of four millionaires were cited. They actually gave the names and the facts related to four millionaires who were farmers on the side. They had other businesses, but they were farmers, and those four millionaires had not repaid, had not made payments on their loans for up to 5—from 5 to 10 years. One had not made a payment on his loan in 10 years. One of the individuals cited, one of the millionaires cited, was also on a board which decided on whether or not credit would be extended to farmers who had these loans on an actual board. They had been appointed by the previous administration under Mr. Bush.

So here is a case where we had massive amounts of subsidies and massive amounts of waste. It was all exposed on the front pages of the Washington Post, and not a single committee of Congress has held a hearing on it. I heard talk in the elevator shortly after the story was broken by the Washington Post. A person on the Committee on Agriculture said, "We are going to have hearings on that. We are going to deal with that." I have not seen any hearings held on the racketeering enterprise called the farmers whole loan mortgages. The subsidies that farmers receive may be more legal, more legitimate. We may not be giving away money in such a blatant way. But farmers also receive that. Farmers who have cattle, or ranches they call them, out West, they graze on Government land, and they get the grazing rights on the land for less than half of what they pay on private land. We are subsidizing the farmers to fatten their cattle that they then sell to us. Massive amounts of money could be raised if we raised the fee on Government land for the farmers to graze.

Miners out west receive enormous subsidies by having land for mining sold to them at very low prices. Even gold miners get very low prices, massive subsidies, and of course some other subsidies that we are more familiar with, which are more universal, they do not just cover the farm territories, the West and the Far West, they cover the whole country.

That is the S&L subsidy, subsidies that went to savings and loan banks that failed. We hear a lot today about Whitewater. Whitewater is shallow water compared to Silverado. Whitewater is all about an S&L that failed, that had less than a half a billion dollars, or did it have a hundred million? I do not even think it was a hundred million. The bank that failed in that case did not even have a hundred million. Silverado was in the billion dollar category. Silverado was a situation where the board of the bank, Silverado Bank, agreed to have a loan given to purchase a building in Denver, and the building was worth $13 million, but the board agreed to loan the people who were purchasing the building $26 million, twice as much as was needed, on condition that the person deposited the extra money in the Silverado Bank.

As my colleagues know, if ever there was a racketeering enterprise, if ever that was a deal that the bank made with the lender to benefit the bank, all of which is illegal, and when this bank, of course, making deals like that went under, the American people were left holding the bag because we insure the deposits of all the people who deposit their money in the Silverado Bank.

□ 1850

Silverado made many deals like that, so it went broke to the tune of more than $1 billion. This is what happened to a young man named Bush, the son of George Bush, Neal Bush. He sat on the board of Silverado. That was big money, far bigger than Whitewater. But Democrats were so kind and never had hearings which really dealt with Silverado and the kind of stealing, racketeering, that went on in the case of the Silverado Bank.

But we subsidized that. Taxpayers, we subsidize the banks. We stand behind the deposits, and we have seen in the savings and loan situations when they go under, the insurance that they pay, the depositors' insurance, is quickly, when you have massive bankruptcies, is quickly used up. We then dip into the taxpayers' till. It is off budget, so there is not much discussion about it, but we have subsidized the failed savings and loans to the tune of more than a quarter of a trillion dollars, $250 billion, and they keep the figures very confused and very secret. But Stanford University predicts when it is all over, the savings and loans subsidies will cost the taxpayers $500 billion. That is half a trillion dollars. That is conservative figure from Stanford University.

So I am saying we are subsidizing some of the richest people in America. We ought to look at all of these subsidies. Not welfare reform, but we ought to talk about subsidy reform, and talk about how we can save money by making sure that everything we subsidize as taxpayers is legitimate, that everything is not exploited by racketeering enterprises that we subsidize. We ought to take a look at that. And we ought to take a look at victims and understand that while we want to help victims, we want to be just and fair and try to help victims equally, and not be hostile toward poor people who are on welfare. Just because they are poor and do not have lawyers and lobbyists, we are going to go after them with a vengeance and have Congress stampeded into a welfare reform bill.

As I said before, I do not like the way we are being stampeded and moving too fast toward welfare reform. We are developing a lot of experts who are not experts, who are too hostile toward poor people. I do favor President Clinton's basic approach that we are going to give people jobs, instead of welfare. But I want the jobs to be real jobs.

I think America's problems as it goes into the New World Order can be very much resolved. We can solve a lot of our problems by putting a greater emphasis on jobs and the role of the Government to create jobs, a major role of the U.S. Government, the Federal Government. It should be the creation of jobs. You create jobs two ways: You stimulate the economy in very concrete kinds of ways, to create opportunities for private enterprise to create the jobs, or you provide direct jobs as a last resort.

I think if you handle the economy properly, accept the major role of the Government to stimulate the economy, we would create 75 percent of the jobs that need to be created through stimulus packages, the kind the President had on the table last year, stimulus packages which would lead to contracts going out to private enterprises to build the roads, to build the schools, to do all the things that have to be done.

There is a lot of work to be done. There is a lot of work to be done in America right now, for the next decade. There is still a lot of work to be done. We can adopt a full employment policy, providing work for everybody, and we would not have to worry about welfare, except for the very feeble and the very old and people who could not work. We would not have to talk about replacing welfare with real jobs. The economy would do it for us. It would be stimulated and we could go forward. I am all in favor of that portion of the proposed welfare reform. Let us have jobs, real jobs.

When I first came to Congress, the first bill I put in was a bill which called for a constitutional amendment to guarantee a job opportunity to every American who want to work. A constitutional amendment to guarantee a job opportunity to every American who wants to work.

I was told that is pie in the sky, it is naive, it is left wing, et cetera. You know, it is nothing new. The New Deal Bill of Rights Roosevelt had already proposed before. So I cannot claim it as a new and creative idea, to provide jobs and to have the society have a responsibility to provide jobs. It is not a new idea. In fact, it is very closely related to the very fundamental basis of our civilization.

Civilization is based on a premise that individuals out there in the jungle have something to gain by uniting with other individuals and living by a certain code. We create societies, we create a civilization by accepting certain rules, certain codes, certain regulations, and not living by the survival of the fittest doctrine. That is, you go into the jungle and you are hungry, somebody else has a piece of meat, you go ahead and take it. We have gone beyond that. You live in a civilized society and say it is not right to take things from people. There is an assumption that the society we create is going to be superior to the jungle. The society we create is going to be superior to the jungle. If it is going to be superior, then we always have to make the assumption that that society is going to provide a way, some way, for every individual to earn a living, to be able to earn income, to be able to survive.

The society owes it to an individual to provide a way to earn a living. That is basic. So when we say we are going to replace welfare with jobs, yes, jobs is where we should have been all the time. But let us have real jobs. When we say we are going to replace welfare with jobs, yes, there is plenty of work to be done. So we can do that, and we understand that the work to be done is not a job until somebody agrees to pay for it.

You have to have a way to pay for it. The Government must decide it wants to repair roads and bridges. The Government must decide that it wants to build schools. The Government must decide it wants to really clean up all the toxic waste sites across the country, give out contracts to private enterprise. It is all part of the economy.

As we go into the New World Order, it is different from the old world order in one basic respect: We do not have the threat of an evil empire. We do not have the threat of another superpower. We do not live under the cloud of a nuclear war. So we do not have to spend tremendous amounts of money, half of our Federal budget, on defense and protection from war, vehicles and instruments to make war.

That is the old world order. You do not have to do that. You do not have to spend that kind of money. If we dedicate ourself to the proposition that in the new world order the Federal Government will spend as much money over the next 10 years on creating jobs and stimulating the economy as it did on defense in the last 10 years, then you would have a transformation of American society. You would not have a welfare problem of any mignitude. You would end most of the problems relating to drugs and alcohol and a number of problems that very desperate people get into because they see no future. They have no way to survive with dignity, and we create problems by not allowing them an opportunity to earn an income, an opportunity to survive with dignity.

I do not see why we could not adopt a proposition that the new world order is going to provide jobs for everybody. I do not see why we could not have the proposition that we are going to spend as much to create jobs. Not all at once, I am not a radical. I am a very conservative guy. I think we ought to have a policy of spending down on defense, and as we spend down on defense, the same amount of money should be spent up on economic stimulus. You do not need all those additional weapons that are in the pipeline. We do not need to keep paying for overseas bases in Germany and Japan. We do not need all that anymore. Spend it down put it into a stimulus package, spend it up, and you will create more jobs.

Yes, the defense effort did create jobs. The defense effort helped the economy. It was a great stimulus. Many people argue that we should keep it going because it stimulutes the economy. Localities want their plants. But reasonable human beings cannot argue that we should create more weapons of war in order to stimulate the economy. We cannot stay with that argument very long. Let us do work that has to be done, which is part of the agenda of the new world order. We need more schools. We need more equipment in those schools. We need more hospitals. We need a lot of things that can be created, supported, at the same time we stimulate the economy to create jobs.

□ 1900

So let us replace welfare with real jobs. And to do that, we are going to have to spend some money.

The basic question to ask about all the welfare reform bills that are being proposed, and there are a number of them being proposed, is, will there be real job opportunities for the families we expect to work? Will we make work pay by creating jobs that leave families better off than they were on AFDC and really help to lift the children and the families out of poverty?

We have just heard a long argument tonight, one of many series of discussions on health care reform. Health care reform is absolutely necessary if you are going to have a new world order providing jobs for people and the jobs are going to be adequate. An adequate job means it has to pay a salary which allows a person to live decently and at the same time it has to have at least one component of a benefits package. It must have health care. We must have health care along with a salary which meets the needs of a family so providing work does not mean a new slavery.

There are some people who have said, well, do not worry about it; if you cannot find a job, make them work off their grants. Let them go out and dig ditches. Make them work it off.

Well, making them work it off at less than minimum wage and without health benefits means a new slavery. We are going to become government slave owners. We are going to have the largest plantation the world has ever seen by forcing people to work at less than minimum wage and without health benefits.

That is what we are proposing when we say it does not matter, does not matter whether they can find a job or not. We will make them work off their welfare grant.

No, we want real jobs. Let us replace welfare with real jobs. Let us save all the money we can save by getting rid of the subsidies that go to the rich, the farmers, the lawyers, the grazing, the mining, the S&L's. Let us stop being overly generous with flood victims, earthquake victims, hurricane victims, especially the second time, if they build a house near the water one time and it gets flooded, do not rebuild it a second time with taxpayer money. Let us do the things that are necessary to transfer the money to the place where it is needed.

And where it is needed most is in the area of job stimulation, a stimulus package which creates jobs, real jobs. All of America would benefit, and we could hold our heads up high and understand that we have been fair. We have been humane. We lived up to the part of the Constitution which requires us to promote the general welfare.

Promoting the general welfare means promoting the general welfare for everybody.

I am going to close with a quote from an editorial in the New York Times called "Common Sense on Welfare." What they are doing in this editorial is commenting on recent polls that have been taken in relation to the welfare problem and the welfare reform proposals.

What they are saying is that Congress may be out of step and some of the head hunters, some of the intensely angry people who are going after welfare people in a hostile way are out of step with the American people, that part of the reason Congress is held in such low esteem may be the fact that Congress refuses to go after the people with the Farmers Home Loan mortgages, 11.5 billion dollars' worth of waste. We do not go after that. We come after the welfare recipients with a great deal of hostility.

Let me read from the New York Times editorial. They are commenting on what these polls have shown:

> In fact, the public is sympathetic to major components of the serious welfare reform proposals now being considered. Majorities in the range of 80 percent to 90 percent of the public favor subsidizing child care for welfare mothers who go to work and guaranteeing that those who leave welfare do not lose their health insurance.

Let me repeat that, 80 to 90 percent of the American people favor subsidizing child care for welfare mothers who go to work and guaranteeing that those who leave welfare do not lose their health insurance.

To continue, "Majorities favor a 2-year limit on welfare benefits." A 2-year limit on welfare benefits is favored by the majority of the American people. Research shows that most welfare recipients only stay on 2 years anyhow. Two years is not a bad limit, if you do not apply it too arbitrarily, because most welfare recipients do not stay on any more than 2 years.

"And opinion is also unanimous in favoring tougher measures to collect child support from absentee fathers." We are going to collect child support from absentee. We are all in favor of that, but the absentee fathers need jobs. We ought to concern ourselves with stimulating the economy to provide jobs and maybe have incentives to say to absentee fathers, here is a job for those who have not been paying the child support payments and we are going to collect from you when you get this job, but it is incentive to go to work. And I assure you, most of the absentee fathers would respond by coming in to get the jobs.

I continue to quote from the New York Times editorial:

> But Americans are also sympathetic to expanded education and job training benefits for welfare recipients.

Americans are also sympathetic to expanded education and job training benefits:

> A large majority favor crating public service jobs for welfare recipients who cannot find work elsewhere. The public worries about the impact of time-limited welfare on children.

That 2-year rule, they support on the one hand. On the other hand, they do not want to see children suffer as a result of kicking somebody off welfare after 2 years and throwing the children into a situation where they cannot find housing on or be fair:

> The public worries about the impact of time limited-welfare on children. Nearly two-thirds of Americans say the government spends too little on poor children.

Nearly two-thirds of Americans say that the Government spends too little, too little on children, on poor children:

> As the pollsters said in their report, voters want welfare reform aimed at "promoting work and strengthening families." They will "support new programs and even some new spending toward these ends, provided they see personal responsibility and accountability being encouraged."

I want to repeat. The public says that they will support new programs and even some new spending toward these ends, provided they see personal responsibility and accountability being encouraged:

> The public is angry about the welfare system but when it comes to finding solutions, its emphasis is on practicality and concern for poor children.

The public is angry about the welfare system but when it comes to finding solutions, its emphasis is on practicality and concern for poor children:

> Welfare reformers would do well to make the public's emphasis their own emphasis.

By implication, Congress would do well to listen to the public and instead of acting like mad dogs or sharks in a feeding frenzy, blindly tearing away at the fabric of the welfare program to get at the poor, Congress should look at other subsidies, broaden our concern with subsidies, reform all subsidies at the same time we reform welfare, and provide what is needed to take care of poor children and to provide the job training and, most of all, to stimulate the economy so that we crate jobs.

Our civilization is dependent on our ability to guarantee work for everybody who wants to work, not to guarantee the best possible job or the job everybody wants but a job where a person can make a living, where a family can be fed.

The new world order ought to adopt that as a major goal. The new world order ought to be willing to spend as much on creating the jobs, stimulating the economy, as we have spent in the last 10 years on defense. The new world order ought to take responsibility for seeing to it that government and society is always superior to the jungle. What we have done is thrown certain categories of people into the jungle. When you have high unemployment, no way to get a job, then you are saying, you are out there in the jungle by yourself. You might as well act the way people act in the jungle or the way animals act in the jungle, because we as a society are taking no responsibility for trying to provide an opportunity, not to a handout, but an opportunity to earn a living, an opportunity to make income, and an opportunity to take care of a family.

□ 1910

Mr. Speaker, that is what welfare reform should strive to do. That is what our whole society ought to consider. We want to create maximum opportunity for everybody to earn a living. All the other problems will begin to fall in place, in large part, if we provide a means to earn a living for every person who wants to work.

THE STATUS OF AMERICA'S FORESTS TODAY

The SPEAKER pro tempore (Mr. TORRES). Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, the gentleman from California [Mr. DOOLITTLE] is recognized for 30 minutes.

Mr. DOOLITTLE. Mr. Speaker, there are a lot of groups who have been spreading fear among the public that we've been virtually mowing down our national forests and are on the brink of cutting down our last tree.

The fact is, however, our forests are in better shape today than they were a 100 years ago.

Dr. Jack Ward Thomas, Chief of the U.S. Forest Service, recently noted that "* * * the condition of America's forests is much improved over that at the turn of the century."

In the western United States, more acres are covered today than in the mid-1800's.

Furthermore, the Forest Service recently debunked another myth about

our forests when they reported that "Many of the wildlife species threatened with extinction have returned in abundance."

Mr. Speaker, I believe that it is not only important that the American people hear the truth about the condition of our forests, but that they see it, as well.

The California Forestry Association in cooperation with the California Forest Products Commission is currently in the process of conducting a photo-history study of the entire Sierra Nevada in order to document, in black and white, what the public is not being told about our forest lands in California.

Thanks to United Forest Families, a group created to guard the interests of families and communities who depend on the timber industry, I have several photos which compare the state of today's forests with those at the turn of the century.

These photos are a part of a study being compiled and published by Mr. George Gruell.

Mr. Gruell is a retired U.S. Forest Service wildlife biologist who, during his career, published extensively upon the subject of documenting long-term vegetative changes over time.

All of the photos that I will display, save one, are taken in my district in California.

Mr. Speaker, I would just like to point out that each one of these photos was taken from the same vantage point, although many years apart, in each case.

Let us begin, Mr. Speaker, with this photo here, which shows Spooner Summit, which is in Toiyabe National Forest. This photo is facing north on Spooner Summit at the location of the current Highway 50. The current 50 would have run down in the forefront of the picture, about where you see that log flume down here in this picture taken in 1876, and you can see the flume, and you can see that the whole hillside has been basically removed of trees, clear-cut. There are a few young conifers that are invading here in this picture.

Then, Mr. Speaker, in 1992, which would be some 116 years later, I guess, you can see from the same vantage point, here is modern Highway 50. Here you see the area has been totally reinvaded by Jeffrey pine. The stand is denser than the original stand cut in the 1870's, and the patches of brush are denser and more wildlife-prone than in the original photo, but you can see a dramatic difference in 114 years in this picture with the clear-cut, with the flume, here we go to Highway 50, and the very dense forest that has grown up.

Mr. Speaker, in the next photo, this next one is in Tuolumne County. It displays the photo of Switchback. In the picture down here in 1904, this shows a railroad logging operation. On the west side are timber company lands, east of the town of Tuolumne. The area has been harvested heavily. Note the scattered open nature of the original stand, and the logging operation's retention of seed trees for reforestation purposes, so even back then they were thinking in terms of providing for the future sustainable yield, et cetera, so they have left a few seed trees.

Mr. Speaker, we look at the same photographs taken in 1992, some 88 years later, the area has been totally reforested with an excellent stand of ponderosa pine, white fir, and incense cedar. The dense stands that have grown up in the area, by the way, have created excellent spotted owl habitat.

Mr. Speaker, we will go to the next picture here, which is Cold Springs Mill, also in Tuolumne County, CA. The original picture, taken in 1910, shows this millsite and operation at the time. You can see the area has been heavily harvested. The scattered stand in the background shows the widely spaced nature of the original, uncut stand, which would have been viewed as marginal spotted owl habitat.

In 1991, some 81 years later, you can see the dense stand of ponderosa pine in here. It has totally reforested the site. Back in here, right here, is the outline of the foundation of this mill 81 years older. The entire basin here is now considered excellent spotted owl habitat.

Mr. Speaker, the last photograph which I would like to talk about is not of my district, nor, indeed, is it of California. I show it only to illustrate what happens with fires. This is in Wyoming, in the Bridger-Teton National Forest.

This photo at the bottom was taken in 1910, facing southeast across Hoback River. The slopes here show signs of the wildfire, right in here, which burned through this area in 1879. The area has not been logged, but the fire, obviously, had an impact for a significant period of time. In 1960, some 59 years later, you can see the heavily forested slopes. Douglas fir has totally reinvaded the area and covered the majority of the near slope and the forested area has greatly expanded.

Mr. Speaker, I wanted to show those because a picture is worth a thousand words, and one really does get the impression from listening to some of the inflammatory rhetoric that people believe we have just about cut our last tree. I think it is important for people to realize that there is more timber today than there was standing in the mid-1870's, and you can see how the effects are manifest through the reforestation. It is interesting just to see the big trees that were standing where, indeed, 80 years ago there were no trees, virtually.

Mr. Speaker, I do not mean to imply that our forests are in perfect condition, for indeed, they are not, but I think it is important that we address the real cause of the decline in forest health.

□ 1920

The real problem threatening our forests today is not the lack of the trees but it is the condition of the trees.

Rather than being slowly decimated by the faller's ax, our forests are on the verge of literally growing themselves to death.

Due to the total elimination of Indian-initiated fires and the suppression of lightning-generated fires, our forests have over the last 150 years been converted from the open and park-like conditions that John Muir described to dense, thicket-like states that are highly susceptible to uncontrollable wildfire. Indeed already this year over 2 million acres have burned in wildfires. Currently 19 major fires in 6 Western States continue to burn. Thus far these fires have consumed over 192,000 acres alone.

Another problem is that the rate of incidence of diseased trees is higher where trees grow close together and compete for a limited water supply. I might add that in many parts of my district when we fly over it, we are looking at areas where as much as one-third of the trees are diseased and dying. It is really a tragedy and it is due to a combination of a drought which weakens the trees, and after the drought, the insects invade and, of course, they take, then, a very, very heavy toll.

If nothing is done to address the problem, that is when we get these enormous raging wildfires. The Indians deliberately set fires in order to clear out the underbrush, in order to provide light. Anyone who is a gardener, which I think is the most popular hobby in the country, knows that plants have to have light and trees are plants obviously, they start out very small. So what you need to do is create some space so that the trees are able to grow and get strong. It is just a principle that we are all familiar with as backyard gardeners, only it is applied on a larger scale.

As evidenced by the drought, particularly in the Tahoe basin, much of which I represent, we must move to a timber policy which is scientifically based, not one which merely attempts to preserve our forests.

Careful management would allow clearing for some trees in order to improve the overall health of the forest. Technology has improved the methods by which we can harvest and maintain timber stands.

In an effort to increase the removal of undergrowth, which is a major fuel in wildfires, I have cosponsored legislation introduced by Representative WALLY HERGER, also from California, which would allow more fuels treatment.

Mr. Speaker, let me reiterate the importance of the timber industry both environmentally and economically. It is time we adopt common sense policies to deal with our public forests.

Mr. POMBO. Mr. Speaker, will the gentleman yield?

Mr. DOOLITTLE. I would be pleased to yield to my colleague, the gentleman from California [Mr. POMBO], representing the great counties of San Joaquin and Sacramento.

Mr. POMBO. I thank the gentleman.

As both you and I serve on the Committee on Agriculture and the Committee on Natural Resources, we have had many opportunities to debate and listen to testimony in public hearings in our committees over this very issue of forest health and the issues which affect our national forests as well as the private property that is currently in forest lands.

I recently had the opportunity to spend some time in northern California in WALLY HERGER's district and spent a great deal of time going throughout the forest and having the professional foresters take us through and explain to us the different methods in which they were currently harvesting trees versus what they did in the past and how they were trying to change their methods so that they would have the least impact on the natural forest and still be able to maintain those forests.

One of the most upsetting things I think I saw in that whole trip was one national forest, and it was public property, and it had not been cared for at all and it had deteriorated to the point that the entire undergrowth was old trees that had fallen down and were rotting and decaying and brush that had overtaken the underground. One of the foresters explained to us that what would happen is a small fire would start in that undergrowth and instead of quickly going through and leaving the healthy trees behind, would catch the trees themselves on fire and get up into the crown of the tree and literally destroy an entire forest.

I know in your area we are facing some of the same problems, and what this bill that the gentleman from California [Mr. HERGER] has introduced is trying to do is allow people to go in and clean that out so that we can maintain a more healthier forest.

Are we not in some of the same situations in your district now?

Mr. DOOLITTLE. We most definitely are. In fact, I am very, very concerned about this fall approaching. We have had an extremely dry year in California, as in some of the other Western States. I remember about 3 years ago when we had devastating forest fires then, which was in the middle of the drought that we had before this heavy snowfall we had the year before last, and there were as I recall in a 24-hour period some 11,000 lightning strikes and we had fires all over the place. It is not unreasonable to project that we will have similar situations cropping up, only we are drier now than we were then. It is going to be devastating.

The thing is, we have all heard it said that if one does not exercise the discipline from within, it will be exercised from without, namely, policemen, prisons, et cetera. That is a whole separate topic for a different special order. But in like fashion I would say if the forests are not managed by mankind as we know to do, if we simply leave them to literally their natural state, then the discipline will be imposed from without, but it is a harsh discipline. It is a discipline as we saw in that photo in one of the areas that when a forest fire burns through as you described, it climbs up the fuel ladder going from the underbrush, up into the tree and burns right on up to the top of the tree and burns the whole tree and burns the thousands of trees on either side of it. We are talking decades before that damage is repaired. Prudent management of the forest like we know to do but we have been prevented frankly by some of these fearmongering groups from doing is what is called for. Otherwise, we will truly hurt the environment and there will be nothing we can do to stop it.

Once we get one of these wildfires raging of this magnitude, we have got probably more built-up fuel now than we have had in well over 100 years, there will just be no stopping it. We saw what happened in Yellowstone. Just stand aside and let it burn, but it will leave deep, deep scars that will not be healed for many, many years.

Mr. POMBO. I know that in recent testimony that we heard in the Committee on Agriculture that it was very interesting, it was almost unanimous among the professional foresters, people from the Forest Service, people from the logging industry, the timber industry as well as responsible environmentalists that we do need to manage our forests and that we cannot close our eyes and be total preservationists. That because man is part of the environment and has changed our environment by stopping fires, by fire suppression, that it is responsible to manage the forests and to go in and clean out the dead wood, to go in and thin the forests and replant and to continually manage the forests. It was very interesting that it was almost unanimous among those who were there that that is something we have to do.

I think if we look into the new age of forest management and what we are going to do in the future to preserve our natural resources, to preserve our national forests and at the same time to provide lumber for our housing needs and for our paper needs, that we need to responsibly manage those resources. Part of that is to go in and take care of those forests the way that we know based on modern science and modern technology that we have to take care of those forests.

I would like to thank the gentleman for taking the special order out tonight because I do feel it is important that our colleagues hear the kind of things we have heard in committee and the kind of testimony, because unfortunately not everyone has access and has an easy opportunity to sit through those hearings and to hear the people, the real people who are out there managing our forests and the real people out there who are in charge of taking care of these natural resources, to hear their testimony. Many times all we are exposed to here is the special interest groups inside the beltway. It is important that our colleagues have that information.

Mr. DOOLITTLE. I thank the gentleman for joining me in this special order just to bring out a few of the facts. There is so much hysteria about this. I wish these pictures could be printed in the CONGRESSIONAL RECORD because all the people will see there are the words, so it is a little hard to visualize. Nevertheless, I hope the discussion this evening has been useful.

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We have tremendous resources. It truly is a national treasure, but it needs to be properly managed. Failing to properly manage it ourselves leaves us really at the mercy of nature, of wildfires striking whenever they may, and that can devastate a community, and instead of having jobs that are provided for people to work in the forests, when that forest completely burns up there will be nothing there. People will have to fold up the tent and leave and go someplace else.

It is for that purpose that I wanted to come tonight and explain this point of view. I appreciate the gentleman from California joining me.

CONFERENCE REPORT ON H.R. 4277

Mr. GIBBONS submitted the following conference report and statement on the bill (H.R. 4277), to establish the Social Security Administration as an independent agency and to make other improvements in the old-age, survivors, and disability insurance program:

CONFERENCE REPORT (H. REPT. 103-670)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4277), to establish the Social Security Administration as an independent agency and to make other improvements in the old-age, survivors, and disability insurance program, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Social Security Independence and Program Improvements Act of 1994".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title and table of contents.

TITLE I—ESTABLISHMENT OF THE SOCIAL SECURITY ADMINISTRATION AS AN INDEPENDENT AGENCY

Sec. 101. Establishment of Social Security Administration as an independent agency.
Sec. 102. Commissioner and Deputy Commissioner; other officers.
Sec. 103. Social Security Advisory Board.
Sec. 104. Personnel; budgetary matters; seal of office.
Sec. 105. Transfers to the new Social Security Administration.
Sec. 106. Transition rules.
Sec. 107. Conforming amendments to titles II and XVI of the Social Security Act.
Sec. 108. Additional conforming amendments.
Sec. 109. Rules of construction.
Sec. 110. Effective dates.

TITLE II—PROGRAM IMPROVEMENTS RELATING TO OASDI AND SSI

Sec. 201. Restrictions on payment of benefits based on disability to substance abusers.
Sec. 202. Commission on childhood disability.
Sec. 203. Regulations regarding completion of plans for achieving self-support.
Sec. 204. SSI eligibility for students temporarily abroad.
Sec. 205. Disregard of cost-of-living increases for continued eligibility for work incentives.
Sec. 206. Expansion of the authority of the Social Security Administration to prevent, detect, and terminate fraudulent claims for OASDI and SSI benefits.
Sec. 207. Disability review required for SSI recipients who are 18 years of age.
Sec. 208. Continuing disability reviews.
Sec. 209. Exemption from adjustment in pass-along requirements.

TITLE III—MISCELLANEOUS PROGRAM IMPROVEMENTS

Sec. 301. Issuance of physical documents in the form of bonds, notes, or certificates to the social security trust funds.
Sec. 302. GAO study regarding telephone access to local offices of the Social Security Administration.
Sec. 303. Expansion of State option to exclude service of election officials or election workers from coverage.
Sec. 304. Use of social security numbers by States and local governments and Federal district courts for jury selection purposes.
Sec. 305. Authorization for all States to extend coverage to State and local police officers and firefighters under existing coverage agreements.
Sec. 306. Limited exemption for Canadian ministers from certain self-employment tax liability.
Sec. 307. Exclusion of totalization benefits from the application of the windfall elimination provision.
Sec. 308. Exclusion of military reservists from application of the government pension offset and windfall elimination provisions.
Sec. 309. Repeal of the facility-of-payment provision.
Sec. 310. Maximum family benefits in guarantee cases.
Sec. 311. Authorization for disclosure of social security information for purposes of public or private epidemiological and similar research.
Sec. 312. Misuse of symbols, emblems, or names in reference to Social Security Administration, Department of Health and Human Services, or Department of the Treasury.
Sec. 313. Increased penalties for unauthorized disclosure of social security information.
Sec. 314. Increase in authorized period for extension of time to file annual earnings report.
Sec. 315. Extension of disability insurance program demonstration project authority.
Sec. 316. Cross-matching of social security account number information and employer identification number information maintained by the Department of Agriculture.
Sec. 317. Certain transfers to railroad retirement account made permanent.
Sec. 318. Authorization for use of social security account numbers by Department of Labor in administration of Federal workers' compensation laws.
Sec. 319. Coverage under FICA of Federal employees transferred temporarily to international organizations.
Sec. 320. Extension of the FICA tax exemption and certain tax rules to individuals who enter the United States under a visa issued under section 101 of the Immigration and Nationality Act.
Sec. 321. Technical and clerical amendments.

TITLE I—ESTABLISHMENT OF THE SOCIAL SECURITY ADMINISTRATION AS AN INDEPENDENT AGENCY

SEC. 101. ESTABLISHMENT OF SOCIAL SECURITY ADMINISTRATION AS AN INDEPENDENT AGENCY.

Section 701 of the Social Security Act (42 U.S.C. 901) is amended to read as follows:

"SOCIAL SECURITY ADMINISTRATION

"SEC. 701. (a) There is hereby established, as an independent agency in the executive branch of the Government, a Social Security Administration (in this title referred to as the 'Administration').

"(b) It shall be the duty of the Administration to administer the old-age, survivors, and disability insurance program under title II and the supplemental security income program under title XVI.

SEC. 102. COMMISSIONER AND DEPUTY COMMISSIONER; OTHER OFFICERS.

Section 702 of the Social Security Act (42 U.S.C. 902) is amended to read as follows:

"COMMISSIONER; DEPUTY COMMISSIONER; OTHER OFFICERS

"Commissioner of Social Security

"SEC. 702. (a)(1) There shall be in the Administration a Commissioner of Social Security (in this title referred to as the 'Commissioner') who shall be appointed by the President, by and with the advice and consent of the Senate.

"(2) The Commissioner shall be compensated at the rate provided for level I of the Executive Schedule.

"(3) The Commissioner shall be appointed for a term of 6 years, except that the initial term of office for Commissioner shall terminate January 19, 2001. In any case in which a successor does not take office at the end of a Commissioner's term of office, such Commissioner may continue in office until the entry upon office of such a successor. A Commissioner appointed to a term of office after the commencement of such term may serve under such appointment only for the remainder of such term. An individual serving in the office of Commissioner may be removed from office only pursuant to a finding by the President of neglect of duty or malfeasance in office.

"(4) The Commissioner shall be responsible for the exercise of all powers and the discharge of all duties of the Administration, and shall have authority and control over all personnel and activities thereof.

"(5) The Commissioner may prescribe such rules and regulations as the Commissioner determines necessary or appropriate to carry out the functions of the Administration. The regulations prescribed by the Commissioner shall be subject to the rulemaking procedures established under section 553 of title 5, United States Code.

"(6) The Commissioner may establish, alter, consolidate, or discontinue such organizational units or components within the Administration as the Commissioner considers necessary or appropriate, except that this paragraph shall not apply with respect to any unit, component, or provision provided for by this Act.

"(7) The Commissioner may assign duties, and delegate, or authorize successive redelegations of, authority to act and to render decisions, to such officers and employees of the Administration as the Commissioner may find necessary. Within the limitations of such delegations, redelegations, or assignments, all official acts and decisions of such officers and employees shall have the same force and effect as though performed or rendered by the Commissioner.

"(8) The Commissioner and the Secretary of Health and Human Services (in this title referred to as the 'Secretary') shall consult, on an ongoing basis, to ensure—

"(A) the coordination of the programs administered by the Commissioner, as described in section 701, with the programs administered by the Secretary under titles XVIII and XIX of this Act; and

"(B) that adequate information concerning benefits under such titles XVIII and XIX is available to the public.

"Deputy Commissioner of Social Security

"(b)(1) There shall be in the Administration a Deputy Commissioner of Social Security (in this title referred to as the 'Deputy Commissioner') who shall be appointed by the President, by and with the advice and consent of the Senate.

"(2) The Deputy Commissioner shall be appointed for a term of 6 years, except that the initial term of office for the Deputy Commissioner shall terminate January 19, 2001. In any case in which a successor does not take office at the end of a Deputy Commissioner's term of office, such Deputy Commissioner may continue in office until the entry upon office of such a successor. A Deputy Commissioner appointed to a term of office after the commencement of such term may serve under such appointment only for the remainder of such term.

"(3) The Deputy Commissioner shall be compensated at the rate provided for level II of the Executive Schedule.

"(4) The Deputy Commissioner shall perform such duties and exercise such powers as the Commissioner shall from time to time assign or delegate. The Deputy Commissioner shall be Acting Commissioner of the Administration during the absence or disability of the Commissioner and, unless the President designates another officer of the Government as Acting Commissioner, in the event of a vacancy in the office of the Commissioner.

"Chief Financial Officer

"(c) There shall be in the Administration a Chief Financial Officer appointed by the Commissioner in accordance with section 901(a)(2) of title 31, United States Code.

"Inspector General

"(d) There shall be in the Administration an Inspector General appointed by the President, by and with the advice and consent of the Senate, in accordance with section 3(a) of the Inspector General Act of 1978.".

SEC. 103. SOCIAL SECURITY ADVISORY BOARD.

Section 703 of the Social Security Act (42 U.S.C. 903) is amended to read as follows:

"SOCIAL SECURITY ADVISORY BOARD

"Establishment of Board

"SEC. 703. (a) There shall be established a Social Security Advisory Board (in this section referred to as the 'Board').

"Functions of the Board

"(b) On and after the date the Commissioner takes office, the Board shall advise the Commissioner on policies related to the old-age, survivors, and disability insurance program under title II and the supplemental security income program under title XVI. Specific functions of the Board shall include—

"(1) analyzing the Nation's retirement and disability systems and making recommendations with respect to how the old-age, survivors, and disability insurance program and the supplemental security income program, supported by other public and private systems, can most effectively assure economic security;

"(2) studying and making recommendations relating to the coordination of programs that provide health security with programs described in paragraph (1);

"(3) making recommendations to the President and to the Congress with respect to policies that will ensure the solvency of the old-age, survivors, and disability insurance program, both in the short-term and the long-term;

"(4) making recommendations with respect to the quality of service that the Administration provides to the public;

"(5) making recommendations with respect to policies and regulations regarding the old-age, survivors, and disability insurance program and the supplemental security income program;

"(6) increasing public understanding of the social security system;

"(7) making recommendations with respect to a long-range research and program evaluation plan for the Administration;

"(8) reviewing and assessing any major studies of social security as may come to the attention of the Board; and

"(9) making recommendations with respect to such other matters as the Board determines to be appropriate.

"Structure and Membership of the Board

"(c)(1) The Board shall be composed of 7 members who shall be appointed as follows:

"(A) 3 members shall be appointed by the President, by and with the advice and consent of the Senate. Not more than 2 of such members shall be from the same political party.

"(B) 2 members (each member from a different political party) shall be appointed by the President pro tempore of the Senate with the advice of the Chairman and the Ranking Minority Member of the Senate Committee on Finance.

"(C) 2 members (each member from a different political party) shall be appointed by the Speaker of the House of Representatives, with the advice of the Chairman and the Ranking Minority Member of the House Committee on Ways and Means.

"(2) The members shall be chosen on the basis of their integrity, impartiality, and good judgment, and shall be individuals who are, by reason of their education, experience, and attainments, exceptionally qualified to perform the duties of members of the Board.

"Terms of Appointment

"(d) Each member of the Board shall serve for a term of 6 years, except that—

"(1) a member appointed to a term of office after the commencement of such term may serve under such appointment only for the remainder of such term; and

"(2) the terms of service of the members initially appointed under this section shall begin on October 1, 1994, and expire as follows:

"(A) The terms of service of the members initially appointed by the President shall expire as designated by the President at the time of nomination, 1 each at the end of—

"(i) 2 years;

"(ii) 4 years; and

"(iii) 6 years.

"(B) The terms of service of members initially appointed by the President pro tempore of the Senate shall expire as designated by the President pro tempore of the Senate at the time of nomination, 1 each at the end of—

"(i) 3 years; and

"(ii) 6 years.

"(C) The terms of service of members initially appointed by the Speaker of the House of Representatives shall expire as designated by the Speaker of the House of Representatives at the time of nomination, 1 each at the end of—

"(i) 4 years; and

"(ii) 5 years.

"Chairman

"(e) A member of the Board shall be designated by the President to serve as Chairman for a term of 4 years, coincident with the term of the President, or until the designation of a successor.

"Expenses and Per Diem

"(f) Members of the Board shall serve without compensation, except that, while serving on business of the Board away from their homes or regular places of business, members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government employed intermittently.

"Meetings

"(g)(1) The Board shall meet at the call of the Chairman (in consultation with the other members of the Board) not less than 4 times each year to consider a specific agenda of issues, as determined by the Chairman in consultation with the other members of the Board.

"(2) Four members of the Board (not more than 3 of whom may be of the same political party) shall constitute a quorum for purposes of conducting business.

"Federal Advisory Committee Act

"(h) The Board shall be exempt from the provisions of the Federal Advisory Committee Act (5 U.S.C. App.).

"Personnel

"(i) The Board shall, without regard to the provisions of title 5, United States Code, relating to the competitive service, appoint a Staff Director who shall be paid at a rate equivalent to a rate established for the Senior Executive Service under section 5382 of title 5, United States Code. The Board shall appoint such additional personnel as the Board determines to be necessary to provide adequate clerical support for the Board, and may compensate such additional personnel without regard to the provisions of title 5, United States Code, relating to the competitive service.

"Authorization of Appropriations

"(j) There are authorized to be appropriated, out of the Federal Disability Insurance Trust Fund, the Federal Old-Age and Survivors Insurance Trust Fund, and the general fund of the Treasury, such sums as are necessary to carry out the purposes of this section.".

SEC. 104. PERSONNEL; BUDGETARY MATTERS; SEAL OF OFFICE.

(a) IN GENERAL.—Section 704 of the Social Security Act (42 U.S.C. 904) is amended to read as follows:

"ADMINISTRATIVE DUTIES OF THE COMMISSIONER

"Personnel

"SEC. 704. (a)(1) The Commissioner shall appoint such additional officers and employees as the Commissioner considers necessary to carry out the functions of the Administration under this Act, and attorneys and experts may be appointed without regard to the civil service laws. Except as otherwise provided in the preceding sentence or in any other provision of law, such officers and employees shall be appointed, and their compensation shall be fixed, in accordance with title 5, United States Code.

"(2) The Commissioner may procure the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code.

"(3) Notwithstanding any requirements of section 3133 of title 5, United States Code, the Director of the Office of Personnel Management shall authorize for the Administration a total number of Senior Executive Service positions which is substantially greater than the number of such positions authorized in the Social Security Administration in the Department of Health and Human Services as of immediately before the date of the enactment of the Social Security Independence and Program Improvements Act of 1994 to the extent that the greater number of such authorized positions is specified in the comprehensive work force plan as established and revised by the Commissioner under subsection (b)(2). The total number of such positions authorized for the Administration shall not at any time be less than the number of such authorized positions as of immediately before such date.

"Budgetary Matters

"(b)(1) The Commissioner shall prepare an annual budget for the Administration, which shall be submitted by the President to the Congress without revision, together with the President's annual budget for the Administration.

"(2)(A) Appropriations requests for staffing and personnel of the Administration shall be based upon a comprehensive work force plan, which shall be established and revised from time to time by the Commissioner.

"(B) Appropriations for administrative expenses of the Administration are authorized to be provided on a biennial basis.

"Employment Restriction

"(c) The total number of positions in the Administration (other than positions established under section 702) which—

"(1) are held by noncareer appointees (within the meaning of section 3132(a)(7) of title 5, United States Code) in the Senior Executive Service, or

"(2) have been determined by the President or the Office of Personnel Management to be of a confidential, policy-determining, policy-making, or policy-advocating character and have been excepted from the competitive service thereby,

may not exceed at any time the equivalent of 20 full-time positions.

"Seal of Office

"(d) The Commissioner shall cause a seal of office to be made for the Administration of such design as the Commissioner shall approve. Judicial notice shall be taken of such seal.

"Data Exchanges

"(e)(1) Notwithstanding any other provision of law (including subsections (b), (o), (p), (q), (r), and (u) of section 552a of title 5, United States Code)—

"(A) the Secretary shall disclose to the Commissioner any record or information requested in writing by the Commissioner for the purpose of administering any program administered by the Commissioner, if records or information of such type were disclosed to the Commissioner of Social Security in the Department of Health and

Human Services under applicable rules, regulations, and procedures in effect before the date of the enactment of the Social Security Independence and Program Improvements Act of 1994; and

"(B) the Commissioner shall disclose to the Secretary or to any State any record or information requested in writing by the Secretary to be so disclosed for the purpose of administering any program administered by the Secretary, if records or information of such type were so disclosed under applicable rules, regulations, and procedures in effect before the date of the enactment of the Social Security Independence and Program Improvements Act of 1994.

"(2) The Commissioner and the Secretary shall enter into an agreement under which the Commissioner provides the Secretary data concerning the quality of the services and information provided to beneficiaries of the programs under titles XVIII and XIX and the administrative services provided by the Social Security Administration in support of such programs. Such agreement shall stipulate the type of data to be provided and the terms and conditions under which the data are to be provided.

"(3) The Commissioner and the Secretary shall periodically review the need for exchanges of information not referred to in paragraph (1) or (2) and shall enter into such agreements as may be necessary and appropriate to provide information to each other or to States in order to meet the programmatic needs of the requesting agencies.

"(4)(A) Any disclosure from a system of records (as defined in section 552a(a)(5) of title 5, United States Code) pursuant to this subsection shall be made as a routine use under subsection (b)(3) of section 552a of such title (unless otherwise authorized under such section 552a).

"(B) Any computerized comparison of records, including matching programs, between the Commissioner and the Secretary shall be conducted in accordance with subsections (o), (p), (q), (r), and (u) of section 552a of title 5, United States Code.

"(5) The Commissioner and the Secretary shall each ensure that timely action is taken to establish any necessary routine uses for disclosures required under paragraph (1) or agreed to pursuant to paragraph (3).".

(b) REPORT ON SES POSITIONS UNDER COMPREHENSIVE WORK FORCE PLAN.—Within 60 days after the establishment by the Commissioner of Social Security of the comprehensive work force plan required under section 704(b)(2) of the Social Security Act (as amended by this Act), the Director of the Office of Personnel Management shall transmit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report specifying the total number of Senior Executive Services positions authorized for the Social Security Administration in connection with such work force plan.

(c) EFFECTIVE DATE AND TRANSITION RULE FOR CERTAIN DATA EXCHANGE PROVISIONS.—

(1) EFFECTIVE DATE.—Section 704(e)(4) of the Social Security Act (as amended by subsection (a)) shall take effect March 31, 1996.

(2) TRANSITION RULE.—Notwithstanding any other provision of law (including subsections (b), (o), (p), (q), (r), and (u) of section 552a of title 5, United States Code), arrangements for disclosure of records or other information, and arrangements for computer matching of records, which were in effect immediately before the date of the enactment of this Act between the Social Security Administration in the Department of Health and Human Services and other components of such Department may continue between the Social Security Administration established under section 701 of the Social Security Act (as amended by this Act) and such Department during the period beginning on the date of the enactment of this Act and ending March 31, 1996.

SEC. 105. TRANSFERS TO THE NEW SOCIAL SECURITY ADMINISTRATION.

(a) FUNCTIONS.—

(1) IN GENERAL.—There are transferred to the Social Security Administration all functions of the Secretary of Health and Human Services with respect to or in support of the programs and activities the administration of which is vested in the Social Security Administration by reason of this title and the amendments made thereby. The Commissioner of Social Security shall allocate such functions in accordance with sections 701, 702, 703, and 704 of the Social Security Act (as amended by this title).

(2) FUNCTIONS OF OTHER AGENCIES.—

(A) IN GENERAL.—Subject to subparagraph (B), the Social Security Administration shall also perform—

(i) the functions of the Department of Health and Human Services, including functions relating to titles XVIII and XIX of the Social Security Act (including adjudications, subject to final decisions by the Secretary of Health and Human Services), that the Social Security Administration in such Department performed as of immediately before the date of the enactment of this Act, and

(ii) the functions of any other agency for which administrative responsibility was vested in the Social Security Administration in the Department of Health and Human Services as of immediately before the date of the enactment of this Act.

(B) RULES GOVERNING CONTINUATION OF FUNCTIONS IN THE ADMINISTRATION.—The Social Security Administration shall perform, on behalf of the Secretary of Health and Human Services (or the head of any other agency, as applicable), the functions described in subparagraph (A) in accordance with the same financial and other terms in effect on the day before the date of the enactment of this Act, except to the extent that the Commissioner and the Secretary (or other agency head, as applicable) agree to alter such terms pertaining to any such function or to terminate the performance by the Social Security Administration of any such function.

(b) PERSONNEL, ASSETS, ETC.—

(1) IN GENERAL.—There are transferred from the Department of Health and Human Services to the Social Security Administration, for appropriate allocation by the Commissioner of Social Security in the Social Security Administration—

(A) the personnel employed in connection with the functions transferred by this title and the amendments made thereby; and

(B) the assets, liabilities, contracts, property, records, and unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, or used in connection with such functions, arising from such functions, or available, or to be made available, in connection with such functions.

(2) UNEXPENDED FUNDS.—Unexpended funds transferred pursuant to this subsection shall be used only for the purposes for which the funds were originally appropriated.

(3) EMPLOYMENT PROTECTIONS.—

(A) IN GENERAL.—During the 1-year period beginning March 31, 1995,—

(i) the transfer pursuant to this section of any full-time personnel (except special Government employees) and part-time personnel holding permanent positions shall not cause any such personnel to be separated or reduced in grade or compensation solely as a result of such transfer, and

(ii) except as provided in subparagraph (B), any such personnel who were not employed in the Social Security Administration in the Department of Health and Human Services immediately before the date of the enactment of this Act shall not be subject to directed reassignment to a duty station outside their commuting area.

(B) SPECIAL RULES.—

(i) In the case of personnel whose duty station is in the Washington, District of Columbia, commuting area immediately before March 31, 1995, subparagraph (A)(ii) shall not apply with respect to directed reassignment to a duty station in the Baltimore, Maryland, commuting area after September 30, 1995.

(ii) In the case of personnel whose duty station is in the Baltimore, Maryland, commuting area immediately before March 31, 1995, subparagraph (A)(ii) shall not apply with respect to directed reassignment to a duty station in the Washington, District of Columbia, commuting area after September 30, 1995.

(4) OFFICE SPACE.—Notwithstanding section 7 of the Public Buildings Act of 1959 (40 U.S.C. 606), and subject to available appropriations, the Administrator of General Services may, after consultation with the Commissioner of Social Security and under such terms and conditions as the Administrator finds to be in the interests of the United States—

(A) acquire occupiable space in the metropolitan area of Washington, District of Columbia, for housing the Social Security Administration, and

(B) renovate such space as necessary.

(c) INTER-AGENCY TRANSFER ARRANGEMENT.—The Secretary of Health and Human Services and the Commissioner of Social Security shall enter into a written inter-agency transfer arrangement (in this subsection referred to as the "arrangement"), which shall be effective March 31, 1995. Transfers made pursuant to this section shall be in accordance with the arrangement, which shall specify the personnel and resources to be transferred as provided under this section. The terms of such arrangement shall be transmitted not later than January 1, 1995, to the Committee on Ways and Means of the House of Representatives, to the Committee on Finance of the Senate, and to the Comptroller General of the United States. Not later than February 15, 1995, the Comptroller General shall submit a report to each such Committee setting forth an evaluation of such arrangement.

SEC. 106. TRANSITION RULES.

(a) TRANSITION RULES RELATING TO OFFICERS OF THE SOCIAL SECURITY ADMINISTRATION.—

(1) APPOINTMENT OF INITIAL COMMISSIONER OF SOCIAL SECURITY.—The President shall nominate for appointment the initial Commissioner of Social Security to serve as head of the Social Security Administration established under section 701 of the Social Security Act (as amended by this Act) not later than 60 days after the date of the enactment of this Act.

(2) ASSUMPTION OF OFFICE OF INITIAL COMMISSIONER BEFORE EFFECTIVE DATE OF NEW AGENCY.—If the appointment of the initial Commissioner of Social Security pursuant to section 702 of the Social Security Act (as amended by this Act) is confirmed by the Senate pursuant to such section 702 before March 31, 1995, the individual shall take office as Commissioner immediately upon confirmation, and, until March 31, 1995, such Commissioner shall perform the functions of the Commissioner of Social Security in the Department of Health and Human Services.

(3) TREATMENT OF INSPECTOR GENERAL AND OTHER APPOINTMENTS.—At any time on or after the date of the enactment of this Act, any of the officers provided for in section 702 of the Social Security Act (as amended by this title) and any of the members of the Social Security Advisory Board provided for in section 703 of such Act (as so amended) may be nominated and take office, under the terms and conditions set out in such sections.

(4) COMPENSATION FOR INITIAL OFFICERS AND BOARD MEMBERS BEFORE EFFECTIVE DATE OF

NEW AGENCY.—Funds available to any official or component of the Department of Health and Human Services, functions of which are transferred to the Commissioner of Social Security or the Social Security Administration by this title, may, with the approval of the Director of the Office of Management and Budget, be used to pay the compensation and expenses of any officer or employee of the new Social Security Administration and of any member or staff of the Social Security Advisory Board who takes office pursuant to this subsection before March 31, 1995, until such time as funds for that purpose are otherwise available.

(5) INTERIM ROLE OF CURRENT COMMISSIONER AFTER EFFECTIVE DATE OF NEW AGENCY.—In the event that, as of March 31, 1995, an individual appointed to serve as the initial Commissioner of Social Security has not taken office, until such initial Commissioner has taken office, the officer serving on March 31, 1995, as Commissioner of Social Security (or Acting Commissioner of Social Security, if applicable) in the Department of Health and Human Services shall, while continuing to serve as such Commissioner of Social Security (or Acting Commissioner of Social Security), serve as Commissioner of Social Security (or Acting Commissioner of Social Security, respectively) in the Social Security Administration established under such section 701 and shall assume the powers and duties under such Act (as amended by this Act) of the Commissioner of Social Security in the Social Security Administration as so established under such section 701. In the event that, as of March 31, 1995, the President has not nominated an individual for appointment to the office of Commissioner of Social Security in the Social Security Administration established under such section 701, then the individual serving as Commissioner of Social Security (or Acting Commissioner of Social Security, if applicable) in the Department of Health and Human Services shall become the Acting Commissioner of Social Security in the Social Security Administration as so established under such section 701.

(6) INTERIM INSPECTOR GENERAL.—The Commissioner of Social Security may appoint an individual to assume the powers and duties under the Inspector General Act of 1978 of Inspector General of the Social Security Administration as established under section 701 of the Social Security Act for a period not to exceed 60 days. The Inspector General of the Department of Health and Human Services may, when so requested by the Commissioner, while continuing to serve as Inspector General in such Department, serve as Inspector General of the Social Security Administration established under such section 701 and shall assume the powers and duties under the Inspector General Act of 1978 of Inspector General of the Social Security Administration as established under such section 701. The Social Security Administration shall reimburse the Office of Inspector General of the Department of Health and Human Services for costs of any functions performed pursuant to this subsection, from funds available to the Administration at the time the functions are performed. The authority under this paragraph to exercise the powers and duties of the Inspector General shall terminate upon the entry upon office of an Inspector General for the Social Security Administration under the Inspector General Act of 1978.

(7) ABOLISHMENT OF OFFICE OF COMMISSIONER OF SOCIAL SECURITY IN THE DEPARTMENT OF HEALTH AND HUMAN SERVICES.—Effective when the initial Commissioner of Social Security of the Social Security Administration established under section 701 of the Social Security Act (as amended by this title) takes office pursuant to section 702 of such Act (as so amended)—

(A) the position of Commissioner of Social Security in the Department of Health and Human Services is abolished; and

(B) section 5315 of title 5, United States Code, is amended by striking the following:

"Commissioner of Social Security, Department of Health and Human Services.".

(b) CONTINUATION OF ORDERS, DETERMINATIONS, RULES, REGULATIONS, ETC.—All orders, determinations, rules, regulations, permits, contracts, collective bargaining agreements (and ongoing negotiations relating to such collective bargaining agreements), recognitions of labor organizations, certificates, licenses, and privileges—

(1) which have been issued, made, promulgated, granted, or allowed to become effective, in the exercise of functions (A) which were exercised by the Secretary of Health and Human Services (or the Secretary's delegate), and (B) which relate to functions which, by reason of this title, the amendments made thereby, and regulations prescribed thereunder, are vested in the Commissioner of Social Security; and

(2) which are in effect immediately before March 31, 1995,

shall (to the extent that they relate to functions described in paragraph (1)(B)) continue in effect according to their terms until modified, terminated, suspended, set aside, or repealed by such Commissioner, except that any collective bargaining agreement shall remain in effect until the date of termination specified in such agreement.

(c) CONTINUATION OF PROCEEDINGS.—The provisions of this title (including the amendments made thereby) shall not affect any proceeding pending before the Secretary of Health and Human Services immediately before March 31, 1995, with respect to functions vested (by reason of this title, the amendments made thereby, and regulations prescribed thereunder) in the Commissioner of Social Security, except that such proceedings, to the extent that such proceedings relate to such functions, shall continue before such Commissioner. Orders shall be issued under any such proceeding, appeals taken therefrom, and payments shall be made pursuant to such orders, in like manner as if this title had not been enacted, and orders issued in any such proceeding shall continue in effect until modified, terminated, superseded, or repealed by such Commissioner, by a court of competent jurisdiction, or by operation of law.

(d) CONTINUATION OF SUITS.—Except as provided in this subsection—

(1) the provisions of this title shall not affect suits commenced before March 31, 1995; and

(2) in all such suits proceedings shall be had, appeals taken, and judgments rendered, in the same manner and effect as if this title had not been enacted.

No cause of action, and no suit, action, or other proceeding commenced by or against any officer in such officer's official capacity as an officer of the Department of Health and Human Services, shall abate by reason of the enactment of this title. In any suit, action, or other proceeding pending immediately before March 31, 1995, the court or hearing officer may at any time, on the motion of the court or hearing officer or that of a party, enter an order which will give effect to the provisions of this subsection (including, where appropriate, an order for substitution of parties).

(e) CONTINUATION OF PENALTIES.—This title shall not have the effect of releasing or extinguishing any civil or criminal prosecution, penalty, forfeiture, or liability incurred as a result of any function which (by reason of this title, the amendments made thereby, and regulations prescribed thereunder) is vested in the Commissioner of Social Security.

(f) JUDICIAL REVIEW.—Orders and actions of the Commissioner of Social Security in the exercise of functions vested in such Commissioner under this title and the amendments made thereby (other than functions performed pursuant to 105(a)(2)) shall be subject to judicial review to the same extent and in the same manner as if such orders had been made and such actions had been taken by the Secretary of Health and Human Services in the exercise of such functions immediately before March 31, 1995. Any statutory requirements relating to notice, hearings, action upon the record, or administrative review that apply to any function so vested in such Commissioner shall continue to apply to the exercise of such function by such Commissioner.

(g) EXERCISE OF FUNCTIONS.—In the exercise of the functions vested in the Commissioner of Social Security under this title, the amendments made thereby, and regulations prescribed thereunder, such Commissioner shall have the same authority as that vested in the Secretary of Health and Human Services with respect to the exercise of such functions immediately preceding the vesting of such functions in such Commissioner, and actions of such Commissioner shall have the same force and effect as when exercised by such Secretary.

SEC. 107. CONFORMING AMENDMENTS TO TITLES II AND XVI OF THE SOCIAL SECURITY ACT.

(a) IN GENERAL.—Title II of the Social Security Act (42 U.S.C. 401 et seq.) (other than section 201, section 231(c), section 226, and section 226A) and title XVI of such Act (42 U.S.C. 1382 et seq.) (other than section 1614(f)(2)(B)) are each amended—

(1) by striking, wherever it appears, "Secretary of Health and Human Services" and inserting "Commissioner of Social Security";

(2) by striking, wherever it appears, "Department of Health and Human Services" and inserting "Social Security Administration";

(3) by striking, wherever it appears, "Department" (but only if it is not immediately succeeded by the words "of Health and Human Services", and only if it is used in reference to the Department of Health and Human Services) and inserting "Administration";

(4) by striking, wherever it appears, each of the following words (but, in the case of any such word only if such word refers to the Secretary of Health and Human Services): "Secretary", "Secretary's", "his", "him", "he", "her", and "she", and inserting (in the case of the word "Secretary") "Commissioner of Social Security", (in the case of the word "Secretary's") "Commissioner's", (in the case of the word "his") "the Commissioner's", (in the case of the word "him") "the Commissioner", (in the case of the word "her") "the Commissioner" or "the Commissioner's", as may be appropriate, and (in the case of the words "she" or "he") "the Commissioner"; and

(b) AMENDMENTS TO SECTION 201.—

(1) Subsections (a)(3), (a)(4), (b)(1), and (b)(2) of section 201 of such Act (42 U.S.C. 401) are amended by striking "Secretary of Health and Human Services" and inserting "Commissioner of Social Security".

(2) Subsections (a)(3) and (b)(1) of section 201 of such Act (42 U.S.C. 401) are amended by striking "such Secretary" and inserting "such Commissioner".

(3) Section 201(c) of such Act (42 U.S.C. 401(c)) is amended—

(A) in the first sentence, by inserting "the Commissioner of Social Security," before "the Secretary of the Treasury"; and

(B) in the fifth sentence, by striking "Commissioner of Social Security" and inserting "Deputy Commissioner of Social Security".

(4) Section 201(g)(1)(A) of such Act (42 U.S.C. 401(g)(1)(A)) is amended—

(A) in clause (i), by striking "by him and the Secretary of Health and Human Services" and inserting "by the Managing Trustee, the Commissioner of Social Security, and the Secretary

of Health and Human Services", and by striking "by the Department of Health and Human Services and the Treasury Department for the administration of titles II, XVI, and XVIII of this Act" and inserting "by the Department of Health and Human Services for the administration of title XVIII of this Act, and by the Department of the Treasury for the administration of titles II and XVIII of this Act";

(B) in clause (ii), by striking "method prescribed by the Board of Trustees under paragraph (4)" and inserting "applicable method prescribed under paragraph (4)", by striking "the Secretary of Health and Human Services" and inserting "the Commissioner of Social Security", and by striking "the Department of Health and Human Services" and inserting "the Social Security Administration"; and

(C) in the matter following clause (ii), by striking "titles II, XVI, and XVIII" in the first sentence and inserting "titles II and XVIII", and by striking the last sentence and inserting the following: "There are hereby authorized to be made available for expenditure, out of any or all of the Trust Funds, such amounts as the Congress may deem appropriate to pay the costs of the part of the administration of this title, title XVI, and title XVIII for which the Commissioner of Social Security is responsible, the costs of title XVIII for which the Secretary of Health and Human Services is responsible, and the costs of carrying out the functions of the Social Security Administration, specified in section 232, which relate to the administration of provisions of the Internal Revenue Code of 1986 other than those referred to in clause (i) of the first sentence of this subparagraph.".

(4)(A) Section 201(g)(1) of such Act (42 U.S.C. 401(g)(1)) is further amended by striking subparagraph (B) and inserting the following new subparagraphs:

"(B) After the close of each fiscal year—

"(i) the Commissioner of Social Security shall determine—

"(I) the portion of the costs, incurred during such fiscal year, of administration of this title, title XVI, and title XVIII for which the Commissioner is responsible and of carrying out the functions of the Social Security Administration, specified in section 232, which relate to the administration of provisions of the Internal Revenue Code of 1986 (other than those referred to in clause (i) of the first sentence of subparagraph (A)), which should have been borne by the general fund of the Treasury,

"(II) the portion of such costs which should have been borne by the Federal Old-Age and Survivors Insurance Trust Fund,

"(III) the portion of such costs which should have been borne by the Federal Disability Insurance Trust Fund,

"(IV) the portion of such costs which should have been borne by the Federal Hospital Insurance Trust Fund, and

"(V) the portion of such costs which should have been borne by the Federal Supplementary Medical Insurance Trust Fund, and

"(ii) the Secretary of Health and Human Services shall determine—

"(I) the portion of the costs, incurred during such fiscal year, of the administration of title XVIII for which the Secretary is responsible, which should have been borne by the general fund of the Treasury,

"(II) the portion of such costs which should have been borne by the Federal Hospital Insurance Trust Fund, and

"(III) the portion of such costs which should have been borne by the Federal Supplementary Medical Insurance Trust Fund.

"(C) After the determinations under subparagraph (B) have been made for any fiscal year, the Commisioner of Social Security and the Secretary shall each certify to the Managing Trustee the amounts, if any, which should be transferred from one to any of the other such Trust Funds and the amounts, if any, which should be transferred between the Trust Funds (or one of the Trust Funds) and the general fund of the Treasury, in order to ensure that each of the Trust Funds and the general fund of the Treasury have borne their proper share of the costs, incurred during such fiscal year, for—

"(i) the parts of the administration of this title, title XVI, and title XVIII for which the Commissioner of Social Security is responsible,

"(ii) the parts of the administration of title XVIII for which the Secretary is responsible, and

"(iii) carrying out the functions of the Social Security Administration, specified in section 232, which relate to the administration of provisions of the Internal Revenue Code of 1986 (other than those referred to in clause (i) of the first sentence of subparagraph (A)).

The Managing Trustee shall transfer any such amounts in accordance with any certification so made.

"(D) The determinations required under subclauses (IV) and (V) of subparagraph (B)(i) shall be made in accordance with the cost allocation methodology in existence on the date of the enactment of the Social Security Independence and Program Improvements Act of 1994, until such time as the methodology for making the determinations required under such subclauses is revised by agreement of the Commissioner and the Secretary, except that the determination of the amounts to be borne by the general fund of the Treasury with respect to expenditures incurred in carrying out the functions of the Social Security Administration specified in section 232 shall be made pursuant to the applicable method prescribed under paragraph (4).".

(5) Section 201(g)(2) of such Act (42 U.S.C. 401(g)(2)) is amended, in the second sentence, by striking "established and maintained by the Secretary of Health and Human Services" and inserting "maintained by the Commissioner of Social Security", and by striking "Secretary shall furnish" and inserting "Commissioner of Social Security shall furnish".

(6) Section 201(g)(4) of such Act (42 U.S.C. 401(g)(4)) is amended to read as follows:

"(4) The Commissioner of Social Security shall utilize the method prescribed pursuant to this paragraph, as in effect immediately before the date of the enactment of the Social Security Independence and Program Improvements Act of 1994, for determining the costs which should be borne by the general fund of the Treasury of carrying out the functions of the Commissioner, specified in section 232, which relate to the administration of provisions of the Internal Revenue Code of 1986 (other than those referred to in clause (i) of the first sentence of paragraph (1)(A)). If at any time or times thereafter the Boards of Trustees of such Trust Funds consider such action advisable, they may modify the method of determining such costs.".

(7) Section 201(i)(1) of such Act (42 U.S.C. 401(i)(1)) is amended to read as follows:

"(i)(1) The Managing Trustee may accept on behalf of the United States money gifts and bequests made unconditionally to the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, the Federal Hospital Insurance Trust Fund, or the Federal Supplementary Medical Insurance Trust Fund or to the Social Security Administration, the Department of Health and Human Services, or any part or officer thereof, for the benefit of any of such Funds or any activity financed through such Funds.".

(8) Subsections (j) and (k) of section 201 of such Act (42 U.S.C. 401) are each amended by striking "Secretary" each place it appears and inserting "Commissioner of Social Security".

(9) Section 201(l)(3)(B)(iii)(II) of such Act (42 U.S.C. 401(l)(3)(B)(iii)(II)) is amended by striking "Secretary" and inserting "Commissioner of Social Security".

(10) Section 201(m)(3) of such Act (42 U.S.C. 401(m)(3)) is amended by striking "Secretary of Health and Human Services" and inserting "Commissioner of Social Security".

(c) AMENDMENT TO SECTION 231.—Section 231(c) of such Act (42 U.S.C. 431(c)) is amended by striking "Secretary determines" and inserting "Commissioner of Social Security and the Secretary jointly determine".

SEC. 108. ADDITIONAL CONFORMING AMENDMENTS.

(a) AMENDMENTS TO TITLE VII.—

(1) Title VII of the Social Security Act (42 U.S.C. 901 et seq.) is amended by adding at the end the following new section:

"DUTIES AND AUTHORITY OF SECRETARY

"SEC. 712. The Secretary shall perform the duties imposed upon the Secretary by this Act. The Secretary is authorized to appoint and fix the compensation of such officers and employees, and to make such expenditures as may be necessary for carrying out the functions of the Secretary under this Act. The Secretary may appoint attorneys and experts without regard to the civil service laws.".

(2) Section 706 of such Act (42 U.S.C. 907) is repealed. This paragraph shall not apply with respect to the Advisory Council for Social Security appointed in 1994.

(3) Paragraph (2) of section 709(b) of such Act (42 U.S.C. 910(b)) is amended by striking "(as estimated by the Secretary)" and inserting "(for amounts which will be paid from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, as estimated by the Commissioner, and for amounts which will be paid from the Federal Hospital Insurance Trust and the Federal Supplementary Medical Insurance Trust Fund, as estimated by the Secretary)".

(b) AMENDMENTS TO TITLE XI.—

(1) Section 1101(a) of such Act (42 U.S.C. 1301(a)) is amended by adding at the end the following new paragraph:

"(10) The term 'Administration' means the Social Security Administration, except where the context requires otherwise.".

(2) Section 1106(a) of such Act (42 U.S.C. 1306(a)) is amended—

(A) by inserting "(1)" after "(a)";

(B) by striking "Department of Health and Human Services" each place it appears and inserting "applicable agency";

(C) by striking "Secretary" each place it appears and inserting "head of the applicable agency"; and

(D) by adding at the end the following new paragraph:

"(2) For purposes of this subsection and subsection (b), the term 'applicable agency' means—

"(A) the Social Security Administration, with respect to matter transmitted to or obtained by such Administration or matter disclosed by such Administration, or

"(B) the Department of Health and Human Services, with respect to matter transmitted to or obtained by such Department or matter disclosed by such Department.".

(3) Section 1106(b) of such Act (42 U.S.C. 1306(b)) is amended—

(A) by striking "Secretary" each place it appears and inserting "head of the applicable agency"; and

(B) by striking "Department of Health and Human Services" and inserting "applicable agency".

(4) Section 1106(c) of such Act (42 U.S.C. 1306(c)) is amended—

(A) by striking "the Secretary" the first place it appears and inserting "the Commissioner of Social Security or the Secretary"; and

(B) by striking "the Secretary" each subsequent place it appears and inserting "such Commissioner or Secretary".

(5) Section 1106(d) of such Act (added by section 311 of this Act) is amended—

(A) by striking "Secretary" the first place it appears and inserting "Commissioner of Social Security";

(B) by striking "Secretary" the second place it appears and inserting "Commissioner";

(C) by striking "Secretary" the third place it appears and inserting "Commissioner in consultation with the Secretary of Health and Human Services"; and

(D) by striking "Secretary" each subsequent place it appears and inserting "Commissioner".

(6) Section 1107(b) of such Act (42 U.S.C. 1307(b)) is amended by striking "the Secretary of Health and Human Services" and inserting "the Commissioner of Social Security or the Secretary".

(7) Section 1110 of such Act (42 U.S.C. 1310) is amended—

(A) by striking "he", "his", and "him" each place they appear (except in subsection (b)(2)(A)) and inserting "the Commissioner", "the Commissioner's", and "the Commissioner", respectively;

(B) in subsection (a)(2), by inserting "(or the Commissioner, with respect to any jointly financed cooperative agreement or grant concerning titles II or XVI)" after "Secretary";

(C) in subsection (b)(1)—

(i) by striking "Secretary" each place it appears in the first two sentences and inserting "Commissioner";

(ii) by striking in the third sentence "determined by the Secretary," and inserting "determined by the Commissioner with respect to the old-age, survivors, and disability insurance programs under title II and the supplemental security income program under title XVI, and by the Secretary with respect to other titles of this Act,"; and

(iii) by striking the fourth sentence and inserting the following new sentences: "If, in order to carry out a project under this subsection, the Commissioner requests a State to make supplementary payments (or the Commissioner makes them pursuant to an agreement under section 1616) to individuals who are not eligible therefor, or in amounts or under circumstances in which the State does not make such payments, the Commissioner shall reimburse such State for the non-Federal share of such payments from amounts appropriated to carry out title XVI. If, in order to carry out a project under this subsection, the Secretary requests a State to provide medical assistance under its plan approved under title XIX to individuals who are not eligible therefor, or in amounts or under circumstances in which the State does not provide such medical assistance, the Secretary shall reimburse such State for the non-Federal share of such assistance from amounts appropriated to carry out title XVI, which shall be provided by the Commissioner to the Secretary for this purpose.";

(D) in subsection (b)(2), by striking "Secretary" each place it appears and inserting "Commissioner"; and

(E) in subsection (b), by striking paragraph (3).

(8) Subsections (b) and (c) of section 1127 of such Act (42 U.S.C. 1320a–6) are each amended by striking "Secretary" and inserting "Commissioner of Social Security".

(9) Section 1128(f) of such Act (42 U.S.C. 1320a–7(f)) is amended—

(A) in paragraph (1), by inserting after "section 205(g)" the following: ", except that, in so applying such sections and section 205(l), any reference therein to the Commissioner of Social Security or the Social Security Administration shall be considered a reference to the Secretary or the Department of Health and Human Services, respectively", and

(B) in paragraph (3), by inserting after "title II" the following: ", except that, in so applying such section and section 205(l), any reference therein to the Commissioner of Social Security shall be considered a reference to the Secretary".

(10)(A) Section 1129 of such Act (added by section 206(b) of this Act) is amended—

(i) by striking "Secretary" each place it appears and inserting "Commissioner of Social Security";

(ii) in subsection (a)(1)—

(I) by striking "exclude, as provided in section 1128," and inserting "recommend that the Secretary exclude, as provided in section 1128,"; and

(II) by striking "and to direct" and all that follows through "determines";

(iii) in subsection (g)—

(I) by striking "Secretary's" and inserting "Commissioner's"; and

(II) by striking "the provisions" and all that follows and inserting the following: "the Commissioner shall notify the Secretary of the final determination and the reasons therefor, and the Secretary shall then notify the entities described in section 1128A(h) of such final determination.";

(iv) in subsection (k), by inserting "based on a recommendation under subsection (a)" after "section 1128"; and

(v) in subsection (l) (added by section 206(e)(1)), by striking "Department of Health and Human Services" and inserting "Social Security Administration".

(B) Section 206(g) of this Act is amended—

(i) by striking "Secretary of Health and Human Services" and inserting "Commissioner of Social Security"; and

(ii) by striking "Secretary has exercised" and inserting "Commissioner has exercised".

(11) Section 1131 of such Act (42 U.S.C. 1320b–1) is amended—

(A) by striking "Secretary" each place it appears and inserting "Commissioner of Social Security";

(B) in subsection (a)(1)(A), by adding "or" at the end;

(C) in subsection (a)(1)(B), by striking "or" at the end;

(D) by striking subsection (a)(1)(C);

(E) by redesignating subsection (a)(2) as subsection (a)(3);

(F) by inserting after subsection (a)(1) the following new paragraph:

"(2) the Secretary makes a finding of fact and a decision as to the entitlement under section 226 of any individual to hospital insurance benefits under part A of title XVIII, or"; and

(G) in the matter in subsection (a) following paragraph (3) (as so redesignated), by striking "he" and inserting "the Commissioner of Social Security", by striking "paragraph (1)" and inserting "paragraph (1) or (2)", by striking "paragraph (2)" and inserting "paragraph (3)", and by striking "paragraph (1) or (2)(A)" and inserting "paragraph (1), (2), or (3)(A)".

(12) Section 1140 of such Act (42 U.S.C. 1320b–10) (as amended by section 312 of this Act) is amended—

(A) in subsection (a)(2)—

(i) by inserting "(A)" after "(2)";

(ii) by striking "or of the Department of Health and Human Services";

(iii) by striking "which the Secretary shall prescribe" and inserting "which the Commissioner of Social Security shall prescribe"; and

(iv) by adding at the end the following new subparagraph:

"(B) No person may, for a fee, reproduce, reprint, or distribute any item consisting of a form, application, or other publication of the Department of Health and Human Services unless such person has obtained specific, written authorization for such activity in accordance with regulations which the Secretary shall prescribe.";

(B) in subsection (b), by striking "the Secretary" and inserting "the Commissioner or the Secretary (as applicable)";

(C) in subsection (c)(2), by striking "the Secretary" each place it appears and inserting "the Commissioner or the Secretary (as applicable)"; and

(D) in subsection (d), by striking "the Office of Inspector General of the Department of Health and Human Services" and inserting "the Office of the Inspector General of the Social Security Administration or the Office of the Inspector General of the Department of Health and Human Services (as appropriate)".

(13) Section 1141 of such Act (42 U.S.C. 1320b–11) is amended—

(A) by striking "Secretary" each place it appears and inserting "Commissioner of Social Security";

(B) by striking "Secretary's" each place it appears and inserting "Commissioner's";

(C) in the first sentence of subsection (a), by striking "under the direction of the Commissioner of Social Security,"; and

(D) in subsection (d)(6), by striking "Department of Health Services and inserting "Social Security Administration".

(14) Section 1155 of such Act (42 U.S.C. 1320c–4) is amended by striking "(to the same extent as is provided in section 205(b))" and all that follows and inserting "(to the same extent as beneficiaries under title II are entitled to a hearing by the Commissioner of Social Security under section 205(b)). For purposes of the preceding sentence, subsection (l) of section 205 shall apply, except that any reference in such subsection to the Commissioner of Social Security or the Social Security Administration shall be deemed a reference to the Secretary or the Department of Health and Human Services, respectively. Where the amount in controversy is $2,000 or more, such beneficiary shall be entitled to judicial review of any final decision relating to a reconsideration described in this subsection.".

(c) AMENDMENTS TO TITLE XVIII.—

(1) Section 1817 of such Act (42 U.S.C. 1395i) is amended—

(A) in subsection (a), by striking "Secretary of Health and Human Services" each place it appears and inserting "Commissioner of Social Security";

(B) in subsection (b), by inserting "the Commissioner of Social Security," before "the Secretary of the Treasury"; and

(C) in subsection (f), by striking "Secretary of Health and Human Services" each place it appears and inserting "Commissioner of Social Security".

(2) Section 1840(a) of such Act (42 U.S.C. 1395s(a)) is amended—

(A) in paragraph (1), by striking "Secretary" and inserting "Commissioner of Social Security", and by adding at the end the following new sentence: "Such regulations shall be prescribed after consultation with the Secretary."; and

(B) in paragraph (2), by striking "Secretary of Health and Human Services" and inserting "Commissioner of Social Security".

(3) Section 1841(b) of such Act (42 U.S.C. 1395t) is amended by inserting "the Commissioner of Social Security," before "the Secretary of the Treasury".

(4) Section 1872 of such Act (42 U.S.C. 1395ii) is amended by inserting after "title II" the following: ", except that, in applying such provisions with respect to this title, any reference

therein to the Commissioner of Social Security or the Social Security Administration shall be considered a reference to the Secretary or the Department of Health and Human Services, respectively".

(5) Sections 1866(h)(1), 1869(b)(1), and 1881(g)(3) of such Act (42 U.S.C. 1395cc(h)(1), 1395ff(b)(1), 1395rr(g)(3)) are amended by inserting after "section 205(g)" the following: ", except that, in so applying such sections and in applying section 205(l) thereto, any reference therein to the Commissioner of Social Security or the Social Security Administration shall be considered a reference to the Secretary or the Department of Health and Human Services, respectively".

(6) Section 1876(c)(5)(B) of such Act (42 U.S.C. 1395mm(c)(5)(B)) is amended by adding at the end the following: "In applying sections 205(b) and 205(g) as provided in this subparagraph, and in applying section 205(l) thereto, any reference therein to the Commissioner of Social Security or the Social Security Administration shall be considered a reference to the Secretary or the Department of Health and Human Services, respectively.".

(d) AMENDMENTS TO TITLE XIX.—

(1) Section 1902(a)(10)(A)(ii)(XI) of such Act (42 U.S.C. 1396a(a)(10)(A)(ii)(XI)) is amended by striking "Secretary" and inserting "Commissioner of Social Security".

(2) Section 1905(j) of such Act (42 U.S.C. 1396d(j)) is amended by striking "Secretary" and inserting "Commissioner of Social Security".

(3) Section 1905(q)(2) of such Act (42 U.S.C. 1396d(q)(2)) is amended by striking "Secretary" and inserting "Commissioner of Social Security".

(4) Section 1910(b)(2) of such Act (42 U.S.C. 1396i(b)(2)) is amended, in the first sentence, by inserting after "section 205(g)" the following: ", except that, in so applying such sections and in applying section 205(l) thereto, any reference therein to the Commissioner of Social Security or the Social Security Administration shall be considered a reference to the Secretary or the Department of Health and Human Services, respectively".

(5) Section 1918 of such Act (42 U.S.C. 1396q) is amended by inserting after "title II" the following: ", except that, in so applying such subsections, and in applying section 205(l) thereto, with respect to this title, any reference therein to the Commissioner of Social Security or the Social Security Administration shall be considered a reference to the Secretary or the Department of Health and Human Services, respectively".

(e) AMENDMENTS TO TITLE 5, UNITED STATES CODE.—Title 5, United States Code, is amended—

(1) by adding at the end of section 5312 the following new item:

"Commissioner of Social Security, Social Security Administration.";

(2) by adding at the end of section 5313 the following new item:

"Devuty Commissioner of Social Security, Social Security Administration.";

(3) by adding at the end of section 5315 the following new item:

"Inspector General, Social Security Administration.";

(4) by striking "Secretary of Health, Education, and Welfare" each place it appears in section 8141 and inserting "Commissioner of Social Security"; and

(5) by striking "Secretary of Health and Human Services" in section 8347(m)(3) and inserting "Commissioner of Social Security".

(f) AMENDMENTS TO FOOD STAMP ACT OF 1977.—

(1) Sections 6(c)(3) and 8(e)(6) of the Food Stamp Act of 1977 (7 U.S.C. 2015(c)(3) and 2017(e)(6)) are each amended by inserting "the Commissioner of Social Security and" before "the Secretary of Health and Human Services".

(2) Sections 6(g), 11(j), and 16(e) of such Act (7 U.S.C. 2015(g), 2020(j), and 2025(e)) are each amended by striking "Secretary of Health and Human Services" each place it appears and inserting "Commissioner of Social Security".

(3) Section 11(i) of such Act (7 U.S.C. 2020(i)) is amended by adding ", the Commissioner of Social Security" after "the Secretary".

(g) AMENDMENT TO TITLE 14, UNITED STATES CODE.—Section 707(e)(3) of title 14, United States Code, is amended by striking "Secretary of Health and Human Services" each place it appears and inserting "Commissioner of Social Security".

(h) AMENDMENTS TO INTERNAL REVENUE CODE OF 1986.—

(1) Subsections (c)(1), (c)(2)(E), (e)(2), (g)(1), (g)(2)(A), and (g)(2)(B) of section 1402 of the Internal Revenue Code of 1986 are amended by striking "Secretary of Health and Human Services" each place it appears and inserting "Commissioner of Social Security".

(2) Section 3121(b)(10)(B) of such Code is amended by striking "Secretary of Health and Human Services" each place it appears and inserting "Commissioner of Social Security".

(3) Section 3127 of such Code is amended by striking "Secretary of Health and Human Services" each place it appears and inserting "Commissioner of Social Security".

(4) Section 6050F(c)(1)(A) of such Code is amended by striking "Secretary of Health and Human Services" and inserting "Commissioner of Social Security".

(5) Subsections (d) and (f) of section 6057 of such Code are amended by striking "Secretary of Health and Human Services" each place it appears and inserting "Commissioner of Social Security".

(6) Section 6103(l)(5) of such Code is amended—

(A) by striking "DEPARTMENT OF HEALTH AND HUMAN SERVICES" in the heading and inserting "SOCIAL SECURITY ADMINISTRATION"; and

(B) by striking "Secretary of Health and Human Services" and inserting "Commissioner of Social Security".

(7) Subsections (d)(3)(C) and (e) of section 6402 of such Code are amended by striking "Secretary of Health and Human Services" each place it appears and inserting "Commissioner of Social Security".

(8) Section 6511(d)(5) of such Code is amended by striking "Secretary of Health and Human Services" and inserting "Commissioner of Social Security".

(9)(A) Subsections (b)(2) and (h) of section 9704 of such Code are amended by striking "Secretary of Health and Human Services" and inserting "Commissioner of Social Security".

(B) Section 9706 of such Code is amended—

(i) by striking "Secretary of Health and Human Services" each place it appears and inserting "Commissioner of Social Security";

(ii) in such section as amended by clause (i), by striking "Secretary" each place it appears and inserting "Commissioner"; and

(iii) in subsection (d)(3), by striking "Secretary's" and inserting "Commissioner's".

(i) AMENDMENTS TO BLACK LUNG BENEFITS ACT.—

(1) Section 402(c) of the Black Lung Benefits Act (30 U.S.C. 902(c)) is amended by striking "where used in part B" and all that follows through "part C" and insert "where used in part C".

(2) Part B of such Act (30 U.S.C. 921 et seq.) is amended by striking "Secretary of Health, Education, and Welfare" each place it appears and inserting "Commissioner of Social Security, and by striking "Secretary" each place it otherwise appears in reference to the Secretary of Health and Human Services and inserting "Commissioner of Social Security".

(3) Section 426 of such Act (30 U.S.C. 936) is amended—

(A) in subsection (a), by striking "and the Secretary of Health, Education, and Welfare" and inserting ", the Commissioner of Social Security, and the Secretary of Health and Human Services"; and

(B) in subsection (b), by striking "the Secretary of Health, Education, and Welfare" and inserting "the Commissioner of Social Security".

(4) Section 435 of such Act (30 U.S.C. 945) is amended by striking "Secretary of Health, Education, and Welfare" each place it appears and inserting "Commissioner of Social Security".

(5) Section 508 of such Act (30 U.S.C. 957) is amended by striking "the Secretary of Health, Education, and Welfare," and inserting "the Secretary of Health and Human Services, the Commissioner of Social Security,".

(j) AMENDMENTS TO TITLE 31, UNITED STATES CODE.—

(1) Section 901(b)(2) of title 31, United States Code, is amended by adding at the end the following:

"(H) The Social Security Administration.".

(2) Section 3720A(f)(2) of such title is amended by striking "Secretary of Health and Human Services" each place it appears in and inserting "Commissioner of Social Security".

(k) AMENDMENTS TO TITLE 38, UNITED STATES CODE.—Section 5105 of title 38, United States Code, is amended—

(1) by striking "Secretary of Health and Human Services" each place it appears and inserting "Commissioner of Social Security"; and

(2) by striking the second sentence of subsection (b) and inserting the following new sentence: "A copy of each such application filed with either the Secretary or the Commissioner, together with any additional information and supporting documents (or certifications thereof) which may have been received by the Secretary or the Commissioner with such application, and which may be needed by the other official in connection therewith, shall be transmitted by the Secretary or the Commissioner receiving the application to the other official.".

(l) AMENDMENTS TO INSPECTOR GENERAL ACT OF 1978.—

(1) Section 9(a)(1) of the Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(A) by striking "and" at the end of suchparagraph (V); and

(B) by adding at the end the following new subparagraph:

"(W) of the Social Security Administration, the functions of the Inspector General of the Department of Health and Human Services which are transferred to the Social Security Administration by the Social Security Independence and Program Improvements Act of 1994 (other than functions performed pursuant to section 105(a)(2) of such Act), except that such transfers shall be made in accordance with the provisions of such Act and shall not be subject to subsections (b) through (d) of this section; and".

(2) Section 11 of such Act (5 U.S.C. App.) is amended—

(A) in paragraph (1), by inserting "; or the Commissioner of Social Security, Social Security Administration" before "; as the case may be"; and

(B) in paragraph (2), by inserting ", or the Social Security Administration" before "; as the case may be".

(m) SECTION 505 OF THE SOCIAL SECURITY DISABILITY AMENDMENTS OF 1980.—Section 505 of the Social Security Disability Amendments of 1980 is amended—

(1) in subsection (a), by striking "Secretary of Health and Human Services" and inserting "Commissioner of Social Security";

(2) in subsection (a)(3), by amending the first sentence to read as follows: "In the case of any experiment or demonstration project under paragraph (1) which is initiated before June 10, 1996, the Commissioner may waive compliance with the benefit requirements of title II of the Social Security Act, and the Secretary of Health and Human Services may (upon the request of the Commissioner) waive compliance with the benefits requirements of title XVIII of such Act, insofar as is necessary for a thorough evaluation of the alternative methods under consideration."; and

(3) in subsections (a) and (c), by striking "Secretary" each place it otherwise appears and inserting "Commissioner".

SEC. 109. RULES OF CONSTRUCTION.

(a) REFERENCES TO THE DEPARTMENT OF HEALTH AND HUMAN SERVICES.—Whenever any reference is made in any provision of law (other than this title or a provision of law amended by this title), regulation, rule, record, or document to the Department of Health and Human Services with respect to such Department's functions under the old-age, survivors, and disability insurance program under title II of the Social Security Act or the supplemental security income program under title XVI of such Act or other functions performed by the Social Security Administration pursuant to section 105(a)(2) of this Act, such reference shall be considered a reference to the Social Security Administration.

(b) REFERENCES TO THE SECRETARY OF HEALTH AND HUMAN SERVICES.—Whenever any reference is made in any provision of law (other than this title or a provision of law amended by this title), regulation, rule, record, or document to the Secretary of Health and Human Services with respect to such Secretary's functions under the old-age, survivors, and disability insurance program under title II of the Social Security Act or the supplemental security income program under title XVI of such Act or other functions performed by the Commissioner of Social Security pursuant to section 105(a)(2) of this Act, such reference shall be considered a reference to the Commissioner of Social Security.

(c) REFERENCES TO OTHER OFFICERS AND EMPLOYEES.—Whenever any reference is made in any provision of law (other than this title or a provision of law amended by this title), regulation, rule, record, or document to any other officer or employee of the Department of Health and Human Services with respect to such officer or employee's functions under the old-age, survivors, and disability insurance program under title II of the Social Security Act or the supplemental security income program under title XVI of such Act or other functions performed by the officer or employee of the Social Security Administration pursuant to section 105(a)(2) of this Act, such reference shall be considered a reference to the appropriate officer or employee of the Social Security Administration.

SEC. 110. EFFECTIVE DATES.

(a) IN GENERAL.—Except as otherwise provided in this title, this title, and the amendments made by such title, shall take effect March 31, 1995.

(b) TRANSITION RULES.—Section 106 shall take effect on the date of the enactment of this Act.

(c) EXCEPTIONS.—The amendments made by section 103, subsections (b)(4) and (c) of section 105, and subsections (a)(1), (e)(1), (e)(2), (e)(3), and (l)(2) of section 108 shall take effect on the date of the enactment of this Act.

TITLE II—PROGRAM IMPROVEMENTS RELATING TO OASDI AND SSI

SEC. 201. RESTRICTIONS ON PAYMENT OF BENEFITS BASED ON DISABILITY TO SUBSTANCE ABUSERS.

(a) AMENDMENTS RELATING TO BENEFITS BASED ON DISABILITY UNDER TITLE II OF THE SOCIAL SECURITY ACT.—

(1) REQUIRED PAYMENT OF BENEFITS TO REPRESENTATIVE PAYEES.—

(A) IN GENERAL.—Section 205(j)(1) of the Social Security Act (42 U.S.C. 405(j)(1)) is amended—

(i) by inserting "(A)" after "(j)(1)";

(ii) in the last sentence, by inserting ", if the interest of the individual under this title would be served thereby," after "alternative representative payee or"; and

(iii) by adding at the end the following new subparagraph:

"(B) In the case of an individual entitled to benefits based on disability, if alcoholism or drug addiction is a contributing factor material to the Secretary's determination that the individual is under a disability, certification of payment of such benefits to a representative payee shall be deemed to serve the interest of such individual under this title. In any case in which such certification is so deemed under this subparagraph to serve the interest of an individual, the Secretary shall include, in such individual's notification of entitlement, a notice that alcoholism or drug addiction is a contributing factor material to the Secretary's determination of such individual's disability and that the Secretary is therefore required to make a certification of payment of such individual's benefits to a representative payee.".

(B) CONFORMING AMENDMENT.—Section 205(j)(2)(D)(ii)(II) of such Act (42 U.S.C. 402(j)(2)(D)(ii)(II)) is amended by striking "or under the age of 15" and inserting ", under the age of 15 years, or (if alcoholism or drug addiction is a contributing factor material to the Secretary's determination that the individual is under a disability) is eligible for benefits under this title by reason of disability.".

(C) 90-DAY DELAY IN DEFERRAL OR SUSPENSION OF BENEFITS FOR CURRENT BENEFICIARIES.—In the case of an individual who, as of 180 days after the date of the enactment of this Act, has been determined to be under a disability, if alcoholism or drug addiction is a contributing factor material to the determination of the Secretary of Health and Human Services that the individual is under a disability, the Secretary may, notwithstanding clauses (i) and (ii) of section 205(j)(2)(D) of the Social Security Act, make direct payment of benefits to such individual during the 90-day period commencing with the date on which such individual is provided the notice described in subparagraph (D)(ii) of this paragraph, until such time during such period as the selection of a representative payee is made pursuant to section 205(j) of such Act.

(D) EFFECTIVE DATE.—

(i) GENERAL RULE.—Except as provided in clause (ii), the amendments made by this paragraph shall apply with respect to benefits paid in months beginning after 180 days after the date of the enactment of this Act.

(ii) TREATMENT OF CURRENT BENEFICIARIES.—In any case in which—

(I) an individual is entitled to benefits based on disability (as defined in section 205(j)(7) of the Social Security Act, as amended by this section),

(II) the determination of disability was made by the Secretary of Health and Human Services during or before the 180-day period following the date of the enactment of this Act, and

(III) alcoholism or drug addiction is a contributing factor material to the Secretary's determination that the individual is under a disability,

the amendments made by this paragraph shall apply with respect to benefits paid in months after the month in which such individual is notified by the Secretary in writing that alcoholism or drug addiction is a contributing factor material to the Secretary's determination and that the Secretary is therefore required to make a certification of payment of such individual's benefits to a representative payee.

(E) STUDY REGARDING FEASIBILITY, COST, AND EQUITY OF REQUIRING REPRESENTATIVE PAYEES FOR ALL DISABILITY BENEFICIARIES SUFFERING FROM ALCOHOLISM OR DRUG ADDICTION.—

(i) STUDY.—As soon as practicable after the date of the enactment of this Act, the Secretary of Health and Human Services shall conduct a study of the representative payee program. In such study, the Secretary shall examine—

(I) the feasibility, cost, and equity of requiring representative payees for all individuals entitled to benefits based on disability under title II or XVI of the Social Security Act who suffer from alcoholism or drug addiction, irrespective of whether the alcoholism or drug addiction was material in any case to the Secretary's determination of disability,

(II) the feasibility, cost, and equity of providing benefits through non-cash means, including (but not limited to) vouchers, debit cards, and electronic benefits transfer systems,

(III) the extent to which child beneficiaries are afflicted by drug addition or alcoholism and ways of addressing such affliction, including the feasibility of requiring treatment, and

(IV) the extent to which children's representative payees are afflicted by drug addiction or alcoholism, and methods to identify children's representative payees afflicted by drug addition or alcoholism and to ensure that benefits continue to be provided to beneficiaries appropriately.

(ii) REPORT.—Not later than December 31, 1995, the Secretary shall transmit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report setting forth the findings of the Secretary based on such study. Such report shall include such recommendations for administrative or legislative changes as the Secretary considers appropriate.

(2) INCREASED RELIANCE ON PROFESSIONAL REPRESENTATIVE PAYEES.—

(A) PREFERENCE REQUIRED FOR ORGANIZATIONAL REPRESENTATIVE PAYEES.—Section 205(j)(2)(C) of such Act (42 U.S.C. 405(j)(2)(C)) is amended by adding at the end the following new clause:

"(v) In the case of an individual entitled to benefits based on disability, if alcoholism or drug addiction is a contributing factor material to the Secretary's determination that the individual is under a disability, when selecting such individual's representative payee, preference shall be given to—

"(I) a community-based nonprofit social service agency licensed or bonded by the State,

"(II) a Federal, State, or local government agency whose mission is to carry out income maintenance, social service, or health care-related activities,

"(III) a State or local government agency with fiduciary responsibilities, or

"(IV) a designee of an agency (other than of a Federal agency) referred to in the preceding subclauses of this clause, if the Secretary deems it appropriate,

unless the Secretary determines that selection of a family member would be appropriate.".

(B) AVAILABILITY OF PUBLIC AGENCIES AND OTHER QUALIFIED ORGANIZATIONS TO SERVE AS REPRESENTATIVE PAYEES.—

(i) ALLOWABLE FEES.—Section 205(j)(4)(A) of such Act (42 U.S.C. 405(j)(4)) is amended—

(I) by redesignating clauses (i) and (ii) as subclauses (I) and (II), respectively;

(II) by inserting "(i)" after "(4)(A)";

(III) by striking subclause (II) (as redesignated by subclause (I) of this clause) and inserting the following:

"(II) $25.00 per month ($50.00 per month in any case in which the individual is entitled to

benefits based on disability and alcoholism or drug addiction is a contributing factor material to the Secretary's determination that the individual is under a disability).";

(IV) by inserting, after and below subclause (II) (as amended), the following new sentence:

"The Secretary shall adjust annually (after 1995) each dollar amount set forth in subclause (II) under procedures providing for adjustments in the same manner and to the same extent as adjustments are provided for under the procedures used to adjust benefit amounts under section 215(i)(2)(A), except that any amount so adjusted that is not a multiple of $1.00 shall be rounded to the nearest multiple of $1.00."; and

(V) by adding at the end the following new clause:

"(ii) In the case of an individual who is no longer currently entitled to monthly insurance benefits under this title but to whom all past-due benefits have not been paid, for purposes of clause (i), any amount of such past-due benefits payable in any month shall be treated as a monthly benefit referred to in clause (i)(I).".

(ii) INCLUSION OF STATE AND LOCAL AGENCIES AS QUALIFIED ORGANIZATIONS.—Section 205(j)(4)(B) of such Act (42 U.S.C. 405(j)(4)(B))) is amended—

(I) by inserting "State or local government agency whose mission is to carry out income maintenance, social service, or health care-related activities, any State or local government agency with fiduciary responsibilities, or any" after "means any";

(II) by striking "representative payee and which," and inserting "representative payee, if such agency,";

(III) by striking ", and" at the end of clause (ii) and inserting a period; and

(IV) by striking clause (iii).

(iii) RETROACTIVE REPEAL OF SUNSET.—Effective July 1, 1994, section 205(j)(4) of such Act (42 U.S.C. 405(j)(4)) is amended by striking subparagraph (D).

(C) DEFINITION.—Section 205(j) of such Act (42 U.S.C. 405(j)) is amended by adding at the end the following new paragraph:

"(7) For purposes of this subsection, the term 'benefit based on disability' of an individual means a disability insurance benefit of such individual under section 223 or a child's, widow's, or widower's insurance benefit of such individual under section 202 based on such individual's disability.".

(D) EFFECTIVE DATE.—Except as provided in subparagraph (B)(iii), the amendments made by this paragraph shall apply with respect to months beginning after 90 days after the date of the enactment of this Act.

(3) NONPAYMENT OR TERMINATION OF BENEFITS.—

(A) IN GENERAL.—Section 225 of such Act (42 U.S.C. 425) is amended—

(i) by striking the heading and inserting the following:

"ADDITIONAL RULES RELATING TO BENEFITS BASED ON DISABILITY

"Suspension of Benefits";

(ii) by inserting before subsection (b) the following new heading:

"Continued Payments During Rehabilitation Program";

and

(iii) by adding at the end the following new subsection:

"Nonpayment or Termination of Benefits Where Entitlement Involves Alcoholism or Drug Addiction

"(c)(1)(A) In the case of any individual entitled to benefits based on disability, if alcoholism or drug addiction is a contributing factor material to the Secretary's determination that such individual is under a disability, such individual shall comply with the provisions of this subsection. In any case in which an individual is required to comply with the provisions of this subsection, the Secretary shall include, in such individual's notification of entitlement, a notice informing such individual of such requirement.

"(B) Notwithstanding any other provision of this title, if an individual who is required under subparagraph (A) to comply with the provisions of this subsection is determined by the Secretary not to be in compliance with the provisions of this subsection, such individual's benefits based on disability shall be suspended for a period—

"(i) commencing with the first month following the month in which such individual is notified by the Secretary of the determination of noncompliance and that the individual's benefits will be suspended, and

"(ii) ending with the month preceding the first month, after the determination of noncompliance, in which such individual demonstrates that he or she has reestablished and maintained compliance with such provisions for the applicable period specified in paragraph (3).

"(2)(A) An individual described in paragraph (1) is in compliance with the requirements of this subsection for a month if in such month—

"(i) such individual undergoes substance abuse treatment which is appropriate for such individual's condition diagnosed as alcoholism or drug addiction and for the stage of such individual's rehabilitation and which is conducted at an institution or facility approved for purposes of this subsection by the Secretary, and

"(ii) such individual complies in such month with the terms, conditions, and requirements of such treatment and with requirements imposed by the Secretary under paragraph (5).

"(B) An individual described in paragraph (1) may be determined as failing to comply with the requirements of this subsection for a month only if treatment meeting the requirements of subparagraph (A)(i) is available for that month, as determined pursuant to regulations of the Secretary.

"(3) The applicable period specified in this paragraph is—

"(A) 2 consecutive months, in the case of a first determination that an individual is not in compliance with the requirements of this subsection,

"(B) 3 consecutive months, in the case of the second such determination with respect to the individual, or

"(C) 6 consecutive months, in the case of the third or subsequent such determination with respect to the individual.

"(4) In any case in which an individual's benefit is suspended for a period of 12 consecutive months for failure to comply with treatment described in paragraph (2) of this subsection, the month following such period shall be deemed, for purposes of section 223(a)(1) or subsection (d)(1)(G)(i), (e)(1), or (f)(1) of section 202 (as applicable), the termination month with respect to such entitlement.

"(5)(A) The Secretary shall provide for the monitoring and testing of individuals who are receiving benefits under this title and who as a condition of payment of such benefits are required to be undergoing treatment under paragraph (1) and complying with the terms, conditions, and requirements thereof as described in paragraph (2)(A), in order to assure such compliance.

"(B) The Secretary, in consultation with drug and alcohol treatment professionals, shall issue regulations—

"(i) defining appropriate treatment for alcoholics and drug addicts who are subject to appropriate substance abuse treatment required under this subsection, and

"(ii) establishing guidelines to be used to review and evaluate their compliance, including measures of the progress expected to be achieved by participants in such programs.

"(C)(i) For purposes of carrying out the requirements of subparagraphs (A) and (B), the Secretary shall provide for the establishment of one or more referral and monitoring agencies for each State.

"(ii) Each referral and monitoring agency for a State shall—

"(I) identify appropriate placements, for individuals residing in such State who are entitled to benefits based on disability and with respect to whom alcoholism or drug addiction is a contributing factor material to the Secretary's determination that they are under a disability, where they may obtain treatment described in paragraph (2)(A),

"(II) refer such individuals to such placements for such treatment, and

"(III) monitor compliance with the requirements of paragraph (2)(A) by individuals who are referred by the agency to such placements and promptly report failures to comply to the Secretary.

"(D) There are authorized to be transferred from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund such sums as are necessary to carry out the requirements of this paragraph for referral, monitoring, and testing.

"(6)(A) In the case of any individual who is entitled to a benefit based on disability for any month, if alcoholism or drug addiction is a contributing factor material to the Secretary's determination that the individual is under a disability, payment of any past-due monthly insurance benefits under this title to which such individual is entitled shall be made in any month only to the extent that the sum of—

"(i) the amount of such past-due benefit paid in such month, and

"(ii) the amount of any benefit for the preceding month under such current entitlement which is payable in such month,

does not exceed, subject to subparagraph (B), twice the amount of such individual's benefit for the preceding month (determined without applying any reductions or deductions under this title).

"(B)(i) In the case of an individual who is no longer currently entitled to monthly insurance benefits under this title but to whom any amount of past-due benefits has not been paid, for purposes of subparagraph (A), such individual's monthly insurance benefit for such individual's last month of entitlement shall be treated as such individual's benefit for the preceding month.

"(ii) For the first month in which an individual's past-due benefits referred to in subparagraph (A) are paid, the amount of the limitation provided in subparagraph (A) shall be increased by the amount of any debts of such individual related to housing which are outstanding as of the end of the preceding month and which are resulting in a high risk of homelessness for such individual.

"(C) Upon the death of an individual to whom payment of past-due benefits has been limited under subparagraph (A), any amount of such past-due benefits remaining unpaid shall be treated as an underpayment for purposes of section 204.

"(D) In the case of an individual who would be entitled to benefits based on disability but for termination of such benefits under paragraph (4) or (7), such individual shall be entitled to payment of past-due benefits under this paragraph as if such individual continued to be entitled to such terminated benefits.

"(7)(A) Subject to subparagraph (B), in the case of any individual entitled to benefits based on disability, if—

"(i) alcoholism or drug addiction is a contributing factor material to the Secretary's determination that such individual is under a disability, and

"(ii) as of the end of the 36-month period beginning with such individual's first month of entitlement, such individual would not otherwise be disabled but for alcoholism or drug addiction,

the month following such 36-month period shall be deemed, for purposes of section 223(a)(1) or subsection (d)(1)(G)(i), (e)(1), or (f)(1) of section 202 (as applicable), the termination month with respect to such entitlement. Such individual whose entitlement is terminated under this paragraph may not be entitled to benefits based on disability for any month following such 36-month period if, in such following month, alcoholism or drug addiction is a contributing factor material to the Secretary's determination that such individual is under a disability.

"(B) In determining whether the 36-month period referred to in subparagraph (A) has elapsed—

"(i) a month shall not be taken into account unless the Secretary determines, under regulations of the Secretary, that treatment required under this subsection is available to the individual for the month, and

"(ii) any month for which a suspension is in effect for the individual under paragraph (1)(B) shall not be taken into account.

"(8) Monthly insurance benefits under this title which would be payable to any individual (other than the disabled individual to whom benefits are not payable by reason of this subsection) on the basis of the wages and self-employment income of such disabled individual but for the provisions of paragraph (1), (4), or (7) shall be payable as though such paragraph did not apply.

"(9) For purposes of this subsection, the term 'benefit based on disability' of an individual means a disability insurance benefit of such individual under section 223 or a child's, widow's, or widower's insurance benefit of such individual under section 202 based on the disability of such individual.".

(B) REPORT.—Not later than December 31, 1996, the Secretary shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a full and complete report on the Secretary's activities under paragraph (5) of section 225(c) of the Social Security Act (as amended by subparagraph (A)). Such report shall include the number and percentage of individuals referred to in such paragraph who have not received regular drug testing since the effective date of such paragraph.

(C) SUNSET OF 36-MONTH RULE.—Section 225(c)(7) of the Social Security Act (added by subparagraph (A)) shall cease to be effective with respect to benefits for months after September 2004.

(D) PRESERVATION OF MEDICARE BENEFITS.—

(i) Section 226 of such Act (42 U.S.C. 426) is amended by adding at the end the following:

"(i) For purposes of this section, each person whose monthly insurance benefit for any month is terminated or is otherwise not payable solely by reason of paragraph (1) or (7) of section 225(c) shall be treated as entitled to such benefit for such month.".

(ii) Section 226A of such Act (42 U.S.C. 426A) is amended by adding at the end the following:

"(c) For purposes of this section, each person whose monthly insurance benefit for any month is terminated or is otherwise not payable solely by reason of paragraph (1) or (7) of section 225(c) shall be treated as entitled to such benefit for such month.".

(E) EFFECTIVE DATE.—

(i) IN GENERAL.—Except as otherwise provided in this paragraph, the amendments made by this paragraph shall apply with respect to benefits based on disability (as defined in section 225(c)(9) of the Social Security Act, added by this section) which are otherwise payable in months beginning after 180 days after the date of the enactment of this Act. The Secretary of Health and Human Services shall issue regulations necessary to carry out the amendments made by this paragraph not later than 180 days after the date of the enactment of this Act.

(ii) REFERRAL AND MONITORING AGENCIES.—Section 225(c)(5) of the Social Security Act (added by this subsection) shall take effect 180 days after the date of the enactment of this Act.

(iii) TERMINATION AFTER 36 MONTHS.—Section 225(c)(7) of the Social Security Act (added by this subsection) shall apply with respect to benefits based on disability (as so defined) for months beginning after 180 days after the date of the enactment of this Act.

(F) TRANSITION RULES FOR CURRENT BENEFICIARIES.—In any case in which an individual is entitled to benefits based on disability, the determination of disability was made by the Secretary of Health and Human Services during or before the 180-day period following the date of the enactment of this Act, and alcoholism or drug addiction is a contributing factor material to the Secretary's determination that the individual is under a disability—

(i) TREATMENT REQUIREMENT.—Paragraphs (1) through (4) of section 225(c) of the Social Security Act (added by this subsection) shall apply only with respect to benefits paid in months after the month in which such individual is notified by the Secretary in writing that alcoholism or drug addiction is a contributing factor material to the Secretary's determination and that such individual is therefore required to comply with the provisions of section 225(c) of such Act.

(ii) TERMINATION AFTER 36 MONTHS.—

(I) IN GENERAL.—For purposes of section 225(c)(7) of the Social Security Act (added by this subsection), the first month of entitlement beginning after 180 days after the date of the enactment of this Act shall be treated as the individual's first month of entitlement to such benefits.

(II) CONCURRENT BENEFICIARIES CURRENTLY UNDER TREATMENT.—In any case in which the individual is also entitled to benefits under title XVI and, as of 180 days after the date of the enactment of this Act, such individual is undergoing treatment required under section 1611(e)(3) of the Social Security Act (as in effect immediately before the date of the enactment of this Act), the Secretary of Health and Human Services shall notify such individual of the provisions of section 225(c)(7) of the Social Security Act (added by this subsection) not later than 180 days after the date of the enactment of this Act.

(III) CONCURRENT BENEFICIARIES NOT CURRENTLY UNDER TREATMENT.—In any case in which the individual is also entitled to benefits under title XVI but, as of 180 days after the date of the enactment of this Act, such individual is not undergoing treatment described in subclause (II), section 225(c)(7) (added by this subsection) shall apply only with respect to benefits for months after the month in which treatment required under section 1611(e)(3) of the Social Security Act (as amended by subsection (b)) is available, as determined under regulations of the Secretary of Health and Human Services, and the Secretary notifies such individual of the availability of such treatment and describes in such notification the provisions of section 225(c)(7) of the Social Security Act (added by this subsection).

(4) IRRELEVANCE OF LEGALITY OF SERVICES PERFORMED IN DETERMINING SUBSTANTIAL GAINFUL ACTIVITY.—

(A) IN GENERAL.—Section 223(d)(4) of such Act (42 U.S.C. 423(d)(4)) is amended—

(i) by inserting "(A)" after "(4)"; and

(ii) by adding at the end the following new subparagraph:

"(B) In determining under subparagraph (A) when services performed or earnings derived from services demonstrate an individual's ability to engage in substantial gainful activity, the Secretary shall apply the criteria described in subparagraph (A) with respect to services performed by any individual without regard to the legality of such services.".

(B) CONFORMING AMENDMENT RELATING TO TRIAL WORK.—Section 222(c)(2) of such Act (42 U.S.C. 422(c)(2)) is amended by inserting "(whether legal or illegal)" after "activity".

(C) EFFECTIVE DATE.—The amendments made by this paragraph shall take effect on the date of the enactment of this Act.

(b) AMENDMENTS RELATING TO SUPPLEMENTAL SECURITY INCOME BENEFITS UNDER TITLE XVI OF THE SOCIAL SECURITY ACT.—

(1) REQUIRED PAYMENT OF BENEFITS TO REPRESENTATIVE PAYEES.—

(A) IN GENERAL.—Section 1631(a)(2)(A) of the Social Security Act (42 U.S.C. 1383(a)(2)(A)) is amended—

(i) in clause (ii)—

(I) by inserting "(I)" after "(ii)";

(II) by striking "or in the case of any individual or eligible spouse referred to in section 1611(e)(3)(A),"; and

(III) by adding after and below the end the following:

"(II) In the case of an individual eligible for benefits under this title by reason of disability, if alcoholism or drug addiction is a contributing factor material to the Secretary's determination that the individual is disabled, the payment of such benefits to a representative payee shall be deemed to serve the interest of the individual under this title. In any case in which such payment is so deemed under this subclause to serve the interest of an individual, the Secretary shall include, in the individual's notification of such eligibility, a notice that alcoholism or drug addiction is a contributing factor material to the Secretary's determination that the individual is disabled and that the Secretary is therefore required to pay the individual's benefits to a representative payee."; and

(ii) in clause (iii), by striking "to the individual or eligible spouse or to an alternative representative payee of the individual or eligible spouse" and inserting "to an alternative representative payee of the individual or eligible spouse or, if the interest of the individual under this title would be served thereby, to the individual or eligible spouse".

(B) CONFORMING AMENDMENT.—Section 1631(a)(2)(B)(viii)(II) of such Act (42 U.S.C. 1383(a)(2)(B)(viii)(II)) is amended by striking "15 years" and all that follows and inserting "of 15 years, or (if alcoholism or drug addiction is a contributing factor material to the Secretary's determination that the individual is disabled) is eligible for benefits under this title by reason of disability.".

(C) EFFECTIVE DATE.—The amendments made by this paragraph shall apply with respect to months beginning after 180 days after the date of the enactment of this Act.

(2) INCREASED RELIANCE ON PROFESSIONAL REPRESENTATIVE PAYEES.—

(A) PREFERENCE REQUIRED FOR ORGANIZATIONAL REPRESENTATIVE PAYEES.—Section 1631(a)(2)(B) of such Act (42 U.S.C. 1383(a)(2)(B)), as amended by paragraph (1)(B) of this subsection, is amended—

(i) by redesignating clauses (vii) through (xii) as clauses (viii) through (xiii), respectively;

(ii) by inserting after clause (vi) the following:

"(vii) In the case of an individual eligible for benefits under this title by reason of disability, if alcoholism or drug addiction is a contributing

factor material to the Secretary's determination that the individual is disabled, when selecting such individual's representative payee, preference shall be given to—

"(I) a community-based nonprofit social service agency licensed or bonded by the State;

"(II) a Federal, State, or local government agency whose mission is to carry out income maintenance, social service, or health care-related activities;

"(III) a State or local government agency with fiduciary responsibilities; or

"(IV) a designee of an agency (other than of a Federal agency) referred to in the preceding subclauses of this clause, if the Secretary deems it appropriate,

unless the Secretary determines that selection of a family member would be appropriate.";

(iii) in clause (viii) (as so redesignated), by striking "clause (viii)" and inserting "clause (ix)";

(iv) in clause (ix) (as so redesignated), by striking "(vii)" and inserting "(viii)";

(v) in clause (xiii) (as so redesignated)—

(I) by striking "(xi)" and inserting "(xii)"; and

(II) by striking "(x)" and inserting "(xi)".

(B) AVAILABILITY OF PUBLIC AGENCIES AND OTHER QUALIFIED ORGANIZATIONS TO SERVE AS REPRESENTATIVE PAYEES.—

(i) ALLOWABLE FEES.—Section 1631(a)(2)(D) of such Act (42 U.S.C. 1383(a)(2)(D)) is amended—

(I) in clause (i)—

(aa) by striking subclause (II) and inserting the following:

"(II) $25.00 per month ($50.00 per month in any case in which an individual is eligible for benefits under this title by reason of disability and alcoholism or drug addiction is a contributing factor material to the Secretary's determination that the individual is disabled)."; and

(bb) by inserting after the 1st sentence the following:

"The Secretary shall adjust annually (after 1995) each dollar amount set forth in subclause (II) of this clause under procedures providing for adjustments in the same manner and to the same extent as adjustments are provided for under the procedures used to adjust benefit amounts under section 215(i)(2)(A), except that any amount so adjusted that is not a multiple of $1.00 shall be rounded to the nearest multiple of $1.00."; and

(II) by adding at the end the following:

"(v) In the case of an individual who is no longer eligible for benefits under this title but to whom any amount of past-due benefits under this title has not been paid, for purposes of clause (i), any amount of such past-due benefits payable in any month shall be treated as a monthly benefit referred to in clause (i)(I).".

(ii) INCLUSION OF STATE AND LOCAL AGENCIES AS QUALIFIED ORGANIZATIONS.—Section 1631(a)(2)(D)(ii) of such Act (42 U.S.C. 1383(a)(2)(D)(ii)) is amended—

(I) by inserting "State or local government agency whose mission is to carry out income maintenance, social service, or health care-related activities, any State or local government agency with fiduciary responsibilities, or any" after "means any";

(II) by inserting a comma after "service agency";

(III) by adding "and" at the end of subclause (I); and

(IV) in subclause (II)—

(aa) by adding "and" at the end of item (aa);

(bb) by striking "; and" at the end of item (bb) and inserting a period; and

(cc) by striking item (cc).

(iii) RETROACTIVE REPEAL OF SUNSET.—

(I) REPEAL.—Effective July 1, 1994, section 1631(a)(2)(D) of such Act (42 U.S.C. 1383(a)(2)(D)) is amended by striking clause (iv).

(II) CONFORMING AMENDMENT.—Section 1631(a)(2)(D) of such Act (42 U.S.C. 1383(a)(2)(D)) is amended by redesignating clause (v) (as added by clause (i)(II) of this subparagraph) as clause (iv).

(C) EFFECTIVE DATE.—Except as provided in subparagraph (B)(iii)(I), the amendments made by this paragraph shall apply with respect to months beginning after 90 days after the date of the enactment of this Act.

(3) NONPAYMENT OR TERMINATION OF BENEFITS.—

(A) IN GENERAL.—Section 1611(e)(3)(A) of such Act (42 U.S.C. 1382(e)(3)(A)) is amended to read as follows:

"(A)(i)(I) In the case of any individual eligible for benefits under this title solely by reason of disability, if alcoholism or drug addiction is a contributing factor material to the Secretary's determination that the individual is disabled, the individual shall comply with the provisions of this subparagraph. In any case in which an individual is required to comply with the provisions of this subparagraph, the Secretary shall include in the individual's notification of such eligibility a notice informing the individual of such requirement.

"(II) Notwithstanding any other provision of this title, if an individual who is required under subclause (I) to comply with the requirements of this subparagraph is determined by the Secretary not to be in compliance with the provisions of this subparagraph, the individual's benefits under this title by reason of disability shall be suspended for a period—

"(aa) commencing with the first month following the month in which the individual is notified by the Secretary of the determination of noncompliance and that the individual's benefits will be suspended; and

"(bb) ending with the month preceding the first month, after the determination of noncompliance, in which the individual demonstrates that he or she has reestablished and maintained compliance with such provisions for the applicable period specified in clause (iii).

"(ii)(I) An individual described in clause (i) is in compliance with the requirements of this subparagraph for a month if in such month—

"(aa) the individual undergoes substance abuse treatment, which is appropriate for the individual's condition diagnosed as alcoholism or drug addiction and for the stage of the individual's rehabilitation and which is conducted at an institution or facility approved for purposes of this subparagraph by the Secretary; and

"(bb) the individual complies in such month with the terms, conditions, and requirements of the treatment and with requirements imposed by the Secretary under this paragraph.

"(II) An individual described in clause (i) may be determined as failing to comply with the requirements of this subparagraph for a month only if treatment meeting the requirements of subclause (I)(aa) is available for the month, as determined pursuant to regulations of the Secretary.

"(iii) The applicable period specified in this clause is—

"(I) 2 consecutive months, in the case of a 1st determination that an individual is not in compliance with the requirements of this subparagraph;

"(II) 3 consecutive months, in the case of the 2nd such determination with respect to the individual; or

"(III) 6 consecutive months, in the case of the 3rd or subsequent such determination with respect to the individual.

"(iv) An individual who is not in compliance with this paragraph for 12 consecutive months shall not be eligible for supplemental security income benefits under this title. The preceding sentence shall not be construed to prevent the individual from reapplying and becoming eligible for such benefits.

"(v)(I) In the case of any individual eligible for benefits under this title by reason of disability, if—

"(aa) alcoholism or drug addiction is a contributing factor material to the Secretary's determination that the individual is disabled; and

"(bb) as of the end of the 36-month period beginning with the 1st month for which such benefits by reason of disability are payable to the individual, the individual would not otherwise be disabled but for alcoholism or drug addiction,

the individual shall not be eligible for such benefits by reason of disability for any month following such 36-month period if, in such following month, alcoholism or drug addiction would be a contributing factor material to the Secretary's determination that the individual is disabled, notwithstanding section 1619(a).

"(II) An individual whose entitlement to benefits under title II based on disability has been terminated by reason of section 225(c)(7) shall not be eligible for benefits under this title by reason of disability, if alcoholism or drug addiction is a contributing factor material to the Secretary's determination that the individual is disabled, for any month after the individual's termination month (within the meaning of section 223(a)(1) or subsection (d)(1)(G)(i), (e)(1), or (f)(1) of section 202, as applicable) with respect to such benefits.

"(III) Any month for which a suspension is in effect for the individual under clause (i)(II) shall not be taken into account in determining whether any 36-month period referred to in this clause has elapsed.

"(vi)(I) In the case of any individual who is eligible for benefits under this title for any month solely by reason of disability, if alcoholism or drug addiction is a contributing factor material to the Secretary's determination that the individual is disabled, payment of any benefits under this title the payment of which is past due shall be made in any month only to the extent that the sum of—

"(aa) the amount of the past-due benefit paid in the month; and

"(bb) the amount of any benefit under this title which is payable to the individual for the month,

does not exceed twice the maximum benefit payable under this title to an eligible individual for the preceding month.

"(II) For the first month in which an individual's past-due benefits referred to in subclause (I) are paid, the amount of the limitation provided in subclause (I) shall be increased by the amount of any debts of the individual related to housing which are outstanding as of the end of the preceding month and which are resulting in a high risk of homelessness for the individual.

"(III) Upon the death of an individual to whom payment of past-due benefits has been limited under subclause (I), any amount of such past-due benefits remaining unpaid shall be treated as an underpayment for purposes of section 1631(b)(1)(A).

"(IV) As used in this clause, the term 'benefits under this title' includes supplementary payments pursuant to an agreement for Federal administration under section 1616(a), and payments pursuant to an agreement entered into under section 212(b) of Public Law 93-66.

"(V) In the case of an individual who would be eligible for benefits under this title by reason of disability but for termination of such benefits under clause (iv) or (v), the individual shall be eligible for payment of past-due benefits under this clause as if the individual continued to be eligible for such terminated benefits.

"(VI) Subclause (I) shall not apply to payments under section 1631(g).".

(B) REFERRAL, MONITORING, AND TREATMENT.—

(i) IN GENERAL.—Section 1611(e)(3)(B) of such Act (42 U.S.C. 1382(e)(3)(B)) is amended—

(I) by inserting "(i)" after "(B)";

(II) by striking the 2nd sentence; and

(III) by adding after and below the end following:

"(ii) The Secretary, in consultation with drug and alcohol treatment professionals, shall issue regulations—

"(I) defining appropriate treatment for alcoholics and drug addicts who are subject to required appropriate substance abuse treatment under this subparagraph; and

"(II) establishing guidelines to be used to review and evaluate their compliance, including measures of the progress expected to be achieved by participants in such programs.

"(iii)(I) For purposes of carrying out the requirements of clauses (i) and (ii), the Secretary shall provide for the establishment of 1 or more referral and monitoring agencies for each State.

"(II) Each referral and monitoring agency for a State shall—

"(aa) identify appropriate placements, for individuals residing in the State who are eligible for benefits under this title by reason of disability and with respect to whom alcoholism or drug addiction is a contributing factor material to the Secretary's determination that they are disabled, where they may obtain treatment described in subparagraph (A)(ii)(I);

"(bb) refer such individuals to such placements for such treatment; and

"(cc) monitor compliance with the requirements of subparagraph (A) by individuals who are referred by the agency to such placements, and promptly report to the Secretary any failure to comply with such requirements.".

(ii) REPORT.—Not later than December 31, 1996, the Secretary shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a full and complete report on the Secretary's activities under section 1611(e)(3)(B) of the Social Security Act. The report shall include the number and percentage of individuals referred to in such paragraph who have not received regular drug testing since the effective date of the amendments made by clause (i) of this subparagraph.

(C) SUNSET OF 36-MONTH RULE.—Section 1611(e)(3)(A)(v) of the Social Security Act (added by subparagraph (A) of this paragraph) shall cease to be effective with respect to benefits for months after September 2004.

(D) PRESERVATION OF MEDICAID BENEFITS.—Section 1634 of such Act (42 U.S.C. 13283c) is amended by adding at the end the following:

"(e) Each person to whom benefits under this title by reason of disability are not payable for any month solely by reason of clause (i) or (v) of section 1611(e)(3)(A) shall be treated, for purposes of title XIX, as receiving benefits under this title for the month.".

(E) EFFECTIVE DATE.—

(i) IN GENERAL.—Except as otherwise provided in this paragraph, the amendments made by this paragraph shall apply with respect to supplemental security income benefits under title XVI of the Social Security Act by reason of disability which are otherwise payable in months beginning after 180 days after the date of the enactment of this Act. The Secretary of Health and Human Services shall issue regulations necessary to carry out the amendments made by this paragraph not later than 180 days after such date of enactment.

(ii) REFERRAL AND MONITORING AGENCIES.—The amendments made by subparagraph (B) shall take effect 180 days after the date of the enactment of this Act.

(iii) TERMINATION AFTER 36 MONTHS.—Clause (v) of section 1611(e)(3)(A) of the Social Security Act (added by the amendment made by subparagraph (A) of this paragraph) shall apply with respect to supplemental security income benefits under title XVI of the Social Security Act by reason of disability for months beginning after 180 days after the date of the enactment of this Act.

(F) TRANSITION RULES FOR CURRENT BENEFICIARIES.—In any case in which an individual is eligible for supplemental security income benefits under title XVI of the Social Security Act by reason of disability, the determination of disability was made by the Secretary of Health and Human Services during or before the 180-day period following the date of the enactment of this Act, and alcoholism or drug addiction is a contributing factor material to the Secretary's determination that the individual is disabled, for purposes of section 1611(e)(3)(A)(v) of the Social Security Act (added by the amendment made by subparagraph (A) of this paragraph)—

(i) the first month of such eligibility beginning after 180 days after the date of the enactment of this Act shall be treated as the individual's first month of such eligibility; and

(ii) the Secretary shall notify the individual of the requirements of the amendments made by this paragraph no later than 180 days after the date of the enactment of this Act.

(4) IRRELEVANCE OF LEGALITY OF SUBSTANTIAL GAINFUL ACTIVITY.—

(A) IN GENERAL.—Section 1614(a)(3)(D) of such Act (42 U.S.C. 1382c(a)(3)(D)) is amended by adding at the end the following: "The Secretary shall make determinations under this title with respect to substantial gainful activity, without regard to the legality of the activity.".

(B) EFFECTIVE DATE.—The amendment made by subparagraph (A) shall take effect on the date of the enactment of this Act.

(c) DEMONSTRATION PROJECTS.—

(1) IN GENERAL.—The Secretary of Health and Human Services shall develop and carry out demonstration projects designed to explore innovative referral, monitoring, and treatment approaches with respect to—

(A) individuals who are entitled to disability insurance benefits or child's, widow's, or widower's insurance benefits based on disability under title II of the Social Security Act, and

(B) individuals who are eligible for supplemental security income benefits under title XVI of such Act based solely on disability,

in cases in which alcoholism or drug addiction is a contributing factor material to the Secretary's determination that individuals are under a disability. The Secretary may include in such demonstration projects individuals who are not described in either subparagraph (A) or subparagraph (B) if the inclusion of such individuals is necessary to determine the efficacy of various monitoring, referral, and treatment approaches for individuals described in subparagraph (A) or (B).

(2) SCOPE.—The demonstration projects developed under paragraph (1) shall be of sufficient scope and shall be carried out on a wide enough scale to permit a thorough evaluation of the alternative approaches under consideration while giving assurance that the results derived from the projects will obtain generally in the operation of the programs involved without committing such programs to the adoption of any particular system either locally or nationally.

(3) FINAL REPORT.—The Secretary shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate no later than December 31, 1997, a final report on the demonstration projects carried out under this subsection, together with any related data and materials which the Secretary may consider appropriate. The authority under this section shall terminate upon the transmittal of such final report.

SEC. 202. COMMISSION ON CHILDHOOD DISABILITY.

(a) ESTABLISHMENT OF COMMISSION.—The Secretary of Health and Human Services (in this section referred to as the "Secretary") shall appoint a Commission on the Evaluation of Disability in Children (in this section referred to as the "Commission").

(b) APPOINTMENT OF MEMBERS.—(1) The Secretary shall appoint not less than 9 but not more than 15 members to the Commission, including—

(A) recognized experts in the field of medicine, whose work involves—

(i) the evaluation and treatment of disability in children;

(ii) the study of congenital, genetic, or perinatal disorders in children; or

(iii) the measurement of developmental milestones and developmental deficits in children; and

(B) recognized experts in the fields of—

(i) psychology;

(ii) education and rehabilitation;

(iii) law;

(iv) the administration of disability programs; and

(v) social insurance (including health insurance); and

(C) other fields of expertise that the Secretary determines to be appropriate.

(2) Members shall be appointed by January 1, 1995, without regard to the provisions of title 5, United States Code, governing appointments to competitive service.

(3) Members appointed under this subsection shall serve for a term equivalent to the duration of the Commission.

(4) The Secretary shall designate a member of the Commission to serve as Chair of the Commission for a term equivalent to the duration of the Commission.

(c) ADMINISTRATIVE PROVISIONS.—(1) Service as a member of the Commission by an individual who is not otherwise a Federal employee shall not be considered service in an appointive or elective position in the Federal Government for the purposes of title 5, United States Code.

(2) Each member of the Commission who is not a full-time Federal employee shall be paid compensation at a rate equal to the daily equivalent of the rate of basic pay in effect for Level IV of the Executive Schedule for each day (including travel time) the member attends meetings or otherwise performs the duties of the Commission.

(3) While away from their homes or regular places of business on the business of the Commission, each member who is not a full-time Federal employee may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons employed intermittently in the Government service.

(d) ASSISTANCE TO COMMISSION.—The Commission may engage individuals skilled in medical and other aspects of childhood disability to provide such technical assistance as may be necessary to carry out the functions of the Commission. The Secretary shall make available to the Commission such secretarial, clerical, and other assistance as the Commission may require to carry out the functions of the Commission.

(e) STUDY BY THE COMMISSION.—(1) The Commission shall conduct a study, in consultation with the National Academy of Sciences, of the effects of the definition of "disability" under title XVI of the Social Security Act (42 U.S.C. 1382 et seq.) in effect on the date of enactment of this Act, as such definition applies to determining whether a child under the age of 18 is eligible to receive benefits under such title, the appropriateness of such definition, and the advantages and disadvantages of using any alternative definition of disability in determining whether a child under age 18 is eligible to receive benefits under such title.

(2) The study described in paragraph (1) shall include issues of—

(A) whether the need by families for assistance in meeting high costs of medical care for children with serious physical or mental impairments, whether or not they are eligible for disability benefits under title XVI of the Social Security Act, might appropriately be met through expansion of Federal health assistance programs;

(B) the feasibility of providing benefits to children through noncash means, including but not limited to vouchers, debit cards, and electronic benefit transfer systems;

(C) the extent to which the Social Security Administration can involve private organizations in an effort to increase the provision of social services, education, and vocational instruction with the aim of promoting independence and the ability to engage in substantial gainful activity;

(D) alternative ways and providing retroactive supplemental security income benefits to disabled children, including the desirability and feasibility of conserving some portion of such benefits to promote the long-term well-being of such children;

(E) the desirability and methods of increasing the extent to which benefits are used in the effort to assist disabled children in achieving independence and engaging in substantial gainful activity;

(F) the effects of the supplemental security income program on disabled children and their families; and

(G) such other issues that the Secretary determines to be appropriate.

(f) REPORT.—Not later than November 30, 1995, the Commission shall prepare a report and submit such report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate which shall summarize the results of the study described in subsection (e) and include any recommendations that the Commission determines to be appropriate.

SEC. 203. REGULATIONS REGARDING COMPLETION OF PLANS FOR ACHIEVING SELF-SUPPORT.

(a) IN GENERAL.—Section 1633 of the Social Security Act (42 U.S.C. 1383b) is amended by adding at the end the following:

"(d) The Secretary shall establish by regulation criteria for time limits and other criteria related to individuals' plans for achieving self-support, that take into account—

"(1) the length of time that the individual will need to achieve the individual's employment goal (within such reasonable period as the Secretary may establish); and

"(2) other factors determined by the Secretary to be appropriate.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on January 1, 1995.

SEC. 204. SSI ELIGIBILITY FOR STUDENTS TEMPORARILY ABROAD.

(a) IN GENERAL.—Section 1611(f) of the Social Security Act (42 U.S.C. 1382(f)) is amended—

(1) by inserting "(1)" after "(f)"; and

(2) by adding after and below the end the following:

"(2) For a period of not more than 1 year, the first sentence of paragraph (1) shall not apply to any individual who—

"(A) was eligible to receive a benefit under this title for the month immediately preceding the first month during all of which the individual was outside the United States; and

"(B) demonstrates to the satisfaction of the Secretary that the absence of the individual from the United States will be—

"(i) for not more than 1 year; and

"(ii) for the purpose of conducting studies as part of an educational program that is—

"(I) designed to substantially enhance the ability of the individual to engage in gainful employment;

"(II) sponsored by a school, college, or university in the United States; and

"(III) not available to the individual in the United States.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on January 1, 1995.

SEC. 205. DISREGARD OF COST-OF-LIVING INCREASES FOR CONTINUED ELIGIBILITY FOR WORK INCENTIVES.

(a) IN GENERAL.—Section 1619(b)(1)(B) of the Social Security Act (42 U.S.C. 1382h(b)(1)(B)) is amended by inserting "and increases pursuant to section 215(i) in the level of monthly insurance benefits to which the individual is entitled under title II that occur while such individual is considered to be receiving supplemental security income benefits by reason of this subsection" after "earnings".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to eligibility determinations for months after December 1994.

SEC. 206. EXPANSION OF THE AUTHORITY OF THE SOCIAL SECURITY ADMINISTRATION TO PREVENT, DETECT, AND TERMINATE FRAUDULENT CLAIMS FOR OASDI AND SSI BENEFITS.

(a) PREVENTION OF FRAUD BY TRANSLATORS OF FOREIGN LANGUAGES.—

(1) OASDI PROGRAMS.—Section 205(c) of the Social Security Act (42 U.S.C. 405(c)) is amended—

(A) by redesignating paragraph (8) as paragraph (9); and

(B) by inserting after paragraph (7) the following:

"(8) A translation into English by a third party of a statement made in a foreign language by an applicant for or beneficiary of monthly insurance benefits under this title shall not be regarded as reliable for any purpose under this title unless the third party, under penalty of perjury—

"(A) certifies that the translation is accurate; and

"(B) discloses the nature and scope of the relationship between the third party and the applicant or recipient, as the case may be.".

(2) SSI PROGRAM.—Section 1631(e) of such Act (42 U.S.C. 1383(e)) is amended by inserting after paragraph (3) the following:

"(4) A translation into English by a third party of a statement made in a foreign language by an applicant for or recipient of benefits under this title shall not be regarded as reliable for any purpose under this title unless the third party, under penalty of perjury—

"(A) certifies that the translation is accurate; and

"(B) discloses the nature and scope of the relationship between the third party and the applicant or recipient, as the case may be.".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to translations made on or after October 1, 1994.

(b) CIVIL MONETARY PENALTIES, ASSESSMENTS, AND EXCLUSIONS FOR TITLES II AND XVI.—

(1) IN GENERAL.—Title XI of the Social Security Act (42 U.S.C. 1301 et seq.) is amended by inserting after section 1128B the following:

"SEC. 1129. CIVIL MONETARY PENALTIES AND ASSESSMENTS FOR TITLES II AND XVI.

"(a)(1) Any person (including an organization, agency, or other entity) who makes, or causes to be made, a statement or representation of a material fact for use in determining any initial or continuing right to or the amount of—

"(A) monthly insurance benefits under title II, or

"(B) benefits or payments under title XVI,

that the person knows or should know is false or misleading or knows or should know omits a material fact or makes such a statement with knowing disregard for the truth shall be subject to, in addition to any other penalties that may be prescribed by law, a civil money penalty of not more than $5,000 for each such statement or representation. Such person also shall be subject to an assessment, in lieu of damages sustained by the United States because of such statement or representation, of not more than twice the amount of benefits or payments paid as a result of such a statement or representation. In addition, the Secretary may make a determination in the same proceeding to exclude, as provided in section 1128, such a person who is a medical provider or physician from participation in the programs under title XVIII and to direct the appropriate State agency to exclude the person from participation in any State health care program permanently or for such period as the Secretary determines.

"(2) For purposes of this section, a material fact is one which the Secretary may consider in evaluating whether an applicant is entitled to benefits under title II or eligible for benefits or payments under title XVI.

"(b)(1) The Secretary may initiate a proceeding to determine whether to impose a civil money penalty or assessment, or whether to recommend exclusion under subsection (a) only as authorized by the Attorney General pursuant to procedures agreed upon by the Secretary and the Attorney General. The Secretary may not initiate an action under this section with respect to any violation described in subsection (a) later than 6 years after the date the violation was committed. The Secretary may initiate an action under this section by serving notice of the action in any manner authorized by Rule 4 of the Federal Rules of Civil Procedure.

"(2) The Secretary shall not make a determination adverse to any person under this section until the person has been given written notice and an opportunity for the determination to be made on the record after a hearing at which the person is entitled to be represented by counsel, to present witnesses, and to cross-examine witnesses against the person.

"(3) In a proceeding under this section which—

"(A) is against a person who has been convicted (whether upon a verdict after trial or upon a plea of guilty or nolo contendere) of a Federal or State crime charging fraud or false statements; and

"(B) involves the same transaction as in the criminal action;

the person is estopped from denying the essential elements of the criminal offense.

"(4) The official conducting a hearing under this section may sanction a person, including any party or attorney, for failing to comply with an order or procedure, for failing to defend an action, or for such other misconduct as would interfere with the speedy, orderly, or fair conduct of the hearing. Such sanction shall reasonably relate to the severity and nature of the failure or misconduct. Such sanction may include—

"(A) in the case of refusal to provide or permit discovery, drawing negative factual inference or treating such refusal as an admission by deeming the matter, or certain facts, to be established;

"(B) prohibiting a party from introducing certain evidence or otherwise supporting a particular claim or defense;

"(C) striking pleadings, in whole or in part;

"(D) staying the proceedings;

"(E) dismissal of the action;

"(F) entering a default judgment;

"(G) ordering the party or attorney to pay attorneys' fees and other costs caused by the failure or misconduct; and

"(H) refusing to consider any motion or other action which is not filed in a timely manner.

"(c) In determining pursuant to subsection (a) the amount or scope of any penalty or assessment, or whether to recommend an exclusion, the Secretary shall take into account—

"(1) the nature of the statements and representations referred to in subsection (a) and the circumstances under which they occurred;

"(2) the degree of culpability, history of prior offenses, and financial condition of the person committing the offense; and

"(3) such other matters as justice may require.

"(d)(1) Any person adversely affected by a determination of the Secretary under this section may obtain a review of such determination in the United States Court of Appeals for the circuit in which the person resides, or in which the statement or representation referred to in subsection (a) was made, by filing in such court (within 60 days following the date the person is notified of the Secretary's determination) a written petition requesting that the determination be modified or set aside. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary, and thereupon the Secretary shall file in the court the record in the proceeding as provided in section 2112 of title 28, United States Code. Upon such filing, the court shall have jurisdiction of the proceeding and of the question determined therein, and shall have the power to make and enter upon the pleadings, testimony, and proceedings set forth in such record a decree affirming, modifying, remanding for further consideration, or setting aside, in whole or in part, the determination of the Secretary and enforcing the same to the extent that such order is affirmed or modified. No objection that has not been urged before the Secretary shall be considered by the court, unless the failure or neglect to urge such objection shall be excused because of extraordinary circumstances.

"(2) The findings of the Secretary with respect to questions of fact, if supported by substantial evidence on the record considered as a whole, shall be conclusive in the review described in paragraph (1). If any party shall apply to the court for leave to adduce additional evidence and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the hearing before the Secretary, the court may order such additional evidence to be taken before the Secretary and to be made a part of the record. The Secretary may modify such findings as to the facts, or make new findings, by reason of additional evidence so taken and filed, and the Secretary shall file with the court such modified or new findings, which findings with respect to questions of fact, if supported by substantial evidence on the record considered as a whole shall be conclusive, and the Secretary's recommendations, if any, for the modification or setting aside of the Secretary's original order.

"(3) Upon the filing of the record and the Secretary's original or modified order with the court, the jurisdiction of the court shall be exclusive and its judgment and decree shall be final, except that the same shall be subject to review by the Supreme Court of the United States, as provided in section 1254 of title 28, United States Code.

"(e)(1) Civil money penalties and assessments imposed under this section may be compromised by the Secretary and may be recovered—

"(A) in a civil action in the name of the United States brought in United States district court for the district where the statement or representation referred to in subsection (a) was made, or where the person resides, as determined by the Secretary;

"(B) by means of reduction in tax refunds to which the person is entitled, based on notice to the Secretary of the Treasury as permitted under section 3720A of title 31, United States Code;

"(C)(i) by decrease of any payment of monthly insurance benefits under title II, notwithstanding section 207, or

"(ii) by decrease of any payment under title XVI for which the person is eligible, notwithstanding section 207, as made applicable to title XVI by reason of section 1631(d)(1);

"(D) by authorities provided under the Debt Collection Act of 1982, as amended, to the extent applicable to debts arising under the Social Security Act;

"(E) by deduction of the amount of such penalty or assessment, when finally determined, or the amount agreed upon in compromise, from any sum then or later owing by the United States to the person against whom the penalty or assessment has been assessed; or

"(F) by any combination of the foregoing.

"(2) Amounts recovered under this section shall be recovered by the Secretary and shall be disposed of as follows:

"(A) In the case of amounts recovered arising out of a determination relating to title II, the amounts shall be transferred to the Managing Trustee of the Federal Old-Age and Survivors Insurance Trust Fund or the Federal Disability Insurance Trust Fund, as determined appropriate by the Secretary, and such amounts shall be deposited by the Managing Trustee into such Trust Fund.

"(B) In the case of amounts recovered arising out of a determination relating to title XVI, the amounts shall be be deposited by the Secretary into the general fund of the Treasury as miscellaneous receipts.

"(f) A determination pursuant to subsection (a) by the Secretary to impose a penalty or assessment, or to recommend an exclusion shall be final upon the expiration of the 60-day period referred to in subsection (d). Matters that were raised or that could have been raised in a hearing before the Secretary or in an appeal pursuant to subsection (d) may not be raised as a defense to a civil action by the United States to collect a penalty or assessment imposed under this section.

"(g) Whenever the Secretary's determination to impose a penalty or assessment under this section with respect to a medical provider or physician becomes final, the provisions of section 1128A(h) shall apply.

"(h) Whenever the Secretary has reason to believe that any person has engaged, is engaging, or is about to engage in any activity which makes the person subject to a civil monetary penalty under this section, the Secretary may bring an action in an appropriate district court of the United States (or, if applicable, a United States court of any territory) to enjoin such activity, or to enjoin the person from concealing, removing, encumbering, or disposing of assets which may be required in order to pay a civil monetary penalty and assessment if any such penalty were to be imposed or to seek other appropriate relief.

"(i)(1) The provisions of subsections (d) and (e) of section 205 shall apply with respect to this section to the same extent as they are applicable with respect to title II. The Secretary may delegate the authority granted by section 205(d) (as made applicable to this section) to the Inspector General for purposes of any investigation under this section.

"(2) The Secretary may delegate authority granted under this section to the Inspector General.

"(j) For purposes of this section, the term 'State agency' shall have the same meaning as in section 1128A(i)(1).

"(k) A principal is liable for penalties and assessments under subsection (a), and for an exclusion under section 1128, for the actions of the principal's agent acting within the scope of the agency.".

(2) CONFORMING AMENDMENTS.—Section 1128 of such Act (42 U.S.C. 1320a–7) is amended—

(A) in subsection (b)(7), by striking "or section 1128B" and inserting ", 1128B, or 1129";

(B) in subsection (b)(8)(B)(ii), by inserting "or 1129" after "section 1128A"; and

(C) in subsection (f)(3), by inserting ", 1129," after "sections 1128A".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to conduct occurring on or after October 1, 1994.

(c) SSI FRAUD CONSIDERED A FELONY.—

(1) IN GENERAL.—Section 1632(a) of the Social Security Act (42 U.S.C. 1383a(a)) is amended by striking "shall" the 1st place such term appears and all that follows and inserting "shall be fined under title 18, United States Code, imprisoned not more than 5 years, or both.".

(2) CONFORMING AMENDMENT.—Section 1632(b) of such Act (42 U.S.C. 1383a(b)) is amended to read as follows:

"(b)(1) If a person or entity violates subsection (a) in the person's or entity's role as, or in applying to become, a representative payee under section 1631(a)(2) on behalf of another individual (other than the person's eligible spouse), and the violation includes a willful misuse of funds by the person or entity, the court may also require that full or partial restitution of funds be made to such other individual.

"(2) Any person or entity convicted of a violation of subsection (a) of this section or of section 208 may not be certified as a representative payee under section 1631(a)(2).".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to conduct occurring on or after October 1, 1994.

(d) AUTHORITY TO REDETERMINE ELIGIBILITY IF FRAUD IS INVOLVED, AND TO TERMINATE BENEFITS IF THERE IS INSUFFICIENT RELIABLE EVIDENCE.—

(1) OASDI PROGRAMS.—Section 205 of the Social Security Act (42 U.S.C. 405) is amended by adding at the end the following:

"(u)(1)(A) The Secretary shall immediately redetermine the entitlement of individuals to monthly insurance benefits under this title if there is reason to believe that fraud or similar fault was involved in the application of the individual for such benefits, unless a United States attorney, or equivalent State prosecutor, with jurisdiction over potential or actual related criminal cases, certifies, in writing, that there is a substantial risk that such action by the Secretary with regard to beneficiaries in a particular investigation would jeopardize the criminal prosecution of a person involved in a suspected fraud.

"(B) When redetermining the entitlement, or making an initial determination of entitlement, of an individual under this title, the Secretary shall disregard any evidence if there is reason to believe that fraud or similar fault was involved in the providing of such evidence.

"(2) For purposes of paragraph (1), similar fault is involved with respect to a determination if—

"(A) an incorrect or incomplete statement that is material to the determination is knowingly made; or

"(B) information that is material to the determination is knowingly concealed.

"(3) If, after redetermining pursuant to this subsection the entitlement of an individual to monthly insurance benefits, the Secretary determines that there is insufficient evidence to support such entitlement, the Secretary may terminate such entitlement and may treat benefits paid on the basis of such insufficient evidence as overpayments.".

(2) SSI PROGRAM.—Section 1631(e) of such Act (42 U.S.C. 1383(e)) is amended by adding at the end the following:

"(6)(A)(i) The Secretary shall immediately redetermine the eligibility of an individual for benefits under this title if there is reason to believe that fraud or similar fault was involved in the application of the individual for such benefits, unless a United States attorney, or equivalent State prosecutor, with jurisdiction over potential or actual related criminal cases, certifies, in writing, that there is a substantial risk that such action by the Secretary with regard to recipients in a particular investigation would jeopardize the criminal prosecution of a person involved in a suspected fraud.

"(ii) When redetermining the eligibility, or making an initial determination of eligibility, of an individual for benefits under this title, the Secretary shall disregard any evidence if there is reason to believe that fraud or similar fault was involved in the providing of such evidence.

"(B) For purposes of subparagraph (A), similar fault is involved with respect to a determination if—

"(i) an incorrect or incomplete statement that is material to the determination is knowingly made; or

"(ii) information that is material to the determination is knowingly concealed.

"(C) If, after redetermining the eligibility of an individual for benefits under this title, the Secretary determines that there is insufficient evidence to support such eligibility, the Secretary may terminate such eligibility and may treat benefits paid on the basis of such insufficient evidence as overpayments.".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on October 1, 1994, and shall apply to determinations made before, on, or after such date.

(e) AVAILABILITY OF RECIPIENT IDENTIFYING INFORMATION FROM THE INSPECTOR GENERAL.—

(1) IN GENERAL.—Section 1129 of the Social Security Act (added by subsection (b) of this section) is amended by adding at the end the following:

"(l) As soon as the Inspector General, Department of Health and Human Services, has reason to believe that fraud was involved in the application of an individual for monthly insurance benefits under title II or for benefits under title XVI, the Inspector General shall make available to the Secretary information identifying the individual, unless a United States attorney, or equivalent State prosecutor, with jurisdiction over potential or actual related criminal cases, certifies, in writing, that there is a substantial risk that making the information so available in a particular investigation or redetermining the eligibility of the individual for such benefits would jeopardize the criminal prosecution of any person who is a subject of the investigation from which the information is derived.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on October 1, 1994.

(f) AUTHORITY TO USE AVAILABLE PREADMISSION IMMIGRANT AND REFUGEE MEDICAL INFORMATION.—

(1) IN GENERAL.—Section 1631(e) of the Social Security Act (42 U.S.C. 1383(e)) as amended by subsection (d)(2) of this section, is amended by adding at the end the following:

"(7)(A) The Secretary shall request the Immigration and Naturalization Service or the Centers for Disease Control to provide the Secretary with whatever medical information, identification information, and employment history either such entity has with respect to any alien who has applied for benefits under title XVI to the extent that the information is relevant to any determination relating to eligibility for such benefits under title XVI.

"(B) Subparagraph (A) shall not be construed to prevent the Secretary from adjudicating the case before receiving such information.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on October 1, 1994.

(g) ANNUAL REPORTS ON REVIEWS OF OASDI AND SSI CASES.—The Secretary of Health and Human Services shall annually submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on the extent to which the Secretary has exercised his authority to review cases of entitlement to monthly insurance benefits under title II of the Social Security Act and supplemental security income cases under title XVI of such Act, and the extent to which the cases reviewed were those that involved a high likelihood or probability of fraud.

SEC. 207. DISABILITY REVIEW REQUIRED FOR SSI RECIPIENTS WHO ARE 18 YEARS OF AGE.

(a) DISABILITY REVIEW REQUIREMENT.—

(1) IN GENERAL.—The applicable State agency or the Secretary of Health and Human Services (as may be appropriate) shall redetermine the eligibility of a qualified individual for supplemental security income benefits under title XVI of the Social Security Act by reason of disability, by applying the criteria used in determining eligibility for such benefits of applicants who have attained 18 years of age.

(2) WHEN CONDUCTED.—The redetermination required by paragraph (1) with respect to a qualified individual shall be conducted during the 1-year period that begins on the date the qualified individual attains 18 years of age.

(3) MINIMUM NUMBER OF REVIEWS.—The Secretary shall conduct redeterminations under paragraph (1) with respect to not less than ⅓ of qualified individuals in each of fiscal years 1996, 1997, and 1998.

(4) QUALIFIED INDIVIDUAL DEFINED.—As used in this paragraph, the term "qualified individual" means a recipient of supplemental security income benefits under title XVI of the Social Security Act by reason of disability who attains 18 years of age in or after the 9th month after the month in which this Act is enacted.

(5) SUBSTITUTE FOR A CONTINUING DISABILITY REVIEW.—A redetermination under paragraph (1) of this subsection shall be considered a substitute for a review required under section 1614(a)(3)(G) of the Social Security Act.

(6) SUNSET.—Paragraph (1) shall have no force or effect after October 1, 1998.

(b) REPORT TO THE CONGRESS.—Not later than October 1, 1998, the Secretary of Health and Human Services shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on the activities conducted under subsection (a).

SEC. 208. CONTINUING DISABILITY REVIEWS.

(a) TEMPORARY ANNUAL MINIMUM NUMBER OF REVIEWS.—During each year of the 3-year period that begins on October 1, 1995, the Secretary of Health and Human Services shall apply section 221(i) of the Social Security Act in making disability determinations under title XVI of such Act with respect to at least 100,000 recipients of supplemental security income benefits under such title.

(b) REPORT TO THE CONGRESS.—Not later than October 1, 1998, the Secretary of Health and Human Services shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on the activities conducted under subsection (a).

SEC. 209. EXEMPTION FROM ADJUSTMENT IN PASS-ALONG REQUIREMENTS.

(a) IN GENERAL.—Section 1618(b) of the Social Security Act (42 U.S.C. 1382g(b)) is amended—

(1) by inserting "(1)" after "(b)"; and

(2) by adding at the end the following:

"(2) For purposes of determining under paragraph (1) whether a State's expenditures for supplementary payments in the 12-month period beginning on the effective date of any increase in the level of supplemental security income benefits are not less than the State's expenditures for such payments in the preceding 12-month period, the Secretary, in computing the State's expenditures, shall disregard, pursuant to a 1-time election of the State, all expenditures by the State for retroactive supplementary payments that are required to be made in connection with the retroactive supplemental security income benefits referred to in section 5041 of the Omnibus Budget Reconciliation Act of 1990.".

(b) APPLICABILITY.—The amendments made by subsection (a) shall apply with respect to increases in the level of supplemental security income benefits under title XVI of the Social Security Act whether occurring before, on, or after the date of the enactment of this Act.

TITLE III—MISCELLANEOUS PROGRAM IMPROVEMENTS

SEC. 301. ISSUANCE OF PHYSICAL DOCUMENTS IN THE FORM OF BONDS, NOTES, OR CERTIFICATES TO THE SOCIAL SECURITY TRUST FUNDS.

(a) REQUIREMENT THAT OBLIGATIONS ISSUED TO THE OASDI TRUST FUNDS BE EVIDENCED BY PAPER INSTRUMENTS IN THE FORM OF BONDS, NOTES, OR CERTIFICATES OF INDEBTEDNESS SETTING FORTH THEIR TERMS.—Section 201(d) of the Social Security Act (42 U.S.C. 401(d)) is amended by inserting after the fifth sentence the following new sentence: "Each obligation issued for purchase by the Trust Funds under this subsection shall be evidenced by a paper instrument in the form of a bond, note, or certificate of indebtedness issued by the Secretary of the Treasury setting forth the principal amount, date of maturity, and interest rate of the obligation, and stating on its face that the obligation shall be incontestable in the hands of the Trust Fund to which it is issued, that the obligation is supported by the full faith and credit of the United States, and that the United States is pledged to the payment of the obligation with respect to both principal and interest.".

(b) PAYMENT TO THE OASDI TRUST FUNDS FROM THE GENERAL FUND OF THE TREASURY OF INTEREST ON OBLIGATIONS, AND OF PROCEEDS FROM THE SALE OR REDEMPTION OF OBLIGATIONS, REQUIRED TO BE IN THE FORM OF CHECKS.—Section 201(f) of such Act (42 U.S.C. 401(f)) is amended by adding at the end the following new sentence: "Payment from the general fund of the the Treasury to either of the Trust Funds of any such interest or proceeds shall be in the form of paper checks drawn on such general fund to the order of such Trust Fund.".

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply with respect to obligations issued, and payments made, after 60 days after the date of the enactment of this Act.

(2) TREATMENT OF OUTSTANDING OBLIGATIONS.—Not later than 60 days after the date of the enactment of this Act, the Secretary of the Treasury shall issue to the Federal Old-Age and Survivors Insurance Trust Fund or the Federal Disability Insurance Trust Fund, as applicable, a paper instrument, in the form of a bond, note, or certificate of indebtedness, for each obligation which has been issued to the Trust Fund under section 201(d) of the Social Security Act and which is outstanding as of such date. Each such document shall set forth the principal amount, date of maturity, and interest rate of the obligation, and shall state on its face that the obligation shall be incontestable in the hands of the Trust Fund to which it was issued, that the obligation is supported by the full faith and credit of the United States, and that the United States is pledged to the payment of the obligation with respect to both principal and interest.

SEC. 302. GAO STUDY REGARDING TELEPHONE ACCESS TO LOCAL OFFICES OF THE SOCIAL SECURITY ADMINISTRATION.

(a) STUDY.—The Comptroller General of the United States shall conduct a study of telephone access to local offices of the Social Security Administration.

(b) MATTERS TO BE STUDIED.—In conducting the study under this section, the Comptroller General shall make an independent assessment of the Social Security Administration's use of innovative technology (including attendant call and voice mail) to increase public telephone access to local offices of the Administration. Such study shall include—

(1) an assessment of the aggregate impact of such technology on public access to the local offices, and

(2) a separate assessment of the impact of such technology on public access to those local offices to which access was restricted on October 1, 1989.

(c) REPORT.—Not later than January 31, 1996, the Comptroller General shall submit a report on the results of the study conducted pursuant to this section to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

SEC. 303. EXPANSION OF STATE OPTION TO EXCLUDE SERVICE OF ELECTION OFFICIALS OR ELECTION WORKERS FROM COVERAGE.

(a) LIMITATION ON MANDATORY COVERAGE OF STATE ELECTION OFFICIALS AND ELECTION WORKERS WITHOUT STATE RETIREMENT SYSTEM.—

(1) AMENDMENT TO SOCIAL SECURITY ACT.—Section 210(a)(7)(F)(iv) of the Social Security Act (42 U.S.C. 410(a)(7)(F)(iv)) (as amended by section 11332(a) of the Omnibus Budget Reconciliation Act of 1990) is amended by striking "$100" and inserting "$1,000 with respect to service performed during any calendar year commencing on or after January 1, 1995, ending on or before December 31, 1999, and the adjusted amount determined under section 218(c)(8)(B) for any calendar year commencing on or after January 1, 2000, with respect to service performed during such calendar year".

(2) AMENDMENT TO FICA.—Section 3121(b)(7)(F)(iv) of the Internal Revenue Code of 1986 (as amended by section 11332(b) of the Omnibus Budget Reconciliation Act of 1990) is amended by striking "$100" and inserting "$1,000 with respect to service performed during any calendar year commencing on or after January 1, 1995, ending on or before December 31, 1999, and the adjusted amount determined under section 218(c)(8)(B) of the Social Security Act for any calendar year commencing on or after January 1, 2000, with respect to service performed during such calendar year".

(b) CONFORMING AMENDMENTS RELATING TO MEDICARE QUALIFIED GOVERNMENT EMPLOYMENT.—

(1) AMENDMENT TO SOCIAL SECURITY ACT.—Section 210(p)(2)(E) of the Social Security Act (42 U.S.C. 410(p)(2)(E)) is amended by striking "$100" and inserting "$1,000 with respect to service performed during any calendar year commencing on or after January 1, 1995, ending on or before December 31, 1999, and the adjusted amount determined under section 218(c)(8)(B) for any calendar year commencing on or after January 1, 2000, with respect to service performed during such calendar year".

(2) AMENDMENT TO FICA.—Section 3121(u)(2)(B)(ii)(V) of the Internal Revenue Code of 1986 is amended by striking "$100" and inserting "$1,000 with respect to service performed during any calendar year commencing on or after January 1, 1995, ending on or before December 31, 1999, and the adjusted amount determined under section 218(c)(8)(B) of the Social Security Act for any calendar year commencing on or after January 1, 2000, with respect to service performed during such calendar year".

(c) AUTHORITY FOR STATES TO MODIFY COVERAGE AGREEMENTS WITH RESPECT TO ELECTION OFFICIALS AND ELECTION WORKERS.—Section 218(c)(8) of the Social Security Act (42 U.S.C. 418(c)(8)) is amended—

(1) by striking "on or after January 1, 1968," and inserting "at any time";

(2) by striking "$100" and inserting "$1,000 with respect to service performed during any calendar year commencing on or after January 1, 1995, ending on or before December 31, 1999, and the adjusted amount determined under subparagraph (B) for any calendar year commencing on or after January 1, 2000, with respect to service performed during such calendar year"; and

(3) by striking the last sentence and inserting the following new sentence: "Any modification of an agreement pursuant to this paragraph shall be effective with respect to services performed in and after the calendar year in which the modification is mailed or delivered by other means to the Secretary.".

(d) INDEXATION OF EXEMPT AMOUNT.—Section 218(c)(8) of such Act (as amended by subsection (c)) is further amended—

(1) by inserting "(A)" after "(8)"; and

(2) by adding at the end the following new subparagraph:

"(B) For each year after 1999, the Secretary shall adjust the amount referred to in subparagraph (A) at the same time and in the same manner as is provided under section 215(a)(1)(B)(ii) with respect to the amounts referred to in section 215(a)(1)(B)(i), except that—

"(i) for purposes of this subparagraph, 1997 shall be substituted for the calendar year referred to in section 215(a)(1)(B)(ii)(II), and

"(ii) such amount as so adjusted, if not a multiple of $100, shall be rounded to the next higher multiple of $100 where such amount is a multiple of $50 and to the nearest multiple of $100 in any other case.

The Secretary shall determine and publish in the Federal Register each adjusted amount determined under this subparagraph not later than November 1 preceding the year for which the adjustment is made.".

(e) EFFECTIVE DATE.—The amendments made by subsections (a), (b), and (c) shall apply with respect to service performed on or after January 1, 1995.

SEC. 304. USE OF SOCIAL SECURITY NUMBERS BY STATES AND LOCAL GOVERNMENTS AND FEDERAL DISTRICT COURTS FOR JURY SELECTION PURPOSES.

(a) IN GENERAL.—Section 205(c)(2) of the Social Security Act (42 U.S.C. 405(c)(2)) is amended—

(1) in subparagraph (B)(i), by striking "(E)" in the matter preceding subclause (I) and inserting "(F)";

(2) by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively; and

(3) by inserting after subparagraph (D) the following:

"(E)(i) It is the policy of the United States that—

"(I) any State (or any political subdivision of a State) may utilize the social security account numbers issued by the Secretary for the additional purposes described in clause (ii) if such numbers have been collected and are otherwise utilized by such State (or political subdivision) in accordance with applicable law, and

"(II) any district court of the United States may use, for such additional purposes, any such social security account numbers which have been so collected and are so utilized by any State.

"(ii) The additional purposes described in this clause are the following:

"(I) Identifying duplicate names of individuals on master lists used for jury selection purposes.

"(II) Identifying on such master lists those individuals who are ineligible to serve on a jury by reason of their conviction of a felony.

"(iii) To the extent that any provision of Federal law enacted before the date of the enactment of this subparagraph is inconsistent with the policy set forth in clause (i), such provision shall, on and after that date, be null, void, and of no effect.

"(iv) For purposes of this subparagraph, the term 'State' has the meaning such term has in subparagraph (D).".

(b) CONFORMING AMENDMENT.—Section 1140(a)(2) of such Act (42 U.S.C. 1320b–10(a)(2)) is amended by striking "205(c)(2)(E)" and inserting "205(c)(2)(F)".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 305. AUTHORIZATION FOR ALL STATES TO EXTEND COVERAGE TO STATE AND LOCAL POLICE OFFICERS AND FIREFIGHTERS UNDER EXISTING COVERAGE AGREEMENTS.

(a) IN GENERAL.—Section 218(l) of the Social Security Act (42 U.S.C. 418(l)) is amended—

(1) in paragraph (1), by striking "(1)" after "(l)", and by striking "the State of" and all that follows through "prior to the date of enactment of this subsection" and inserting "a State entered into pursuant to this section"; and

(2) by striking paragraph (2).

(b) CONFORMING AMENDMENT.—Section 218(d)(8)(D) of such Act (42 U.S.C. 418(d)(8)(D)) is amended by striking "agreements with the States named in" and inserting "State agreements modified as provided in".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to modifications filed by States after the date of the enactment of this Act.

SEC. 306. LIMITED EXEMPTION FOR CANADIAN MINISTERS FROM CERTAIN SELF-EMPLOYMENT TAX LIABILITY.

(a) IN GENERAL.—Notwithstanding any other provision of law, if—

(1) an individual performed services described in section 1402(c)(4) of the Internal Revenue Code of 1986 which are subject to tax under section 1401 of such Code,

(2) such services were performed in Canada at a time when no agreement between the United States and Canada pursuant to section 233 of the Social Security Act was in effect, and

(3) such individual was required to pay contributions on the earnings from such services under the social insurance system of Canada,

then such individual may file a certificate under this section in such form and manner, and with such official, as may be prescribed in regulations issued under chapter 2 of such Code. Upon the filing of such certificate, notwithstanding any judgment which has been entered to the contrary, such individual shall be exempt from payment of such tax with respect to services described in paragraphs (1) and (2) and from any penalties or interest for failure to pay such tax or to file a self-employment tax return as required under section 6017 of such Code.

(b) PERIOD FOR FILING.—A certificate referred to in subsection (a) may be filed only during the 180-day period commencing with the date on which the regulations referred to in subsection (a) are issued.

(c) TAXABLE YEARS AFFECTED BY CERTIFICATE.—A certificate referred to in subsection (a) shall be effective for taxable years ending after December 31, 1978, and before January 1, 1985.

(d) RESTRICTION ON CREDITING OF EXEMPT SELF-EMPLOYMENT INCOME.—In any case in which an individual is exempt under this section

from paying a tax imposed under section 1401 of the Internal Revenue Code of 1986, any income on which such tax would have been imposed but for such exemption shall not constitute self-employment income under section 211(b) of the Social Security Act (42 U.S.C. 411(b)), and, if such individual's primary insurance amount has been determined under section 215 of such Act (42 U.S.C. 415), notwithstanding section 215(f)(1) of such Act, the Secretary of Health and Human Services (prior to March 31, 1995) or the Commissioner of Social Security (after March 30, 1995) shall recompute such primary insurance amount so as to take into account the provisions of this subsection. The recomputation under this subsection shall be effective with respect to benefits for months following approval of the certificate of exemption.

SEC. 307. EXCLUSION OF TOTALIZATION BENEFITS FROM THE APPLICATION OF THE WINDFALL ELIMINATION PROVISION.

(a) IN GENERAL.—Section 215(a)(7) of the Social Security Act (42 U.S.C. 415(a)(7)) is amended—

(1) in subparagraph (A), by striking "but excluding" and all that follows through "1937" and inserting "but excluding (I) a payment under the Railroad Retirement Act of 1974 or 1937, and (II) a payment by a social security system of a foreign country based on an agreement concluded between the United States and such foreign country pursuant to section 233"; and

(2) in subparagraph (E), by inserting after "in the case of an individual" the following: "whose eligibility for old-age or disability insurance benefits is based on an agreement concluded pursuant to section 233 or an individual".

(b) CONFORMING AMENDMENT RELATING TO BENEFITS UNDER 1939 ACT.—Section 215(d)(3) of such Act (42 U.S.C. 415(d)(3)) is amended by striking "but excluding" and all that follows through "1937" and inserting "but excluding (I) a payment under the Railroad Retirement Act of 1974 or 1937, and (II) a payment by a social security system of a foreign country based on an agreement concluded between the United States and such foreign country pursuant to section 233".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply (notwithstanding section 215(f)(1) of the Social Security Act (42 U.S.C. 415(f)(1))) with respect to benefits payable for months after December 1994.

SEC. 308. EXCLUSION OF MILITARY RESERVISTS FROM APPLICATION OF THE GOVERNMENT PENSION OFFSET AND WINDFALL ELIMINATION PROVISIONS.

(a) EXCLUSION FROM GOVERNMENT PENSION OFFSET PROVISIONS.—Subsections (b)(4), (c)(2), (e)(7), (f)(2), and (g)(4) of section 202 of the Social Security Act (42 U.S.C. 402 (b)(4), (c)(2), (e)(7), (f)(2), and (g)(4)) are each amended—

(1) in subparagraph (A)(ii), by striking "unless subparagraph (B) applies.";

(2) in subparagraph (A), by striking "The" in the matter following clause (ii) and inserting "unless subparagraph (B) applies. The"; and

(3) in subparagraph (B), by redesignating the existing matter as clause (ii), and by inserting before such clause (ii) (as so redesignated) the following:

"(B)(i) Subparagraph (A)(i) shall not apply with respect to monthly periodic benefits based wholly on service as a member of a uniformed service (as defined in section 210(m)).".

(b) EXCLUSION FROM WINDFALL ELIMINATION PROVISIONS.—Section 215(a)(7)(A) of such Act (as amended by section 307(a) of this Act) and section 215(d)(3) of such Act (as amended by section 307(b) of this Act) are each further amended—

(1) by striking "and" before "(II)"; and

(2) by striking "section 233" and inserting "section 233, and (III) a payment based wholly on service as a member of a uniformed service (as defined in section 210(m))".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply (notwithstanding section 215(f) of the Social Security Act) with respect to benefits payable for months after December 1994.

SEC. 309. REPEAL OF THE FACILITY-OF-PAYMENT PROVISION.

(a) REPEAL OF RULE PRECLUDING REDISTRIBUTION UNDER FAMILY MAXIMUM.—Section 203(i) of the Social Security Act (42 U.S.C. 403(i)) is repealed.

(b) COORDINATION UNDER FAMILY MAXIMUM OF REDUCTION IN BENEFICIARY'S AUXILIARY BENEFITS WITH SUSPENSION OF AUXILIARY BENEFITS OF OTHER BENEFICIARY UNDER EARNINGS TEST.—Section 203(a)(4) of such Act (42 U.S.C. 403(a)(4)) is amended by striking "section 222(b). Whenever" and inserting the following: "section 222(b). Notwithstanding the preceding sentence, any reduction under this subsection in the case of an individual who is entitled to a benefit under subsection (b), (c), (d), (e), (f), (g), or (h) of section 202 for any month on the basis of the same wages and self-employment income as another person—

"(A) who also is entitled to a benefit under subsection (b), (c), (d), (e), (f), (g), or (h) of section 202 for such month,

"(B) who does not live in the same household as such individual, and

"(C) whose benefit for such month is suspended (in whole or in part) pursuant to subsection (h)(3) of this section,

shall be made before the suspension under subsection (h)(3). Whenever".

(c) CONFORMING AMENDMENT APPLYING EARNINGS REPORTING REQUIREMENT DESPITE SUSPENSION OF BENEFITS.—The third sentence of section 203(h)(1)(A) of such Act (42 U.S.C. 403(h)(1)(A)) is amended by striking "Such report need not be made" and all that follows through "The Secretary may grant" and inserting the following: "Such report need not be made for any taxable year—

"(i) beginning with or after the month in which such individual attained age 70, or

"(ii) if benefit payments for all months (in such taxable year) in which such individual is under age 70 have been suspended under the provisions of the first sentence of paragraph (3) of this subsection, unless—

"(I) such individual is entitled to benefits under subsection (b), (c), (d), (e), (f), (g), or (h) of section 202,

"(II) such benefits are reduced under subsection (a) of this section for any month in such taxable year, and

"(III) in any such month there is another person who also is entitled to benefits under subsection (b), (c), (d), (e), (f), (g), or (h) of section 202 on the basis of the same wages and self-employment income and who does not live in the same household as such individual.

The Secretary may grant".

(d) CONFORMING AMENDMENT DELETING SPECIAL INCOME TAX TREATMENT OF BENEFITS NO LONGER REQUIRED BY REASON OF REPEAL.—Section 86(d)(1) of the Internal Revenue Code of 1986 (relating to income tax on social security benefits) is amended by striking the last sentence.

(e) EFFECTIVE DATES.—

(1) The amendments made by subsections (a), (b), and (c) shall apply with respect to benefits payable for months after December 1995.

(2) The amendment made by subsection (d) shall apply with respect to benefits received after December 31, 1995, in taxable years ending after such date.

SEC. 310. MAXIMUM FAMILY BENEFITS IN GUARANTEE CASES.

(a) IN GENERAL.—Section 203(a) of the Social Security Act (42 U.S.C. 403(a)) is amended by adding at the end the following new paragraph:

"(10)(A) Subject to subparagraphs (B) and (C)—

"(i) the total monthly benefits to which beneficiaries may be entitled under sections 202 and 223 for a month on the basis of the wages and self-employment income of an individual whose primary insurance amount is computed under section 215(a)(2)(B)(i) shall equal the total monthly benefits which were authorized by this section with respect to such individual's primary insurance amount for the last month of his prior entitlement to disability insurance benefits, increased for this purpose by the general benefit increases and other increases under section 215(i) that would have applied to such total monthly benefits had the individual remained entitled to disability insurance benefits until the month in which he became entitled to old-age insurance benefits or reentitled to disability insurance benefits or died, and

"(ii) the total monthly benefits to which beneficiaries may be entitled under sections 202 and 223 for a month on the basis of the wages and self-employment income of an individual whose primary insurance amount is computed under section 215(a)(2)(C) shall equal the total monthly benefits which were authorized by this section with respect to such individual's primary insurance amount for the last month of his prior entitlement to disability insurance benefits.

"(B) In any case in which—

"(i) the total monthly benefits with respect to such individual's primary insurance amount for the last month of his prior entitlement to disability insurance benefits was computed under paragraph (6), and

"(ii) the individual's primary insurance amount is computed under subparagraph (B)(i) or (C) of section 215(a)(2) by reason of the individual's entitlement to old-age insurance benefits or death,

the total monthly benefits shall equal the total monthly benefits that would have been authorized with respect to the primary insurance amount for the last month of his prior entitlement to disability insurance benefits if such total monthly benefits had been computed without regard to paragraph (6).

"(C) This paragraph shall apply before the application of paragraph (3)(A), and before the application of section 203(a)(1) of this Act as in effect in December 1978.".

(b) CONFORMING AMENDMENT.—Section 203(a)(8) of such Act (42 U.S.C. 403(a)(8)) is amended by striking "Subject to paragraph (7)," and inserting "Subject to paragraph (7) and except as otherwise provided in paragraph (10)(C),".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply for the purpose of determining the total monthly benefits to which beneficiaries may be entitled under sections 202 and 223 of the Social Security Act based on the wages and self-employment income of an individual who—

(1) becomes entitled to an old-age insurance benefit under section 202(a) of such Act,

(2) becomes reentitled to a disability insurance benefit under section 223 of such Act, or

(3) dies,

after December 1995.

SEC. 311. AUTHORIZATION FOR DISCLOSURE OF SOCIAL SECURITY INFORMATION FOR PURPOSES OF PUBLIC OR PRIVATE EPIDEMIOLOGICAL AND SIMILAR RESEARCH.

(a) IN GENERAL.—Section 1106 of the Social Security Act (42 U.S.C. 1306) is amended—

(1) by redesignating subsections (d) and (e) as subsections (e) and (f), respectively;

(2) in subsection (f) (as so redesignated), by striking "subsection (d)" and inserting "subsection (e)"; and

(3) by inserting after subsection (c) the following new subsection:

"(d) Notwithstanding any other provision of this section, in any case in which—

"(1) information regarding whether an individual is shown on the records of the Secretary as being alive or deceased is requested from the Secretary for purposes of epidemiological or similar research which the Secretary finds may reasonably be expected to contribute to a national health interest, and

"(2) the requester agrees to reimburse the Secretary for providing such information and to comply with limitations on safeguarding and re-release or redisclosure of such information as may be specified by the Secretary,

the Secretary shall comply with such request, except to the extent that compliance with such request would constitute a violation of the terms of any contract entered into under section 205(r).".

(b) AVAILABILITY OF INFORMATION RETURNS REGARDING WAGES PAID EMPLOYEES.—Section 6103(l)(5) of the Internal Revenue Code of 1986 (relating to disclosure of returns and return information to the Department of Health and Human Services for purposes other than tax administration) is amended—

(1) by striking "for the purpose of" and inserting "for the purpose of—";

(2) by striking "carrying out, in accordance with an agreement" and inserting the following:

"(A) carrying out, in accordance with an agreement";

(3) by striking "program." and inserting "program; or"; and

(4) by adding at the end the following new subparagraph:

"(B) providing information regarding the mortality status of individuals for epidemiological and similar research in accordance with section 1106(d) of the Social Security Act.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to requests for information made after the date of the enactment of this Act.

SEC. 312. MISUSE OF SYMBOLS, EMBLEMS, OR NAMES IN REFERENCE TO SOCIAL SECURITY ADMINISTRATION OR DEPARTMENT OF HEALTH AND HUMAN SERVICES.

(a) PROHIBITION OF UNAUTHORIZED REPRODUCTION, REPRINTING, OR DISTRIBUTION FOR FEE OF CERTAIN OFFICIAL PUBLICATIONS.—Section 1140(a) of the Social Security Act (42 U.S.C. 1320b–10(a)) is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(2) by inserting "(1)" after "(a)"; and

(3) by adding at the end the following new paragraph:

"(2) No person may, for a fee, reproduce, reprint, or distribute any item consisting of a form, application, or other publication of the Social Security Administration or of the Department of Health and Human Services unless such person has obtained specific, written authorization for such activity in accordance with regulations which the Secretary shall prescribe.".

(b) ADDITION TO PROHIBITED WORDS, LETTERS, SYMBOLS, AND EMBLEMS.—Paragraph (1) of section 1140(a) of such Act (as redesignated by subsection (a)) is further amended—

(1) in subparagraph (A) (as redesignated), by striking "Administration', the letters 'SSA' or 'HCFA'," and inserting "Administration', 'Department of Health and Human Services', 'Health and Human Services', 'Supplemental Security Income Program', or 'Medicaid', the letters 'SSA', 'HCFA', 'DHHS', 'HHS', or 'SSI',"; and

(2) in subparagraph (B) (as amended by section 304 and as redesignated), by striking "Social Security Administration" each place it appears and inserting "Social Security Administration, Health Care Financing Administration, or Department of Health and Human Services", by striking "or of the Health Care Financing Administration", and by inserting "or the Medicare card," after "205(c)(2)(F)".

(c) EXEMPTION FOR USE OF WORDS, LETTERS, SYMBOLS, AND EMBLEMS OF STATE AND LOCAL GOVERNMENT AGENCIES BY SUCH AGENCIES.—Paragraph (1) of section 1140(a) of such Act (as redesignated by subsection (a)) is further amended by adding at the end the following new sentence: "The preceding provisions of this subsection shall not apply with respect to the use by any agency or instrumentality of a State or political subdivision of a State of any words or letters which identify an agency or instrumentality of such State or of a political subdivision of such State or the use by any such agency or instrumentality of any symbol or emblem of an agency or instrumentality of such State or a political subdivision of such State.".

(d) INCLUSION OF REASONABLENESS STANDARD.—Section 1140(a)(1) of such Act (as amended by the preceding provisions of this section) is further amended, in the matter following subparagraph (B) (as redesignated), by striking "convey" and inserting "convey, or in a manner which reasonably could be interpreted or construed as conveying,".

(e) INEFFECTIVENESS OF DISCLAIMERS.—Subsection (a) of section 1140 of such Act (as amended by the preceding provisions of this section) is further amended by adding at the end the following new paragraph:

"(3) Any determination of whether the use of one or more words, letters, symbols, or emblems (or any combination or variation thereof) in connection with an item described in paragraph (1) or the reproduction, reprinting, or distribution of an item described in paragraph (2) is a violation of this subsection shall be made without regard to any inclusion in such item (or any so reproduced, reprinted, or distributed copy thereof) of a disclaimer of affiliation with the United States Government or any particular agency or instrumentality thereof.".

(f) VIOLATIONS WITH RESPECT TO INDIVIDUAL ITEMS.—Section 1140(b)(1) of such Act (42 U.S.C. 1320b–10(b)(1)) is amended by adding at the end the following new sentence: "In the case of any items referred to in subsection (a)(1) consisting of pieces of mail, each such piece of mail which contains one or more words, letters, symbols, or emblems in violation of subsection (a) shall represent a separate violation. In the case of any item referred to in subsection (a)(2), the reproduction, reprinting, or distribution of such item shall be treated as a separate violation with respect to each copy thereof so reproduced, reprinted, or distributed.".

(g) ELIMINATION OF CAP ON AGGREGATE LIABILITY AMOUNT.—

(1) REPEAL.—Paragraph (2) of section 1140(b) of such Act (42 U.S.C. 1320b–10(b)(2)) is repealed.

(2) CONFORMING AMENDMENTS.—Section 1140(b) of such Act is further amended—

(A) by striking "(1) Subject to paragraph (2), the" and inserting "The";

(B) by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively; and

(C) in paragraph (1) (as redesignated), by striking "subparagraph (B)" and inserting "paragraph (2)".

(h) REMOVAL OF FORMAL DECLINATION REQUIREMENT.—Section 1140(c)(1) of such Act (42 U.S.C. 1320b–10(c)(1)) is amended by inserting "and the first sentence of subsection (c)" after "and (i)".

(i) PENALTIES RELATING TO SOCIAL SECURITY ADMINISTRATION DEPOSITED IN OASI TRUST FUND, AND PENALTIES RELATED TO HEALTH CARE FINANCING ADMINISTRATION DEPOSITED IN THE HI AND SMI TRUST FUNDS.—Section 1140(c)(2) of such Act (42 U.S.C. 1320b–10(c)(2)) is amended in the second sentence by striking "United States." and inserting "United States, except that (A) to the extent that such amounts are recovered under this section as penalties imposed for misuse of words, letters, symbols, or emblems relating to the Social Security Administration, such amounts shall be deposited into the Federal Old-Age and Survivors Insurance Trust Fund, and (B) to the extent that such amounts are recovered under this section as penalties imposed for misuse of words, letters, symbols, or emblems relating to the Department of Health and Human Services, such amounts shall be deposited into the Federal Hospital Insurance Trust Fund or the Federal Supplementary Medical Insurance Trust Fund, as appropriate.".

(j) ENFORCEMENT.—Section 1140 of such Act (42 U.S.C. 1320b–10) is amended by adding at the end the following new subsection:

"(d) The preceding provisions of this section may be enforced through the Office of the Inspector General of the Department of Health and Human Services.".

(k) REPORTS.—

(1) IN GENERAL.—The Secretary of Health and Human Services and the Commissioner of Social Security shall each submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate 3 reports on the operation of section 1140 of the Social Security Act with respect to the Social Security Administration or the Department of Health and Human Services during the period covered by the report, which shall specify—

(A) the number of complaints of violations of such section received by the Social Security Administration or the Department of Health and Human Services during the period,

(B) the number of cases in which the Social Security Administration or the Department, during the period, sent a notice of violation of such section requesting that an individual cease activities in violation of such section,

(C) the number of cases in which the Social Security Administration or the Department formally proposed a civil money penalty in a demand letter during the period,

(D) the total amount of civil money penalties assessed by the Social Security Administration or the Department under this section during the period,

(E) the number of requests for hearings filed during the period by the Social Security Administration or the Department pursuant to sections 1140(c)(1) and 1128A(c)(2) of the Social Security Act,

(F) the disposition during the period of hearings filed pursuant to sections 1140(c)(1) and 1128A(c)(2) of the Social Security Act, and

(G) the total amount of civil money penalties collected under this section and deposited into the Federal Old-Age and Survivors Insurance Trust Fund or the Health Insurance and Supplementary Medical Insurance Trust Funds, as applicable, during the period.

(2) WHEN DUE.—The reports required by paragraph (1) shall be submitted not later than December 1, 1995, not later than December 1, 1997, and not later than December 1, 1999, respectively.

(l) PROHIBITION OF MISUSE OF DEPARTMENT OF THE TREASURY NAMES, SYMBOLS, ETC.—

(1) GENERAL RULE.—Subchapter II of chapter 3 of title 31, United States Code, is amended by adding at the end thereof the following new section:

"§333. Prohibition of misuse of Department of the Treasury names, symbols, etc.

"(a) GENERAL RULE.—No person may use, in connection with, or as a part of, any advertisement, solicitation, business activity, or product, whether alone or with other words, letters, symbols, or emblems—

"(1) the words 'Department of the Treasury', or the name of any service, bureau, office, or other subdivision of the Department of the Treasury,

"(2) the titles 'Secretary of the Treasury' or 'Treasurer of the United States' or the title of any other officer or employee of the Department of the Treasury,

"(3) the abbreviations or initials of any entity referred to in paragraph (1),

"(4) the words 'United States Savings Bond' or the name of any other obligation issued by the Department of the Treasury,

"(5) any symbol or emblem of an entity referred to in paragraph (1) (including the design of any envelope or stationary used by such an entity), and

"(6) any colorable imitation of any such words, titles, abbreviations, initials, symbols, or emblems,

in a manner which could reasonably be interpreted or construed as conveying the false impression that such advertisement, solicitation, business activity, or product is in any manner approved, endorsed, sponsored, or authorized by, or associated with, the Department of the Treasury or any entity referred to in paragraph (1) or any officer or employee thereof.

"(b) TREATMENT OF DISCLAIMERS.—Any determination of whether a person has violated the provisions of subsection (a) shall be made without regard to any use of a disclaimer of affiliation with the United States Government or any particular agency or instrumentality thereof.

"(c) CIVIL PENALTY.—

"(1) IN GENERAL.—The Secretary of the Treasury may impose a civil penalty on any person who violates the provisions of subsection (a).

"(2) AMOUNT OF PENALTY.—The amount of the civil penalty imposed by paragraph (1) shall not exceed $5,000 for each use of any material in violation of subsection (a). If such use is in a broadcast or telecast, the preceding sentence shall be applied by substituting '$25,000' for '$5,000'.

"(3) TIME LIMITATIONS.—

"(A) ASSESSMENTS.—The Secretary of the Treasury may assess any civil penalty under paragraph (1) at any time before the end of the 3-year period beginning on the date of the violation with respect to which such penalty is imposed.

"(B) CIVIL ACTION.—The Secretary of the Treasury may commence a civil action to recover any penalty imposed under this subsection at any time before the end of the 2-year period beginning on the date on which such penalty was assessed.

"(4) COORDINATION WITH SUBSECTION (d).—No penalty may be assessed under this subsection with respect to any violation after a criminal proceeding with respect to such violation has been commenced under subsection (d).

"(d) CRIMINAL PENALTY.—

"(1) IN GENERAL.—If any person knowingly violates subsection (a), such person shall, upon conviction thereof, be fined not more than $10,000 for each such use or imprisoned not more than 1 year, or both. If such use is in a broadcast or telecast, the preceding sentence shall be applied by substituting '$50,000' for '$10,000'.

"(2) TIME LIMITATIONS.—No person may be prosecuted, tried, or punished under paragraph (1) for any violation of subsection (a) unless the indictment is found or the information instituted during the 3-year period beginning on the date of the violation.

"(3) COORDINATION WITH SUBSECTION (c).—No criminal proceeding may be commenced under this subsection with respect to any violation if a civil penalty has previously been assessed under subsection (c) with respect to such violation."

(2) CLERICAL AMENDMENT.—The analysis for chapter 3 of title 31, United States Code, is amended by adding after the item relating to section 332 the following new item:

"333. Prohibition of misuse of Department of the Treasury names, symbols, etc.".

(3) REPORT.—Not later than May 1, 1996, the Secretary of the Treasury shall submit a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on the implementation of the amendments made by this section. Such report shall include the number of cases in which the Secretary has notified persons of violations of section 333 of title 31, United States Code (as added by subsection (a)), the number of prosecutions commenced under such section, and the total amount of the penalties collected in such prosecutions.

(m) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply with respect to violations occurring after March 31, 1995.

(2) PROHIBITION OF MISUSE OF DEPARTMENT OF THE TREASURY NAMES, SYMBOLS, ETC.—Subsection (l)(3) shall take effect on the date of the enactment of this Act, and the amendments made by paragraphs (1) and (2) of subsection (l) shall apply with respect to violations occurring after such date.

SEC. 313. INCREASED PENALTIES FOR UNAUTHORIZED DISCLOSURE OF SOCIAL SECURITY INFORMATION.

(a) UNAUTHORIZED DISCLOSURE.—Section 1106(a) of the Social Security Act (42 U.S.C. 1306(a)) is amended—

(1) by striking "misdemeanor" and inserting "felony";

(2) by striking "$1,000" and inserting "$10,000 for each occurrence of a violation"; and

(3) by striking "one year" and inserting "5 years".

(b) UNAUTHORIZED DISCLOSURE BY FRAUD.—Section 1107(b) of such Act (42 U.S.C. 1307(b)) is amended—

(1) by inserting "social security account number," after "information as to the";

(2) by striking "misdemeanor" and inserting "felony";

(3) by striking "$1,000" and inserting "$10,000 for each occurrence of a violation"; and

(4) by striking "one year" and inserting "5 years".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to violations occurring on or after the date of the enactment of this Act.

SEC. 314. INCREASE IN AUTHORIZED PERIOD FOR EXTENSION OF TIME TO FILE ANNUAL EARNINGS REPORT.

(a) IN GENERAL.—Section 203(h)(1)(A) of the Social Security Act (42 U.S.C. 403(h)(1)(A)) is amended in the last sentence by striking "three months" and inserting "four months".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to reports of earnings for taxable years ending on or after December 31, 1994.

SEC. 315. EXTENSION OF DISABILITY INSURANCE PROGRAM DEMONSTRATION PROJECT AUTHORITY.

(a) IN GENERAL.—Section 505 of the Social Security Disability Amendments of 1980 (Public Law 96-265), as amended by section 12101 of the Consolidated Omnibus Budget Reconciliation Act of 1985 (Public Law 99-272), section 10103 of the Omnibus Budget Reconciliation Act of 1989 (Public Law 101-239), and section 5120 of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101-508), is further amended—

(1) in paragraph (3) of subsection (a), by striking "June 10, 1993" and inserting "June 10, 1996";

(2) in paragraph (4) of subsection (a), by striking "1992" and inserting "1995"; and

(3) in subsection (c), by striking "October 1, 1993" and inserting "October 1, 1996".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 316. CROSS-MATCHING OF SOCIAL SECURITY ACCOUNT NUMBER INFORMATION AND EMPLOYER IDENTIFICATION NUMBER INFORMATION MAINTAINED BY THE DEPARTMENT OF AGRICULTURE.

(a) SOCIAL SECURITY ACCOUNT NUMBER INFORMATION.—Clause (iii) of section 205(c)(2)(C) of the Social Security Act (42 U.S.C. 405(c)(2)(C)) (as added by section 1735(a)(3) of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 104 Stat. 3791)) is amended—

(1) by inserting "(I)" after "(iii)"; and

(2) by striking "The Secretary of Agriculture shall restrict" and all that follows and inserting the following:

"(II) The Secretary of Agriculture may share any information contained in any list referred to in subclause (I) with any other agency or instrumentality of the United States which otherwise has access to social security account numbers in accordance with this subsection or other applicable Federal law, except that the Secretary of Agriculture may share such information only to the extent that such Secretary determines such sharing would assist in verifying and matching such information against information maintained by such other agency or instrumentality. Any such information shared pursuant to this subclause may be used by such other agency or instrumentality only for the purpose of effective administration and enforcement of the Food Stamp Act of 1977 or for the purpose of investigation of violations of other Federal laws or enforcement of such laws.

"(III) The Secretary of Agriculture, and the head of any other agency or instrumentality referred to in this subclause, shall restrict, to the satisfaction of the Secretary of Health and Human Services, access to social security account numbers obtained pursuant to this clause only to officers and employees of the United States whose duties or responsibilities require access for the purposes described in subclause (II).

"(IV) The Secretary of Agriculture, and the head of any agency or instrumentality with which information is shared pursuant to clause (II), shall provide such other safeguards as the Secretary of Health and Human Services determines to be necessary or appropriate to protect the confidentiality of the social security account numbers.".

(b) EMPLOYER IDENTIFICATION NUMBER INFORMATION.—Subsection (f) of section 6109 of the Internal Revenue Code of 1986 (as added by section 1735(c) of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 104 Stat. 3792)) (relating to access to employer identification numbers by Secretary of Agriculture for purposes of Food Stamp Act of 1977) is amended—

(1) by striking paragraph (2) and inserting the following:

"(2) SHARING OF INFORMATION AND SAFEGUARDS.—

"(A) SHARING OF INFORMATION.—The Secretary of Agriculture may share any information contained in any list referred to in paragraph (1) with any other agency or instrumentality of the United States which otherwise has access to employer identification numbers in accordance with this section or other applicable

Federal law, except that the Secretary of Agriculture may share such information only to the extent that such Secretary determines such sharing would assist in verifying and matching such information against information maintained by such other agency or instrumentality. Any such information shared pursuant to this subparagraph may be used by such other agency or instrumentality only for the purpose of effective administration and enforcement of the Food Stamp Act of 1977 or for the purpose of investigation of violations of other Federal laws or enforcement of such laws.

"(B) SAFEGUARDS.—The Secretary of Agriculture, and the head of any other agency or instrumentality referred to in subparagraph (A), shall restrict, to the satisfaction of the Secretary of the Treasury, access to employer identification numbers obtained pursuant to this subsection only to officers and employees of the United States whose duties or responsibilities require access for the purposes described in subparagraph (A). The Secretary of Agriculture, and the head of any agency or instrumentality with which information is shared pursuant to subparagraph (A), shall provide such other safeguards as the Secretary of the Treasury determines to be necessary or appropriate to protect the confidentiality of the employer identification numbers.";

(2) in paragraph (3), by striking "by the Secretary of Agriculture pursuant to this subsection" and inserting "pursuant to this subsection by the Secretary of Agriculture or the head of any agency or instrumentality with which information is shared pursuant to paragraph (2)", and by striking "social security account numbers" and inserting "employer identification numbers"; and

(3) in paragraph (4), by striking "by the Secretary of Agriculture pursuant to this subsection" and inserting "pursuant to this subsection by the Secretary of Agriculture or any agency or instrumentality with which information is shared pursuant to paragraph (2)".

SEC. 317. CERTAIN TRANSFERS TO RAILROAD RETIREMENT ACCOUNT MADE PERMANENT.

Subsection (c)(1)(A) of section 224 of the Railroad Retirement Solvency Act of 1983 (relating to section 72(r) revenue increase transferred to certain railroad accounts) is amended by striking "with respect to benefits received before October 1, 1992".

SEC. 318. AUTHORIZATION FOR USE OF SOCIAL SECURITY ACCOUNT NUMBERS BY DEPARTMENT OF LABOR IN ADMINISTRATION OF FEDERAL WORKERS' COMPENSATION LAWS.

Section 205(c)(2)(C) of the Social Security Act (42 U.S.C. 405(c)(2)(C)) is amended by adding at the end the following new clause:

"(ix) In the administration of the provisions of chapter 81 of title 5, United States Code, and the Longshore and Harbor Workers' Compensation Act (33 U.S.C. 901 et seq.), the Secretary of Labor may require by regulation that any person filing a notice of injury or a claim for benefits under such provisions provide as part of such notice or claim such person's social security account number, subject to the requirements of this clause. No officer or employee of the Department of Labor shall have access to any such number for any purpose other than the establishment of a system of records necessary for the effective administration of such provisions. The Secretary of Labor shall restrict, to the satisfaction of the Secretary of Health and Human Services, access to social security account numbers obtained pursuant to this clause to officers and employees of the United States whose duties or responsibilities require access for the administration or enforcement of such provisions. The Secretary of Labor shall provide such other safeguards as the Secretary of Health and Human Services determines to be necessary or appropriate to protect the confidentiality of the social security account numbers.".

SEC. 319. COVERAGE UNDER FICA OF FEDERAL EMPLOYEES TRANSFERRED TEMPORARILY TO INTERNATIONAL ORGANIZATIONS.

(a) TREATMENT OF SERVICE IN THE EMPLOY OF INTERNATIONAL ORGANIZATIONS BY CERTAIN TRANSFERRED FEDERAL EMPLOYEES.—

(1) IN GENERAL.—Section 3121 of the Internal Revenue Code of 1986 (relating to definitions) is amended by adding at the end the following new subsection:

"(y) SERVICE IN THE EMPLOY OF INTERNATIONAL ORGANIZATIONS BY CERTAIN TRANSFERRED FEDERAL EMPLOYEES.—

"(1) IN GENERAL.—For purposes of this chapter, service performed in the employ of an international organization by an individual pursuant to a transfer of such individual to such international organization pursuant to section 3582 of title 5, United States Code, shall constitute 'employment' if—

"(A) immediately before such transfer, such individual performed service with a Federal agency which constituted 'employment' under subsection (b) for purposes of the taxes imposed by sections 3101(a) and 3111(a), and

"(B) such individual would be entitled, upon separation from such international organization and proper application, to reemployment with such Federal agency under such section 3582.

"(2) DEFINITIONS.—For purposes of this subsection—

"(A) FEDERAL AGENCY.—The term 'Federal agency' means an agency, as defined in section 3581(1) of title 5, United States Code.

"(B) INTERNATIONAL ORGANIZATION.—The term 'international organization' has the meaning provided such term by section 3581(3) of title 5, United States Code."

(2) CONTRIBUTIONS BY FEDERAL AGENCY.—Section 3122 of such Code (relating to Federal service) is amended by inserting after the first sentence the following new sentence: "In the case of the taxes imposed by this chapter with respect to service performed in the employ of an international organization pursuant to a transfer to which the provisions of section 3121(y) are applicable, the determination of the amount of remuneration for such service, and the return and payment of the taxes imposed by this chapter, shall be made by the head of the Federal agency from which the transfer was made."

(3) COLLECTION OF EMPLOYEE CONTRIBUTIONS.—Section 3102 of such Code (relating to deduction of tax from wages) is amended by adding at the end the following new subsection:

"(e) SPECIAL RULE FOR CERTAIN TRANSFERRED FEDERAL EMPLOYEES.—In the case of any payments of wages for service performed in the employ of an international organization pursuant to a transfer to which the provisions of section 3121(y) are applicable—

"(1) subsection (a) shall not apply,

"(2) the head of the Federal agency from which the transfer was made shall separately include on the statement required under section 6051—

"(A) the amount determined to be the amount of the wages for such service, and

"(B) the amount of the tax imposed by section 3101 on such payments, and

"(3) the tax imposed by section 3101 on such payments shall be paid by the employee."

(4) EXCLUSION FROM TREATMENT AS TRADE OR BUSINESS.—Paragraph (2)(C) of section 1402(c) of such Code (defining trade or business) is amended by adding at the end the following: "except service which constitutes 'employment' under section 3121(y),".

(5) CONFORMING AMENDMENT.—Paragraph (15) of section 3121(b) of such Code is amended by inserting ", except service which constitutes 'employment' under subsection (y)" after "organization".

(b) AMENDMENTS TO THE SOCIAL SECURITY ACT.—

(1) IN GENERAL.—Section 210 of the Social Security Act (42 U.S.C. 410) is amended by adding at the end the following new subsection:

"SERVICE IN THE EMPLOY OF INTERNATIONAL ORGANIZATIONS BY CERTAIN TRANSFERRED FEDERAL EMPLOYEES

"(r)(1) For purposes of this title, service performed in the employ of an international organization by an individual pursuant to a transfer of such individual to such international organization pursuant to section 3582 of title 5, United States Code, shall constitute 'employment' if—

"(A) immediately before such transfer, such individual performed service with a Federal agency which constituted 'employment' as defined in subsection (a), and

"(B) such individual would be entitled, upon separation from such international organization and proper application, to reemployment with such Federal agency under such section 3582.

"(2) For purposes of this subsection:

"(A) The term 'Federal agency' means an agency, as defined in section 3581(1) of title 5, United States Code.

"(B) The term 'international organization' has the meaning provided such term by section 3581(3) of title 5, United States Code."

(2) EXCLUSION FROM TREATMENT AS TRADE OR BUSINESS.—Section 211(c)(2)(C) of such Act (42 U.S.C. 411(c)(2)(C)) is amended by inserting before the semicolon the following ", except service which constitutes 'employment' under section 210(r)".

(3) CONFORMING AMENDMENT.—Section 210(a)(15) of such Act (42 U.S.C. 410(a)(15)) is amended by inserting ", except service which constitutes 'employment' under subsection (r)" before the semicolon.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to service performed after the calendar quarter following the calendar quarter in which the date of the enactment of this Act occurs.

SEC. 320. EXTENSION OF THE FICA TAX EXEMPTION AND CERTAIN TAX RULES TO INDIVIDUALS WHO ENTER THE UNITED STATES UNDER A VISA ISSUED UNDER SECTION 101 OF THE IMMIGRATION AND NATIONALITY ACT.

(a) AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986.—

(1) The following provisions of the Internal Revenue Code of 1986 are each amended by striking "(J), or (M)" each place it appears and inserting "(J), (M), or (Q)":

(A) Section 871(c).

(B) Section 1441(b).

(C) Section 3121(b)(19).

(D) Section 3231(e)(1).

(E) Section 3306(c)(19).

(2) Paragraph (3) of section 872(b) of such Code is amended by striking "(F) or (J)" and inserting "(F), (J), or (Q)".

(3) Paragraph (5) of section 7701(b) of such Code is amended by striking "subparagraph (J)" in subparagraphs (C)(i) and (D)(i)(II) and inserting "subparagraph (J) or (Q)".

(b) AMENDMENT TO SOCIAL SECURITY ACT.—Paragraph (19) of section 210(a) of the Social Security Act is amended by striking "(J), or (M)" each place it appears and inserting "(J), (M), or (Q)".

(c) EFFECTIVE DATE.—The amendments made by this subsection shall take effect with the calendar quarter following the date of the enactment of this Act.

SEC. 321. TECHNICAL AND CLERICAL AMENDMENTS.

(a) AMENDMENTS TO TITLE II OF THE SOCIAL SECURITY ACT.—

(1) Section 201(a) of the Social Security Act (42 U.S.C. 401(a)) is amended, in the matter following clause (4), by striking "and and" and inserting "and".

(2) Section 202(d)(8)(D)(ii) of such Act (42 U.S.C. 402(d)(8)(D)(ii)) is amended by adding a period at the end, and by adjusting the left hand margination thereof so as to align with section 202(d)(8)(D)(i) of such Act.

(3) Section 202(q)(1)(A) of such Act (42 U.S.C. 402(q)(1)(A)) is amended by striking the dash at the end.

(4) Section 202(q)(9) of such Act (42 U.S.C. 402(q)(9)) is amended, in the matter preceding subparagraph (A), by striking "parargaph" and inserting "paragraph".

(5) Section 202(t)(4)(D) of such Act (42 U.S.C. 402(t)(4)(D)) is amended by inserting "if the" before "Secretary" the second and third places it appears.

(6) Clauses (i) and (ii) of section 203(f)(5)(C) of such Act (42 U.S.C. 403(f)(5)(C)) are amended by adjusting the left-hand margination thereof so as to align with clauses (i) and (ii) of section 203(f)(5)(B) of such Act.

(7) Paragraph (3)(A) and paragraph (3)(B) of section 205(b) of such Act (42 U.S.C. 405(b)) are amended by adjusting the left-hand margination thereof so as to align with the matter following section 205(b)(2)(C) of such Act.

(8) Section 205(c)(2)(B)(iii) of such Act (42 U.S.C. 405(c)(2)(B)(iii)) is amended by striking "non-public" and inserting "nonpublic".

(9) Section 205(c)(2)(C) of such Act (42 U.S.C. 405(c)(2)(C)) is amended—

(A) by striking the clause (vii) added by section 2201(c) of Public Law 101–624;

(B) by redesignating the clause (iii) added by section 2201(b)(3) of Public Law 101–624, clause (iv), clause (v), clause (vi), and the clause (vii) added by section 1735(b) of Public Law 101–624 as clause (iv), clause (v), clause (vi), clause (vii), and clause (viii), respectively;

(C) in clause (v) (as redesignated), by striking "subclause (I) of", and by striking "subclause (II) of clause (i)" and inserting "clause (ii)"; and

(D) in clause (viii)(IV) (as redesignated), by inserting "a social security account number or" before "a request for".

(10) The heading for section 205(j) of such Act (42 U.S.C. 405(j)) is amended to read as follows:

"Representative Payees".

(11) The heading for section 205(s) of such Act (42 U.S.C. 405(s)) is amended to read as follows:

"Notice Requirements".

(12) Section 208(c) of such Act (42 U.S.C. 408(c)) is amended by striking "subsection (g)" and inserting "subsection (a)(7)".

(13) Section 210(a)(5)(B)(i)(V) of such Act (42 U.S.C. 410(a)(5)(B)(i)(V)) is amended by striking "section 105(e)(2)" and inserting "section 104(e)(2)".

(14) Section 211(a) of such Act (42 U.S.C. 411(a)) is amended—

(A) in paragraph (13), by striking "and" at the end; and

(B) in paragraph (14), by striking the period and inserting "; and".

(15) Section 213(c) of such Act (42 U.S.C. 413(c)) is amended by striking "section" the first place it appears and inserting "sections".

(16) Section 215(a)(5)(B)(i) of such Act (42 U.S.C. 415(a)(5)(B)(i)) is amended by striking "subsection" the second place it appears and inserting "subsections".

(17) Section 215(f)(7) of such Act (42 U.S.C. 415(f)(7)) is amended by inserting a period after "1990".

(18) Subparagraph (F) of section 218(c)(6) of such Act (42 U.S.C. 418(c)(6)) is amended by adjusting the left-hand margination thereof so as to align with section 218(c)(6)(E) of such Act.

(19) Section 223(i) of such Act (42 U.S.C. 423(i)) is amended by adding at the beginning the following heading:

"Limitation on Payments to Prisoners".

(b) RELATED AMENDMENTS.—

(1) Section 603(b)(5)(A) of Public Law 101–649 (amending section 202(n)(1) of the Social Security Act) (104 Stat. 5085) is amended by inserting "under" before "paragraph (1)," and by striking "(17), or (18)" and inserting "(17), (18), or (19)", effective as if this paragraph were included in such section 603(b)(5)(A).

(2) Section 10208(b)(1) of Public Law 101–239 (amending section 230(b)(2)(A) of the Social Security Act) (103 Stat. 2477) is amended by striking "230(b)(2)(A)" and "430(b)(2)(A)" and inserting "230(b)(2)" and "430(b)(2)", respectively, effective as if this paragraph were included in such section 10208(b)(1).

(c) CONFORMING, CLERICAL AMENDMENTS UPDATING, WITHOUT SUBSTANTIVE CHANGE, REFERENCES IN TITLE II OF THE SOCIAL SECURITY ACT TO THE INTERNAL REVENUE CODE.—

(1)(A)(i) Section 201(g)(1) of such Act (42 U.S.C. 401(g)(1)) is amended—

(I) in subparagraph (A)(i), by striking "and subchapter E" and all that follows through "1954" and inserting "and chapters 2 and 21 of the Internal Revenue Code of 1986";

(II) in subparagraph (A)(ii), by striking "1954" and inserting "1986";

(III) in the matter in subparagraph (A) following clause (ii), by striking "subchapter E" and all that follows through "1954." and inserting "chapters 2 and 21 of the Internal Revenue Code of 1986.", and by striking "1954 other" and inserting "1986 other"; and

(IV) in subparagraph (B), by striking "1954" each place it appears and inserting "1986".

(ii) The amendments made by clause (i) shall apply only with respect to periods beginning on or after the date of the enactment of this Act.

(B)(i) Section 201(g)(2) of such Act (42 U.S.C. 401(g)(2)) is amended by striking "section 3101(a)" and all that follows through "1950." and inserting "section 3101(a) of the Internal Revenue Code of 1986 which are subject to refund under section 6413(c) of such Code with respect to wages (as defined in section 3121 of such Code).", and by striking "wages reported" and all that follows through "1954," and inserting "wages reported to the Secretary of the Treasury or his delegate pursuant to subtitle F of such Code,".

(ii) The amendments made by clause (i) shall apply only with respect to wages paid on or after January 1, 1995.

(C) Section 201(g)(4) of such Act (42 U.S.C. 401(g)(4)) is amended—

(i) by striking "The Board of Trustees shall prescribe before January 1, 1981, the method" and inserting "If at any time or times the Boards of Trustees of such Trust Funds deem such action advisable, they may modify the method prescribed by such Boards";

(ii) by striking "1954" and inserting "1986"; and

(iii) by striking the last sentence.

(2) Section 202(v) of such Act (42 U.S.C. 402(v)) is amended—

(A) in paragraph (1), by striking "1954" and inserting "1986"; and

(B) in paragraph (3)(A), by inserting "of the Internal Revenue Code of 1986" after "3127".

(3) Section 205(c)(5)(F)(i) of such Act (42 U.S.C. 405(c)(5)(F)(i)) is amended by inserting "or the Internal Revenue Code of 1986" after "1954".

(4)(A) Section 209(a)(4)(A) of such Act (42 U.S.C. 409(a)(4)(A)) is amended by inserting "or the Internal Revenue Code of 1986" after "Internal Revenue Code of 1954".

(B) Section 209(a) of such Act (42 U.S.C. 409(a)) is amended—

(i) in subparagraphs (C) and (E) of paragraph (4),

(ii) in paragraph (5)(A),

(iii) in subparagraphs (A) and (B) of paragraph (14),

(iv) in paragraph (15),

(v) in paragraph (16), and

(vi) in paragraph (17),

by striking "1954" each place it appears and inserting "1986".

(C) Subsections (b), (f), (g), (i)(1), and (j) of section 209 of such Act (42 U.S.C. 409) are amended by striking "1954" each place it appears and inserting "1986".

(5) Section 211(a)(15) of such Act (42 U.S.C. 411(a)(15)) is amended by inserting "of the Internal Revenue Code of 1986" after "section 162(m)".

(6) Title II of such Act is further amended—

(A) in subsections (f)(5)(B)(ii) and (k) of section 203 (42 U.S.C. 403),

(B) in section 205(c)(1)(D)(i) (42 U.S.C. 405(c)(1)(D)(i)),

(C) in the matter in section 210(a) (42 U.S.C. 410(a)) preceding paragraph (1) and in paragraphs (8), (9), and (10) of section 210(a),

(D) in subsections (p)(4) and (q) of section 210 (42 U.S.C. 410),

(E) in the matter in section 211(a) (42 U.S.C. 411(a)) preceding paragraph (1) and in paragraphs (3), (4), (6), (10), (11), and (12) and clauses (iii) and (iv) of section 211(a),

(F) in the matter in section 211(c) (42 U.S.C. 411(c)) preceding paragraph (1), in paragraphs (3) and (6) of section 211(c), and in the matter following paragraph (6) of section 211(c),

(G) in subsections (d), (e), and (h)(1)(B) of section 211 (42 U.S.C. 411),

(H) in section 216(j) (42 U.S.C. 416(j)),

(I) in section 218(e)(3) (42 U.S.C. 418(e)(3)),

(J) in section 229(b) (42 U.S.C. 429(b)),

(K) in section 230(c) (42 U.S.C. 430(c)), and

(L) in section 232 (42 U.S.C. 432),

by striking "1954" each place it appears and inserting "1986".

(d) RULES OF CONSTRUCTION.—

(1) The preceding provisions of this section shall be construed only as technical and clerical corrections and as reflecting the original intent of the provisions amended thereby.

(2) Any reference in title II of the Social Security Act to the Internal Revenue Code of 1986 shall be construed to include a reference to the Internal Revenue Code of 1954 to the extent necessary to carry out the provisions of paragraph (1).

(e) UTILIZATION OF NATIONAL AVERAGE WAGE INDEX FOR WAGE-BASED ADJUSTMENTS.—

(1) DEFINITION OF NATIONAL AVERAGE WAGE INDEX.—Section 209(k) of the Social Security Act (42 U.S.C. 409(k)) is amended—

(A) by redesignating paragraph (2) as paragraph (3);

(B) in paragraph (3) (as redesignated), by striking "paragraph (1)" and inserting "this subsection"; and

(C) by striking paragraph (1) and inserting the following new paragraphs:

"(k)(1) For purposes of sections 203(f)(8)(B)(ii), 213(d)(2)(B), 215(a)(1)(B)(ii), 215(a)(1)(C)(ii), 215(a)(1)(D), 215(b)(3)(A)(ii), 215(i)(1)(E), 215(i)(2)(C)(ii), 224(f)(2)(B), and 230(b)(2) (and 230(b)(2) as in effect immediately prior to the enactment of the Social Security Amendments of 1977), the term 'national average wage index' for any particular calendar year means, subject to regulations of the Secretary under paragraph (2), the average of the total wages for such particular calendar year.

"(2) The Secretary shall prescribe regulations under which the national average wage index for any calendar year shall be computed—

"(A) on the basis of amounts reported to the Secretary of the Treasury or his delegate for such year,

"(B) by disregarding the limitation on wages specified in subsection (a)(1),

"(C) with respect to calendar years after 1990, by incorporating deferred compensation amounts and factoring in for such years the rate of change from year to year in such amounts, in a manner consistent with the requirements of section 10208 of the Omnibus Budget Reconciliation Act of 1989, and

"(D) with respect to calendar years before 1978, in a manner consistent with the manner in which the average of the total wages for each of such calendar years was determined as provided by applicable law as in effect for such years.".

(2) CONFORMING AMENDMENTS.—

(A) Section 213(d)(2)(B) of such Act (42 U.S.C. 413(d)(2)(B)) is amended by striking "deemed average total wages" and inserting "national average wage index", and by striking "the average of the total wages" and all that follows and inserting "the national average wage index (as so defined) for 1976,".

(B) Section 215(a)(1)(B)(ii) of such Act (42 U.S.C. 415(a)(1)(B)(ii)) is amended—

(i) in subclause (I), by striking "deemed average total wages" and inserting "national average wage index"; and

(ii) in subclause (II), by striking "the average of the total wages" and all that follows and inserting "the national average wage index (as so defined) for 1977.".

(C) Section 215(a)(1)(C)(ii) of such Act (42 U.S.C. 415(a)(1)(C)(ii)) is amended by striking "deemed average total wages" and inserting "national average wage index".

(D) Section 215(a)(1)(D) of such Act (42 U.S.C. 415(a)(1)(D)) is amended—

(i) by striking "after 1978";

(ii) by striking "and the average of the total wages (as described in subparagraph (B)(ii)(I))" and inserting "and the national average wage index (as defined in section 209(k)(1))"; and

(iii) by striking the last sentence.

(E) Section 215(b)(3)(A)(ii) of such Act (42 U.S.C. 415(b)(3)(A)(ii)) is amended by striking "deemed average total wages" each place it appears and inserting "national average wage index".

(F) Section 215(i)(1) of such Act (42 U.S.C. 415(i)(1)) is amended—

(i) in subparagraph (E), by striking "SSA average wage index" and inserting "national average wage index (as defined in section 209(k)(1))"; and

(ii) by striking subparagraph (G) and redesignating subparagraph (H) as subparagraph (G).

(G) Section 215(i)(2)(C)(ii) of such Act (42 U.S.C. 415(i)(1)(C)(ii)) is amended to read as follows:

"(ii) The Secretary shall determine and promulgate the OASDI fund ratio for the current calendar year on or before November 1 of the current calendar year, based upon the most recent data then available. The Secretary shall include a statement of the fund ratio and the national average wage index (as defined in section 209(k)(1)) and a statement of the effect such ratio and the level of such index may have upon benefit increases under this subsection in any notification made under clause (i) and any determination published under subparagraph (D).".

(H) Section 224(f)(2) of such Act (42 U.S.C. 424a(f)(2)) is amended—

(i) in subparagraph (A), by adding "and" at the end;

(ii) by striking subparagraph (C); and

(iii) by striking subparagraph (B) and inserting the following:

"(B) the ratio of (i) the national average wage index (as defined in section 209(k)(1)) for the calendar year before the year in which such redetermination is made to (ii) the national average wage index (as so defined) for the calendar year before the year in which the reduction was first computed (but not counting any reduction made in benefits for a previous period of disability).".

(f) TECHNICAL CORRECTIONS RELATED TO OASDI IN THE OMNIBUS BUDGET RECONCILIATION ACT OF 1990.—

(1) AMENDMENTS RELATED TO PROVISIONS IN SECTION 5103(b) RELATING TO DISABLED WIDOWS.—Section 223(f)(2) of the Social Security Act (42 U.S.C. 423(f)(2)) is amended—

(A) in subparagraph (A), by striking "(in a case to which clause (ii)(II) does not apply)"; and

(B) by striking subparagraph (B)(ii) and inserting the following:

"(ii) the individual is now able to engage in substantial gainful activity; or".

(2) AMENDMENTS RELATED TO PROVISIONS IN SECTION 5105(d) RELATING TO REPRESENTATIVE PAYEES.—

(A) TITLE II AMENDMENTS.—Section 5105(d)(1)(A) of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101-508) is amended—

(i) by striking "Section 205(j)(5)" and inserting "Section 205(j)(6)"; and

(ii) by redesignating the paragraph (5) as amended thereby as paragraph (6).

(B) TITLE XVI AMENDMENTS.—Section 1631(a)(2) of the Social Security Act (42 U.S.C. 1383(a)(2)) is amended—

(i) by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively; and

(ii) by inserting after subparagraph (D) the following:

"(E) RESTITUTION.—In cases where the negligent failure of the Secretary to investigate or monitor a representative payee results in misuse of benefits by the representative payee, the Secretary shall make payment to the beneficiary or the beneficiary's representative payee of an amount equal to such misused benefits. The Secretary shall make a good faith effort to obtain restitution from the terminated representative payee.".

(3) AMENDMENTS RELATED TO PROVISIONS IN SECTION 5106 RELATING TO COORDINATION OF RULES UNDER TITLES II AND XVI GOVERNING FEES FOR REPRESENTATIVES OF CLAIMANTS WITH ENTITLEMENTS UNDER BOTH TITLES.—

(A) CALCULATION OF FEE OF CLAIMANT'S REPRESENTATIVE BASED ON AMOUNT OF PAST-DUE SUPPLEMENTAL SECURITY INCOME BENEFITS AFTER APPLICATION OF WINDFALL OFFSET PROVISION.—Section 1631(d)(2)(A)(i) of the Social Security Act (as amended by section 5106(a)(2) of the Omnibus Budget Reconciliation Act of 1990) (42 U.S.C. 1383(d)(2)(A)(i)) is amended to read as follows:

"(i) by substituting, in subparagraphs (A)(ii)(I) and (C)(i), the phrase '(as determined before any applicable reduction under section 1631(g), and reduced by the amount of any reduction in benefits under this title or title II made pursuant to section 1127(a))' for the parenthetical phrase contained therein; and".

(B) CALCULATION OF PAST-DUE BENEFITS FOR PURPOSES OF DETERMINING ATTORNEY FEES IN JUDICIAL PROCEEDINGS.—

(i) IN GENERAL.—Section 206(b)(1) of such Act (42 U.S.C. 406(b)(1)) is amended—

(I) by inserting "(A)" after "(b)(1)"; and

(II) by adding at the end the following new subparagraph:

"(B) For purposes of this paragraph—

"(i) the term 'past-due benefits' excludes any benefits with respect to which payment has been continued pursuant to subsection (g) or (h) of section 223, and

"(ii) amounts of past-due benefits shall be determined before any applicable reduction under section 1127(a).".

(ii) PROTECTION FROM OFFSETTING SSI BENEFITS.—The last sentence of section 1127(a) of such Act (as added by section 5106(b) of the Omnibus Budget Reconciliation Act of 1990) (42 U.S.C. 1320a-6(a)) is amended by striking "section 206(a)(4)" and inserting "subsection (a)(4) or (b) of section 206".

(4) APPLICATION OF SINGLE DOLLAR AMOUNT CEILING TO CONCURRENT CLAIMS UNDER TITLES II AND XVI.—

(A) IN GENERAL.—Section 206(a)(2) of such Act (as amended by section 5106(a)(1) of the Omnibus Budget Reconciliation Act of 1990) (42 U.S.C. 406(a)(2)) is amended—

(i) by redesignating subparagraph (C) as subparagraph (D); and

(ii) by inserting after subparagraph (B) the following new subparagraph:

"(C) In any case involving—

"(i) an agreement described in subparagraph (A) with any person relating to both a claim of entitlement to past-due benefits under this title and a claim of entitlement to past-due benefits under title XVI, and

"(ii) a favorable determination made by the Secretary with respect to both such claims,

the Secretary may approve such agreement only if the total fee or fees specified in such agreement does not exceed, in the aggregate, the dollar amount in effect under subparagraph (A)(ii)(II).".

(B) CONFORMING AMENDMENT.—Section 206(a)(3)(A) of such Act (as amended by section 5106(a)(1) of the Omnibus Budget Reconciliation Act of 1990) (42 U.S.C. 406(a)(3)(A)) is amended by striking "paragraph (2)(C)" and inserting "paragraph (2)(D)".

(5) EFFECTIVE DATE.—Each amendment made by this subsection shall take effect as if included in the provisions of the Omnibus Budget Reconciliation Act of 1990 to which such amendment relates, except that the amendments made by paragraph (3)(B) shall apply with respect to favorable judgments made after 180 days after the date of the enactment of this Act.

(g) ELIMINATION OF ROUNDING DISTORTION IN THE CALCULATION OF THE OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE CONTRIBUTION AND BENEFIT BASE AND THE EARNINGS TEST EXEMPT AMOUNTS.—

(1) ADJUSTMENT OF OASDI CONTRIBUTION AND BENEFIT BASE.—

(A) IN GENERAL.—Section 230(b) of the Social Security Act (42 U.S.C. 430(b)) is amended by striking paragraphs (1) and (2) and inserting the following:

"(1) $60,600, and

"(2) the ratio of (A) the national average wage index (as defined in section 209(k)(1)) for the calendar year before the calendar year in which the determination under subsection (a) is made to (B) the national average wage index (as so defined) for 1992,".

(B) CONFORMING AMENDMENT RELATING TO APPLICABLE PRIOR LAW.—Section 230(d) of such Act (42 U.S.C. 430(d)) is amended by striking "(except that" and all that follows through the end and inserting "(except that, for purposes of subsection (b) of such section 230 as so in effect, the reference to the contribution and benefit base in paragraph (1) of such subsection (b) shall be deemed a reference to an amount equal to $45,000, each reference in paragraph (2) of such subsection (b) to the average of the wages of all employees as reported to the Secretary of the Treasury shall be deemed a reference to the national average wage index (as defined in section 209(k)(1)), the reference to a preceding calendar year in paragraph (2)(A) of such subsection (b) shall be deemed a reference to the calendar year before the calendar year in which the determination under subsection (a) of such section 230 is made, and the reference to a calendar year in paragraph (2)(B) of such subsection (b) shall be deemed a reference to 1992).".

(C) ADJUSTMENT OF CONTRIBUTION AND BENEFIT BASE APPLICABLE IN DETERMINING YEARS OF COVERAGE FOR PURPOSES OF SPECIAL MINIMUM PRIMARY INSURANCE AMOUNT.—Section 215(a)(1)(C)(ii) of such Act is amended by striking "(except that" and all that follows through the end and inserting "(except that, for purposes of subsection (b) of such section 230 as so in effect, the reference to the contribution and benefit base in paragraph (1) of such subsection (b) shall be deemed a reference to an amount equal to $45,000, each reference in paragraph (2) of such subsection (b) to the average of the wages of all employees as reported to the Secretary of the Treasury shall be deemed a reference to the national average wage index (as defined in section 209(k)(1)), the reference to a preceding calendar year in paragraph (2)(A) of such subsection (b) shall be deemed a reference to the calendar year before the calendar year in which the determination under subsection (a) of such section 230 is made, and the reference to a calendar year in paragraph (2)(B) of such subsection (b) shall be deemed a reference to 1992).".

(2) ADJUSTMENT OF EARNINGS TEST EXEMPT AMOUNT.—Section 203(f)(8)(B)(ii) of the Social Security Act (42 U.S.C. 403(f)(8)(B)(ii)) is amended to read as follows:

"(ii) the product of the corresponding exempt amount which is in effect with respect to months in the taxable year ending after 1993 and before 1995, and the ratio of—

"(I) the national average wage index (as defined in section 209(k)(1)) for the calendar year before the calendar year in which the determination under subparagraph (A) is made, to

"(II) the national average wage index (as so defined) for 1992,

with such product, if not a multiple of $10, being rounded to the next higher multiple of $10 where such product is a multiple of $5 but not of $10 and to the nearest multiple of $10 in any other case.".

(3) EFFECTIVE DATES.—

(A) The amendments made by paragraph (1) shall be effective with respect to the determination of the contribution and benefit base for years after 1994.

(B) The amendment made by paragraph (2) shall be effective with respect to the determination of the exempt amounts applicable to any taxable year ending after 1994.

(h) TECHNICAL AMENDMENTS TO TITLE XVI.—(1) Section 1631 of the Social Security Act (42 U.S.C. 1383) is amended—

(A) in the 1st subsection (n), by striking "subsection" and inserting "title"; and

(B) by redesignating the 2nd subsection (n) as subsection (o).

(2) Section 1613(a) of such Act (42 U.S.C. 1382b(a)) is amended—

(A) by striking "and" at the end of paragraph (9);

(B) by striking the period at the end of the 1st paragraph (10) and inserting "; and"; and

(C) by redesignating the 2nd paragraph (10) as paragraph (11).

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on the date of the enactment of this Act.

And the Senate agree to the same.

SAM GIBBONS,
DAN ROSTENKOWSKI,
J.J. PICKLE,
ANDREW JACOBS, Jr.,
HAROLD FORD,
BILL ARCHER,
JIM BUNNING,
RICK SANTORUM,
Managers on the Part of the House.

DANIEL P. MOYNIHAN,
MAX BAUCUS,
JOHN BREAUX,
BOB PACKWOOD,
BOB DOLE,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4277) to establish the Social Security Administration as an independent agency and to make other improvements in the old-age, survivors, and disability insurance program, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment that is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clerical changes.

1. ESTABLISHMENT OF THE SOCIAL SECURITY ADMINISTRATION AS AN INDEPENDENT AGENCY

(Sec. 101–110 of the House bill, secs. 101–204 of the Senate amendment, and secs. 101–110 of the conference agreement)

a. Status of Agency

Present law

The Social Security Administration (SSA) is a component of the Department of Health and Human Services (HHS).

House bill

SSA would be made an independent agency in the executive branch of the Federal government, with responsibility for administration of the Old-Age, Survivors, and Disability Insurance (OASDI) and Supplemental Security Income (SSI) programs.

Senate amendment

Same as House provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment, with amendments providing that SSA would continue to perform its current functions in administering the Coal Industry Retirees Health Benefits Act and Part B of the Black Lung Benefits Act.

b. Agency Leadership and Management

Present law

The Secretary of HHS has responsibility for administration of the OASDI and SSI programs. Administration of these programs has been delegated to the Commissioner of Social Security. The Commissioner is appointed by the President with the advice and consent of the Senate, but reports to the Secretary.

House bill

SSA would be governed by a three-member, full-time Board, appointed by the President with the advice and consent of the Senate. The Board members would serve 6-year terms, with no more than 2 members being from the same political party. Board members would be chosen on the basis of their integrity, impartiality, and good judgment, and would be individuals who, by reason of education, experience, and attainments, are exceptionally qualified to perform the duties of the Board. Board members could be removed from office by the President only pursuant to a finding of neglect of duty or malfeasance in office. The terms of the first members would expire after two, four and six years.

Recommendations for persons to serve on the Board would be made by the Chairman of the House Committee on Ways and Means and the Senate Committee on Finance. A member could, at the request of the President, serve for up to a year after the member's term expires until a successor has taken office. A member could be appointed for additional terms.

The President would appoint one of the members to be a chairperson of the Board for a 4-year term. The chairperson or two members could call a meeting of the Board with any two members constituting a quorum. Any member alone would be permitted to hold a hearing.

Each member of the Board would be compensated at the rate provided in level II of the Executive Schedule. No member would be permitted to engage in any other business, vocation, profession, or employment.

The Board would:

Govern OASDI and SSI by regulation;

Establish the agency and oversee its efficient and effective operation;

Establish policy and devise long-range plans for the agency;

Appoint an Executive Director to act as the agency's chief operating officer;

Constitute three members of a new seven-member Board of Trustees of the Social Security Trust Funds, with the chairperson of the agency's Board serving as chairperson of the Board of Trustees (the Secretary of Labor would be dropped as a member of the Board of Trustees);

Prepare an annual budget, which would be presented by the President to Congress without revision, together with the President's annual budget for the agency;

Study and make recommendations to the Congress and President on the most effective methods of providing economic security through social insurance, SSI, and related programs, as well as on matters related to OASDI and SSI administration;

Provide the Congress and President with ongoing actuarial and other analyses; and

Conduct policy analysis and research.

The Board would be authorized to prescribe rules and regulations. It would also be authorized to establish, alter, consolidate, or discontinue organizational units and components of the agency (other than those provided by statute). Further, it would be permitted to assign duties and delegate (or authorize successive redelegations of) authority to act and to render decisions to such officers and employees as it deems necessary.

Senate amendment

SSA would be governed by a Commissioner appointed by the President, with the advice and consent of the Senate, for a 4-year term coinciding with the term of the President (or until the appointment of a successor). The Commissioner would be compensated at the rate for level I of the Executive Schedule (equivalent to Cabinet officer pay). The Commissioner would be responsible for the exercise of all powers and the discharge of all duties of SSA, have authority and control over all personnel and activities of the agency, and serve as a member of the 5-member Board of Trustees.

The President would be required to appoint a Commissioner within 60 days of the enactment. Upon such appointment and confirmation by the Senate, the Commissioner appointed under this title would assume the duties of the HHS Commissioner of Social Security until SSA is established as an independent agency.

The Commissioner would be authorized to prescribe rules and regulations; establish, alter, consolidate, or discontinue organizational units and components of the agency (except for those prescribed by law); and assign duties, and delegate, or authorize successive redelegations of, authority to act and to render decisions, to such officers and employees as the Commissioner may find necessary.

The Commissioner and the Secretary of Health and Human Services would be directed to consult with one another on an ongoing basis to assure: (1) the coordination of the Social Security, SSI, and Medicare and Medicaid programs and (2) that adequate information concerning Medicare and Medicaid benefits would be available to the public.

Conference agreement

The conference agreement follows the Senate amendment, modified to provide that the Commissioner would serve a fixed six-year term, except that the initial term of office would terminate January 19, 2001. As in the case of the Board members in the House bill, the Commissioner could be removed from office by the President only pursuant to a finding of neglect of duty or malfeasance in office.

In providing that a single administrator, rather than a bipartisan board, will head the independent agency, the conferees place high priority on management efficiency, which they see as essential in enabling the independent SSA to address the problems that confront it. At the same time, the conferees are concerned by the high rate of turnover, and resulting instability, that has characterized SSA's top management in recent years. A number of problems in service delivery associated with this instability has been documented in studies by the General Accounting Office and in hearings by the House Committee on Ways and Means and the Senate Committee on Finance. A description of these studies and hearings is contained in both Committees' reports on this legislation.

The conferees expect that the key features of SSA's leadership structure as established in the conference agreement—i.e., independent status, a six-year term and the limitation on removal by the President, and a bipartisan advisory board—will be effective in assuring that policy errors resulting from inappropriate influence from outside the agency such as those occurring in the early 1980s do not recur in the future.

(1) Board of Trustees

Present law

The Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds consists of the Secretary of the Treasury, the Secretary of Labor, the Secretary of Health and Human Services, and two public trustees. The Commissioner of Social Security serves as the Secretary of the Board.

House bill

The provision would expand the Board of Trustees and alter its membership. As restructured, the Board would consist of the 3 members of the independent agency's board of directors, the Secretary of the Treasury, the Secretary of Health and Human Services, and the two public trustees. the Secretary of Labor would be dropped from the Board. Also, the chairperson of SSA's board of directors would serve as the chairperson of the Board of Trustees. The Executive Director would serve as the Secretary of the Board.

Senate amendment

The Commissioner of the independent agency would serve as a member of the Board of Trustees, and the Secretary of Labor would be dropped from the Board. The Deputy Commissioner would serve as the Secretary of the Board.

Conference agreement

The conference agreement follows the Senate amendment, with an amendment providing that the Secretary of Labor would continue to serve as a member of the Board.

(2) SSA Budget

Present law

SSA's annual budget request is submitted to Congress by the President, as part of his proposal for the overall budget for the executive branch.

House bill

SSA's board of directors would be required to prepare an annual budget for the agency, which would be presented by the President to Congress without revision, together with the President's annual budget for the agency.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill, except that the budget would be prepared and forwarded to the President by the Commissioner, rather than the Board.

(3) Advisory Board

Present law

No provision.

House bill

No provision.

Senate amendment

A 7-member part-time Advisory Board would be appointed for 6-year terms, made up as follows: 3 appointed by the President (no more than 1 from the same political party); 2 each (no more than 1 from the same political party) by the Speaker of the House (in consultation with the Chairman and Ranking Minority Member of the Committee on Ways and Means) and the President pro tempore of the Senate (in consultation with the Chairman and Ranking Minority member of the Committee on Finance). Presidential appointees would be subject to Senate confirmation. Board members would serve staggered terms. The chairman of the Board would be appointed by the President for a 4-year term, coincident with the term of the President, or until the designation of a successor. The Board would meet at least 6 times each year and generally would be responsible for giving advice on policies related to the OASDI and SSI programs.

Compensation of members would be set at a rate equal to 25 percent of the rate for level III of the Executive Schedule (in addition, on meeting days compensation would be equivalent to that of the daily rate of level III of the Executive Schedule). Other benefits (except for health benefits) would not accrue. The Board would be required to appoint a staff director (paid at a rate equivalent to a rate for the Senior Executive Service) and would be authorized to hire necessary staff. The Board would be exempt from the provisions of the Federal Advisory Committee Act.

Specific functions of the Board would include:

Analyzing the nation's retirement and disability system and making recommendations with respect to how the OASDI program and SSI program, supported by other public and private systems, can most effectively assure economic security;

Studying and making recommendations relating to the coordination of programs that provide health security with the OASDI and SSI programs and with other public and private systems;

Making recommendations to the President and to the Congress with respect to policies that will ensure the solvency of the OASDI program, both in the short-term and long-term;

Making recommendations to the President of candidates to consider in selecting nominees for the position of Commissioner and Deputy Commissioner;

Reviewing and assessing the quality of service that the Administration provides to the public;

Reviewing and making recommendations with respect to policies and regulations regarding the OASDI and SSI programs;

Increasing public understanding of the Social Security system;

In consultation with the Commissioner, reviewing the development and implementation of a long-range research and program evaluation plan for the Administration;

Reviewing and assessing any major studies of Social Security that may come to the attention of the Board; and

Conducting such other reviews and assessments as the Board determines to be appropriate.

Conference agreement

The conference agreement generally follows the Senate amendment, except that Advisory Board members would serve fixed terms, meet at least four times a year (four members, not more than three from the same political party, would constitute a quorum), and serve without compensation, except that, while serving on business of the Board away from their homes or regular places of business, members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government employed intermittently.

Specific functions of the Board include:

Analyzing the nation's retirement and disability systems and making recommendations with respect to how the OASDI program and SSI program, supported by other public and private systems, can most effectively assure economic security;

Studying and making recommendations relating to the coordination of programs that provide health security with the OASDI and SSI programs and with other public and private systems;

Making recommendations to the President and to the Congress with respect to policies that will ensure the solvency of the OASDI program, both in the short-term and the long term;

Making recommendations with respect to the quality of service that the Administration provides to the public;

Making recommendations with respect to policies and regulations regarding the OASDI and SSI programs;

Increasing public understanding of the social security system;

Making recommendations with respect to a long-range research and program evaluation plan for the Administration;

Reviewing and assessing any major studies of social security that may come to the attention of the Board; and

Making recommendations with respect to such other matters as the Board determines to be appropriate.

In general, it is expected that the scope of the Advisory Board would be broadly focused, as indicated by its statutory mandate. This would be in contrast to the focus of recent Advisory Councils, which have tended to focus on specific aspects of the program. While the Advisory Board is required to review and assess the quality of service to the public provided by the Administration, the conferees expect that the performance of this or any other duty shall not serve as a basis for the Advisory Board to become involved in the day-to-day operation or management of the agency. Moreover, the conferees do not see the Board's role in evaluating SSA's policies and regulations as extending to the Board any special status with respect to the requirements and procedures related to the Administrative Procedures Act.

While the Board will appoint a staff director and hire required clerical support personnel, any additional staff required by the Board will be provided by the Commissioner of Social Security, who will detail employees to the Board, as agreed by the Commissioner and the Board. It is the intention of the conferees that the Board's staff director and clerical support staff not fall under the cap imposed by the conference agreement on positions that may be exempted from the competitive service at SSA.

To carry out its duties, the Advisory Board must have access to the records of the Social Security Administration. Therefore, it is expected that SSA will furnish information requested by the Advisory Board that, in the Board's judgment, is required for the performance of its duties.

The conferees believe that it is important to emphasize that the Board is advisory in nature, and that its members will meet on a part-time basis rather than serve as a standing body. It is expected that the Commissioner will consider the advice of the Board when formulating agency policy. The conferees anticipate that the Board will be effective in enhancing public confidence in the Social Security system. They believe that the Board's independent status and bipartisan membership make it especially well-suited for this important task.

(4) Executive Director

Present law

No provision.

House bill

An Executive Director would be appointed by the Board to serve as the agency's chief operating officer for a 4-year term. The individual would be permitted to serve up to one additional year until a successor had taken office (at the request of the chairperson of the Board). The Board would be permitted to appoint the Executive Director for additional terms. An Executive Director could be removed from office before completion of his or her term only for cause found by the Board. Compensation would be set at the rate provided in level II of the Executive Schedule.

The Executive Director would:

Be the chief operating officer responsible for administration;

Maintain an efficient and effective administrative structure;

Implement the long-term plans of the Board;

Report annually to the Board on the program costs of OASDI and SSI; make annual budgetary recommendations for the administrative costs of the agency and defend such recommendations before the board;

Advise the Board and Congress of effects on administration of proposed legislative changes;

Serve as Secretary of the Board of Trustees (for OASDI);

Report to the Board in December of each year, for transmittal to Congress; on administrative endeavors and accomplishments; and

Carry out any additional duties assigned by the Board.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the Senate amendment (i.e., no provision).

c. Deputy Commissioner of Social Security

Present law

Under current SSA practice, there are six deputy commissioners (for operations; programs; finance, assessment and management; policy and external affairs; systems; and human resources). None of these is a statutory position. In addition, a non-statutory Principal Deputy Commissioner is designated to serve as Acting Commissioner in the absence of the Commissioner.

House bill

A Deputy Director of Social Security would be appointed by, and serve at the pleasure of, the Executive Director.

The Deputy Director would perform such duties and exercise such powers as are assigned by the Executive Director, and serve as Acting Executive Director during the absence or disability of the Executive Director. The Deputy Director would also serve as Acting Executive Director in the event of a vacancy in the office of Executive Director unless the Board designates another official to fill the post. He or she would be compensated at the rate provided in level III of the Executive Schedule.

Senate amendment

A Deputy Commissioner would be appointed by the President, with the advice and consent of the Senate, for a 4-year term coincident with the term of the Commissioner or until appointment of a qualified successor.

The Deputy Commissioner would perform such duties and exercise such powers as are assigned by the Commissioner, and serve as Acting Commissioner during the absence or disability of the Commissioner (or vacancy of the office) unless the President designates someone else. He or she would be compensated at the rate provided for level II of the Executive Schedule. In addition, the Deputy Commissioner would serve as the Secretary of the Board of Trustees of the OASDI Trust Funds.

Conference agreement

The conference agreement follows the Senate amendment, except that the Deputy Commissioner would serve a six-year, rather than a four-year, term. The Deputy Commissioner's term would coincide with that of the Commissioner.

d. General Counsel

Present law

SSA receives legal services from the Office of General Counsel of HHS through a component headed by a Chief Counsel for Social Security.

House bill

A General Counsel would be appointed by and serve at the pleasure of the Board as SSA's principal legal officer. He or she would be compensated at the rate provided in level IV of the Executive Schedule.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the Senate amendment (i.e., no provision). The conferees anticipate that the agency officers will include a General Counsel.

e. Inspector General

Present law

The Inspector General of HHS is responsible for oversight of SSA

House bill

An Office of Inspector General would be created within SSA, to be headed by an Inspector General appointed in accordance with the Inspector General Act of 1978. He or she would be compensated at the rate provided in level IV of the Executive Schedule.

Senate amendment

The Inspector General Act of 1978 would be amended to authorize establishment, under that act, of an Inspector General of SSA.

Conference agreement

The conference agreement follows the Senate amendment, with an amendment providing that the Inspector General would be compensated at the rate provided in level IV of the Executive Schedule.

In addition, the conference agreement provides the Commissioner of the independent agency with authority to appoint an interim Inspector General to serve for up to 60 days. If the Commissioner does not make this appointment, the Inspector General of HHS may, if requested by the Commissioner, serve as SSA's Inspector General (while continuing to serve as the Inspector General of HHS) until an Inspector General is appointed for the independent agency.

The bill does not establish in the Administration any positions other than the Commissioner, Deputy Commissioner, Inspector General and Chief Financial Officer. The conferees believe that it is preferable to give the Commissioner the authority to determine the most efficient administrative organization for an independent SSA. However, the conferees believe that an essential element in any administrative organization for SSA is the position of Chief Actuary. While such a position is not mandated legislatively, it is expected that SSA will continue to have a Chief Actuary, and that the Chief Actuary will remain available to consult with the Chairman of the Senate Committee on Finance and the Chairman of the House Ways and Means Committee.

The conferees wish to emphasize the very important role of the Office of the Actuary in assessing the financial condition of the Social Security trust funds and in developing estimates of the financial effects of potential legislative and administrative changes in the Social Security program. The Office of the Actuary has a unique role within the agency in that it serves both the Administration and the Congress. While the conferees expect that the Chief Actuary will report to the Commissioner, this office often must work with the committees of jurisdiction in the development of legislation.

Beginning with the appointment of the first Chief Actuary in 1936, the tradition was for a close and confidential working relationship between the individual who held that office and the committees of jurisdiction in the Congress, a relationship which the Committees value highly. It is important

to emphasize that both the Senate Committee on Finance and the House Committee on Ways and Means rely on their ability to seek estimates on a confidential basis from the Chief Actuary, especially when developing new legislation. Thus, the independence of the Office of the Chief Actuary with respect to providing assistance to the Congress is vital in maintaining a trusting and useful relationship.

The conferees believe that it is important for the Office of the Chief Actuary to receive adequate staffing and support from the agency. In this regard, the conferees are concerned that fewer actuarial studies and notes have been published in recent years and that various informal reports and actuarial memoranda that were available in the past are no longer circulated. The conferees consider independent analyses by the Office of the Chief Actuary to be consistent with the general role and responsibilities of the actuarial profession, and in the past have found these analyses to be very helpful in understanding the factors underlying estimates and trends in the Social Security program.

With respect to adequate staffing, the conferees wish to note that it is essential that the strength of the Office of the Actuary be maintained. The conferees strongly urge that the actuarial staff at SSA be enhanced on an ongoing basis. Toward that end, the conferees believe that, in formulating a comprehensive workforce plan, the Commissioner of Social Security should carefully evaluate the needs of the Office of the Actuary and consider the need for additional Senior Executive Service positions in this office.

Although the conferees have not legislatively established a position of Chief Actuary in the independent agency, the conferees recognize the important role of the Office of the Chief Actuary and expect that in the independent SSA the office will be permitted to function with a high degree of independence and professionalism.

f. Chief Financial Officer

Present law

No provision.

House bill

No provision.

Senate amendment

A Chief Financial Officer would be appointed by the Commissioner in accordance with amendments to Title 31 of the U.S. Code made by the Chief Financial Officers Act of 1990.

Conference agreement

The conference agreement follows the Senate Amendment.

g. Beneficiary Ombudsman

Present law

No formal position of this nature exists within SSA.

House bill

An Office of Beneficiary Ombudsman, headed by a beneficiary ombudsman appointed by the Board, would be created within SSA. The term of office would be 5 years, except for the first ombudsman whose term would end September 30, 2000. The ombudsman would be permitted to serve up to one additional year until a successor had taken office (at the request of the chairperson of the Board), and could be appointed for additional terms. The ombudsman could be removed from office before completion of his or her term only for cause found by the Board. Compensation would be set at the rate provided in level V of the Executive Schedule.

The beneficiary ombudsman would:

Represent the interests and concerns of program beneficiaries within SSA's decision-making process;

Review SSA's policies and procedures for possible adverse effects on beneficiaries;

Recommend within SSA's decision-making process changes in policies which have caused problems for beneficiaries;

Help resolve problems for individual beneficiaries in unusual or difficult circumstances, as determined by the Administration; and

Represent the views of beneficiaries within SSA's decision-making process in the design of forms and issuance of instructions.

The Board would assure that the Office of Beneficiary Ombudsman is sufficiently staffed in regional offices, program centers, and the central office.

The annual report of the Board would include a description of the activities of the beneficiary ombudsman.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the Senate amendment (i.e., no provision).

h. Office of Chief Administrative Law Judge

Present law

The Social Security Act requires SSA to conduct hearings to consider appeals of SSA decisions by beneficiaries and applicants for benefits. These hearings are conducted by administrative law judges (ALJs). Although not required by law, the agency follows the procedures of the Administrative Procedures Act (APA) with respect to the appointment of ALJs and the conduct of hearings. The ALJs are located organizationally within the Office of Hearings and Appeals, headed by an associate commissioner who reports to the deputy commissioner for programs.

House bill

An Office of Chief Administrative Law Judge, headed by a chief ALJ appointed by the Board, would be created within SSA to administer the affairs of SSA's ALJs in a manner so as to ensure that hearings and other business are conducted by the ALJs in accordance with applicable law and regulations. The chief ALJ would report directly to the Board.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the Senate amendment (i.e., no provision).

i. Interim Authority of the Commissioner

Present law

No provision.

House bill

The President would be required to nominate appointments to the Board not later than April 1, 1995. If all members of the Board are not in office by October 1, 1995, the person then serving as Commissioner of Social Security would continue to serve as head of SSA within HHS, and serve as the head of the newly-established SSA, assuming the powers and duties of the Board and Executive Director.

Senate amendment

No provision.

Conference agreement

The conference agreement generally follows the House bill by providing that the existing Commissioner of Social Security in the Department of HHS would continue to serve in that post until a Commissioner is nominated by the President pursuant to this statute and is confirmed by the Senate. Nomination by the President must occur within 60 days of enactment. Upon confirmation by the Senate (whether before or after the general effective date of this statute), the President's nominee would assume the position of Commissioner of Social Security.

In the event that, as of March 31, 1995, the President has not nominated an individual for appointment to the Office of Commissioner of Social Security, the individual serving as Commissioner of Social Security in the Department of Health and Human Services shall become the Acting Commissioner of Social Security in the independent SSA.

j. Personnel; Budgetary Matters; Facilities and Procurement; Seal of Office

(1) Appointment of Employees by the Commissioner

Present law

No provision.

House bill

The Board would appoint additional officers and employees as it deems necessary (with compensation fixed in accordance with title 5 of the U.S. Code, except as otherwise provided by law), and could procure services of experts and consultants.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

(2) Allotment of Senior Executive Service (SES) Employees

Present law

No provision.

House bill

The Director of the Office of Personnel Management (OPM) would be required to give SSA an allotment of Senior Executive Service (SES) positions that exceeds the number authorized for SSA immediately before enactment of this Act to the extent a larger number is specified in a comprehensive work plan developed by the Board. The total number of such positions could not be reduced at any time below the number SSA held immediately before enactment of this Act.

Senate amendment

The Senate amendment includes the same provision, except that the number of SES positions allotted to SSA must be "substantially" greater than the number allotted to SSA before enactment of this Act.

Conference agreement

The conference agreement follows the Senate amendment, with an amendment requiring the Director of OPM to inform the Committee on Ways and Means and the Committee on Finance of the number of SES positions allotted to SSA within 60 days of the transmittal of the comprehensive work plan to the Director of OPM.

In agreeing to this provision, the conferees wish to note that, at present, the number of SES positions in SSA is low in proportion to the agency's responsibilities and the size of the agency's staff. The conferees expect that SSA's allotment will increase as an independent agency, commensurate with the agency's increased stature and responsibilities.

(3) Executive Level Positions

Present law

No provision.

House bill

. In addition to the 8 Executive Schedule positions established by this Act, SSA also would be authorized 6 positions at level IV and 6 positions at level V of the Executive Schedule.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the Senate amendment (i.e., no provision).

(4) Positions Exempted From the Competitive Service

Present law

No provision.

House bill

No provision.

Senate amendment

The number of positions which may be excepted from the competitive service because of their confidential or policy-determining character could not exceed the equivalent of 10 full-time positions.

Conference agreement

The conference agreement generally follows the Senate amendment, except that the limit would be set at 20 and would apply only to non-career Senior Executive Service (SES) and schedule C positions. The four SSA positions authorized by this statute—Commissioner, Deputy Commissioner, Inspector General, and Chief Financial Officer—would not be counted toward the limit, nor would the staff hired by the Social Security Advisory Board.

(5) Workforce Plan; Biennial Appropriation

Present law

No provision.

House bill

Appropriation requests for SSA staffing and personnel would be based upon a comprehensive workforce plan, established and revised from time to time by the Board.

Senate amendment

The Senate amendment includes a similar provision, except that the plan would be established by the Commissioner and appropriations would be authorized to be made on a biennial basis.

Conference agreement

The conference agreement follows the Senate amendment.

(6) Contingency Funds

Present law

No provision.

House bill

No provision.

Senate amendment

Appropriated contingency funds would be apportioned upon the occurrence of the stipulated contingency, as determined by the Commissioner and reported to the Congress.

Conference agreement

The conference agreement follows the House bill (i.e., no provision).

(7) Seal of Office

Present law

No provision.

House bill

The Board would create a Seal of Office for SSA, and judicial notice would be taken of it.

Senate amendment

The Commissioner would create a Seal of Office for SSA, and judicial notice would be taken of it.

Conference agreement

The conference agreement follows the Senate amendment.

k. Transfers and Transitional Rules

(1) Transfers of Functions and Staff

Present law

No provision.

House bill

In consultation with the Secretary of HHS, the Board would determine appropriate allocations of personnel and assets be transferred from HHS to SSA. In addition, there would be transferred such number of ALJs as are necessary to carry out the functions transferred by this Act (as determined by the Board in consultation with the Secretary).

Senate amendment

All functions, assets and personnel related to the administration of Social Security programs would be transferred from HHS to SSA. Transfers include all personnel employed in connection with the functions transferred to SSA and the assets, liabilities, contracts, property, records and unexpended balance of appropriations, authorizations, allocations, or other funds employed, held, or used in connection with these functions.

Conference agreement

Under the conference agreement generally follows the Senate amendment, with an amendment providing that the Commissioner and the Secretary will enter into a written interagency transfer arrangement identifying the personnel and resources to be transferred to SSA pursuant to this provision. The Commissioner and the Secretary will also identify support functions which are to be transferred—i.e., payroll, legal, and audit functions.

Under the conference agreement, SSA will continue to perform its current functions in administering the Medicare and Medicaid programs, including the adjudication of Medicare appeals, until such time as the Secretary and the Commissioner agree to a different arrangement. While the Secretary will maintain the ultimate authority for appeal decisions, SSA's ALJ corps will conduct appeal hearings until such time as the Secretary and the Commissioner agree to separate the functions.

The conferees urge the Secretary and the Commissioner to make a joint examination of the most approriate methodology which could be used to determine the costs to be borne by the Medicare trust funds for Medicare-related functions performed by SSA. The conferees request that the Secretary and the Commissioner report their joint findings to the Committee on Ways and Means and Committee on Finance within 36 months.

(2) Terminate 6 Executive Level IV and V Positions

Present law

No provision.

House bill

The Secretary of HHS shall terminate 6 positions in the Department of HHS placed in level IV and 6 positions placed in level V of the Executive Schedule other than positions required by law.

Senate amendment

No provision.

Conference agreement

The conference agreement follows Senate amendment (i.e., no provision).

(3) Employees Performing SSA Work on Date of Transfer

Present law

No provision.

House bill

No provision.

Senate amendment

HHS employees who are employed on the date of enactment of this Act, solely in connection with functions transferred by this title to SSA, and who are so employed on the day before the date SSA is established as an independent agency, shall be transferred from HHS to SSA.

HHS employees who are not employed on the date of the enactment of this Act in connection with functions transferred to SSA, but who are so employed on the day before SSA is established as an independent agency, may be transferred from HHS to SSA by the Commissioner, after consulting with the Secretary of HHS, if the Commissioner determines such transfer to be appropriate.

Conference agreement

The conference agreement follows the House bill (i.e., no provision).

(4) Funds Transferred

Present law

No provision.

House bill

Funds available to any official or component of HHS whose functions are transferred to the Commissioner of Social Security or the independent SSA may, with the approval of the Director of the Office of Management and Budget, be used to pay compensation of any officers appointed during the transition until funds for that purpose are otherwise available.

Senate amendment

Same as House provision.

Conference agreement

The conference agreement follows the House bill and Senate amendment.

(5) Transfer of Existing Orders, Determinations, Contracts, etc.

Present law

No provision.

House bill

All orders, determinations, rules, regulations, collective bargaining agreements, recognitions of labor organizations, certificates, licenses, and privileges in effect under the authority of the Secretary of HHS at the time of the transition would continue under the independent agency until their expiration or modification by the Board in accordance with law. Further, the change would not alter any pending proceeding before the Secretary, nor any suit nor penalty, except that such proceedings would continue before the Board.

Senate amendment

All orders, rules, regulations, determinations, contracts, collective bargaining agreements (including ongoing negotiations), recognitions of labor organizations, certificates, licenses and privileges in effect under the authority of the Secretary of HHS at the time of the transition would continue under the authority of the independent SSA until modified or terminated by the Commissioner. Suits and penalties commenced prior to enactment would also continue. Collective bargaining agreements would remain in effect until the date of termination specified in such agreement.

Conference agreement

The conference agreement follows the Senate amendment.

(6) Employee Protections; Transfer of Employees

Present law

No provision.

House bill

Transfer to the independent agency would not cause any full-time personnel (except special government employees) or part-time personnel holding permanent positions to be separated or reduced in grade or compensation for one year after such transfer.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill with technical modifications. In addition, the provision stipulates that transferred personnel who were not SSA employees immediately prior to March 31, 1995, would not be subject to directed reassignment to a duty station outside their commuting area for one year after such date, except that such personnel residing in the Baltimore, Maryland, or Washington, D.C., commuting area would not be subject to directed reassignment to duty stations in the Washington, D.C. or Baltimore, Maryland, commuting areas, respectively, for six months after such date. The conferees expect that in implementing this provision, SSA will develop a definition of "commuting area" no later than March 31, 1995.

In establishing these protections, the conferees are seeking to insure that SSA's transition to independent status does not adversely affect any worker's employment, pay, or grade. The conferees also want to protect employees who are transferred as a result of this Act from HHS to SSA, and their families, from having to relocate immediately. The conferees intend these protections to extend only to personnel actions and transfers stemming from the transition of SSA to its new status as an independent agency. They should not be interpreted as preventing SSA from taking personnel actions unrelated to this transition that affect employees' jobs, pay, or grade.

1. TRANSITION DIRECTOR

Present law

No provision.

House bill

No provision.

Senate amendment

SSA's transition to independent status would be led by a Transition Director, who would be selected on the basis of experience and knowledge of the operation of the Federal Government. Within 30 days after enactment, the President would be required to appoint the Transition Director, who would be compensated at the rate provided for level IV of the Executive Schedule.

Before the Commissioner of the independent SSA has been appointed, the Transition Director would be required to consult regularly with the Director of the Office of Management and Budget. Upon such appointment, the Transition Director would work under the direction of the Commissioner of SSA.

Within 120 days of the enactment, the Transition Director and the Commissioner of Social Security would be required to report to the Congress on the status of the transition and on any significant internal restructuring or management improvements that are proposed to be undertaken.

Conference agreement

The conference agreement follows the House bill (i.e., no provision).

m. Advisory Council

Present law

An advisory council is appointed by the Secretary of HHS every four years for the purpose of reviewing the status of the Social Security and Medicare programs.

House bill

No provision.

Senate amendment

There would be no quadrennial advisory councils for Social Security, although quadrennial councils would continue to be convened for Medicare.

Conference agreement

The conference agreement follows the Senate amendment, except that the provision does not authorize quadrennial advisory councils for Medicare. Also, the Advisory Council appointed in 1994 would be authorized to complete its work. The conferees expect that the Congress will consider authorizing quadrennial advisory councils for Medicare in future legislation.

n. Annual Report

Present law

The Secretary of HHS is required to make an annual report to Congress on the administration of the functions with which the Secretary is charged under the Social Security Act (including OASDI and SSI).

House bill

No provision.

Senate amendment

The requirement for an annual report with respect to OASDI and SSI would be eliminated.

Conference agreement

The conference agreement follows the Senate amendment, with a technical amendment modifying provisions of existing law which require the inclusion of information in SSA's annual report so that this information will be provided to Congress separately.

The conferees do not intend this provision to override any statutory requirements that SSA provide information to Congress. Rather, reports that are mandated by law will continue to be provided. Furthermore, in the absence of the annual report, the conferees expect that SSA will include in its annual statistical supplement basic information similar to that currently included in the annual report on: (1) the OASI, DI, and SSI programs, (2) the structure of SSA, including numbers of local offices, regional offices, and teleservice centers; (3) the size and distribution of SSA staff; (4) pending workloads at each level of the disability application and appeals process; and (5) representative payees for Social Security and SSI beneficiaries.

o. Data Exchange

Present law

Within the current Department of Health and Human Services, programs administered by the Social Security Administration, the Health Care Financing Administration for Children and Families, and other programs may disclose information from their respective systems of records to assist the administration of various HHS programs.

House bill

No provision.

Senate amendment

No provision.

Conference agreement

The provision would continue existing data exchanges between HHS and SSA, by requiring the Secretary to disclose to the Commissioner, and the Commissioner to the Secretary, any record or information requested in writing by the other for the purpose of administering any program, if the same type of information was disclosed to SSA or HHS, respectively, before the date of enactment.

Until March 31, 1995, such exchanges may continue to be carried out without need to publish new routine uses under the Privacy Act, and without need for computer matching agreements. Beginning March 31, 1996, additional data exchanges and computer matching agreements shall be made in compliance with the routine uses provision under the Privacy Act.

p. Effective Date

Present law

No provision.

House bill

In general, the provision would take effect October 1, 1995.

Senate amendment

In general, the provision would take effect 180 days after enactment.

Conference agreement

In general, the provision would take effect March 31, 1995. The Secretary and the Commissioner would be required to develop an arrangement for the transfer on March 31, 1995, of SSA personnel, and resources to the independent agency. They would be required to submit this plan to the Committee on Ways and Means and the Committee on Finance no later than January 1, 1995. No later than February 15, 1995, the General Accounting Office would be required to issue a report to the Committees evaluating this plan.

The conferees expect this plan to be sufficiently detailed that Congress and the GAO can evaluate whether the decisions made by the Secretary and the Commissioner reflect a division of staff and resources that is equitable from the perspective of both agencies. The plan should include the number or portion of staff from each division within the Office of the Secretary that will be transferred to SSA and the method by which those staff will be designated.

In addition, to ensure that the Congress is fully informed of the progress of the transition, the conferees expect GAO to monitor the transition closely and to report frequently to the Committee on Ways and Means and the Committee on Finance on an informal basis. To facilitate GAO's role in the transition, the conferees expect that all participants will furnish the Comptroller General with such information as he determines is necessary to apprise the Committees of the progress of the transition.

Further, the conferees require that, no later than November 1, 1994, the Secretary and the Commissioner report directly to the Committee on Ways and Means and the Committee on Finance on their progress in developing the required joint plan.

2. RESTRICT DISABILITY INSURANCE AND SUPPLEMENTAL SECURITY INCOME DISABILITY PAYMENTS TO SUBSTANCE ABUSERS

(Sec. 201 of the House bill, secs. 301–305 of the Senate amendment, and sec. 201 of the conference agreement)

a. Require that all DI Beneficiaries receive payment through a representative payee

Present law

Supplemental Security Income (SSI) recipients whose alcoholism or drug addiction is a contributing factor material to their disability are required to receive payments through a representative payee, who has responsibility for managing their finances. There is no parallel requirement for the Disability Insurance (DI) program.

House bill

DI beneficiaries whose drug addiction or alcoholism is a contributing factor material

to their disability would be required to receive payment through a representative payee. Thus, for both DI and SSI, it would be deemed in the best interest of the individual to be paid through a representative payee if alcoholism or drug addiction is a contributing factor material to the determination of disability. Further, the requirement that payment be certified to an alternative representative payee is modified by specifying that this occur, "if the interest of the disabled individual would be served thereby."

The provision would become effective 180 days after enactment for both current and prospective DI beneficiaries.

Senate amendment

DI beneficiaries whose disabilities are based in whole or in part on a medical determination that the individual is a drug addict or alcoholic would be required to receive payments through a representative payee.

Conference agreement

The conference agreement follows the House bill with an amendment providing that, for individuals determined eligible for DI benefits beginning 180 days after enactment, the requirement for a representative payee would become effective with respect to their first benefit check. Notification that the individual is subject to this requirement because alcoholism or drug addiction is a contributing factor material to his or her disability would be included in SSA's award notice informing the individual of entitlement to benefits.

For DI beneficiaries on the rolls, this requirement would become effective the month following the month in which SSA provides notification that alcoholism or drug addiction is a contributing factor material to the individual's disability and that, as a consequence, the individual is required to receive payment through a representative payee.

An exception to these rules would apply in cases where SSA has difficulty locating a suitable representative payee for a DI beneficiary who is on the rolls prior to the effective date of the amendment. In such situations, direct payment to the individual could be made for up to 90 days.

The conferees recognize that requiring SSA to identify those DI beneficiaries on the rolls whose alcoholism or drug addiction is material to their disability is a costly and labor-intensive task. Finding appropriate representative payees for these individuals will also present an enormous challenge to the agency. The conferees are establishing these requirements in spite of their difficulty because of the high priority they place on halting the use of DI and SSI funds to support disabling addictions. They expect that SSA will implement this requirement in stages, giving first priority to newly-adjudicated cases and individuals with primary diagnoses of alcoholism or drug addiction. The conferees place a high priority on accomplishing this task and expect that SSA will make every effort to identify during the 180 days following enactment DI beneficiaries on the rolls who are required to have representative payees and to find suitable representative payees for these beneficiaries as soon as possible.

b. Studies

Present law

No provision.

House bill

The Secretary of Health and Human Services would be required to conduct a study of (a) the cost, feasibility, and equity of requiring all DI and SSI beneficiaries who suffer from alcoholism or drug addiction (including those whose addiction did not contribute materially to the determination of disability) to have a representative payee, (b) the feasibility of, and appropriate timetable for, providing benefits through non-cash means (e.g., vouchers, debit cards, electronic benefit transfer systems), (c) the extent to which child recipients are afflicted by drug addiction or alcoholism and ways of addressing such affliction, including the feasibility of requiring treatment, and (d) the extent to which children's representative payees are afflicted by drug addiction or alcoholism, and methods to identify these afflicted individuals and to ensure that benefits continue to be provided to beneficiaries appropriately.

Not later than April 1, 1995, the Secretary shall transmit to the Committee on Ways and Means and the Committee on Finance a report on the findings and recommendations of the study.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill, except that the study of providing non-cash benefits to alcoholics and drug addicts would focus on issues of cost and equity as well as feasibility and would not include a timetable for implementation. Also, the due date for the study would be December 31, 1995.

c. Preference for Organizations as Representative Payees and Expansion of Qualified Organizations

Present law

The law is silent with regard to assigning an order of preference for the appointment of representative payees. SSA regulations give preference to family members and friends over organizations in both the DI and SSI programs. If the representative payee is determined to have misused any benefits, the Secretary must certify payment to an alternative payee or to the individual.

Community-based nonprofit social service agencies in existence on October 1, 1988, and serving as representative payees for five or more recipients are allowed to collect a monthly fee for their services the fee is collected from the DI or SSI payment, and cannot exceed the lesser of ten percent of the benefit or $25 per month. The authority for qualified organizations to charge a fee for representative payee services expired July 1, 1994.

House bill

In selecting a representative payee for an individual whose alcoholism or drug addiction is a contributing factor material to his or her disability, preference would be given to qualified organizations, unless the Secretary determines that selection of such an agency would not be appropriate.

Further, the requirement that qualified organizations have been in existence on October 1, 1988, to receive a fee for representative payee services would be repealed, and the list of qualified organizations would be expanded to include:

(1) Community-based, nonprofit social services agencies;

(2) State or local agencies whose mission is to carry out income maintenance, social service, or health care-related services; and

(3) State or local government agencies with fiduciary responsibilities (or a designee of such an agency if the Secretary deems it appropriate).

The authority for qualified organizations to charge a fee for representative payee services (which expired July 1, 1994) would be reestablished and made permanent, and the monthly fee for services that qualified representative payees of drug addicts and alcoholics receive would be set at ten percent of the monthly benefit.

Senate amendment

Any benefits payable to DI and SSI beneficiaries (including retroactive benefits) based in whole or in part on alcoholism or drug addiction would be payable only pursuant to a certification of such payment to a qualified organization acting as representative payee for the individual. A qualified organization would be further defined to include an agency or instrumentality of a State or a political subdivision of a State.

Conference agreement

The conference agreement follows the House bill, with an amendment that provides an exception to the preference for organizations to serve as representative payees for drug addicts and alcoholics to allow SSA to appoint a family member as representative payee if appointing a family member would be appropriate. However, the conferees intend that in cases where the alcoholic or drug addict is abusive to family members or in cases where family members turn over benefits to the alcoholic or drug addict, a family member would not be found to be an appropriate representative payee. In addition, the conferees believe that there are no circumstances under which bartenders should be permitted to serve as representative payees for the customers they serve.

The fee that organizational representative payees would be permitted to charge drug addicts and alcoholics would be the lesser of 10 percent of the monthly benefit or $50, indexed to the Consumer Price Index. In addition, the authority for qualified organizations to charge a fee for representative payee services would be made retroactive to July 1, 1994; and the ceiling on fees for organizational representative payees of OASDI and SSI beneficiaries who are not alcoholics or drug addicts—currently $25—would be indexed to the CPI.

d. Treatment Requirement

Present law

SSI recipients whose alcoholism or drug addiction is a contributing factor material to their disability are required to undergo treatment, when available, at approved facilities. They must also comply with the terms of their treatment program and comply with monitoring and testing provided by the Secretary. There are no parallel requirements for the DI program.

House bill

DI beneficiaries whose drug addiction or alcoholism is a contributing factor material to their disability and who are determined eligible for benefits at least 180 days after enactment would be required to undergo treatment, when available, at approved facilities; to comply with the terms of such treatment programs; and to comply with monitoring and testing provided by the Secretary.

In addition, DI beneficiaries on the rolls with a primary diagnosis of alcoholism or drug addiction would be subject to these requirements.

Senate amendment

DI and SSI beneficiaries whose disability is based in whole or in part on drug addiction or alcoholism would be required to undergo treatment, when available, at approved facilities; to allow their treatment to be monitored; and to comply with monitoring and testing provided by the Secretary.

Conference agreement

The conference agreement generally follows the House bill with respect to new DI beneficiaries. With respect to DI beneficiaries on the rolls as of the effective date of this provision, treatment would be required, if available, for all individuals whose alcoholism or drug addiction is a contributing factor material to their disability.

For individuals determined eligible for DI benefits following the effective date of this provision, the requirement to undergo treatment, if available, would apply beginning with the first month that they receive a benefit check. Notification that the individual is subject to this requirement because alcoholism or drug addiction is a contributing factor material to his or her disability would be included in SSA's award notice informing the individual of entitlement to benefits.

For DI beneficiaries on the rolls, the treatment requirement would become effective the month following the month in which SSA provides notification that alcoholism or drug addiction is a contributing factor material to the individual's disability and that, as a consequence, he or she is required to undergo treatment, if available, as a condition of eligibility.

e. Appropriate Treatment and Standards for Compliance

Present law

Under the SSI program, alcoholics and drug addicts must undergo "any treatment which may be appropriate for their condition at an institution or facility approved by the Secretary (so long as such treatment is available)." There is no parallel requirement in the DI program.

House bill

DI and SSI recipients whose alcoholism or drug addiction is a contributing factor material to their disability would be required to undergo any medical or psychological treatment that is appropriate for the individual's addition and for the stage of the individual's rehabilitation, at an approved facility.

The Secretary, in consultation with drug and alcohol treatment professionals, would be required to issue regulations further defining appropriate treatment and compliance, and to establish guidelines for evaluating compliance, including measures of the progress expected of participants.

Senate amendment

Similar provision, but excludes the requirement that the Secretary issue regulations defining compliance with treatment.

Conference agreement

The conference agreement follows the House bill, except that the requirement to undergo "any medical or psychological treatment" would be replaced with a requirement to undergo "appropriate substance abuse treatment." This change is intended to assure that SSA continues to treat organizations such as Alcoholics Anonymous as qualified treatment providers.

The conferees anticipate that, in addition to issuing regulations, SSA will develop specific guidelines for assessing compliance. These guidelines should be consistent with the thrust of the regulations. However, the conferees expect that the guidelines will be altered from time to time, based on improved medical understanding of addiction.

f. Benefit Suspension for Noncompliance With Treatment

Present law

SSI law requires disabled alcoholics and drug addicts to participate in treatment, if available, as a condition of eligibility. It does not, however, specify the timing and duration of benefit suspensions for failure to comply with this requirement. There is no parallel requirement for the DI program.

House bill

Benefits would be suspended for DI and SSI disability beneficiaries who fail to undergo or comply with required treatment for drug addiction or alcoholism. (Medicare benefits would continue during the period of DI suspension, as would Medicaid benefits for suspended SSI recipients). To qualify for benefit reinstatement, DI and SSI recipients would have to demonstrate compliance with treatment for progressively longer periods—two months, three months, and six months for the first, second, third (and subsequent) instances of noncompliance, respectively. An individual's DI or SSI benefits would be terminated after he or she was suspended for 12 consecutive months. As under current law, terminated individuals could reapply for benefits.

Senate amendment

The individual must demonstrate in such manner as the Secretary requires, including at a continuing disability review not later than 1 year after the determination of disability, that the individual is complying with the terms and conditions of treatment. If the Secretary finds that an individual is not complying, the Secretary, in lieu of termination, may suspend benefits until compliance is reestablished, including compliance with any additional requirements the Secretary determines necessary.

Conference agreement

The conference agreement follows the House bill, except that suspensions would become effective the month following notification by SSA of the noncompliance and resulting suspension, rather than the month of noncompliance. (An individual may be determined as failing to comply for a month only if treatment is available for the month.)

g. Referral and Monitoring Activities and Report on Testing

Present law

The Secretary of HHS must provide for the monitoring and testing of all SSI recipients whose alcoholism or drug addiction is a contributing factor material to their disability. There is no parallel requirement for the DI program.

House bill

The Secretary would be required to establish a referral and monitoring agency for each State. These agencies would identify appropriate placements for DI and SSI recipients who are drug addicts and alcoholics, refer them to such treatment, monitor compliance, and report failures to comply to the Secretary. The Secretary would also be required to provide for the testing of DI beneficiaries, as is currently required under the SSI program.

The Secretary would be required to submit annual reports to Congress on required testing and referral and monitoring activities for DI beneficiaries, as is currently required in the SSI program. These reports would indicate the number and percentage of DI and SSI substance abusers who did not receive regular testing during the year.

Senate amendment

Within 1 year of enactment, the Secretary of HHS would be required to provide for the establishment of referral and monitoring agencies for each State, as well as for the testing of DI beneficiaries, as is currently required under the SSI program.

Conference agreement

The conference agreement follows the House bill with minor drafting modifications and with an amendment replacing the requirement for annual reports with a one-time report, due December 31, 1996. Thereafter, annual reports on testing and referral and monitoring activities would no longer be required under the SSI program.

In requiring SSA to provide drug testing, the conferees intend that this authority be used as a tool for assessing compliance with treatment in those instances where a test is likely to yield important information. This provision should not be interpreted as requiring random drug or alcohol testing of all DI and SSI beneficiaries who are disabled by alcoholism or drug addiction.

h. 36-Month Limit

Present law

No provision.

House bill

DI and SSI benefits (including retroactive benefits) for individuals whose drug addiction or alcoholism is a contributing factor material to their disability would be terminated after 36 months of entitlement. Once terminated, the individual would not be entitled to any future benefits if alcoholism or drug addiction were a contributing factor material to the disability termination. For those beneficiaries on the rolls 180 days after enactment of this provision, the first month ending after 180 days after enactment would be treated as the first month of entitlement for the purpose of determining their 36-month period of entitlement.

Senate amendment

In no event would an individual be entitled to benefits for more than a total of 36 months (excluding periods of suspension) unless upon the termination of the 36th month the individual furnishes evidence that the individual is under a disability which is not related in part to a medical determination that the individual is a drug addict or alcoholic.

Conference agreement

SSI recipients whose alcoholism or drug addiction is a contributing factor material to SSA's determination that they are disabled would be terminated from the rolls after receiving 36 months of benefits unless they are disabled for some reason other than alcoholism or drug addiction. The 36-month limit would be applied to DI substance abusers beginning when treatment becomes available. DI substance abusers would be terminated after receiving benefits in treatment for 36 months, unless they are disabled for some reason other than substance abuse. The conferees expect that SSA will notify DI and SSI beneficiaries well in advance of the 36-month termination that benefits will be ceased, unless the individual provides evidence that he or she is disabled independent of alcoholism or drug addiction.

For SSI recipients determined eligible for benefits after 180 days after enactment, the 36-month limit would begin to toll with the first month for which the individual receives a benefit check. Notification that the individual is subject to the 36-month limit because alcoholism or drug addiction is a contributing factor material to his or her disability would be included in SSA's award notice informing the individual of eligibility for benefits. For SSI recipients on the rolls, the limit would also begin to toll 180 days after enactment; and SSA would be required to notify all affected individuals prior to this date that they are subject to this limit because alcoholism or drug addiction is a contributing factor material to their disability.

For DI beneficiaries (both current and newly-entitled individuals), the limit would begin when treatment becomes available, at which time SSA would be required to notify the individual that he or she is subject to the limit.

For both groups, only those months for which an individual receives a benefit would be counted toward the 36-month period. (Periods of benefit suspension would be excluded.) An individual whose benefits are terminated as a result of the 36-month limit may not receive benefits for any following month if, in such following month, alcoholism or drug addiction is a contributing factor material to the Secretary's determination that the individual is disabled.

Medicare and Medicaid would be continued beyond the 36-month period so long as the terminated individual continues to be disabled, as would benefits for dependents of terminated DI beneficiaries (see "i").

The provision would sunset the 36-month limit, effective October 1, 2004.

i. Dependents Benefits After 12-Month and 36-Month Termination

Present law

Dependents are entitled to DI benefits only so long as the worker on whose wage record benefits are paid is so entitled.

House bill

Dependents' benefits would be continued for two years after the worker on whose record benefits are paid is terminated from the DI rolls.

Senate amendment

No provision.

Conference agreement

Dependents' benefits would be continued so long as the worker on whose record benefits are paid continues to be disabled.

j. Proration of Retroactive Lump-Sum Benefits

Present law

No provision.

House bill

Retroactive lump-sum DI and SSI disability benefits for individuals whose alcoholism or drug abuse is a contributing factor material to their disability would be prorated and paid gradually. Each monthly payment would be limited to 200 percent of the normal benefit amount.

Senate amendment

Retroactive lump-sum benefits for individuals whose disabilities are related in whole or in part to alcoholism or drug addiction would be paid to a representative payee, who would be charged with managing the individual's finances.

Conference agreement

The conference agreement follows the House bill, with amendments that:

(1) Create an exception for individuals who are at high risk of homelessness because they incurred debts related to housing while awaiting their eligibility decision. The exception would be limited to the amount of the debt;

(2) Provide that, when a beneficiary dies without having received the full amount of his or her retroactive benefits in prorated payments, the unpaid amount would be treated as an underpayment; and

(3) Provide that, when retroactive benefits are owed to an individual whose entitlement ceases due to 12 months of suspension or the 36-month limit, prorated payments would continue through a representative payee until all retroactive benefits are paid.

The conferees are establishing the first exception to help insure that the restrictions being imposed on lump-sum payments will not result in an increased level of homelessness. They expect representative payees to use any amounts so excepted for the sole purpose of repaying housing-related debts.

The second and third exceptions recognize that, once an individual has been determined eligible for DI and SSI benefits, subsequent events—such as failure to comply with required treatment, the imposition of the 36-month limit, or the individual's death—do not negate his or her previous eligibility and resulting right to past-due benefits.

k. Illegal Activity and SGA

Present law

No provision.

House bill

In determining whether an individual is engaging in substantial gainful activity, the Secretary must consider services performed or earnings derived from such services without regard to the legality of such services.

Senate amendment

Any proceeds derived from criminal activity undertaken to support substance abuse would be treated as evidence of the individual's ability to engage in substantial gainful activity.

Conference agreement

The conference agreement follows the House bill.

l. Demonstration Projects

Present Law

No provision.

House bill

The Secretary of HHS would be required to develop and carry out demonstration projects designed to explore innovative referral, monitoring, and treatment approaches for drug addicts and alcoholics who are subject to a treatment requirement. A report to the Committee on Ways and Means and Committee on Finance would be due not later than December 31, 1997.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill, with an amendment authorizing the Secretary to include individuals who are not DI or SSI beneficiaries in the projects, to the extent that this is necessary to determine the most effective referral, monitoring, and treatment approaches for DI and SSI beneficiaries. The conferees expect that the Department of Health and Human Service (Substance Abuse and Mental Health Services Administration) and the Social Security Commissioner will coordinate their efforts with respect to such projects.

m. Effective Date

In general, the provision would take effect 180 days after enactment.

3. ISSUANCE OF PHYSICAL DOCUMENTS IN THE FORM OF BONDS, NOTES, OR CERTIFICATES TO THE SOCIAL SECURITY TRUST FUNDS

(Sec. 202 of the House bill and sec. 301 of the conference agreement)

Present law

In general, section 201(d) of the Social Security Act requires the Secretary of the Treasury to invest annual surpluses of the Social Security Trust Funds in interest-bearing obligations of the U.S. government. Under current Treasury practice, these holdings are recorded as entries on a ledger. No physical documents are required to be issued to the Trust Funds evidencing these obligations.

House bill

The provision would require that each obligation issued for purchase by the Social Security Trust Funds be evidenced by a physical document in the form of a bond, note, or certificate of indebtedness issued by the Secretary of the Treasury. The physical document would state the principal amount, date of maturity, and interest rate of the obligation. It would also state on its face that: " . . . the obligation shall be incontestable in the hands of the Trust Fund to which it is issued, that the obligation is supported by the full faith and credit of the United States, and that the United States is pledged to the payment of the obligation with respect to both principal and interest."

In addition, interest on such obligations would be paid to the Trust Funds with paper checks drawn on the general fund.

Effective date.—The provision would apply with respect to obligations issued, and payments made, after 60 days after the date of enactment. No later than 60 days after enactment, the Secretary of the Treasury would be required to issue to the Social Security Trust Funds physical documents in the form of bonds, notes, or certificates of indebtedness for all outstanding Social Security Trust Fund obligations.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date—The provision would apply with respect to the obligations issued, and payments made, after 60 days after the date of enactment. No later than 60 days after enactment, the Secretary of the Treasury would be required to issue to the Social Security Trust Funds physical documents in the form of bonds, notes, or certificates of indebtedness for all outstanding Social Security Trust Fund obligations.

4. GAO STUDY REGARDING TELEPHONE ACCESS TO LOCAL OFFICES OF THE SOCIAL SECURITY ADMINISTRATION

(Sec. 203 of the House bill and sec. 302 of the conference agreement)

Present law

The Omnibus Budget Reconciliation Act of 1990 (P.L. 101-508), requires SSA to: (a) maintain telephone access to local offices at the level generally available as of September 30, 1989, and (b) relist the numbers of affected offices in local telephone directories. P.L. 101-508 also required the General Accounting Office to report to Congress on the level of public telephone access to local offices following enactment of these requirements.

In September 1991, the GAO reported that SSA had generally complied with the requirement that it relist local office telephone numbers. It also reported that general inquiry lines to the offices to which the provisions of P.L. 101-508 apply had decreased by 30 percent, or 766 lines, below the level that existed on September 30, 1989.

House bill

The provision would add the following sentence to the current statutory requirement that SSA maintain public access to its local offices at the level generally available on September 30, 1989: "In carrying out the requirements of the preceding sentence, the Secretary shall reestablish and maintain in service at least the same number of telephone lines to each such local office as was in place as of such date, including telephone sets for connections to such lines."

In addition, the General Accounting Office would be required to make an independent

determination of the number of telephone lines to each SSA local office which are in place as of 90 days after enactment and to report its findings to the House Committee on Ways and Means and the Senate Committee on Finance no later than 150 days after enactment.

SSA would be required to maintain its toll-free service at a level at least equal to that in effect on the date of enactment.

Senate amendment

No provision.

Conference agreement

The provision would require the General Accounting Office to assess SSA's use of innovative technology (including attendant call and voice mail) to increase public telephone access to local Social Security offices (including a separate assessment of the impact of such technology on offices to which public access was curtailed on October 1, 1989.) The conferees expect that, as part of this assessment, GAO will evaluate the telephone access demonstration projects using attendant call and voice mail that SSA has indicated that it is about to begin. A report to the House Committee on Ways and Means and the Senate Committee on Finance would be due no later than January 31, 1996.

Effective date.—Upon enactment.

5. EXPANSION OF STATE OPTION TO EXCLUDE SERVICE OF ELECTION OFFICIALS OR ELECTION WORKERS FROM COVERAGE

(Sec. 204 of the House bill and sec. 303 of the conference agreement)

Present law

Election workers who earn less than $100 per year are subject to three Social Security exclusions: (a) at the option of a State, they may be excluded from the State's voluntary coverage agreement with the Secretary of Health and Human Services (HHS); (b) they are excluded from the requirement that State and local workers hired after March 31, 1986, pay the hospital insurance portion of the Social Security tax (1.45 percent); and (c) they are excluded from the requirement in the Omnibus Budget Reconciliation Act of 1990 (P.L. 101-508) that State and local workers who are neither covered by a State or local retirement system nor by a voluntary agreement pay the full Social Security tax (7.65 percent).

House bill

These three exclusions would be modified to apply to election workers with annual earnings of up to $1,000, rather than the current $100; and the new exempt amount would be indexed for increases in wages in the economy.

Effective date.—The provision would apply to services performed on or after January 1, 1995. Modifications of State voluntary agreements to reflect the higher exclusion for election workers would be effective with respect to services performed in and after the calendar year in which the modification is mailed or delivered by other means to the Secretary.

Senate amendment

No provision

Conference agreement

The conference agreement follows the House bill except that there would be no adjustments in the threshold for wage increases before January 1, 2000.

Effective date.—The provision would apply to services performed on or after January 1, 1995. Modifications of State voluntary agreements to reflect the higher exclusion for election workers would be effective with respect to services performed in and after the calendar year in which the modification is mailed or delivered by other means to the Secretary.

6. USE OF SOCIAL SECURITY NUMBERS BY STATES AND LOCAL GOVERNMENTS AND FEDERAL DISTRICT COURTS FOR JURY SELECTION PURPOSES

(Sec. 205 of House bill and sec. 304 of the conference agreement)

Present law

The Privacy Act of 1974 prohibits States from requiring individuals to provide Social Security numbers for identification purposes unless the State was doing so prior to January 1, 1975, or the State is specifically permitted to do so under Federal law. The Social Security Act currently authorizes States to use the Social Security number in administration of any tax, general public assistance and driver's license or motor vehicle registration law within its jurisdiction. Other Federal statutes authorize the State use of the Social Security number for other purposes.

Currently, courts utilize jury source lists within their jurisdiction to select jurors. Source lists (most commonly) made up of lists of licensed drivers and registered voters) are usually computer tapes merged by the courts to form one pool—or master list—from which jurors are selected.

States which are permitted under current law to collect Social Security numbers for purposes such as driver's licenses and voter registration are not allowed to use those Social Security numbers for other purposes such as refining jury selection master lists to identify and eliminate duplicate names, unless the court was using the Social Security number for that purpose before the Privacy Act took effect.

Current law likewise prevents State and Federal Courts from using the Social Security number to run the merged list against computerized lists of convicted felons in order to eliminate these individuals from jury pools.

House bill

States and Federal District Courts would be permitted to use Social Security numbers which have already been collected for purposes permitted under current law to eliminate duplicate names and names of convicted felons from jury source lists. Any Federal law enacted prior to enactment of this provision which is inconsistent with the above policy would be null, void and of no effect.

Effective date.—The provision would be effective upon enactment.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provision would be effective upon enactment.

7. AUTHORIZATION FOR ALL STATES TO EXTEND COVERAGE TO STATE AND LOCAL POLICE OFFICERS AND FIREFIGHTERS UNDER EXISTING COVERAGE AGREEMENTS

(Sec. 206 of the House bill and sec. 305 of the conference agreement)

Present law

In general, employees of State and local governments who participate in a public retirement system can be brought under Social Security by means of voluntary agreements entered into by the States with the Secretary of Health and Human Services.

However, the State option to obtain Social Security coverage for police officers and firefighters who are under a public retirement system applies only in 24 States that are named in the Social Security Act. (An additional option applies with respect to firefighters only: any State may obtain coverage for them if the governor certifies that it would improve the overall benefit protection of firefighters in the coverage group and a referendum is held among the group under authorization of the State.) The Act also provides that, in the 24 named States, Social Security coverage can be obtained only after a State-sponsored referendum.

House bill

The provision would extend to all States the option to provide police officers and firefighters who participate in a public retirement system with Social Security coverage under their voluntary agreements with the Secretary of HHS. The existing requirement for a referendum held under the authority of the State would continue to apply.

Effectively date.—The provision would apply with respect to modifications filed by States after enactment.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provision would apply with respect to modifications filed by States after enactment.

8. LIMITED EXEMPTION FOR CANADIAN MINISTERS FROM CERTAIN SELF-EMPLOYMENT TAX LIABILITY

(Sec. 207 of the House bill and sec. 306 of the conference agreement)

Present law

Section 233 (c)(1) of the Social Security Act authorizes the President to enter into "totalization agreements" with foreign countries to coordinate entitlement to Social Security benefits in the U.S. with pension benefits in those foreign countries. The law requires that international agreements concluded pursuant to that section provide for the elimination of dual coverage of work under the Social Security systems of the United States and another country.

Article V(7) of the totalization agreement between the United States and Canada provides that individuals considered self-employed by the United States who are American citizens but are residents of Canada are covered only under the Canadian Pension Plan.

Under the Social Security Act, an individual who is duly ordained, commissioned, or licensed minister of a church or a member of a religious order is generally considered self-employed for Social Security payroll tax purposes and subject to SECA taxes.

The Canadian social insurance program treats ministers as employees of the church rather than self-employed.

Prior to the 1984 totalization agreement with Canada, duly ordained and licensed ministers who were American citizens, but residents of Canada, were required to pay SECA taxes to the United States and Social taxes to Canada.

In some cases, ministers who were American citizens, ut residents of Canada, failed to file tax returns or pay SECA tax believing that they were not required to do so because they were paying into the Canadian Pension Plan as residents of Canada. The Internal Revenue Service has assessed taxes and penalties against those ministers who failed to file a return and pay the required taxes prior to the 1984 agreement.

House bill

The provision would exempt ministers who failed to pay SECA taxes in the United States on earnings from services performed in Canada for a period before the 1984 totalization agreement between the United States and Canada went into effect, and who were required to pay social insurance taxes in Canada on such earnings, from the payment of such taxes or related penalties, owed to the United States.

The ministers' Social Security earnings records would not be credited for years in which the SECA tax was not paid.

Effective date.—The provision would be effective for individuals who meet the requirements of the statute and who file a certificate with the Internal Revenue Service within 180 days after the IRS issues regulations implementing this provision. The certificate shall be effective for taxable years 1979 through 1984.

The Social Security benefit for current Social Security beneficiaries who file certificates under this provision, would be recomputed for months following approval of the certificate of exemption.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provision would be effective for individuals who meet the requirements of the statute and who file a certificate with the Internal Revenue Service within 180 days after the IRS issues regulations implementing this provision. The certificate shall be effective for taxable years 1979 through 1984.

The Social Security benefit for current Social Security beneficiaries who file certificates under this provision would be recomputed for months following approval of the certificate of exemption.

9. EXCLUSION OF TOTALIZATION BENEFITS FROM THE APPLICATION OF THE WINDFALL ELIMINATION PROVISION

(Sec. 208 of the House bill and sec. 307 of the conference agreement)

Present law

The President is authorized to enter into "totalization agreements" with foreign countries. If an individual has worked under Social Security systems in both the U.S. and a foreign country with which the U.S. has such an agreement, but has not worked long enough to qualify for a benefit, a totalization agreement allows the individual's coverage under both systems to be combined, or "totalized," in order for one country (or both) to pay a benefit. Benefits paid under a totalization agreement are generally prorated to take account of the fact that the person did not work for an entire career under the system that is paying benefits.

The windfall elimination provision (WEP) is applied to the computation of Social Security benefits for workers who are eligible for both Social Security and a pension from work not covered by Social Security. Under the WEP, a different benefit formula yielding a lower amount is used to calculate the worker's Social Security benefit.

With respect to individuals who have worked under Social Security systems in both the United States and a foreign country with which the United States has a totalization agreement, the WEP applies: 1) in the computation of some U.S. totalization benefits, and 2) in the computation of regular U.S. Social Security benefits if the individual receives a foreign totalization benefit.

House bill

The provision would disregard the windfall elimination provision in computing any U.S. totalization benefit, and in computing the amount of a regular U.S. benefit of an individual who (1) receives a foreign totalization benefit based in part on U.S. employment and (2) does not receive any other pension which is based on non-covered employment

Effective date.—The provision would be effective with respect to benefits payable for months after January, 1995.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provision would be effective with respect to benefits payable for months after December, 1994.

10. EXCLUSION OF MILITARY RESERVISTS FROM APPLICATION OF THE GOVERNMENT PENSION OFFSET AND THE WINDFALL ELIMINATION PROVISIONS

(Sec. 209 of the House bill and sec. 308 of the conference agreement)

Present law

The Government Pension Offset (GPO) and the Windfall Elimination Provision (WEP) are intended to reduce Social Security benefits payable to an individual who qualifies for both a Social Security benefit and a pension based on employment not covered by Social Security.

The WEP reduces a worker's Social Security retirement or disability benefit in cases where the worker is receiving both a Social Security benefit and a pension based on employment not covered by Social Security. The WEP is designed to eliminate the windfall resulting from the weighted Social Security benefit formula which is intended to replace a higher proportion of wages for low-earning workers than for high-earning workers.

Active military service became covered under Social Security in 1957. Inactive duty by reservists (such as weekend drills) became covered under Social Security in 1988. A pension based on either type of service (active or inactive), if performed before 1957, does not trigger the WEP. The only military pension which triggers the WEP is a pension based on inactive duty after 1956 and before 1988.

Under the GPO, spouse's and widow(er)'s benefits received by an individual based on his or her spouse's Social Security-covered work are reduced by two-thirds of the amount of any government pension to which the individual is entitled based on his or her own work in a government job not covered under Social Security.

House bill

An individual's receipt of a pension based wholly on service performed as a member of a uniformed service, whether on active or inactive duty and whether performed prior to 1988 or not, would not trigger application of the GPO and WEP to the individual's Social Security benefits.

Effective date.—The provision would be effective with respect to benefits payable for months after January, 1995.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provision would be effective with respect to benefits payable for months after December, 1994.

11. REPEAL OF THE FACILITY-OF-PAYMENT PROVISION

(Sec. 210 of the House bill and sec. 309 of the conference agreement)

Present law

As a general rule, when an individual receiving benefits as the dependent of a worker has a deduction in his or her benefits—for example, due to his or her own earnings exceeding the earnings test exempt amount—and the Maximum Family Benefit rule applies, the withheld benefits are redistributed and paid to other dependents. (The Maximum Family Benefit, or MFB, is a limit on the total amount of benefits which can be paid on a worker's record to the worker and his or her dependents.)

However, if all of the dependents are living in the same household, the affected individual's benefit check is not actually withheld; instead, the individual receives a notice from the Social Security Administration accompanying the benefit check. This notice explains that the beneficiary is subject to a benefit deduction and should not actually receive the benefit check. However, the benefit is being paid with the understanding that it is for the use and benefit of the other dependent beneficiaries. This procedure is known as the facility-of-payment provision.

In cases where all the dependent beneficiaries are not residing in the same household, the facility-of-payment provision does not apply and the withheld benefits are redistributed and paid directly to the remaining dependents.

House bill

The facility-of-payment provision would be repealed. As a result, a beneficiary who is subject to a deduction would have his or her benefits withheld, and the withheld amount would be redistributed and paid directly to the other dependents.

Effective date.—The provision would be effective for benefits payable for months after December, 1995.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provision would be effective for benefits payable for months after December, 1995.

12. MAXIMUM FAMILY BENEFITS IN GUARANTEE CASES

(Sec. 211 of the House bill and sec. 310 of the conference agreement)

Present law

A guarantee is provided for workers who receive disability benefits, then stop receiving disability benefits, and subsequently become reentitled to benefits due to death, retirement or disability. This "subsequent entitlement guarantee" provides that the basic benefit amount (the Primary Insurance Amount, or PIA) of a worker who becomes reentitled to benefits or dies (thereby entitling his or her survivors) cannot be less than the PIA in effect in the last month of the worker's prior entitlement to disability benefits.

Due to a drafting error in the 1977 Social Security Amendments, the guarantee does not extend to the Maximum Family Benefit (MFB) payable on the worker's record, which is determined based upon the PIA. (The MFB is a limit on the total amount of benefits which may be paid on a worker's record to the worker and his or her dependents.) As a result, the MFB which is payable when the

worker becomes reentitled to benefits or dies may be less than the MFB payable in the last month of the worker's prior entitlement to disability benefits.

House bill

The provision would make a conforming change in the Maximum Family Benefit, so that the guaranteed PIA would be the basis for calculating the guaranteed Maximum Family Benefit.

Effective date.—The provision would be effective for the MFB of workers who become reentitled to benefits or die (after previously having been entitled) after January, 1995.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provision would be effective for the MFB of workers who become reentitled to benefits or die (after previously having been entitled) after December, 1995.

13. AUTHORIZATION FOR DISCLOSURE OF SOCIAL SECURITY ADMINISTRATION INFORMATION FOR PURPOSES OF PUBLIC OR PRIVATE EPIDEMIOLOGICAL AND SIMILAR RESEARCH

(Sec. 212 of the House bill and sec. 311 of the conference agreement)

Present law

Current law prohibits Federal agencies from releasing personal information contained in an individual file without the written consent of the individual.

Prior to the 1989 Supreme Court decision United States Department of Justice v. Reporters Committee for Freedom of the Press (Reporters Committee), the Social Security Administration (SSA) would permit disclosure of personally identifiable information to epidemiological researchers believing that it was permitted to do so under the Freedom of Information Act (FOIA). Disclosure of personal information is permitted under FOIA when the public interest served by the disclosure outweighs the privacy interest served by withholding and information.

In the Reporters Committee decision, the Supreme Court restricted disclosures of personally identifiable information under FOIA, ruling that disclosure of personal information serves the public interest only when the requested information gives the public insight into the Federal government's performance of its statutory duties.

As a result of the Reporters Committee decision, SSA has discontinued the practice of disclosing information from its files to epidemiological researchers.

Epidemiological research examines specific risk factors (such as exposure to chemical agents or specific medical treatments) that may cause disease by measuring the effect of these factors on a known population.

House bill

The provision would require SSA, under certain circumstances, to disclose limited personally identifiable information for epidemiological research purposes only, and it would permit the Secretary of the Treasury to provide such information to SSA for purposes of complying with such requirement.

Under the provision, SSA would be required to comply with requests for information showing whether an individual is alive or deceased. The requester would be required to meet two conditions:

(1) the information would be used for epidemiological or similar research which the Secretary determined showed a reasonable promise of contributing to a national health interest; and

(2) the requester agrees to reimburse the Secretary for providing such information and agree to comply with limitations on safeguarding and rerelease or redisclosure of such information, as specified by the Secretary. The Secretary would not be required to comply with a request for information if doing so would constitute a violation of a contract entered into with a State for the provision by the State of death information.

The Secretary of the Treasury would be permitted to provide such information to SSA for purposes of complying with such a requirement.

Effective date.—The provision would apply to requests for information made after the date of enactment.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provision would apply to requests for information made after the date of enactment.

14. MISUSE OF SYMBOLS, EMBLEMS OR NAMES IN REFERENCE TO SOCIAL SECURITY ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES, OR DEPARTMENT OF THE TREASURY

(Sec. 213 of the House bill and sec. 312 of the conference agreement)

Present law

In 1988, Congress enacted a provision prohibiting the use of words, letters, symbols and emblems of the Social Security Administration (SSA) and the Health Care Financing Administration (HCFA) in a manner that the user knows or should know would convey the false impression that such an item was approved, endorsed, or authorized by the Social Security Administration, the Health Care Financing Administration or the Department of Health and Human Services, or that the user has some connection with, or authorization from, these agencies.

The law permits the Secretary of Health and Human Services (HHS) to impose civil monetary penalties not to exceed $5,000 per violation or, in the case of a broadcast or telecast, $25,000 per violation. The total amount of penalties which may be imposed is limited to $100,000 per year.

Amounts collected by the Secretary are deposited as miscellaneous receipts of the Treasury of the United States.

There is no provision in present law prohibiting the use of titles, symbols, emblems, and names of the Department of the Treasury (and its subsidiary agencies) in connection with advertisements, mailings, solicitations, or other business activities.

House bill

The provision would amend current law to:

(a) eliminate the annual cap on penalties;

(b) also prohibit the use of words and letters of the Department of Health and Human Services, Supplemental Security Income Program, or Medicaid, and the symbols or emblems of the Department of Health and Human Services;

(c) define a "violation," with regard to mailings, as each individual piece of mail in a mass mailing;

(d) Further prohibit the use of names, letters or emblems of SSA, HCFA, or HHS in a manner that reasonably could be interpreted to convey a relationship with these agencies;

(e) exempt from the prohibition the use by any State agency or instrumentality of a State, or political subdivision of any words, letters, symbols, or emblems which identify an agency or instrumentality of the State or political subdivision;

(f) repeal the present law requirement that the Department of Health and Human Services obtain a formal declination from the Department of Justice (DOJ) before pursuing a civil monetary penalty case under this provision;

(g) provide that penalties collected by the Secretary for violations of this provision would be deposited in the Old-Age and Survivors Insurance, Health Insurance or Supplementary Medical Insurance Trust Funds as applicable;

(h) stipulate that no person may reproduce, reprint, or distribute for a fee any form, application, or other publication of the Social Security Administration unless such person has obtained specific written authorization for such activity in accordance with regulations prescribed by the Secretary;

(i) provide that any determination of whether there is a violation of this provision shall be made without regard to a disclaimer;

(j) require the Commissioner of Social Security and the HHS Secretary to issue three reports to the Committee on Ways and Means and the Committee on Finance on the operation of section 1140 as applicable. The report would specify: (1) the number of complaints of violations of section 1140 received by the Social Security Administration or the Department of Health and Human Services during the period covering the report; (2) the number of cases in which a notice of violation of section 1140 was sent by the Social Security Administration or the Department of Health and Human Services during the period covering the report requesting that an individual cease activities in violation of this section; (3) the number of cases in which a civil monetary penalty was formally proposed in a demand letter during the period covering the report by the Social Security Administration or the Department of Health and Human Services; (4) the total number of civil monetary penalties assessed under this section during the period covered by the report by the Social Security Administration or the Department of Health and Human Services; (5) the number of requests for hearings filed during the period covering the report pursuant to subsection (c)(1) of this section and section 1128A(c)(2) by the Social Security Administration or the Department of Health and Human Services; (6) the disposition during the period covering the report of hearings filed pursuant to sections 1140(c)(1) and 1128A(c) (2), and (7) the total amount of civil monetary penalties collected under this section and deposited into the Federal Old-Age and Survivors Insurance, Health Insurance and Supplementary Medical Insurance Trust Funds, as applicable, during the period covering the report. The reports would be due December 1, 1995, December 1, 1997, and December 1, 1999;

(k) specify that the provisions in section 1140 may be enforced by the Office of Inspector General of the Social Security Administration or the Office of Inspector General of the Department of Health and Human Services. The provisions for Social Security and the Department of Health and Human Services would be effective for violations occurring after March 31, 1995.

The provision would prohibit the use in advertisements, solicitations, and other business activities of words, abbreviations, titles, letters, symbols, or emblems associated with the Department of the Treasury (and services, bureaus, offices or subdivisions of the Department, including the Internal Revenue Service) in a manner which could reasonably be interpreted as conveying a connection with or approval by the Department of the Treasury.

The bill would establish civil penalty of not more than $5,000 per violation (or not more than $25,000 in the case of a broadcast or telecast). In addition, the bill would establish a criminal penalty of not more than $10,000 (or not more than $50,000 in the case of a broadcast or telecast) or imprisonment of not more than one year, or both, in any case in which the prohibition is knowingly violated. Any determination of whether there is a violation would be made without regard to the use of a disclaimer of affiliation with the Federal Government. The Secretary of the Treasury would be required to provide to the Committee on Ways and Means and the Committee on Finance, no later than May 1, 1996, a report on enforcement activities relating to the implementation of the provision.

Effective date.—The provisions would apply with respect to violations occurring after the date of enactment.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provisions would apply with respect to violations occurring after the date of enactment.

15. INCREASED PENALTIES FOR UNAUTHORIZED DISCLOSURE OF SOCIAL SECURITY INFORMATION

(Sec. 214 of the House bill and sec. 313 of the conference agreement)

Present law

Each year, the Social Security Administration (SSA) receives and maintains earnings information, including the names and addresses of employers, on over 130 million working Americans in its computer system. Employers are required to file annually with the Social Security Administration copies of their workers' W-2 statements. The statements contain the worker's Social Security numbers and the amount of wages the workers received during the year. In addition, each SSA file contains an individual's birth certificate information, such as date of birth, father's name and mother's maiden name. For those receiving Social Security benefits, the file contains a current address and monthly benefit amounts.

The Social Security Act includes provisions which prohibit the unauthorized disclosure of information contained in Social Security Administration files. The Act provides that any person who violates these provisions and makes an unauthorized disclosure can be found guilty of a misdemeanor and, upon conviction, punished by a fine not exceeding $1,000 or by imprisonment not exceeding one year, or both.

House bill

The provision stipulates that unauthorized disclosure of information and fraudulent attempts to obtain personal information under the Social Security Act would be a felony. Each occurrence of a violation would be punishable by a fine not exceeding $10,000 or by imprisonment not exceeding five years, or both.

Effective date.—The provision would apply to violations occurring on or after the date of enactment.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provision would apply to violations occurring on or after the date of enactment.

16. INCREASE IN AUTHORIZED PERIOD FOR EXTENSION OF TIME TO FILE ANNUAL EARNINGS REPORT

(Sec. 215 of the House bill and sec. 314 of the conference agreement)

Present law

In general, individuals under age 70 who receive Social Security retirement or survivors benefits must file an annual report of their earnings with the Social Security Administration for any taxable year in which their earnings or wages exceed the annual exempt amount of earnings under the Social Security earnings test. These reports are due to be filed by the same date as Federal income tax returns, the fifteenth day of the fourth month after the close of the taxable year (normally April 15). Individuals may be granted a reasonable extension of time for filing an earnings report if there is a valid reason for delay, but not more than 3 months. An extension of time for filing an income tax return may be granted for up to 4 months.

House bill

The time for which an extension could be granted for filing an earnings report would be increased to 4 months.

Effective date.—The provision would be effective with respect to reports of earnings for taxable years ending on or after December 31, 1994.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provision would be effective with respect to reports of earnings for taxable years ending on or after December 31, 1994.

17. EXTENSION OF DISABILITY INSURANCE PROGRAM DEMONSTRATION PROJECT AUTHORITY

(Sec. 216 of the House bill and sec. 315 of the conference agreement)

Present law

Section 505(a) of the Social Security Disability Insurance Amendments of 1980 (P.L. 96-265), as extended by the Omnibus Budget Reconciliation Act of 1989 (P.L. 101-508), authorizes the Secretary of Health and Human Services to waive compliance with the benefit requirements of titles II and XVIII for purposes of conducting work incentive demonstration projects to encourage disabled beneficiaries to return to work. The authority to waive compliance applies to projects initiated prior to June 10, 1993. A final report is due no later than October 1, 1993.

House bill

The Secretary's authority to initiate disability work incentive demonstration projects that waive compliance with benefit provision (as provided in P.L. 96-265) would be extended through June 9, 1996. A final report would be due no later than October 1, 1996.

Effective Date.—The provisions would be effective upon enactment.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provisions would be effective upon enactment.

18. CROSS-MATCHING OF SOCIAL SECURITY ACCOUNT NUMBER INFORMATION AND EMPLOYER IDENTIFICATION NUMBER MAINTAINED BY THE DEPARTMENT OF AGRICULTURE

(Sec. 217 of the House bill and sec. 316 of the conference agreement)

Present law

The Department of Agriculture is allowed to collect and maintain a list of names, Social Security numbers and employer identifications numbers of the owners and officers of retail grocery stores which redeem food stamps. The list is used to keep track of grocery store operators who have been sanctioned for violations under the Food Stamp Act.

House bill

The provision would permit the Secretary of Agriculture to share the list of names and identifying numbers with other Federal agencies which otherwise have access to Social Security account numbers for the purpose of effective administration and enforcement of the Food Stamp Act of 1977 or for investigating violations of other Federal laws, or enforcement of such laws. The Secretary of Agriculture must restrict access to Social Security account numbers obtained pursuant to this provision to officers and employees of the United States whose duties or responsibilities require access for such purposes.

Effective date.—The provision would be effective upon enactment.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provision would be effective upon enactment.

19. CERTAIN TRANSFERS TO RAILROAD RETIREMENT ACCOUNT MADE PERMANENT

(Sec. 218 of the House bill and sec. 317 of the conference agreement)

Present law

A portion of the railroad retirement tier 2 benefits are included in gross income of recipients (similar to the treatment accorded recipients of private pensions) for Federal income tax purposes. The proceeds from the income taxation of railroad tier 2 benefits received prior to October 1, 1992, have been transferred from the General Fund of the Treasury to the railroad retirement account. Proceeds from the income taxation of benefits received after September 30, 1992, remain in the General Fund.

House bill

The transfer of proceeds from the income taxation of railroad retirement tier 2 benefits from the General Fund of the Treasury to the railroad retirement account would be made permanent.

Effective date.—The provision would be effective for income taxes on benefits received after September 30, 1992.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provision would be effective for income taxes on benefits received after September 30, 1992.

20. AUTHORIZATION FOR USE OF SOCIAL SECURITY ACCOUNT NUMBERS BY DEPARTMENT OF LABOR IN ADMINISTRATION OF FEDERAL WORKERS' COMPENSATION LAWS

(Sec. 219 of the House bill and sec. 318 of the conference agreement)

Present law

The Privacy Act of 1974 prohibits a Federal agency from using the Social Security number as an identification number unless it is specifically permitted by statute. There is no specific statutory authorization to permit the Department of Labor to use the Social Security number as an identification number.

House bill

The provision would amend section 205 of the Social Security Act to permit the Department of Labor to use the Social Security number as the claim identification number for workers' compensation claims.

Effective date.—The provision would be effective upon enactment.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provision would be effective upon enactment.

21. COVERAGE UNDER FICA OF FEDERAL EMPLOYEES TRANSFERRED TEMPORARILY TO INTERNATIONAL ORGANIZATIONS

(Sec. 220 of the House bill and sec. 319 of the conference agreement)

Present law

Federal employees participating in the Civil Service Retirement System are entitled to retain retirement coverage rights and benefits when they are temporarily loaned by a Federal agency to an international organization.

The definition of employment in the Social Security Act prohibits Federal employees participating in the Federal Employees Retirement System (FERS) or the Foreign Service Pension System (FSPS) (which in general provide Federal employees hired on or after January 1, 1984, with both Social Security coverage and a supplemental government pension) from continuing to contribute to Social Security if they transfer to international organizations.

House bill

The provision would amend section 210 of the Social Security Act and section 3121 of the Internal Revenue Code of 1986 to cover, in certain cases, service performed in the employ of an international organization pursuant to a transfer from a Federal agency under the definition of employment. Under this provision, the employing agency would be responsible for reporting the employee's wages and for paying the employer's share of FICA. The employee would be responsible for paying the employee's share.

Effective date.—The provision would apply with respect to service performed after the calendar quarter following the calendar quarter of enactment.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provision would apply with respect to service performed after the calendar quarter following the calendar quarter of enactment.

22. EXTENSION OF THE FICA TAX EXEMPTION AND CERTAIN TAX RULES TO INDIVIDUALS WHO ENTER THE UNITED STATES UNDER A VISA ISSUED UNDER SECTION 101 OF THE IMMIGRATION AND NATIONALITY ACT

(Sec. 221 of the House bill and sec. 320 of the conference agreement)

Present law

The Mutual Educational and Cultural Exchange Act of 1961 (P.L. 87-256) established section 101(a)(15)(J) of the Immigration and Nationality Act under which so-called J visas are authorized to be issued for a limited period of time to aliens who are bona fide students, scholars, trainees, teachers, professors, research assistants, specialists, or leaders in a field of specialized knowledge or skill.

The 1961 Act also provided that wages paid to individuals who enter the country on a J visa would be exempt from FICA, FUTA, and Railroad Retirement Act taxes. In addition, employers who hire J visa holders are not required to receive certification from the Department of Labor that an insufficient number of U.S. workers are available to meet their needs.

The Immigration Act of 1990 added section 101(a)(15)(Q), which provides for the issuance of a visa to "an alien having a residence in a foreign country which he has no intention of abandoning who is coming temporarily (for a period not to exceed 15 months) to the United States as a participant in an international cultural exchange program approved by the Attorney General for the purpose of providing practical training, employment, and the sharing of the history, culture, and traditions of the country of the alien's nationality and who will be employed under the same wages and working conditions as domestic workers."

The Internal Revenue Code presently does not exempt wages paid to individuals who enter the U.S. under Q visas from FICA, FUTA, or Railroad Act taxes.

House bill

The provision amends the Internal Revenue Code to exclude wages paid to aliens holding Q visas from FICA, FUTA, and Railroad Retirement Act taxes, and, for income tax purposes, treats their income in the same manner as income received by aliens holding visas issued pursuant to section 101(a)(15)(J).

Effective date.—The provision would take effect with the calendar quarter following the calendar quarter of enactment.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provision would take effect with the calendar quarter following the calendar quarter of enactment.

23. STUDY RISING COST OF DISABILITY INSURANCE BENEFITS

(Sec. 222 of the House bill)

Present law

In their 1993 and 1994 annual report to Congress, the Social Security Board of Trustees reported that, under intermediate economic assumptions, the Disability Insurance Trust Fund would become insolvent during 1995. To address this problem, the Trustees recommended a reallocation of the Social Security payroll tax rate from the OASI Trust Fund to the DI Trust Fund.

In addition, to the reallocation, the Board recommended that a significant research effort be undertaken to establish whether higher-than-expected DI program costs are a temporary trend or longer-term phenomenon.

House bill

The Secretary of Health and Human Services would be required to conduct a comprehensive study of the reasons for rising costs in the Disability Insurance program. The study would determine the relative importance of: (a) increased numbers of applications for benefits, (b) higher rates of benefit allowances, and (c) decreased rates of benefit terminations in increasing DI program costs. It would also identify, to the extent possible, underlying social, economic, demographic, programmatic, and other trends responsible for changes in DI applications, allowances, and terminations. No later than December 31, 1994, the Secretary would be required to issue a report to the House Committee on Ways and Means and the Senate Committee on Finance summarizing the results of the study and making any recommendations for legislative changes which the Secretary determines appropriate. The study would be due no later than December 31, 1994.

Effective date.—Upon enactment.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the Senate amendment (i.e., no provision)

24. COMMISSION ON CHILDHOOD DISABILITY

(Sec. 223 of House bill and sec. 202 of the conference agreement)

Present law

No provision.

House bill

The Secretary would be directed to appoint a Commission on the Evaluation of Disability in Children, consisting of not less than 9 but not more than 15 members including recognized experts in relevant fields of medicine; recognized experts in psychology, education and rehabilitation, law, administration of disability programs; social insurance; and other experts determined appropriate by the Secretary.

The Commission would conduct a study, in consultation with the National Academy of Sciences, on the effect of the current Supplemental Security Income definition of disability, as it applies to children under the age of 18 and their receipt of services, including the effect of using an alternative definition.

The study shall include issues of (1) whether the need by families for assistance in meeting the high costs of medical care for children with serious physical or mental impairments might appropriately be met through expansion of Federal health assistance programs; (2) the feasibility of providing benefits to children through non-cash means, including vouchers, debit cards, and electronic benefits transfer systems; (3) the extent to which SSA can involve private organizations in an effort to increase the provision of social services, education, and vocational instruction with the aim of promoting independence and the ability to engage in substantial gainful activity; (4) the feasibility of providing retroactive SSI benefits pursuant to the Zebley decision on a prorated basis or by means of a packaged trust; (5) methods to increase the extent to which benefits are used in the effort to assist the child achieve independence and engage in substantial gainful activity; and (6) such other issues as the Secretary determines appropriate.

The Commission would submit a report on the results of this study, together with any recommendations, to the Committees on Finance and Ways and Means, no later than November 30, 1995.

Effective date.—Upon enactment.

Senate amendment

No provision.

Conference agreement

The conference agreement generally follows the House bill, but broadens the study to include: (1) the desirability and methods of increasing the extent to which benefits are used in the effort to assist disabled children in achieving independence and engaging in substantial gainful activity, and (2) the effects of the current program on disabled children and their families.

The conferees expect that the Commission, in conducting its study, will hold public hearings to hear the views and perspectives of all parties who are interested in or concerned about the SSI childhood disability program, including parents of children who receive benefits, educators, and representatives of non-profit organizations serving children with physical and mental disabilities.

Effective date.—Upon enactment.

25. DISREGARD OF DEEMED INCOME AND RESOURCES OF INELIGIBLE SPOUSE IN DETERMINING CONTINUED ELIGIBILITY UNDER SECTION 1619

(Sec. 224 of House bill)

Present law

Under section 1619(a) of the Social Security Act, SSI benefits continue for those working and earning above the substantial gainful activity level, which is currently $500 per month, as long as there is no medical improvement in the disabling condition. Benefits decline at a rate of $1 for each additional $2 earned after disregarding the first $65 of earned income and the first $20 of unearned income. In general, the point at which a recipient, who has at least $20 in monthly unearned income, would be ineligible for cash SSI benefits in a month would be the sum of $85 plus twice the sum of the Federal benefit and State supplement, if any. For 1994, the "breakeven point" for an individual is $977 per month without a State supplement. For States with a supplement, the breakeven point increases by $2 for every $1 in State supplement.

Under section 1619(b), SSI recipients can continue on Medicaid even if their earnings cause their income to exceed the breakeven point and they no longer receive cash SSI benefits. In 209(b) States, this does not apply. However, in most States, Medicaid continues as long as the SSI recipient: (1) continues to be blind or disabled; (2) except for earnings, continues to meet all of the eligibility requirements; (3) is seriously inhibited from continuing work by termination of eligibility of Medicaid; and (4) has earnings insufficient to provide a reasonable equivalent to cash SSI benefits, Medicaid, and publicly funded attendant care that would have been available if he or she did not have earnings.

In making determinations on the fourth criterion above, SSA compares the individual's gross earnings to a "threshold" amount. The threshold amount is the sum of the break even level for gross earnings of cash benefits for an individual with no other income living in his or her own household plus the average Medicaid expenditures for disabled SSI cash recipients for the State of residence. If the recipient's gross earnings exceeds the threshold, an individualized threshold is calculated which considers the person's actual Medicaid use, State supplement rate, and publicly-funded attendant care. In other words, under the fourth criterion, Medicaid eligibility continues until the individual's earnings reach a higher plateau which takes into account the person's ability to afford medical care, as well as his or her normal living expenses.

An eligible spouse's income and resources are deemed to include the income and resources of his or her ineligible spouse with whom he or she lives. In some cases, SSI recipients who are working and are eligible for Medicaid under section 1619(b) may become ineligible for Medicaid because they marry a person who has sufficient income to render the SSI recipient ineligible for Medicaid. In other cases, the SSI recipient's ineligible spouse might receive additional income which makes the SSI recipient ineligible for Medicaid under the deeming rules.

House bill

In determining an individual's eligibility for Medicaid pursuant to section 1619(b) there would be disregarded (in addition to amounts disregarded under current law): (1) the net income of the individual's ineligible spouse to the extent the spouse's net income does not exceed twice the threshold amount determined for the individual, and (2) the ineligible spouse's resources up to the State's spousal impoverishment resource amount (as defined in section 1924(f)(2) of the Social Security Act).

Effective date.—October 1, 1995.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the Senate amendment (i.e., no provision).

26. PLANS FOR ACHIEVING SELF-SUPPORT NOT DISAPPROVED WITHIN 60 DAYS TO BE DEEMED APPROVED

(Sec. 225 of House bill)

Present law

Under a plan for achieving self-support (PASS) certain income and resources are not taken into account in determining eligibility for or the amount of SSI benefits. An approved PASS allows a person who is blind or disabled to set aside the income and resources needed to achieve a work goal. The funds set aside can be used to pay for education, vocational training, or starting a business. The recipient must have a feasible work goal, a specific savings and spending plan, and must provide for a clearly identifiable accounting for the funds which are set aside. The individual must then follow the plan and negotiate revisions as needed.

SSA regulations provide the basic rules for a PASS. Under these rules, the individually designed plan can be for an initial period of at most 18 months but an 18-month extension can be obtained. For participants engaged in lengthy education or training programs, an additional 12-month extension can be obtained. All plans must be approved by SSA before the income and resource exclusions can be excluded. If the recipient attains his or her goal, fails to follow the plan, or time expires, the income and resource exclusions are again countable.

House bill

A plan for achieving self-support (PASS) would be deemed to be approved if SSA has not acted upon a recipient's application within 60 days and shall be deemed to be approved until 6 months after subsequent disapproval.

Effective date.—January 1, 1995.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the Senate amendment (i.e., no provision), but the conferees request that the General Accounting Office conduct a study of the PASS program and procedures since little information is available at this time. The study should include, to the extent available, data for the last five years that show the number and characteristics of individuals who have applied for a plan, the number and characteristics of those who plans have been approved, the kinds of plans that have been approved and their duration, the success of individuals in fulfilling their plans, and the extent to which individuals who have completed a PASS have become economically self-sufficient. The GAO should also study whether improvements can or should be made in the PASS program or in the process used to approved proposed plans. Findings and recommendations should be reported to the Committee on Finance and Ways and Means.

27. TEMPORARY AUTHORITY TO APPROVE A LIMITED NUMBER OF PLANS FOR ACHIEVING SELF-SUPPORT THAT INCLUDE HOUSING GOALS

(Sec. 226 of the House bill)

Present law

A PASS allows an SSI recipient to shelter income and resources from limits if the funds are set aside to help him or her achieve a work goal. Funds may be set aside for education, vocational training, or starting a business.

House bill

Plans for achieving self-support would be expanded to include housing goals in addition to the current work goals under a 42-month demonstration.

A report on activities under this authority would be due within 12 months after the end of the 5-year period that begins on January 1, 1995.

Effective date.—January 1, 1995.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the Senate amendment (i.e., no provision).

28. REGULATIONS REGARDING COMPLETION OF PASS

(Sec. 227 of the House bill and sec. 203 of the conference agreement)

Present law

Under current plan for achieving self-support (PASS) regulations, an SSI recipient with a PASS may be eligible for its income and resource exclusions for 18 months, followed by two possible extensions of 18 and 12 months, respectively. An individual involved in a lengthy education program, could receive a PASS for up to 4 years.

House bill

SSA would be required to take into account the difficulty of achieving self-support based on individual needs in determining the time limit on a PASS.

Effective date.—January 1, 1995.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill, with a clarification instructing SSA to take into account the length of time the individual will need to reach the individual's employment goal within such reasonable period as the Secretary establishes, and

other factors as are determined by the Secretary to be appropriate.

Effective date.—January 1, 1995.

29. TREATMENT OF CERTAIN GRANT, SCHOLARSHIP, OR FELLOWSHIP INCOME

(Sec. 228 of the House bill)

Present law

Grant, scholarship, and fellowship income are treated as unearned income. The portion of this kind of income that is received for use in paying the cost of tuition and fees at any educational institution is excluded from income.

House bill

Grant, scholarship, and fellowship income would be treated as earned income without regard to the purpose of its use.

Effective date.—Applies to eligibility determinations for any month beginning after the second month following the month of enactment.

Senate Amendment

No provision.

Conference agreement

The conference agreement follows the Senate amendment (i.e., no provision).

30. SSI ELIGIBILITY FOR STUDENTS TEMPORARILY ABROAD

(Sec. 229 of the House bill and sec. 204 of the conference agreement)

Present law

A recipient who is outside the United States for a full calendar month or more and who is not a child living outside the United States with a parent in the military service, is not eligible for SSI benefits for such month or months. A person who has been outside the United States for 30 consecutive days or more is not considered to be back until he or she has spent 30 consecutive days, in the United States. After an absence of 30 consecutive days, SSI eligibility may resume effective with the day following the 30th day of continuous presence in the United States, if the individual continues to meet all other eligibility criteria.

House bill

SSI recipients who travel outside the United States would be exempt from the calendar month and 30-day time limit if the absence is (1) temporary, and (2) for the purpose of conducting studies as part of an educational program that is designed to prepare the individual for gainful employment, and is sponsored by a school, college, or university in the United States.

Effective date.—January 1, 1995.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill with an amendment limiting eligibility to a period not to exceed one year and only if the program is not available to the individual in the United States. Because of the difficulty faced by the Social Security Administration in administering the SSI program while recipients are outside the United States, the conferees intend that this provision will be used sparingly. An example of a qualifying educational program under this provision would be intensive study programs that lead to fluency in a foreign language through immersion in the cultural and social milieu of a country where the language is spoken. Less intensive programs, which are generally available in the United States, would not qualify.

Effective date.—January 1, 1995.

31. DISREGARD OF COST-OF-LIVING INCREASES FOR CONTINUED ELIGIBILITY FOR WORK INCENTIVES

(Sec. 230 of the House bill and sec. 205 of the conference agreement)

Present law

Under section 504 of the Unemployment Compensation Amendments of 1976 (P.L. 94-566), State Medicaid plans are required to provide medical assistance to an individual if he or she: (1) simultaneously received both Social Security and SSI in some month after April 1977; (2) is currently eligible for and receiving OASDI benefits; (3) is currently ineligible for SSI; and (4) receives income that would qualify him or her for SSI after deducting all OASDI cost-of-living adjustment increases received since the last month in which he or she was eligible for both OASDI and SSI. The provision is intended to protect the individual against the loss of Medicaid coverage in many States because of a cost-of-living increase in Social Security benefits. The provision does not explicitly apply to beneficiaries who have Medicaid eligibility under section 1619(b) of the Social Security Act.

House bill

This provision amends section 1619(b) of the Social Security Act to explicitly extend to SSI beneficiaries receiving Medicaid under section 1619(b) protection against the loss of Medicaid coverage because of a cost-of-living increase in their Social Security benefits.

Effective date.—Applies to eligibility determinations for months after December, 1994.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—Applies to eligibility determinations for months after December, 1994.

32. EXPANSION OF THE AUTHORITY OF THE SOCIAL SECURITY ADMINISTRATION TO PREVENT, DETECT, AND TERMINATE FRAUDULENT CLAIMS FOR OASDI AND SSI BENEFITS

(Sec. 231 of the House bill, sec. 306 of the Senate amendment, and sec. 206 of the conference agreement)

a. Prevention of fraud in the SSI program by translators of foreign languages

Present law

No provision.

House bill

A translation into English by a third party of a statement made in a foreign language by an applicant for or recipient of SSI benefits shall not be regarded as reliable unless the third party, under penalty of perjury, (1) certifies that the translation is accurate, and (2) discloses the nature and scope of the relationship between the third part and the applicant or recipient.

Effective date.—October 1, 1994.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill with technical changes, and is expanded to apply to fraud under the OASDI programs.

Effective date.—October 1, 1994.

b. Civil monetary penalties in SSI and OASDI cases involving fraud

Present law

Federal law provides broad authority for imposing civil penalties against persons who submit fraudulent claims to the Government. There are two applicable Federal statutes. The Civil False Claims Act (CFCA) requires the Government to use the normal judicial process, whereby the Department of Justice initiates a civil action in Federal Court to impose a penalty. The Program Fraud Civil Remedies Act (PFCRA) authorizes an administrative process under which Federal agencies may impose penalties. These statutes are intended to address fraud from a Government-wide perspective, and the process of imposing penalties can be complex and time-consuming. Further, the PFCRA is restricted to initial applications for benefits, in some circumstances, which limits its usefulness for SSI and OASDI purposes.

House bill

The same authority to impose civil penalties as the Secretary of HHS now has under sections 1128A of the Social Security Act involving false claims in the Medicare and Medicaid programs would be provided for the SSI program. SSA would have direct authority, after approval by the Department of Justice, to impose civil penalties when an individual or entity has been involved in submitting or causing to be submitted any statement that the individual knows or should know is false or misleading, or knows or should know omits a material fact. Each offense involving the SSI program would be subject to a penalty of not more than $5,000 and an assessment, in lieu of damages, of not more than twice the amount of benefits paid as a result of such statement or representation. In addition, medical providers or physicians who commit such offenses with respect to the SSI program could be subject to exclusion from participation in the Medicare and Medicaid programs. The process would be similar to that used under section 1128A with respect to false claims in the Medicare and Medicaid programs. SSA would initiate and investigate cases, refer proposed actions to the Department of Justice for review before proceeding, and adjudicate and impose penalties, assessments, or exclusions. As with section 1128A, any person adversely affect by a determination could obtain a review of such determination in the United States Court of Appeals.

Effective date.—October 1, 1994.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill with technical changes, and is expanded to apply to fraud under the OASDI programs.

Effective date.—October 1, 1994.

c. SSI Fraud Considered a Felony

Present law

SSI fraud is punishable by a fine of no more than $1,000 or a prison term of no more than one year, a misdemeanor.

House bill

SSI fraud would be punishable by a fine as determined under the general criminal fine statutes, by a prison term of not more than five years, or both. This provision conforms the specific crime of SSI fraud to the criminal sanctions currently available for Social Security Disability Insurance fraud.

Effective date.—October 1, 1994.

Senate amendment

Same as House bill.

In addition, title II is amended to provide that any person or other entity who is convicted of a violation involving the provision

of false statements or representations, if the violation is committed in the role as, or application to become, a representative payee on behalf of another individual, shall be guilty of a felony and be subject to the same penalties as apply to SSI. In any case in which a court determines that a violation includes a willful misuse of funds by such person or entity, the court may also require that full or partial restitution of funds be made to the individual for whom such person or entity was the representative payee.

An individual or entity convicted of a felony under the representative payee requirements of title XVI may not be certified as a payee under title II.

In the case of the second or subsequent imposition of an administrative or criminal penalty on any person or other entity under section 208 or section 1632 of the Social Security Act (relating to fraud), the Secretary may exclude such person or entity from participation in any program under title II, V, XVI, XVIII, XIX, and XX of the Social Security Act, and any other Federal program as provided by law.

Conference agreement

The conference agreement follows the House bill with an amendment prohibiting persons convicted of SSI fraud from serving as representative payees under title XVI.

Effective date.—The amendments apply to conduct occurring on or after October 1, 1994.

d. Authority to Redetermine Eligibility in Disability Cases if Fraud is Involved And to Terminate Benefits If There is Insufficient Reliable Evidence of Disability

Present law

SSA is only permitted to terminate SSI benefits under well-defined conditions, unless the benefits were obtained fraudulently. The statute provides no guidance on the use of this authority.

House bill

An individual's eligibility for SSI disability benefits shall be immediately redetermined, disregarding any unreliable evidence of disability, if there is reason to believe that fraud was involved in the application for benefits, unless a U.S. Attorney or equivalent State prosecutor certifies, in writing, that to do so would create a substantial risk of jeopardizing any current or anticipated criminal proceeding.

Effective date.—October 1, 1994.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill with technical amendments and is also expanded to apply to fraud in the OASDI programs.

Effective date.—October 1, 1994.

e. Availability of Recipient Identifying Information From the Inspector General, Social Security Administration

Present law

There is no current statutory requirement for the OIG to provide SSI recipient identifying information obtained during a criminal investigation to SSA for administrative action. Such identifying information is transmitted to SSA at such time as the OIG believes it appropriate and often not until the conclusion of a criminal investigation or a Federal or State criminal prosecutorial process. Consequently, SSI benefits continue to be paid during an active investigation or prosecution based on those benefits having been obtained through fraud.

House bill

The SSA Inspector General would be required to disclose to SSA recipient identifying information as soon as he has reason to believe that any individual, or group of individuals, have secured SSI benefits in a fraudulent manner. This requirement would not apply if a U.S. Attorney or State prosecutor who has jurisdiction to file a criminal action against any of the parties involved certifies that disclosure of SSI recipient information by the IG would jeopardize the criminal prosecution of the individual who is the subject of the investigation.

Effective date.—October 1, 1994

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill with technical amendments and is also expanded to apply to fraud under the OASDI programs.

Effective date.—October 1, 1994.

f. Authority To Use Available Pre-admission Immigrant and Refugee Medical Information

Present law

No provision.

House bill

SSA would be required to request medical information from the Immigration and Naturalization Service or the Centers for Disease Control which they may have with respect to any alien who has applied for SSI benefits to the extent the information is relevant to determining eligibility.

Effective date.—October 1, 1994.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill with technical amendments.

Effective date.—October 1, 1994.

g. Annual Reports on Reviews of SSI Cases

Present law

No provision.

House bill

SSA would be required to annually report to the Committee on Ways and Means and the Committee on Finance on the extent to which it has exercised its authority to review SSI cases and the extent to which the cases reviewed were those that involved a high likelihood or probability of fraud.

Effective date.—October 1, 1994.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill and is also expanded to apply to fraud under the OASDI programs.

Effective date.—Upon enactment.

h. Effective Date

Present law

No provision.

House bill

In general these provisions would take effect on October 1, 1994. The provisions dealing with civil monetary penalties is SSI cases involving fraud, with the treatment of SSI fraud as a felony, and with annual reports of reviews of SSI cases would be effective upon enactment.

Senate amendment

No provision.

Conference agreement

In general, these provisions would take effect on October 1, 1994. The provision dealing with the annual reports of reviews of SSI and OASDI cases would be effective upon enactment.

33. DISABILITY REVIEW REQUIRED FOR SSI RECIPIENTS WHO ARE 18 YEARS OF AGE

(Sec. 232 of the House bill and sec. 207 of the conference agreement)

Present law

Under current law, all disabled Social Security beneficiaries are required to undergo periodic reviews to determine whether they continue to be disabled. There is no comparable provision in the SSI program.

A needy child under the age of 18 years old who has an impairment of comparable severity with that of an adult may be considered, disabled and eligible for SSI benefits. To be found disabled, a child must have a medically determinable impairment that substantially reduces his or her ability to independently, appropriately, and effectively engage in age-appropriate activities. This impairment must be expected to result in death or to last for a continuous period of at least 12 months.

Under the adult disability determination process, individuals whose impairments do not "meet or equal" the listings of impairments in regulations are subjected to an assessment of residual functional capacity. SSA determines whether adults are able to do their past work or whether they are able to do any substantial gainful work. If they cannot do either one, they are disabled.

Under the disability determination process for children, individuals whose impairments do not "meet or equal" the listings of impairments in regulations are subjected to an individualized functional assessment. This assessment examines whether the children can engage in age-appropriate activities effectively. If it is found that the children's impairments are on comparable severity to an adult's without assessing past work or ability to do substantial gainful work, the children are disabled.

House bill

SSA would be required to re-evaluate under adult disability criteria the eligibility of children receiving SSI after they reach 18 years old and before they are 19 years old.

Effective date.—Applies to recipients attaining the age of 18 years old in or after the ninth month following the month of enactment.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill with an amendment requiring SSA to conduct CDRs for a minimum of one-third of the children reaching age 18 in each of fiscal years 1996, 1997, and 1998. SSA will be required to report to Congress no later than October 1, 1998 on the activities conducted under this requirement.

Effective date.—October 1, 1995.

34. CONTINUING DISABILITY REVIEWS

(Sec. 233 of the House bill and sec. 208 of the conference agreement)

Present law

Title II of the Social Security Act requires the Secretary of Health and Human Services to conduct periodic continuing disability reviews (CDRs) of disabled beneficiaries. For those beneficiaries whose impairments are not permanent, CDRs must generally be performed every three years. Beneficiaries with permanent disabilities receive CDRs at such times as the Secretary determines appropriate.

CDRs are funded as part of the Social Security Administration's administrative budget, which is subject to annual appropriations.

House bill

The provision would require the Secretary to conduct periodic continuing disability reviews on SSI recipients in the same manner as such reviews are currently required for DI beneficiaries.

Effective date.—October 1, 1995.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill with an amendment requiring SSA to conduct CDRs for a minimum of 100,000 SSI recipients per year for 3 years. SSA will be required to report to Congress no later than October 1, 1998.

Effective date.—October 1, 1995.

35. TECHNICAL AND CLERICAL AMENDMENTS

(Sec. 234 of the House bill and sec. 321 of the conference agreement)

Present law

Title II of the Social Security contains a number of typographical errors, erroneous references, circular cross references, inconsistent margination, incorrect punctuation, and references to outdated versions of the Internal Revenue Code. In addition, present law includes certain inconsistent statutory provisions.

House bill

Technical changes would be made to correct inconsistencies in provisions relating to fees for claimant representatives, rounding procedures for indexing certain program amounts, and deemed average total wages, among others. These corrections would not change the meaning of any section of the Social Security Act.

Effective date.—In general, the provision would be effective upon enactment.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill with an amendment to the attorney fee provision.

Effective date.—In general, the provision would be effective upon enactment.

36. EXEMPTION FROM ADJUSTMENT IN PASS-ALONG REQUIREMENTS

(Sec. 209 of the conference agreement)

Present law

Section 1618 of the Social Security Act requires that States making supplementary payments to Supplemental Security Income recipients "pass along" cost-of-living increases in the Federal benefit. There are two options for the States in meeting the "pass along" requirement: (1) the aggregate spending level option, under which States may make supplementary payments in the current 12-month period that are no less, in the aggregate, than were made in the previous 12-month period; or (2) the individual payment level option, under which a State may maintain the supplementary payment levels that were in effect for categories of individual recipients in March 1983.

House bill

No provision.

Senate amendment.

No provision.

Conference agreement

For the purpose of determining under the "aggregate spending level option," whether a State's expenditures for supplementary payments during a 12-month period are not less than its expenditures for such payments in the preceding 12-month period, retroactive SSI payments made to children qualifying under the *Zebley* court decision may, pursuant to a State's one-time option, be excluded from the computation of the State's expenditures.

Effective date.—The provision would be effective with respect to increases in the level of SSI benefits whether occurring upon, before, and after the date of enactment.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, August 4, 1994.

Hon. SAM GIBBONS,
Acting Chairman, Committee on Ways and Means, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office (CBO) has prepared the enclosed cost estimate for the conference agreement on H.R. 4277, the Social Security Administrative Reform Act of 1994. The act would establish the Social Security Administration as an independent agency and make reforms to the payment of Social Security Disability Insurance and Supplemental Security Income to persons disabled as a result of drug addiction or alcoholism.

Enactment of H.R. 4277 would affect direct spending and receipts and thus would be subject to pay-as-you-go procedures under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985.

This estimate was prepared based on draft legislative language and is subject to change pending receipt of final legislation. If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Paul Cullinan and Patrick Purcell, who can be reached at 226-2820.

Sincerely,

JAMES L. BLUM
(For Robert D. Reischauer).

Enclosure.

TABLE 1.—DETAILS OF FEDERAL GOVERNMENT COSTS OF CONFERENCE AGREEMENT ON H.R. 4277

[By fiscal year, in millions of dollars]

	1995	1996	1997	1998	1999	Total
TITLE I—ESTABLISH SOCIAL SECURITY ADMINISTRATION AS AN INDEPENDENT AGENCY						
Subject to Appropriation [1]	(2)	1	1	1	1	3
TITLE II—PROGRAM IMPROVEMENTS RELATING TO OASDI AND SSI						
201. Restrictions on Benefits Based on Disability of Substance Abusers:						
Direct Spending.						
OASDI	−73	−35	−16	−33	−85	−242
SSI	−13	−9	−11	−266	−299	−598
Medicare	0	−1	−2	−3	−4	−10
Medicaid	0	−2	−3	−4	−4	−13
Offsets	1	1	1	26	30	60
Subtotal	−85	−46	−31	−280	−362	−803
Administrative Costs Subject to Appropriation [1]						
OASDI	35	51	71	39	37	233
SSI	(2)	(2)	(2)	20	20	40
Administrative Costs Subject to Appropriation [3]						
OASDI	11	45	91	115	129	391
202. Commission on Childhood Disability Subject to Appropriation	1	1	(2)	0	0	2
203. Regulations Regarding Completion of PASS Direct Spending	(2)	(2)	(2)	(2)	(2)	(2)
204. SSI Eligibility for Students Temporarily Abroad Direct Spending	(2)	(2)	(2)	(2)	(2)	(2)
205. Disregard of Cost-of-living Increases for Continued Eligibility for Work Incentives Direct Spending	(2)	(2)	(2)	(2)	(2)	(2)
206. Detection and Prevention of Fraud Direct Spending	(2)	(2)	(2)	(2)	(2)	(2)
207. Disability Review for Children Reaching 18 Years Old:						
SSI	0	−3	−7	−15	−15	−40
Medicaid	0	−1	−5	−10	−10	−26
Offsets	0	0	1	1	2	4
Subtotal	0	−4	−11	−24	−23	−62
Administrative Costs Subject to Appropriation	0	8	10	10	3	31
208. Continuing Disability Reviews for SSI Recipients Direct Spending:						
SSI	0	−7	−20	−35	−45	−107
Medicaid	0	−5	−15	−30	−40	−90
Offsets	0	1	3	3	5	12
Subtotal	0	−11	−32	−62	−80	−185
Subject to Appropriation	0	35	40	40	30	145
209. Exemption from Pass-along Requirements Direct Spending	0	0	0	0	0	0
TITLE III—MISCELLANEOUS PROGRAM IMPROVEMENTS						
301. Issuance of Physical Documents in the Form of Bonds, Notes, or Certificates to Social Security Trust Funds:						
Subject to Appropriation [1]	0	0	0	0	0	0
302. GAO Study Regarding Telephone Access:						
Subject to Appropriation [1]	0	0	0	0	0	0
303. Expand FICA Exemption for Election Workers:						
OASDI Revenue	−7	−15	−15	−15	−15	−66
HI Revenue [4]	−2	−3	−3	−3	−3	−15
Subtotal	−9	−18	−18	−18	−18	−81

TABLE 1.—DETAILS OF FEDERAL GOVERNMENT COSTS OF CONFERENCE AGREEMENT ON H.R. 4277—Continued

[By fiscal year, in millions of dollars]

	1995	1996	1997	1998	1999	Total
Income Tax Offset	1	2	2	2	2	8
Total Net Revenue	−8	−16	−16	−16	−16	−73
304. Use of Social Security Numbers for Juries:						
Subject to Appropriation [1]	0	0	0	0	0	0
305. Coverage for Police and Firefighters:						
OASDI Revenue	0	0	(2)	(2)	(2)	(2)
HI Revenue [4]	0	0	(2)	(2)	(2)	(2)
Total Net Revenue	0	0	(2)	(2)	(2)	(2)
306. Exemption for Certain Ministers:						
OASDI Revenue	(2)	(2)	(2)	(2)	(2)	(2)
HI Revenue [4]	(2)	(2)	(2)	(2)	(2)	(2)
Total Net Revenue	(2)	(2)	(2)	(2)	(2)	(2)
307. Totalization Benefits and the Windfall Elim. Provision Direct Spending	(2)	1	1	1	1	4
308. Exclusion of Military Reservists from Application of the Government Pension Offset and Windfall Provisions:						
Direct Spending	(2)	(2)	(2)	(2)	(2)	(2)
309. Repeal Facility-of-Payment Provision:						
Direct Spending	0	0	0	0	0	0
Subject to Appropriation [1]	0	−3	−3	−3	−3	−12
310. Simplify Computation of Maximum Family Benefits When Subsequent Entitlement Guarantee Applies to PIA:						
Direct Spending	(2)	(2)	(2)	(2)	(2)	(2)
311. Use of SSA Information for Epidemiological Research:						
Subject to Appropriation [1]	0	0	0	0	0	0
312. Prohibition on Misuse of Social Security Names, Symbols, etc.:						
Subject to Appropriation [1]	0	0	0	0	0	0
313. Unauthorized Disclosure of Social Security Information:						
Direct Spending	(2)	(2)	(2)	(2)	(2)	(2)
Subject to Appropriation [1]	(2)	(2)	(2)	(2)	(2)	(2)
314. Time Extension for Annual Earnings Report:						
Direct Spending	0	0	0	0	0	0
Subject to Appropriation [1]	0	0	0	0	0	0
314. Extend DI Demonstration Authority Direct Spending	0	0	0	0	0	0
316. Cross-Matching Social Security Account Number Information With Dept. of Agriculture Subject to Appropriation [1]	0	0	0	0	0	0
317. Certain Transfers to the Railroad Retirement Account Made Permanent:						
Direct Spending	0	0	0	0	0	0
318. Authorization for use of Social Security Numbers by the Dept. of Labor for Administration of Federal Workers' Compensation:						
Direct Spending	0	0	0	0	0	0
Subject to Appropriation [1]	0	0	0	0	0	0
319. Retirement Eligibility for Federal Employees Transferred to International Organizations:						
Off-Budget Revenue	(2)	(2)	(2)	(2)	(2)	1
On-Budget Revenue	(2)	(2)	(2)	(2)	(2)	(2)
Total Net Revenue	(2)	(2)	(2)	(2)	(2)	1
Subject to Appropriation [1]	1	1	1	1	1	5
320. Extend FICA exemption to individuals who enter U.S. Under a Visa Issued under Section 101 of the Immigration and Naturalization Act [5]:						
Off-Budget Revenue	−4	−5	−6	−6	−6	−27
On-Budget Revenue [4]	−1	−1	−1	−1	−1	−5
Total Net Revenue	−5	−6	−7	−7	−7	−32
321. Technical and Clerical Amendments Subject to Appropriation [1]	0	0	0	0	0	0
TOTALS						
Revenues:						
On-Budget [4]	−2	−2	−2	−2	−2	−12
Off-Budget	−11	−20	−21	−21	−21	−92
Total Net	−13	−22	−23	−23	−23	−104
Direct Spending Totals:						
On-Budget	−12	−25	−58	−332	−381	−796
Off-Budget	−62	11	76	83	45	153
Total	−74	−14	18	−249	−336	−645
Direct Spending Excluding Administrative Costs not subj. to Appropriations:						
On-Budget	−12	−25	−58	−332	−381	−796
Off-Budget	−73	−34	−15	−32	−84	−238
Total	−85	−59	−73	−364	−465	−1036
Deficit Effects—Direct Spending Minus Revenues:						
On-Budget	−10	−23	−56	−330	−379	−786
Off-Budget	−51	31	97	104	66	245
Total	−61	8	41	−226	−313	−541
Deficit Effects—Direct Spending Exc. Administrative Costs Not Subj. to Appropriations Minus Revenues:						
On-Budget [4]	−10	−23	−56	−330	−379	−786
Off-Budget	−62	−14	6	−11	−63	−146
Total	−72	−37	−50	−341	−442	−932
Outlays Subject to Appropriation:						
On-Budget [1]	37	94	120	106	89	447
Off-Budget	0	0	0	0	0	0
Total Net	37	94	120	106	89	447

[1] Under the FY 1995 Budget Resolution, administrative expenses of the OASDI program are considered on-budget because they fall under the discretionary spending limits.
[2] Indicates less than $500,000.
[3] Administrative costs would not have effects that must be considered for the purposes of the Budget Enforcement Act.
[4] Effects on Hospital Insurance revenues are included as on-budget to be consistent with the Budget Resolution for FY 1995.
[5] Preliminary estimate provided by the Joint Committee on Taxation.

Source: Congressional Budget Office, based on draft legislative language.
Note. Details may not add to totals due to rounding.

PAY-AS-YOU-GO CONSIDERATIONS

[By fiscal years, in millions of dollars]

	1995	1996	1997	1998
Receipts	−2	−2	−2	−2

PAY-AS-YOU-GO CONSIDERATIONS—Continued

[By fiscal years, in millions of dollars]

	1995	1996	1997	1998
Outlays	−12	−25	−58	−332

The on-budget outlay changes in SSI, Medicare, Medicaid, Food Stamps, and AFDC would be included on the pay-as-you-go scoreboard. Social Security spending is exempt from the pay-as-you-go rules.

SAM GIBBONS,

DAN ROSTENKOWSKI,
J.J. PICKLE,
ANDREW JACOBS, Jr.,
HAROLD FORD,
BILL ARCHER,
JIM BUNNING,
RICK SANTORUM,
Managers on the Part of the House.

DANIEL P. MOYNIHAN,
MAX BAUCUS,
JOHN BREAUX,
BOB PACKWOOD,
BOB DOLE,
Managers on the Part of the Senate.

CONFERENCE REPORT ON H.R. 4649

Mr. DIXON submitted the following conference report and statement on the bill (H.R. 4649) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1995, and for other purposes:

CONFERENCE REPORT (H. REPT. 103-671)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4649) "making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1995, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 4, 5, 8, 9, 17, 19, and 22.

That the House recede from its disagreement to the amendments of the Senate numbered 10, 13, 14, 24, 25, and 26; and agree to the same.

Amendment numbered 1:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$660,000,000*; and the Senate agree to the same.

Amendment numbered 7:

That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$13,632,000*; and the Senate agree to the same.

Amendment numbered 16:

That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$140,000,000*; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 3, 6, 11, 12, 15, 18, 20, 21, and 23.

JULIAN C. DIXON,
LOUIS STOKES,
RICHARD J. DURBIN,
MARCY KAPTUR,
DAVID E. SKAGGS,
NANCY PELOSI,
DAVID R. OBEY,
JAMES T. WALSH,
ERNEST J. ISTOOK, Jr.,
HENRY BONILLA,
JOSEPH M. MCDADE,
Managers on the Part of the House.

HERB KOHL,
PATTY MURRAY,
DIANNE FEINSTEIN,
ROBERT C. BYRD,
CONRAD BURNS,
CONNIE MACK,
MARK O. HATFIELD,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4649) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1995, and for other purposes, submit the following joint statement of the House and the Senate in explanation of the effect of the actions agreed upon by the managers and recommended in the accompanying conference report.

COOPERATION OF MAYOR AND COUNCIL

The District government faces many tough choices ahead and it is imperative that the task be taken up immediately. The Mayor has promptly submitted a plan that estimates savings that meet part of the mandated reductions. The City Council has now received the necessary legislation and it too has immediately scheduled hearings. We urge the Mayor and the City Council to continue to work cooperatively together. Delays will serve only to make savings more difficult to realize.

All available avenues for savings need to be objectively explored, including buyouts, reorganizations and consolidations, using realistic and practical criteria, elimination of entire programs, early settlement of lawsuits, elimination of most sole-source contracting, and similar cost saving measures. Both the Mayor and members of the City Council also may find the National Performance Review now being used by the Federal Government to be useful in devising ways to make necessary savings.

TITLE I

FISCAL YEAR 1995 APPROPRIATIONS

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA

Amendment No. 1: Appropriates $660,000,000 instead of $667,930,000 as proposed by the House and $647,930,000 as proposed by the Senate.

PUBLIC EDUCATION SYSTEM

Amendment No. 2: Appropriates $720,258,000 as proposed by the House instead of $715,330,000 as proposed by the Senate. The conference action reflects a net increase of $4,928,000 above the Senate recommendation to restore funds for the operation of the D.C. School of Law.

Amendment No. 3: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter proposed in said amendment, insert: *, of which $1,500,000 shall be used to provide additional support to title I (chapter I) of the Elementary and Secondary Education Act (20 U.S.C. 2701 et seq.) and $910,000 shall be available for the National Learning Center, Options School ($750,000) and Model Early Learning Center ($160,000),*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference action allocates $1,500,000 of the public schools appropriation as proposed by the Senate for additional support to title I (chapter I) of the Elementary and Secondary Education Act.

National Learning Center.—The conferees have also included language in the bill which delineates the amounts contained in the Board of Education's budget for the Options School ($750,000) for junior high students likely to drop out of school, and the Model Early Learning Center ($160,000), which was named one of the ten best preschools in the United States.

These programs are both located at the National Learning Center and are the types of innovative and effective programs that educators and lay persons alike seek to create in abundance. The president of the Center has told the conferees that the "Staff of both schools are extraordinary. Enabling students to overcome trauma and to take charge of their lives is truly work for saints, which our teachers are."

The District's Superintendent of Schools has written that "We have come to rely on Options School to turn around some of our most challenging students. Eighty-five percent of Options School graduates attend school regularly after a single year in the Options Program. These results are phenomenal for a one-year program." In addition the Model Early Learning Center and its teachers are used by the District's public school system to train teachers from pre-K through third grade.

The conferees note that the Options School has not had an increase in program costs since the 1992/1993 school year, and then only to allow for summer operations. The amount allocated by the Board and Superintendent for the Model Early Learning Center for school year 1994/1995 represents a reduction of $20,000 below the previous school year.

The conferees ask the District's Board of Education as well as the Superintendent to give great weight to the accomplishments of the two schools in considering an increase of $70,000 above the amount allocated for the 1993/1994 school year for the combined programs at the National Learning Center. The cost pressure of providing quality programs at these two schools has been no less than those in the District's public school system and the Center's schools are no less deserving of an increase for operating and salary expenses than other public school operations.

Amendment No. 4: Restores allocation of $5,567,000 for the District of Columbia School of Law proposed by the House and stricken by the Senate and deletes allocation of $639,000 for the D.C. Law Student Clinical Program/Tuition Assistance Program.

The conferees have restored funds for the D.C. School of Law. However, the conferees note that the Mayor has proposed that the law school be closed and believe that this decision should be debated and finally resolved at the local level. Closing of the law school has been proposed by mayors in the past, but the conferees do not believe that it has been seriously and objectively considered by the Council.

The conferees recognize the accomplishments and reasons cited for the city government to sponsor a public school of law. It is argued that the law school is unique in that it trains lawyers in the practice of public interest law. Students at the D.C. School of Law are required to take clinical courses which provide legal assistance to the poor. The conferees note that while the law school may be one of only a few schools that offer

this type of education exclusively, most other law schools offer clinical courses. In fact the March 21, 1994 issue of U.S. News and World Report on the "Best Graduate Schools" reporting on the best law schools asked faculty experts which law schools were tops in various legal specialities, including clinical training. These experts listed five schools as providing the best in clinical training. Two of the schools are in the District of Columbia (Georgetown University and American University), one is in Maryland (University of Maryland at Baltimore), and two are in New York (New York University and CUNY Queens College). In short, all of these schools are on the East Coast and, but for tuition costs, within physical reach of D.C. students. The argument that the City of Washington must support a public law school because another school in D.C. for this type of education does not exist is spurious.

Perhaps the most important reason, in addition to the level of the annual subsidy for operations, is the further investment that will be required to achieve full accreditation from the American Bar Association (ABA). The city government is at the precipice of this decision. Delay in fully considering the short- and long-term issues presented will make it even more difficult to close the school in the future, if necessary. Perhaps the case is made best by the law school's own representation as presented in the D.C. Council's Committee on Education and Libraries report dated March 11, 1994 to members of the Council:

"The Law School stated in written response to Committee questions that: 'In order for the Law School to acquire full accreditation, it must; (1) add basic materials to the law library collection which will cost $750,000; (2) maintain the then-updated collection by purchasing updates and new materials on an annual basis; (3) increase faculty salaries by at least 25 percent; (4) increase the number of staff supporting administrative, student services, and library functions; and (5) acquire and operate out of a permanent facility of at least 125,000 square feet'."

The Council Committee's report later states: "According to the Law school, a lease-purchase approach to acquiring a permanent facility would 'add approximately $1.25 million annually to the Law School's current operating budget for (the next thirty years.' A 'modest balloon payment at the end of the thirty year period' would also have to be made." That means a commitment of approximately $40 million over the next 30 years in operating costs in addition to the subsidy.

The Council Committee's report also states that "ABA standards require a minimal expenditure of $1.0 million for the law library." Given just these two items—annual law library expenditures of $1 million and annual lease-purchase costs of $1.25 million—the D.C. government could provide full tuition at an average school of law in the District for 155 D.C.-resident students, slightly more than the estimated number of District residents enrolled at the D.C. School of Law as reflected in the fiscal year 1995 budget.

In addition, the conferees are aware of current D.C. law that authorizes grants to clinical law school programs at law schools in the District of Columbia (D.C. Code, Title 31, Chapter 19, Section 1901 et. seq.) and are informed that the city has awarded a total of $60,000 to the program in fiscal year 1994 for the various law schools located in the District.

The Dean of the D.C. School of Law has stated that the law school is not a very good symbol of what is wrong with the city. He is correct, of course, but his statement does not go far enough. As described above, it is not the most efficient or effective way of providing a legal education to those in the city who want a legal education. It is also said that the D.C. School of Law accepts students who could not qualify for one of the other law schools in the city. The conferees believe that the best way to ensure that a legal education is available to all D.C. citizens who are so inclined is not to sponsor a public school of law but to ensure that every youngster attends elementary and secondary schools and receives an education that qualifies them academically for any undergraduate or graduate school in the Nation. It is to that principle that the conferees, and indeed probably every U.S. citizen, is committed. The argument that the City of Washington, D.C. must train public service lawyers or there will be a serious void in the legal profession is demonstrably wrong.

HUMAN SUPPORT SERVICES

Amendment No. 5: Deletes proviso proposed by the Senate that would have required the District government to turn on lights at parks and playgrounds from one hour before sunset to one hour after sunrise to deter crime. The conferees are concerned about the level of lighting in many of the District-operated parks and playgrounds. The conferees encourage the city to work with neighborhood groups to ensure adequate lighting in the city's parks and playgrounds to deter crime.

RAINY DAY FUND

Amendment No. 6: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter proposed by said amendment, insert: *: Provided, That the District of Columbia shall provide to the Committees on Appropriations of the House of Representatives and the Senate quarterly reports by the 15th day of the month following the end of the quarter showing how monies provided under this fund are expended with a final report providing a full accounting of the fund due October 15, 1995 or not later than 15 days after the last amount remaining in the fund is disbursed.*

, and

on page 13 line 9 of the House engrossed bill, H.R. 4649, strike the period at the end of the line.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference action requires the District government to submit quarterly reports by the 15th day of the month following the end of the quarter to the House and Senate Committees on Appropriations showing how the appropriation of $22,508,000 in the "Rainy Day Fund" is expended. The conferees request a full accounting of the funds by October 15, 1995 or 15 days after the last amount remaining in the fund is disbursed.

PERSONAL AND NONPERSONAL SERVICES ADJUSTMENTS

Amendment No. 7: Requires reductions in appropriations and expenditures of $13,632,000 instead of $5,702,000 as proposed by the House and $20,774,000 as proposed by the Senate. The increase of $7,930,000 above the House amount reflects the adjustment required by the reduction in the Federal payment of $7,930,000 below the House amount in amendment number 1.

Amendment No. 8: Deletes proviso proposed by the Senate which would have exempted 16 agencies under public safety, health, and education as well as items under "Financing and other uses", "pay adjustments" and "enterprise funds" from the reductions required under this paragraph.

WATER AND SEWER ENTERPRISE FUND

Amendment No. 9: Deletes language proposed by the Senate that would have provided loans from the Federal Treasury, to the extent subsequently authorized, to jurisdictions served by the Washington Aqueduct to modernize the Aqueduct. The language also would have provided for the repayment of the modernization loans over a 10-year period by the jurisdictions served by the Aqueduct. The proposed language was not acceptable to all of the jurisdictions.

The conferees have agreed to language supported by the Office of Management and Budget in a new section 142 which requires the Secretary of the Army to conduct a study of the Washington Aqueduct.

GENERAL PROVISIONS

INDEPENDENT AUDIT OF RETIREMENT BOARD

Amendment No. 10: Delete phrase "particularly with respect to" proposed by the House and stricken by the Senate and inserts phrase "including but not limited to" proposed by the Senate concerning the criteria that firms must meet to qualify for consideration to perform an audit of the District of Columbia Retirement Board.

Amendment No. 11: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which deletes the phrase "less than" proposed by the House and stricken by the Senate and inserts the phrase "to exceed" proposed by the Senate concerning the amount to be spent for an independent audit of the District of Columbia Retirement Board.

FINANCIAL REPORTING

Amendment No. 12: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert: *forecast which shall be supported and accompanied by cash forecasts for the general fund and each of the District government's other funds other than the capital projects fund and trust and agency funds;*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference action clarifies the consolidated cash forecast reporting requirements by requiring the submission of cash forecasts for the general fund and each of the District government's other funds other than the capital projects fund and trust and agency funds.

Amendment Nos. 13 and 14: Technical amendments to replace a period with a semicolon.

Amendment No. 15: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

; (5) Explanations of the impact on meeting the budget, how the results may be reflected in a supplemental budget request, or how other policy decisions may be necessary which may require the agencies to reduce expenditures in other areas; and

(6) An aging of the outstanding receivables and payables, with an explanation of how they

are reflected in the forecast of cash receipts and disbursements.

(c) REPORTING ON NONAPPROPRIATED FUNDS.—Not later than the date on which the Mayor issues the Comprehensive Annual Financial Report of the District of Columbia for the fiscal year ended September 30, 1994, the Mayor shall submit to the Committees on Appropriations of the House of Representatives and the Senate, the Committee on the District of Columbia of the House of Representatives, and the Committee on Governmental Affairs of the Senate a report on all revenues and expenditures of the general fund of the District that are characterized as nonappropriated in the Comprehensive Annual Financial Report. The report required by this subsection shall include the following information for each category of nonappropriated funds:

(1) The source of revenues;

(2) The object of the expenditures;

(3) An aging of outstanding accounts receivable and accounts payable;

(4) The statutory or other legal authority under which such category of funds may be expended without having been appropriated as part of the District's annual budget and appropriations process;

(5) The date when such category of funds was first expended on a nonappropriated basis;

(6) The policy or rationale for why the revenues and expenditures of such funds should not be part of the District's annual budget and appropriations process; and

(7) A reconciliation of the amounts reported under this subsection with the amounts characterized as nonappropriated in the Comprehensive Annual Financial Report

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement adds two categories of information to be included in the contents of the financial reports. The first new category (item 5) requires an explanation of the impact on meeting the budget, how the results may be reflected in a supplemental budget request, and what other policy decisions may be necessary to reduce expenditures in other areas. The second new category (item 6) requires an aging of outstanding accounts receivable and accounts payable.

Nonappropriated funds.—The conference agreement includes a new subsection (c) that requires the District government to submit reports on nonappropriated accounts. The District's present budget procedures exclude from the budget submitted to Congress certain revenues and expenditures which the District characterizes as nonappropriated funds in its Comprehensive Annual Financial Report. Some of the activities that generate or are supported by such nonappropriated funds appear to be similar to activities that generate or are supported by appropriated funds. These activities include, but are not limited to, food sales at the District's public schools for children who do not qualify for free lunches, sales of vital records such as birth certificates, rents from District properties, sales of correctional institution products such as license plates, recycling surcharge fees billed to solid waste haulers, and sales of District properties.

For each activity that generates or is supported by nonappropriated funds, subsection (c) of section 137 requires District officials to report to the Congress the source, use and amount of nonappropriated funds no later than the date on which the Mayor issues the Comprehensive Annual Financial Report for the fiscal year ending September 30, 1994. The report is to include the statutory or other legal authority which authorizes the District to expend each category of funds without having been appropriated as part of the District's annual budget and appropriations process. The nonappropriated revenues and expenditures are to be reported on both a cash and an accrual basis, and the District agency responsible for administering each category of revenues and expenditures is to be identified.

The conferees are concerned that the exclusion of these nonappropriated amounts from the budget and appropriations process has contributed to inadequate fiscal control over the District's finances. The conferees believe that the District's budget should reflect all activities, including those that generate or are supported by what the District characterizes as nonappropriated funds. Although the District categorizes certain activities and funds that generate receipts and require expenditures as nonappropriated, those receipts and expenditures relate to the District government's operations and therefore are encompassed by sections 137 and 138 of this Act.

SPENDING REDUCTIONS

Amendment No. 16: Reduces the District government's appropriated budget by $140,000,000 instead of $150,000,000 as proposed by the House and $75,000,000 as proposed by the Senate.

Amendment No. 17: Deletes the word "consolidated" proposed by the Senate.

Amendment No. 18: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

Delete the matter inserted by said amendment, and

on page 34, line 7 of the House engrossed bill, H.R. 4649, after the word "Mayor" insert *"of the District of Columbia"*, and on page 34, line 14 of the House engrossed bill, H.R. 4649, strike "Flow Statements" and insert in lieu thereof *"Forecasts"*, and

on page 34, line 16 of the House engrossed bill, H.R. 4649, strike all after "include" down through and including "the" on line 18 and insert in lieu thereof *"revisions to the forecasts reported in accordance with subsection (b) of section 137 of this Act that incorporate the"*

, and

on page 34, line 4 of the House engrossed bill, H.R. 4649, strike "Congress" and insert in lieu thereof *"Committees on Appropriations of the House of Representatives and the Senate, the Committee on the District of Columbia of the House of Represenatatives, and the Committee on Governmental Affairs of the Senate"*

, and

on page 34, line 11 of the House engrossed bill, H.R. 4649, strike "Congress" and insert in lieu thereof *"Committees on Appropriations of the House of Representatives and the Senate, the Committee on the District of Columbia of the House of Represenatatives, and the Committee on Governmental Affairs of the Senate"*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference action makes technical clarifications relative to reporting requirements under section 138.

Amendment No. 19: Deletes language proposed by the Senate concerning the submission of detailed cash flow statements. These statements are covered under amendment number 20.

Amendment No. 20: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

Restore the matter stricken by said amendment

, and

on page 35 of the House engrossed bill, H.R. 4649, strike all after line 3 through and including line 24

, and

on page 36 of the House engrossed bill, H.R. 4649, strike lines 1 through 8 and insert in lieu thereof the following:

(b) ANNUAL LIMITATION ON DISBURSEMENTS.—

(1) AGGREGATE LIMITATION.—The total disbursements and net payables of the government of the District of Columbia from the funds covered by paragraph (2) during fiscal year 1995 shall not exceed the total receipts collected by the government and available for such funds during fiscal year 1995.

(2) INDIVIDUAL FUND LIMITATIONS.—The disbursements and net payables of the government of the District of Columbia from the general fund and from each of the government's other funds not covered by paragraph (3) during fiscal year 1995 shall not exceed the receipts collected by the government and available for the general fund and for each such fund during fiscal year 1995.

(3) CAPITAL PROJECTS, TRUST AND AGENCY FUNDS LIMITATIONS.—The disbursements and net payables of the government of the District of Columbia from each of the government's capital projects, trust and agency funds during fiscal year 1995 shall not exceed the total of the cash available to each such fund at the beginning of fiscal year 1995 plus the receipts of each such fund during fiscal year 1995.

(c) ENFORCEMENT.—

(1) PLACEMENT IN ESCROW OF PORTION OF ANNUAL FEDERAL PAYMENT.—Upon receipt of the annual Federal payment for fiscal year 1996 authorized by sections 502(a) or 503 of the District of Columbia Self-Government and Governmental Reorganization Act or made pursuant to any other provision of law authorizing a Federal payment to the general fund of the District of Columbia for fiscal year 1996, the Mayor of the District of Columbia shall place in escrow—

(A) 10 percent of the Federal payment, for purposes of enforcement of subsection (a); and

(B) an additional 10 percent of the Federal payment, for purposes of enforcement of subsection (b)(1).

(2) AVAILABILITY OF ESCROWED AMOUNTS.—No portion of the funds placed in escrow under paragraph (1) of this subsection shall be available for use by the government of the District of Columbia until the mayor submits to the Committees on Appropriations of the House of Representatives and the Senate, the Committee on the District of Columbia of the House of Representatives, and the Committee on Governmental Affairs of the Senate two reports, each certified by an independent public accountant, on (A) the spending reductions required by subsection (a) of this section, and (B) the disbursements, net payables, and receipts covered by paragraph (1) of subsection (b) of this section. In no event shall the report required by this paragraph be submitted later than the date on which the mayor issues the Comprehensive Annual Financial Report of the District of Columbia for the fiscal year ended September 30, 1995.

(3) AMOUNT OF ESCROWED FUNDS AVAILABLE.—Fifteen days after submitting the reports required by paragraph (2), the funds placed in escrow under paragraph (1) shall be available for use by the government of the District of Columbia only if—

(A) the Mayor pays to the Treasury of the United States the sum of—

(i) the amount (if any) by which the actual reduction implemented under subsection (a) fails to achieve the reduction made by paragraph (1) of such subsection; and

(ii) the amount (if any) by which the disbursements and net payables described in subsection (b)(1) exceed the receipts described in such subsection; and

(B) such payment is made by the Mayor within such fifteen-day period from the escrowed funds or, if such escrowed funds are insufficient, from other funds available to the government of the District.

(d) VIOLATION REPORTS.—Not later than the date on which the Mayor issues the Comprehensive Annual Financial Report of the District of Columbia for the fiscal year ended September 30, 1995, the Mayor, Deputy Mayor Financial Management, and Controller shall jointly submit to the Committees on Appropriations of the House of Representatives and the Senate, the committee on the District of Columbia of the House of Representatives and the Committee on Governmental Affairs of the Senate a separate report on each fund described in paragraphs (2) and (3) of subsection (b) of this section that violated the limitation applicable to the fund. Each report shall contain, but not be limited to—

(1) the amount of the violation;

(2) an analysis of the difference between the budgeted and actual disbursements, payables and receipts for fiscal year 1995;

(3) an explanation of policies, events, or other factors that caused or contributed to the violation;

(4) actions taken or to be taken against government officials or employees for causing or contributing to the violation; and

(5) actions taken or to be taken to prevent recurrence of the violation in fiscal year 1996.

(e) DEFINITIONS.—For purposes of this section—

(1) the term "net payables" means the difference in the amount of payables for a fund at the beginning of a fiscal year and the amount of such payables for such fund at the end of the fiscal year;

(2) the term "payables" means accounts payables and compensation payables; and

(3) the terms "disbursements", "accounts payables", "compensation payables", "receipts", "capital projects fund", "trust funds' and "agency funds" shall have the same meaning as such terms had for purposes of the Comprehensive Annual Financial Report of the District of Columbia for the fiscal year ended September 30, 1993.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference action replaces subsection (b) "Annual Limitation on Outlays" and subsection (c) "Enforcement" under section 138 concerning the spending reductions included in the bill and adds a new subsection (d) "Violation Reports" and subsection (e) "Definitions".

Subsection (a) of section 138 reduces the District's appropriated budget by $140,000,000 as discussed under amendment number 16 and requires the District to submit a report not later than 30 days after the date of enactment of this Act setting forth a detailed plan for the implementation of the reduction. Subsection (a) also requires the submission of revised plans as well as cash forecasts and statements. Subsection (b) limits disbursements and net payables to receipts collected. Subsection (c) requires the escrowing of 20 percent of the fiscal year 1996 Federal payment to encourage District officials to respond responsibly in making the fiscal year 1995 spending reductions mandated in subsection (a) and restricting the fiscal year 1995 disbursements and net accounts payable to receipts collected in fiscal year 1995. The escrowed funds will not be available for use by the District until fifteen days after two reports are submitted to Congress by an independent public accountant certifying that the reductions have been made and that overspending did not occur. The Mayor is required to pay the Treasury of the United States the amount by which the reductions are not made and the amount by which overspending occurs. The payments are to be made from the escrowed funds. If the amounts owed by the District government exceed the amount escrowed, the Mayor is required to pay the shortfall within the fifteen day period from other funds available to the District government.

Subsection (d) requires the Mayor, the Deputy Mayor for Financial Management and the Controller of the District of Columbia to submit reports to the Congress for violations of the limitations imposed under section 138. Subsection (e) includes specific definitions of terms.

Amendment No. 21: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

Restore the matter stricken by said amendment and delete the matter inserted by said amendment

, and

on page 36 of the House engrossed bill, H.R. 4649, strike lines 9 through 11.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference action deletes subsection (d) of section 138 of the House-passed bill concerning the applicability of section 138.

Amendment No. 22: Deletes section 141 proposed by the Senate which would have extended the authorization in Public Law 101-590 for the renovation of the George Washington University Medical Center for an additional five years. The current authorization expires at the end of fiscal year 1995.

The conference report (H. Rept. 103-303) on District of Columbia Appropriations for fiscal year 1994 (Public Law 103-127), requested that the District develop a "plan providing for the financing of the capital rehabilitation and revitalization of the medical infrastructure within" the city generally, with specific recommendations on the authorized George Washington University Medical Center project as part of the overall plan. The plan was to be submitted by April 15, 1994. The report notes that historically the Federal government has played a significant role in financing the construction, renovation, and expansion of medical care facilities in the District. The enactment of Home Rule in 1973 changed the relationship between the District and Federal governments. That change necessitates a review of the funding mechanism for District hospitals' capital projects, therefore resulting in the conference committee's request for a plan.

On May 18, 1994 the Preliminary Health Facilities Plan was submitted by the District government. The transmittal letter notes that "The Plan is the product of the first phase of a development process which includes an assessment of the future capital expenditure needs of the 17 local hospitals * * *. It is estimated that the development of a comprehensive health facilities plan * * * requires at least 24 months." The conferees understand that this is an important matter that requires the District to consider all aspects and alternatives for financing future capital needs because of the long-term implications of such a plan and the current state of District government finances. In addition the current debate over health care reform makes financial considerations uncertain. Therefore, the conferees have no objection to the need to take two years to prepare a health facilities plan for the Nation's Capital and will await its submission by October 18, 1995.

The conferees, however, are concerned about the recent submission of information by the Director of the Department of Human Services received on August 3, 1994, in which the time frame and tasks to be completed list items in years one through three. This appears to contemplate a longer period than started in the Mayor's May 18, 1994 letter. The conferees expect the District to adhere to the Mayor's original schedule.

In its response to the conferee's original request the District government has embarked on an ambitious, and necessary, project to develop a database on information relating to hospital operations as well as capital needs in the District of Columbia. This project should not lose sight of the conferees primary concern that the District submit proposed legislation, either to the Council, the Congress, or both, that addresses the current lack of a funding mechanism for District hospital capital projects.

The conferees expect that the appropriate authorizing committees will hold hearings on the current and future capital needs of hospitals and health facilities with a view toward developing legislation necessary to permit the District government to discharge this responsibility to its citizens.

Amendment No. 23: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of matter proposed in said amendment, insert:

LIMITATION ON FULL-TIME EQUIVALENT POSITIONS

SEC. 141. (a) REDUCTION.—The total number of full-time equivalent positions financed from District of Columbia appropriated funds shall not exceed 33,588.

(b) MONITORING AND NOTIFICATION.—The Mayor of the District of Columbia shall—

(1) regularly monitor the total number of full-time equivalent positions financed from District of Columbia appropriated funds and make a determination on the first date of each quarter of the fiscal year of whether the requirements under subsection (a) are met; and

(2) notify the Committees on Appropriations of the House of Representatives and the Senate, the Committee on the District of Columbia of the House of Representatives and the Committee on Governmental Affairs of the Senate on the first day of each quarter of the fiscal year of the determinations made under paragraph (1).

SEC. 142. (a) IN GENERAL.—The Secretary of the Army, acting through the Chief of Engineers, shall conduct a study of the Washington Aqueduct. The study shall be conducted in consultation with the Environmental Protection Agency, the Office of Management and Budget, and the non-Federal public water supply customers of the Washington Aqueduct.

(b) STUDY CONTENTS.—The study required by subsection (a) shall include analyses of—

(1) the current condition of the Washington Aqueduct;

(2) the operation and maintenance activities and capital improvements required at the Washington Aqueduct facility to ensure the availability of an uninterruptible supply of potable drinking water sufficient to meet the current

and future needs of the District of Columbia and its environs;

(3) alternative methods of financing such operation and maintenance activities and capital improvements; and

(4) alternative arrangements for ownership of the Washington Aqueduct facility, including the operation of establishing a non-Federal regional water authority and transferring ownership and operating responsibility from the Department of the Army to such regional authority or to another appropriate non-Federal entity.

(c) REPORT.—Not later than February 1, 1995, the Secretary of the Army, acting through the Chief of Engineers, shall submit to the Congress a report setting forth the findings of the study required by subsection (a) and any recommendations as a result of the findings. The report shall include a recommendation on the advisability of establishing a non-Federal regional water authority and transferring ownership of and operating responsibility for the Washington Aqueduct facility from the Department of the Army to such regional authority.

(d) DEFINITION.—For purposes of this section, the term "non-Federal public water supply customers of the Washington Aqueduct" means the District of Columbia, Arlington County, Virginia, and the City of Falls Church, Virginia.

ANNUAL BOARD OF EDUCATION REPORT AND BUDGET REVISION

SEC. 143. (a) ANNUAL REPORT ON POSITIONS AND EMPLOYEES.—Hereafter, the Board of Education of the District of Columbia shall annually compile an accurate and verifiable report on the positions and employees in the public school system of the District. The first such annual report shall be verified by independent auditors.

(b) REQUIRED CONTENTS OF ANNUAL REPORT.—The annual report required by subsection (a) shall set forth—

(1) the number of validated schedule A positions in the public school system of the District of Columbia for the following fiscal year on a full-time equivalent basis, including a compilation of all positions by control center, responsibility center, funding source, position type, position title, pay plan, grade, and annual salary; and

(2) a compilation of all employees in the public school system of the District of Columbia as of the preceding December 31, verified as to its accuracy in accordance with the functions that each employee is actually performing, by control center, responsibility center, agency reporting code, program (including funding source), activity, location for accounting purposes, job title, grade and classification, annual salary, and position control number.

(c) SUBMISSION OF ANNUAL REPORT.—

(1) FIRST REPORT.—The first annual report required by subsection (a) shall include the information required by subsection (b)(1) for each of the fiscal years 1993, 1994, and 1995, and shall be submitted to the Congress, and to the Mayor and Council of the District of Columbia, by not later than October 1, 1994.

(2) SUBSEQUENT REPORTS.—Except as provided in paragraph (1), the annual report required by subsection (a) shall be submitted to the Congress, and to the Mayor and Council of the District of Columbia, by not later than April 15 of each year.

(d) ANNUAL BUDGET REVISION.—

(1) IN GENERAL.—Not later than October 1, 1994 and each succeeding year or within 15 calendar days after the date of the enactment of the District of Columbia Appropriations Act for the fiscal year beginning on such October 1 (whichever occurs first), the Board of Education of the District of Columbia shall submit to the Congress, and to the Mayor and Council of the District, a revised appropriated funds operating budget for the public school system of the District for such fiscal year that is in the total amount of the approved appropriation and that realigns budgeted data for personal services and other-than-personal services, respectively, with anticipated actual expenditures.

(2) REQUIRED FORMAT.—The revised budget required by paragraph (1) shall be submitted in the format of the budget that the Board of Education of the District of Columbia submits to the Mayor of the District for inclusion in the Mayor's budget submission to the Council of the District pursuant to section 442 of the District of Columbia Self-Government and Governmental Reorganization Act (Public Law 93-198; D.C. Code, sec. 47-301).

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference action includes language under section 141 that requires the reduction of 2,000 full-time equivalent positions in fiscal year 1995 instead of 3,559 over five years as proposed by the Senate.

The Mayor has proposed incentive retirement programs that the District expects will attract the participation of 2,500 employees. The conferees support the Mayor in this effort and believe this will permit the District government to achieve the reduction required by the conference agreement without undue dislocation of any city employee or any reduction in the quality of services.

The conference action includes language under section 142 directing the Secretary of the Army, acting through the Chief of Engineers, to conduct a study in consultation with the Environmental Protection Agency, the Office of Management and Budget, and the non-Federal public water supply customers of the Washington Aqueduct to analyze the long-term capital improvements and operation and maintenance requirements of the Washington Aqueduct facility, as well as alternative methods of financing capital improvements, alternative facility ownership arrangements, and such other analyses as may be necessary to ensure the availability of an adequate, uninterruptible supply of potable drinking water from the Washington Aqueduct to meet the current and future needs of the District of Columbia, Arlington County, and the City of Falls Church. A report on the results of the study shall be submitted to the appropriate congressional committees no later than February 1, 1995.

The conference action includes language under section 143 concerning the D.C. Board of Education. The conferees note with concern that the Schedule A's submitted on behalf of the Board of Education this year fail to reflect the positions actually existing in the public school system. The total number of positions authorized has decreased by 1,247 between fiscal year 1993 and fiscal year 1995, yet the numbers, titles, and all other descriptors of every specific position are completely unchanged over this three-year period, and add up to 1,243 positions in excess of the authorized ceiling for fiscal year 1995. In view of the effective failure to submit the required schedules and of other indicators that the Board of Education cannot or will not fully and accurately account for the locations and functions of all of its positions and actual employees, the conferees have included language in section 143 requiring the Board of Education annually to compile and submit accurate and verifiable inventories of both positions and employees. The first report setting forth the number of validated Schedule A positions for fiscal years 1993, 1994, and 1995 and the compilation of all employees in the public school system as of December 31, 1993, is required by October 1, 1994. The next report and each subsequent report is due April 15 as part of the District government's annual budget submission. In addition, the language requires that the inventories in the first report be verified by independent auditors.

The conferees are equally concerned that every year for the past several years the Board of Education has oversight its appropriation for personal services by millions of dollars while underspending its appropriation for other-than-personal-services by an equal amount. The chronic recurrence of such an imbalance suggests that the Board of Education habitually submits budgets to the Congress that the Board knows to be unrealistic and that the Board intends to disregard. Section 143, therefore, requires the Board of Education annually to realign its budget before the beginning of the fiscal year accurately to reflect anticipated actual expenditures. This annual budget revision is to follow in full the format used by the Board of Education during budget appropriation proceedings of the Mayor and the Council of the District of Columbia.

TITLE II

FISCAL YEAR 1994 SUPPLEMENTAL DISTRICT OF COLUMBIA FUNDS

HUMAN SUPPORT SERVICES

(INCLUDING RESCISSION)

Amendment Nos. 24 and 25: Appropriate $38,961,000 for a net increase of $38,130,000 as proposed by the Senate instead of $32,461,000 for a net increase of $31,630,000 as proposed by the House. The increase of $6,500,000 above the House was requested by the Mayor and Council Chairman in a letter dated June 15, 1994 to meet court orders for the foster care program and for youth services.

PUBLIC WORKS

(RESCISSION)

Amendment No. 26: Rescinds $6,592,000 as proposed by the Senate instead of $9,092,000 as proposed by the House. The reduction of $2,500,000 below the House was requested by the Mayor and Council Chairman in a letter dated June 15, 1994 to partially restore the reduction made by District officials in the Metrobus subsidy.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1995 recommended by the Conference, with comparisons to the fiscal year 1994 amount, the 1995 budget estimates, and the House and Senate bills for 1995 follow:

FEDERAL FUNDS

New budget (obligational) authority, fiscal year 1994	$700,000,000
Budget estimates of new (obligational) authority fiscal year 1995	722,000,000
House bill, fiscal year 1995	720,000,000
Senate bill, fiscal year 1995	700,000,000
Conference agreement, fiscal year 1995	712,070,000
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1994	+12,070,000
Budget estimates of new (obligational) authority, fiscal year 1995	−9,930,000
House bill, fiscal year 1995	−7,930,000
Senate bill, fiscal year 1995	12,070,000

DISTRICT OF COLUMBIA FUNDS

New budget (obligational) authority, fiscal year 1994	*$3,740,382,000*
Budget estimates of new (obligational) authority fiscal year 1995	*3,690,438,635*
House bill, fiscal year 1995	*3,534,736,635*
Senate bill, fiscal year 1995	*3,589,736,635*
Conference agreement, fiscal year 1995	*3,536,806,635*
conference agreement compared with:	
New budget (obligational) authority, fiscal year 1994	*−203,575,365*
Budget estimates of new (obligational) authority, fiscal year 1995	*−153,632,000*
House bill, fiscal year 1995	*+2,070,000*
Senate bill, fiscal year 1995	*−52,930,000*

JULIAN C. DIXON,
LOUIS STOKES,
RICHARD J. DURBIN,
MARCY KAPTUR,
DAVID E. SKAGGS,
NANCY PELOSI,
DAVID R. OBEY,
JAMES T. WALSH,
ERNEST J. ISTOOK, Jr.,
HENRY BONILLA,
JOSEPH M. MCDADE,
Managers on the Part of the House.

HERB KOHL,
PATTY MURRAY,
DIANNE FEINSTEIN,
ROBERT C. BYRD,
CONRAD BURNS,
CONNIE MACK,
MARK O. HATFIELD,
Managers on the Part of the Senate.

CONFERENCE REPORT ON H.R. 4506

Mr. BEVILL submitted the following conference report and statement on the bill (H.R. 4506) making appropriations for Energy and Water Development for the fiscal year ending September 30, 1995, and for other purposes:

CONFERENCE REPORT (H. REPT. 103-672)

The Committee of Conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4506) "making appropriations for Energy and Water Development for the fiscal year ending September 30, 1995, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 7, 11, 14, 17, 18, 19, 20, 23, 24, 25, 27, 29, 30, 31, and 32.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 5, 10, 12, 37, 38, 40, 43, 45, 46, and 50, and agree to the same.

Amendment numbered 3:

That the House recede from its disagreement to the amendment to the Senate numbered 3, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$983,668,000*; and the Senate agree to the same.

Amendment numbered 13:

That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows:

In lieu of the matter stricken insert *: Provided further, That no part of any other appropriation provided in title I of this Act shall be available to fund the activities of the Office of the Chief of Engineers or the executive direction and management activities of the Division Offices*; and the Senate agree to the same.

Amendment numbered 22:

That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$284,300,000*; and the Senate agree to the same.

Amendment numbered 26:

That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$3,314,548,000*; and the Senate agree to the same.

Amendment numbered 34:

That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$984,031,000*; and the Senate agree to the same.

Amendment numbered 36:

That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$392,800,000*; and the Senate agree to the same.

Amendment numbered 41:

That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted, insert: *$3,229,069,000 to remain available until expended*; and the Senate agree to the same.

Amendment numbered 42:

That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$5,092,691,000*; and the Senate agree to the same.

Amendment numbered 44:

That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$1,849,657,000*; and the Senate agree to the same.

Amendment numbered 47:

That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$282,000,000*; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 2, 4, 6, 8, 9, 15, 16, 21, 28, 33, 35, 39, 48, and 49.

TOM BEVILL,
VIC FAZIO,
JIM CHAPMAN,
DOUGLAS "PETE" PETERSON,
ED PASTOR,
CARRIE P. MEEK,
DAVID R. OBEY,
JOHN T. MYERS,
(Except for amendment No. 35),
DEAN A. GALLO,
HAROLD ROGERS,
JOSEPH M. MCDADE,
Managers on the Part of the House.

J. BENNETT JOHNSTON,
ROBERT C. BYRD,
ERNEST F. HOLLINGS,
JIM SASSER,
DENNIS DECONCINI,
HARRY REID,
ROBERT J. KERREY,
MARK O. HATFIELD,
THAD COCHRAN,
PETE V. DOMENICI,
DON NICKLES,
SLADE GORTON,
MITCH MCCONNELL,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two houses on the amendments of the Senate to the bill (H.R. 4506) making appropriations for energy and water development for the fiscal year ending September 30, 1995, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effects of the action agreed upon by the managers and recommended in the accompanying conference report.

The language and allocations set forth in House Report 103-533 and Senate Report 103-291 should be complied with unless specifically addressed to the contrary in the conference report and statement of the managers. Report language included by the House which is not changed by the report of the Senate or the conference, and Senate report language which is not changed by the conference is approved by the committee of conference. The statement of the managers, while repeating some report language for emphasis, does not intend to negate the language referred to above unless expressly provided herein. In cases in which the House or Senate have directed the submission of a report, such report is to be submitted to both House and Senate Committees on Appropriations.

TITLE I

DEPARTMENT OF DEFENSE—CIVIL

The summary tables at the end of this title set forth the conference agreement with respect to the individual appropriations, programs and activities of the Corps of Engineers. Additional items of conference agreement are discussed below.

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

GENERAL INVESTIGATIONS

Amendment No. 1: Appropriates $181,199,000 for General Investigations as proposed by the State instead of $179,062,000 as proposed by the House.

The conference agreement includes $400,000 for the Corps of Engineers to undertake preconstruction engineering and design for the rehabilitation and reconstruction of flood control levees on the Arkansas River in Arkansas as authorized by section 110 of the Water Resources Development Act of 1990.

The conferees have provided an additional $500,000 for the Corps of Engineers to initiate engineering, design, and the preparation of detailed plans and specifications for water temperature control facilities at the Cougar and Blue River projects on the McKenzie River in Oregon. The conferees support installation of these facilities as project modifications which mitigate for the fish and wildlife impacts of the Cougar and Blue

River projects. The cost of the facilities would be repaid according to the allocations among the original projects purposes.

The conference agreement includes $1,500,000 for the Corps of Engineers to continue ongoing technical and planning and design assistance to non-Federal interests for water-related environmental infrastructure projects described in section 219 of the Water Resources Development Act of 1992 instead of $3,100,000 as proposed by the Senate. Within the amount provided, the Corps is directed to use $300,000 to continue its efforts to define the infrastructure needs of the Colonias along the U.S.-Mexico border.

The conferees have provided $800,000 for ongoing engineering and design activities on storm water discharge projects authorized by section 307 of the Water Resources Development Act of 1992. Within the amount provided is sufficient funding for design of the Portland, Maine, and Bangor, Maine, projects.

The conference agreement includes $37,350,000 for research and development activities of the Corps of Engineers instead of $38,350,000 as proposed by the House and $37,050,000 as proposed by the Senate. The amount provided includes $300,000 for the continuation of the Construction Technology Transfer project between the Corps' research institutions and Indiana State University. In addition, the Corps is directed to use $2,000,000 of the funds provided for research and development activities related to zebra mussel control.

Both the House and Senate bills included $475,000 for the Wolf River, Tennessee, project. The conference agreement includes funding for the project under the Flood Control, Mississippi River and Tributaries account.

The conferees are aware that it has been a number of years since the need for additional boat harbor facilities in Wrangell, Alaska, was evaluated and that a number of conditions may have changed significantly. The conferees wish to encourage the Corps of Engineers to consider the need for evaluation of this project when it prepares the General Investigations portion of its budget request for fiscal year 1996.

Amendment No. 2: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment insert:

Red River Navigation Study, Arkansas, $300,000;

Los Angeles County Water Conservation and Supply, California, $500,000;

Norco Bluffs, California, $200,000;

Indianapolis, White River, Central Waterfront, Indiana, $4,000,000;

Lake George, Hobart, Indiana, $200,000;

Little Calument River Basin (Cady Marsh Ditch), Indiana, $150,000;

Ohio River Greenway, Indiana, $500,000;

Hazard, Kentucky, $500,000;

Kentucky Lock and Dam, Kentucky, $2,000,000;

Mussers Dam, Pennsylvania, $100,000;

Hartsville, Trousdale County, Tennessee, $95,000;

West Virginia Comprehensive, West Virginia, $350,000; and

West Virginia Port Development, West Virginia, $800,000;

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement includes earmarks in the bill for the following projects, which were funded at the same level in the House and Senate bills: Indianapolis, White River, Central Waterfront, Indiana; Little Calumet River Basin (Cady Marsh Ditch), Indiana; Kentucky Lock and Dam, Kentucky; Hazard, Kentucky; Hartsville, Trousdale County, Tennessee; West Virginia Comprehensive, West Virginia; and West Virginia Port Development, West Virginia.

The conference agreement restores House language stricken by the Senate for the Los Angeles County Water Conservation and Supply, California, project amended to provide $500,000 instead of $700,000 as proposed by the House; restores House language stricken by the Senate for the Norco Bluffs, California, project amended to provide $200,000 instead of $400,000 as proposed by the House; restores House language stricken by the Senate for the Ohio River Greenway, Indiana, project amended to provide $500,000 instead of $900,000 as proposed by the House; restores House language stricken by the Senate for the Lake George, Hobart, Indiana, project amended to provide $200,000 instead of $260,000 as proposed by the House; and restores House language stricken by the Senate for the Mussers Dam, Pennsylvania, project amended to provide $100,000 instead of $200,000 as proposed by the House.

The conference agreement deletes funding proposed by the Senate for the Grand Marais Harbor, Michigan, project.

The conference agreement includes $300,000 for the Red River Navigation, Arkansas, study instead of $500,000 as proposed by the Senate.

CONSTRUCTION, GENERAL

Amendment No. 3: Appropriates $983,668,000 for Construction, General instead of $1,023,595,000 as proposed by the House and $977,660,000 as proposed by the Senate.

The conferees are in agreement with the language contained in the House report regarding the Miami Harbor, Florida, project which directs the Corps of Engineers to reprogram funds as necessary to reimburse the local sponsor for the Federal share of completed work.

The conferees also agree with the language contained in the House report regarding the O'Hare Reservoir and McCook and Thornton Reservoirs projects in Illinois.

The conferees have provided an additional $5,000,000 for the Lower Snake River Fish and Wildlife Compensation Program for hatchery construction projects. The projects to be initiated include adult trapping and juvenile acclimation facilities for the upper Grande Ronde River and Catherine Creek, a water treatment facility for Lookingglass Hatchery, and final rearing and/or acclimation facilities for the Clearwater, Snake, and lower Grande Ronde Rivers. The conferees direct the Corps to work with the U.S. Fish and Wildlife Service, the National Marine Fisheries Service, and the affected state and tribal hatchery managers in developing these projects. The conferees emphasize that only projects which will protect, maintain or enhance biological diversity of existing wild salmon stocks should be pursued.

The conferees have no objection to the reprogramming of funds for construction of the John Day and Bonneville Fish Monitoring Facilities as described in the Acting Assistant Secretary of the Army's letter to the House and Senate Committees dated June 16, 1994.

The conference agreement includes $9,500,000 for the Aquatic Plant Control Program instead of $12,000,000 as proposed by the House and $7,000,000 as proposed by the Senate. The funds provided above the budget request of $7,000,000 shall be used to increase the research effort at the Corps of Engineers' Waterways Experiment Station for cooperative research to be conducted as described in House Report 103–135.

The conference agreement includes funds for the following projects within the Corps of Engineers' Continuing Authorities Programs:

Emergency Streambank and Erosion Control (Section 14)

Four hundred and seventy thousand dollars to initiate and complete three erosion control projects in Morgan County, Indiana, at Blue Bluff Road along the White River and Bottom Road and Henderson Ford Road along White Lick Creek; $450,000 to initiate and complete streambank stabilization along the left descending bank of the Cumberland River immediately downstream of the Metro Center Levee in Nashville, Tennessee; and $40,000 to initiate and complete the Green River, Calhoun, McLean County, Kentucky, project.

Small Navigation Projects (Section 107)

Three hundred thousand dollars to complete the study of navigation improvements at the Southwind Maritime Centre near Evansville, Indiana; $745,000 to complete construction of the Aunt Lydia's Cove, Massachusetts, project; $100,000 for construction of the Provincetown Harbor, Massachusetts, project; and funds necessary to complete the Cooley Canal, Ohio, feasibility study not later than September 30, 1995.

Navigation Mitigation (Section 111)

Four hundred and fifty-seven thousand dollars to initiate and complete measures to mitigate shoreline damages at Umpqua River, Winchester Bay, Oregon.

Small Flood Control Projects (Section 205)

One hundred thousand dollars to conduct a reconnaissance study and initiate a feasibility study of a project to control flooding in Ellettsville, Indiana; $300,000 for the Mission Zanja Creek, California, project to develop the inlet expansion plan and initiate design as recommended in the February 1994 Mission Zanja Creek reconnaissance report; $80,000 to complete the feasibility study of the Cy Bend cut-through project at Jackson, Kentucky; $100,000 to continue the study of flood control improvements at Poplar Brook, New Jersey; and $200,000 to conduct a reconnaissance study and initiate a feasibility study for a project to control flooding in Caliente, Meadow Valley Wash, Nevada. The Corps is directed to use the existing flood control and snagging and clearing reports to the maximum extent possible in developing a plan that could restore channel capacity and reduce aggradation that causes flooding in the town of Caliente.

In addition, the conferees are aware that the levees at Geneva, Alabama, were in danger of failing during flooding in July of this year. In view of the critical nature of this problem, the Corps is directed to initiate work on a project to rehabilitate the levees at Geneva, Alabama.

Project Modifications for Improvement of the Environment (Section 1135)

Five hundred thousand dollars to prepare a project modification report for the environmental restoration project along the upper Sacramento River, California; $800,000 for design of the Davis, California, site, which is contiguous to the Yolo Basin Wetlands area; $225,000 to continue the Four Rivers Basin (Oklawaha River), Florida, project; $200,000 to begin engineering and design of environmental restoration work on the San Lorenzo

River, California, project. To the extent practical, the Corps is directed to coordinate this work so that the ongoing engineering and design of the flood control project is not delayed; and $2,000,000 for the Corps of Engineers to begin engineering, design, and construction for the restoration of the East Pearl River in the vicinity of Walkiah Bluff, Mississippi. Further, the conferees are supportive of additional funding requirements to complete this important project.

Amendment No. 4: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows;

In lieu of the matter stricken and inserted by said amendment, insert:

Red River Emergency Bank Protection, Arkansas and Louisiana, $6,000,000;

Red River below Denison Dam Levee and Bank Stabilization, Arkansas, Louisiana and Texas, $2,100,000

West Sacramento, California, $500,000;

Sacramento River Flood Control Project (Glenn-Colusa Irrigation District), California, $400,000;

Sacramento River Flood Control Project (Deficiency Correction), California $3,700,000;

San Timoteo Creek (Santa Ana River Mainstem), California, $5,000,000;

Central and Southern Florida, Florida, $8,624,000;

Kissimmee River, Florida, $4,000,000;

Savannah Harbor Deepening, Georgia (Reimbursement), $11,585,000, of which $2,083,000 is for a cost-shared Savannah River recreation enhancement and public access project along 900 linear feet of shoreline in the City of Savannah;

Casino Beach, Illinois, $1,000,000;

Des Moines Recreational River and Greenbelt, Iowa, $4,000,000;

Harlan (Levisa and Tug Forks of the Big Sandy River and Upper Cumberland River), Kentucky, $20,000,000;

Middlesborough (Levisa and Tug Forks of the Big Sandy River and Upper Cumberland River), Kentucky, $1,200,000;

Williamsburg (Levisa and Tug Forks of the Big Sandy River and Upper Cumberland River), Kentucky, $3,000,000;

Pike County (Levisa and Tug Forks of the Big Sandy River and Upper Cumberland River), Kentucky, $5,000,000;

Lake Pontchartrain and Vicinity (Jefferson Parish), Louisiana, $800,000;

Lake Pontchartrain and Vicinity (Hurricane Protection), Louisiana, $12,500,000;

Ouachita River Levees, Louisiana, $4,500,000;

Ste. Genevieve, Missouri, $3,000,000;

Hackensack Meadowlands Area, New Jersey, $2,500,000;

Ramapo River at Oakland, New Jersey, $600,000;

Salem River, New Jersey, $1,000,000;

Carolina Beach and Vicinity, North Carolina, $2,800,000;

Fort Fisher and Vicinity, North Carolina, $900,000;

Broad Top Region, Pennsylvania, $1,000,000;

Lackawanna River, Olyphant, Pennsylvania, $1,100,000;

Lackawanna River, Scranton, Pennsylvania, $1,000,000;

South Central Pennsylvania Environmental Restoration Infrastructure and Resource Protection Development Pilot Program, Pennsylvania, $7,000,000;

Allendale Dam, Rhode Island, $67,500;

Wallisville Lake, Texas, $1,000,000;

Richmond Filtration Plant, Virginia, $2,000,000;

Southern West Virginia Environmental Restoration Infrastructure and Resource Protection Development Pilot Program, West Virginia, $1,500,000;

Hatfield Bottom (Levisa and Tug Forks of the Big Sandy River and Upper Cumberland River), West Virginia, $500,000; and

Upper Mingo County (Levisa and Tug Forks of the Big Sandy River and Upper Cumberland River), West Virginia, $250,000

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement includes earmarks in the bill for the following projects, which were funded at the same level in the House and Senate bills: Red River Emergency Bank Protection, Arkansas and Louisiana; West Sacramento, California; Sacramento River Flood Control Project (Glenn-Colusa Irrigation District), California; Sacramento River Flood Control Project (Deficiency Correction), California; San Timoteo Creek, California; Casino Beach, Illinois; Harlan, Kentucky; Middlesborough, Kentucky; Williamsburg, Kentucky; Pike County, Kentucky; Lake Pontchartrain and Vicinity (Jefferson Parish), Louisiana; Lake Pontchartrain and Vicinity (Hurricane Protection), Louisiana; Ste. Genevieve, Missouri; Ramapo River at Oakland, New Jersey; Broad Top Region, Pennsylvania; Lackawanna River, Olyphant, Pennsylvania; Lackawanna River, Scranton, Pennsylvania; Wallisville Lake, Texas; Richmond Filtration Plant, Virginia; and Southern West Virginia Environmental Restoration Infrastructure and Resource Protection Development Pilot Program, West Virginia.

The conference agreement restores House language stricken by the Senate for the Central and Southern Florida, Florida, project amended to provide $8,624,000 for the project instead of $11,315,000 as proposed by the House. The amount provided includes; $1,000,000 for the comprehensive review of the project; $1,000,000 for the C-111/South Dade project for engineering, design and initiation of construction. The conferees note with approval that the final integrated GRR/EIS has been completed and the recommended Alternative 6A meets the conferees' concerns; $600,000 for the Herbert Hoover Dike project; $517,000 for the Kissimmee Basin project; $1,000,000 for the preconstruction engineering and design and construction of the West Palm Beach Canal (C-51) project; $100,000 for the Lake Okeechobee project; $1,500,000 to begin design and construction of improvements to the C-7, C-8, and C-9 canals in North Dade County; $400,000 for the Lake Istokpoga GRR; $407,000 to repair the S-26 stilling basin; $100,000 for the St. Lucie Canal stabilization project; and $2,000,000 to continue work on the Upper St. Johns River Basin project.

The conference agreement restores House language stricken by the Senate earmarking funds for the Hackensack Meadowlands Area, New Jersey; Salem River, New Jersey; Carolina Beach and Vicinity, North Carolina; and Fort Fisher and Vicinity, North Carolina, projects.

The conference agreement provides $4,000,000 for the Kissimmee River, Florida, project instead of $9,000,000 as proposed by the House and $3,000,000 as proposed by the Senate (the conferees direct that the procedures delineated in House Report 103-135 shall continue in fiscal year 1995); provides $4,000,000 for the Des Moines Recreational River and Greenbelt, Iowa, project as proposed by the House instead of $2,000,000 as proposed by the Senate; and provides $7,000,000 for the South Central Pennsylvania Environmental Restoration Infrastructure and Resource Protection Development Pilot Program, Pennsylvania, as proposed by the House instead of $2,000,000 as proposed by the Senate.

The conference agreement includes $2,100,000 for the Red River below Denison Dam, Louisiana, and Texas, project. Within the amount provided, the bill provides $600,000 for the Bowie Levee, Texas, portion of the project. The conferees direct the Secretary of the Army, acting through the Chief of Engineers, to initiate design and construction for restoration or replacement of the Bowie Levee, as authorized by the Flood Control Act of 1946, to provide the same level of protection as the adjoining Miller County Levee.

The conference agreement includes the earmarking of funds for the following projects as proposed by the Senate: Savannah Harbor Deepening, Georgia; Ouachita River Levees, Louisiana; Allendale Dam, Rhode Island; Hatfield Bottom, West Virginia; and Upper Mingo County, West Virginia.

The conferees agree that any additional funds required to reimburse the local sponsor for the Federal share of the Savannah Harbor Deepening, Georgia, project should be reprogrammed from within available funds.

The conference agreement includes $1,200,000 for the Middlesborough, Kentucky, element of the Levisa and Tug Forks of the Big Sandy River and Upper Cumberland River project as proposed by the House and the Senate. The Secretary of the Army is directed to construct the Middlesborough element in accordance with the channel modification plan in the Nashville District Commander's detailed project report for Middlesborough, Kentucky, dated June 1994.

The conferees have agreed to provide $6,000,000 to continue emergency bank stabilization work along the Red River in Arkansas and Louisiana. The $6,000,000, combined with $3,500,000 of funds appropriated in fiscal year 1994, will allow the Corps to fully fund construction of the Finn revetment phase I, initiate construction of Dickson and Sulfur revetments, initiate repairs to the Mays Lake realignment, and design and initiate construction on the Cat Island revetment.

FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES, ARKANSAS, ILLINOIS, KENTUCKY, LOUISIANA, MISSISSIPPI, MISSOURI, AND TENNESSEE

Amendment No. 5: Appropriates $328,138,000 for Flood Control, Mississippi River and Tributaries, as proposed by the Senate instead of $334,138,000 as proposed by the House.

The conferees are aware of and concerned by ongoing flooding problems in the Yalobusha River Watershed, particularly in the vicinity of Calhoun County, Mississippi. The Corps of Engineers is directed to study this problem and report to the House and Senate Committees on Appropriations on the nature and extent of the flooding, as well as the necessary flood control measures and cost to correct the problem. The report should also include a discussion of which Federal agency or combination of agencies has the responsibility for remediating this problem, and the authority under which the problem can be corrected. The conferees encourage the Corps of Engineers to prepare this report with significant input from the Soil Conservation Service of the U.S. Department of Agriculture and other Federal agencies, as applicable. The report should be provided to the Committees by February 1, 1995.

Amendment No. 6: Reported in technical disagreement. The managers on the part of

the House will offer a motion to recede and concur in the amendment of the Senate that provides $3,000,000 for the Eastern Arkansas Region, Arkansas, project; $640,000 for the removal of a collapsed bridge at mile 117 of the Yazoo River in Mississippi; and $1,000,000 to extend the Tiptonville-Obion segment of the Mississippi River levee in the vicinity of Tiptonville, Tennessee. The House bill also included an earmark of $3,000,000 for the Eastern Arkansas Region project.

OPERATION AND MAINTENANCE, GENERAL

Amendment No. 7: Appropriates $1,646,535,000 for Operation and Maintenance, General as proposed by the House instead of $1,631,434,000 as proposed by the Senate.

With regard to the Mississippi River, Baton Rouge to the Gulf of Mexico, Louisiana, project, the conferees are aware of the potential safety concerns of the Corps of Engineers and local communities associated with the soft dike demonstration project at Redeye Crossing in the vicinity of Missouri Bend and direct the Corps to use $100,000 of available funds to complete the bendway weir modeling.

The conference agreement includes an additional $3,200,000 for the Grays Harbor and Chehalis River, Washington, project as proposed by the House and the Senate to repair the breach at the south jetty. The conferees expect the Corps of Engineers to reprogram sufficient funds to initiate the repair in fiscal year 1994.

The conference agreement includes an additional $350,000 for the Dworshak Dam and Reservoir, Idaho, project as proposed by the House. Of the amount provided, $250,000 is for the Corps of Engineers to restore and improve the Big Eddy Launch and Boat Moorage Facility which was destroyed in June of 1992 in a severe wind storm. This funding will restore and improve the only full service marina providing service throughout the full operating range of Dworshak Reservoir. In addition, $100,000 is for extension of boat launch ramps at Freeman Creek, Idaho. The boat ramp extension is needed to accommodate boat launches during the massive summer drawdown of the Dworshak Reservoir water level to provide water for migrating salmon runs listed under the Endangered Species Act.

Within available funds, the Corps of Engineers is directed to complete the special project report concerning road flooding problems at Buckhorn Lake, Kentucky, and to pursue additional alternatives in coordination with the Commonwealth of Kentucky.

Amendment No. 8: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

Tucson Diversion Channel, Arizona, $2,500,000;

Jeffersonville-Clarksville, Indiana, $750,000;

McAlpine Lock and Dam (Ohio River Locks and Dams), Kentucky, $1,000,000;

Raystown Lake, Pennsylvania, $5,330,000; and

John H. Kerr Reservoir (Mosquito Control), Virginia and North Carolina, $40,000

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement: earmarks $2,500,000 for the Tucson Diversion Channel, Arizona, project as proposed by the House and the Senate; restores House language stricken by the Senate earmarking funds for the Jeffersonville-Clarksville, Indiana, project; restores House language stricken by the Senate earmarking funds for the McAlpine Lock and Dam, Kentucky, project; restores House language stricken by the Senate earmarking funds for the Raystown Lake, Pennsylvania, project; and includes language proposed by the Senate earmarking funds for the John H. Kerr Reservoir, Virginia and North Carolina, project.

Amendment No. 9: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which directs the Secretary of the Army to maintain a minimum conservation pool of 475.5 feet at Wister Lake, Oklahoma.

OIL SPILL RESEARCH

Amendment No. 10: Appropriates $900,000 for oil spill research as proposed by the Senate instead of $625,000 as proposed by the House.

GENERAL EXPENSES

Amendment No. 11: Appropriates $152,500,000 for General Expenses as proposed by the House instead of $156,255,000 as proposed by the Senate. The conference agreement also deletes language proposed by the Senate making General Expenses funds available until expended.

The conferees remain extremely concerned about Corps of Engineers project review procedures. Both the House and Senate committees have received complaints from Corps of Engineers cost-sharing partners about the excessive overhead costs and delays associated with the planning, design and construction of Corps projects. The conferees believe that one of the reasons why Corps of Engineers projects cost too much and take too long to complete is that at each step of the process each project is subjected to multiple levels of technical review and policy review. Therefore, the conferees have provided funding levels that will permit the Corps of Engineers to implement a project review process that provides for a single review, both technical and policy, above the district office level.

The conferees agree with the language in the House report regarding women and minority contracting and the payment of headquarters' travel costs by field organizations.

Amendment No. 12: Provides that $59,280,000 of the funds appropriated for General Expenses shall be available for general administration and related functions in the Office of the Chief of Engineers as proposed by the Senate instead of $56,480,000 as proposed by the House.

Amendment No. 13: Restores House language stricken by the Senate which prohibits the use of funds other than those appropriated for General Expenses for activities in the Office of the Chief of Engineers and the Division Offices with an amendment clarifying that the restriction only applies to the executive direction and management functions of the Division Offices.

The restriction included in the bill will eliminate the use of project funds for executive direction and management activities of the Division Offices while allowing administrative functions which were consolidated for efficiency purposes, such as the centralized payroll center in Omaha, and selected other activities, to be funded as they have in the past. The conferees are in agreement that activities conducted under the authority of the Mississippi River and Tributaries project should be funded using funds appropriated under the Mississippi River and Tributaries account.

Amendment No. 14: Deletes language proposed by the Senate regarding the use of other funds appropriated for the Corps of Engineers for activities in the Office of the Chief of Engineers and the Division Offices. This matter has been addressed in Amendment No. 13.

GENERAL PROVISIONS

CORPS OF ENGINEERS—CIVIL

Amendment No. 15: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides that in fiscal year 1995, the Secretary of the Army shall advertise for competitive bid at least 7,500,000 cubic yards of the hopper dredge volume accomplished with Government-owned dredges in fiscal year 1992 and which, notwithstanding the provisions of the section, authorizes the Secretary of the Army to use the Corps of Engineers' dredge fleet to undertake projects under certain conditions.

Amendment No. 16: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides that the Corps of Engineers shall not collect fees at boat launching ramps located in undeveloped or lightly developed shorelands with minimum security and illumination.

The conference agreement includes bill language proposed by the Senate which would conform Corps of Engineers procedures for collecting user fees at boat launching ramps with the intent of the authorizing legislation contained in the Omnibus Budget Reconciliation Act of 1993, Public Law 103-66.

The conferees have learned that certain private lessees who operate boat launching facilities constructed by the Corps of Engineers are charging fees for the use of those facilities which exceed the fees being charged by the Corps for the use of similar facilities.

The conferees are concerned that this difference in fees charged for the use of similar facilities, all of which were constructed by the Corps of Engineers with the taxpayers' money, is causing a great deal of confusion among the public. Therefore, the conferees direct the Secretary of the Army to take whatever steps are possible to ensure that fees charged by the private lessees for the use of boat launching facilities constructed by the Corps of Engineers do not exceed those charged by the Corps for the use of similar facilities. In addition, the conferees direct the Secretary to take whatever steps are possible to ensure that individuals who purchase season passes for the use of the Corps of Engineers boat launching facilities can use those passes at all facilities constructed by the Corps even if they are operated by private lessees.

CORPS OF ENGINEERS - GENERAL INVESTIGATIONS

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES INVESTIGATIONS	BUDGET ESTIMATES PLANNING	CONFERENCE ALLOWANCE INVESTIGATIONS	CONFERENCE ALLOWANCE PLANNING
	ALABAMA				
	ALABAMA - COOSA RIVER, AL	---	---	200,000	---
	HOBBS ISLAND, HUNTSVILLE, AL	---	---	150,000	---
	HUNTSVILLE SPRING BRANCH, HUNTSVILLE, AL	---	---	100,000	---
	MOBILE HARBOR (THEODORE SHIP CHANNEL), AL	---	---	200,000	---
	MUSCLE SHOALS, AL	---	---	150,000	---
	ALASKA				
(N)	ANCHOR POINT HARBOR, AK	200,000	---	200,000	---
(N)	CHIGNIK HARBOR, AK	---	100,000	---	100,000
(N)	COOK INLET, AK	100,000	---	100,000	---
(FDP)	DILLINGHAM, AK	130,000	---	130,000	---
(RDP)	KAKE HARBOR, AK	160,000	---	160,000	---
(N)	NORTHERN SEA ROUTE, AK	300,000	---	300,000	---
(N)	SAND POINT HARBOR, AK	210,000	---	210,000	---
(N)	SEWARD HARBOR, AK	120,000	---	120,000	---
(FDP)	SEWARD, LOWELL CREEK, AK	300,000	---	300,000	---
(N)	ST PAUL HARBOR, AK	150,000	---	150,000	---
	ARIZONA				
	ALAMO DAM, BILL WILLIAMS RIVER, AZ	---	---	200,000	---
(FDP)	ARIZONA FLOOD CONTROL STUDY, AZ	200,000	---	200,000	---
(FDP)	GILA RIVER & TRIBUTARIES, LOWER SANTA CRUZ RIVER, AZ	299,000	---	299,000	---
	GILA RIVER & TRIBUTARIES, MCDOWELL MOUNTAINS, AZ	---	---	500,000	---
	GILA RIVER & TRIBUTARIES, SANTA CRUZ RIVER BASIN, AZ	---	---	500,000	---
	GILA RIVER & TRIBUTARIES, TORTOLITA DRAINAGE AREA, AZ	---	---	300,000	---
(FDP)	GILA RIVER, GILLESPIE DAM TO YUMA, AZ	300,000	---	300,000	---
(FDP)	RIO SALADO, SALT RIVER, AZ	450,000	---	450,000	---
(FDP)	TUCSON DRAINAGE AREA, AZ	250,000	---	250,000	---
	ARKANSAS				
	ARKANSAS RIVER LEVEES, AR	---	---	---	400,000
(FDP)	LITTLE RIVER COUNTY, AR	---	---	200,000	---
(FDP)	ARKANSAS RIVER, TUCKER CREEK, AR	101,000	---	101,000	---
(FDP)	MAY BRANCH, FORT SMITH, AR	300,000	---	300,000	---
(FDP)	OUACHITA RIVER BASIN, HOT SPRINGS, AR	750,000	---	750,000	---
(N)	RED RIVER NAVIGATION STUDY, AR	---	---	300,000	---
(SPE)	WHITE RIVER WETLANDS, AR & MO	300,000	---	300,000	---
	CALIFORNIA				
(FC)	AMERICAN RIVER WATERSHED, CA	---	2,000,000	---	2,500,000
	CACHE CREEK ENVIRONMENTAL RESTORATION, CA	---	---	250,000	---
(FC)	CARNEROS CREEK, CA	---	237,000	---	237,000
	CITY OF ENCINITAS, CA	---	---	275,000	---
(SP)	CITY OF HUNTINGTON BEACH, ORANGE COUNTY, CA	133,000	---	133,000	---

CORPS OF ENGINEERS - GENERAL INVESTIGATIONS

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES INVESTIGATIONS	BUDGET ESTIMATES PLANNING	CONFERENCE ALLOWANCE INVESTIGATIONS	CONFERENCE ALLOWANCE PLANNING
(SPE)	COAST OF CA, SOUTH COAST REGION (ORANGE COUNTY).....	249,000	---	249,000	---
(N)	CRESCENT CITY HARBOR, CA.....	100,000	---	100,000	---
(N)	HUMBOLDT HARBOR AND BAY (DEEPENING), CA.....	---	250,000	---	250,000
(N)	HUMBOLDT HARBOR AND BAY (DEEPENING), CA.....	40,000	---	40,000	---
(FC)	KAWEAH RIVER, CA.....	---	500,000	---	500,000
	LACDA WATER CONSERVATION AND SUPPLY.....	---	---	500,000	---
(N)	LOS ANGELES - LONG BEACH HARBORS, CA.....	---	1,674,000	---	1,674,000
(FC)	LOS ANGELES COUNTY DRAINAGE AREA, CA.....	---	2,500,000	---	2,500,000
(SPE)	LOS ANGELES RIVER WATERCOURSE IMPROVEMENT, CA.....	200,000	---	200,000	---
	LOWER MISSION CREEK, CA.....	---	---	500,000	---
(SP)	MALIBU COASTAL AREA, CA.....	200,000	---	200,000	---
(FDP)	MARIN COUNTY SHORELINE, SAN CLEMENTE CREEK, CA.....	140,000	---	140,000	---
(N)	MARINA DEL REY AND BALLONA CREEK, CA.....	212,000	---	212,000	---
(SP)	MISSION BAY, SAN DIEGO COUNTY, CA.....	200,000	---	200,000	---
(FDP)	MISSION ZANJA CREEK, CA.....	300,000	---	---	---
(FDP)	N CA STREAMS, SACRAMENTO RIVER FISH MIGRATION, CA.....	350,000	---	350,000	---
(FDP)	N CA STREAMS, UPR SACRAMENTO R, F&WL HABITAT RESTORATI	200,000	---	200,000	---
(FDP)	N CA STREAMS, WESTSIDE TRIBUTARIES TO YOLO BYPASS, CA.	200,000	---	200,000	---
(FDP)	N CA STREAMS, WINTERS & VICINITY, CA.....	300,000	---	300,000	---
(FDP)	N CA STREAMS, YUBA RIVER BASIN, CA.....	200,000	---	200,000	---
(FC)	NAPA RIVER, CA.....	---	900,000	---	900,000
	NORCO BLUFFS, SANTA ANA RIVER, CA.....	---	---	200,000	---
(FDP)	NORTHERN LOS ANGELES COUNTY, CA.....	350,000	---	350,000	---
(N)	NOYO RIVER AND HARBOR (BREAKWATER), CA.....	---	809,000	---	809,000
(SP)	OCEANSIDE SHORELINE, CA.....	200,000	---	---	---
(SP)	PACIFIC COAST SHORELINE, CARLSBAD, CA.....	320,000	---	---	---
(FDP)	PAJARO RIVER AT WATSONVILLE, CA.....	300,000	---	300,000	---
	PILLAR POINT HARBOR, CA.....	---	---	300,000	---
(N)	PORT HUENEME, CA.....	300,000	---	300,000	---
	PORT OF LONG BEACH, CA.....	---	---	500,000	---
(SPE)	SACRAMENTO - SAN JOAQUIN DELTA, CA.....	700,000	---	700,000	---
	SACRAMENTO - SAN JOAQUIN DELTA, LITTLE HOLLAND TRACT,	---	---	250,000	---
(FDP)	SACRAMENTO - SAN JOAQUIN DELTA, PROSPECT ISLAND, CA...	200,000	---	200,000	---
(FDP)	SACRAMENTO - SAN JOAQUIN DELTA, WESTERN DELTA ISLANDS,	550,000	---	550,000	---
	SAN ANTONIO CREEK, CA.....	---	---	400,000	---
	SAN DIEGO COUNTY, VICINITY OF OCEANSIDE, CA.....	---	---	600,000	---
(SP)	SAN FRANCISCO COUNTY, OCEAN BEACH, CA.....	185,000	---	185,000	---
(N)	SAN FRANCISCO HARBOR, CA.....	825,000	---	825,000	---
(FDP)	SAN JOAQUIN R BASIN, PINE FLAT DAM, F&WL HABITAT RESTO	200,000	---	200,000	---
(FDP)	SAN JOAQUIN RIVER BASIN, ARROYO PASAJERO (FRESNO CO),.	700,000	---	700,000	---
(FDP)	SAN JOAQUIN RIVER BASIN, CALIENTE CREEK STREAM GROUP,.	300,000	---	300,000	---
(FDP)	SAN JOAQUIN RIVER BASIN, FIREBAUGH AND MENDOTA, CA....	232,000	---	232,000	---
(FDP)	SAN JOAQUIN RIVER BASIN, SOUTH SACRAMENTO COUNTY STRMS	200,000	---	200,000	---
(FC)	SAN LORENZO RIVER, CA.....	---	500,000	---	500,000
(FC)	SAN RAFAEL CANAL, CA.....	---	565,000	---	565,000
(N)	SANTA BARBARA HARBOR, CA.....	---	540,000	---	540,000
(N)	SANTA MONICA BREAKWATER, CA.....	---	400,000	---	400,000
(FDP)	SEVEN OAKS AND PRADO DAMS WATER CONSERVATION, CA.....	400,000	---	400,000	---
(SP)	SILVER STRAND SHORELINE, CORONADO, CA.....	133,000	---	133,000	---
	SOUTHEAST LOS ANGELES COUNTY WATER CONSERVATION, CA...	---	---	600,000	---

CORPS OF ENGINEERS - GENERAL INVESTIGATIONS

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES INVESTIGATIONS	BUDGET ESTIMATES PLANNING	CONFERENCE ALLOWANCE INVESTIGATIONS	CONFERENCE ALLOWANCE PLANNING
(FDP)	UPPER GUADALUPE RIVER, CA	100,000	---	100,000	---
(FDP)	UPPER PENITENCIA CREEK, CA	150,000	---	150,000	---
(FC)	WEST SACRAMENTO CA	---	300,000	---	300,000
(FDP)	WHITEWATER RIVER BASIN, CA	650,000	---	650,000	---
	COLORADO				
(FDP)	BOXELDER, SPRING, AND DRY CREEKS, FT COLLINS, CO	20,000	---	20,000	---
(FDP)	MANITOU SPRINGS, CO	196,000	---	196,000	---
(FC)	RALSTON AND LEYDEN CREEKS, CO	---	45,000	---	45,000
	CONNECTICUT				
(FDP)	CENTRAL CONNECTICUT COASTAL FLOODING, CT	100,000	---	100,000	---
	DELAWARE				
(N)	C&D CANAL - BALTIMORE HBR CONN CHANNELS, DE & MD (DEEP	250,000	---	250,000	---
(SP)	DELAWARE BAY COASTLINE, DE & NJ	750,000	---	750,000	---
(SP)	DELAWARE COAST FROM CAPE HENLOPEN TO FENWICK ISLAND, D	192,000	---	192,000	---
(N)	DELAWARE RIVER MAIN CHANNEL DEEPENING, DE, NJ, & PA	---	2,800,000	---	2,800,000
	FLORIDA				
	BISCAYNE BAY, FL	---	---	50,000	---
(SP)	BREVARD COUNTY, FL	227,000	---	227,000	---
(FDP)	COAST OF FLORIDA STUDY, FL	750,000	---	750,000	---
(SP)	COLLIER COUNTY, FL	120,000	---	120,000	---
(SP)	DAYTONA BEACH SHORES, FL	62,000	---	62,000	---
(N)	HILLSBORO INLET, FL	---	150,000	---	150,000
(N)	JACKSONVILLE HARBOR, FL	250,000	---	250,000	---
(BE)	MARTIN COUNTY, FL	---	210,000	---	210,000
	MIAMI RIVER SEDIMENTS, FL	---	---	---	300,000
(BE)	NASSAU COUNTY, FL	---	272,000	---	272,000
(N)	PALM VALLEY BRIDGE, FL	---	500,000	---	500,000
(BE)	PANAMA CITY BEACHES, FL	---	588,000	---	588,000
(N)	PANAMA CITY HARBOR, FL	---	400,000	---	400,000
(N)	PONCE DE LEON INLET, FL	295,000	---	295,000	---
	PORT EVERGLADES, FL	---	---	25,000	---
	ST LUCIE INLET, FL	---	---	150,000	---
(N)	TAMPA HARBOR, ALAFIA RIVER AND BIG BEND, FL	64,000	---	64,000	---
	GEORGIA				
	BRUNSWICK HARBOR, GA	---	---	240,000	---
(N)	LOWER SAVANNAH RIVER BASIN, GA & SC	130,000	---	130,000	---
	SAVANNAH HARBOR EXTENSION, GA	---	---	250,000	---

CORPS OF ENGINEERS - GENERAL INVESTIGATIONS

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES INVESTIGATIONS	BUDGET ESTIMATES PLANNING	CONFERENCE ALLOWANCE INVESTIGATIONS	CONFERENCE ALLOWANCE PLANNING
	HAWAII				
(N)	BARBERS POINT HARBOR MODIFICATION, OAHU, HI	165,000	---	165,000	---
(N)	KIKIAOLA SMALL BOAT HARBOR, KAUAI, HI	---	228,000	---	228,000
(FDP)	WAILUPE STREAM FLOOD CONTROL STUDY, OAHU, HI	393,000	---	393,000	---
	IDAHO				
(FDP)	LOWER BOISE RIVER AND TRIBUTARIES STUDY, ID	261,000	---	261,000	---
	ILLINOIS				
(FDP)	ALEXANDER AND PULASKI COUNTIES, IL	251,000	---	251,000	---
(RDP)	CHICAGO RIVER, NORTH BRANCH (1946 MOD), IL	116,000	---	116,000	---
(BE)	CHICAGO SHORELINE, IL	---	462,000	---	462,000
(FDP)	DES PLAINES RIVER, IL	96,000	---	96,000	---
(FDP)	FLD PLN MGT ASSMT-UP MISS & LWR MO R,IL,IA,KS,MN,MO,NE	2,000,000	---	2,000,000	---
(RDP)	FREEPORT, IL	300,000	---	300,000	---
	ILLINOIS SHORELINE EROSION, IL	---	---	182,000	---
	NUTWOOD LEVEE, IL	---	---	---	250,000
(FDP)	SOUTHEAST CHICAGO, IL	362,000	---	362,000	---
	SNY LEVEE, IL	---	---	300,000	---
(RCP)	UPPER MISSISSIPPI & ILLINOIS NAV STUDY, IL, IA, MN, MO	9,000,000	---	9,000,000	---
(RDP)	WAUKEGAN HARBOR, IL	78,000	---	78,000	---
	INDIANA				
	INDIANAPOLIS CENTRAL WATERFRONT, IN	---	---	---	4,000,000
(FDP)	INDIANAPOLIS, WHITE RIVER (NORTH), IN	271,000	---	271,000	---
	LAKE GEORGE, HOBART, IN	---	---	---	200,000
(FDP)	LITTLE CALUMET RIVER BASIN, DYER, IN	212,000	---	212,000	---
	LITTLE CALUMET RIVER BASIN (CADY MARSH DITCH), IN	---	---	---	150,000
	LITTLE CALUMENT RIVER BASIN, CALUMET TOWHSHIP, IN	---	---	150,000	---
	OHIO RIVER GREENWAY, IN	---	---	---	500,000
(FDP)	ORANGE COUNTY (LOST RIVER), IN	200,000	---	200,000	---
	ST JOSEPH RIVER, SOUTH BEND, IN	---	---	---	300,000
(FDP)	UPPER TIPPECANOE RIVER BASIN, IN	200,000	---	200,000	---
(FDP)	WABASH RIVER BASIN COMPREHENSIVE, IN & IL (MIDDLE REAC	290,000	---	390,000	---
(SP)	WABASH RIVER, NEW HARMONY, IN	---	---	200,000	---
	IOWA				
(FC)	GREEN BAY LEVEE & DRAINAGE DISTRICT NO.2, IA	---	400,000	---	400,000
(FDP)	MISSISSIPPI RIVER LEVEES, IA, IL & MO	200,000	---	200,000	---
	KANSAS				
(FDP)	ARKANSAS CITY, KS	---	---	---	700,000
	ELWOOD AND WATHENA, KS	---	---	300,000	---
(RCP)	SALINA, KS	75,000	---	75,000	---

CORPS OF ENGINEERS - GENERAL INVESTIGATIONS

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES INVESTIGATIONS	BUDGET ESTIMATES PLANNING	CONFERENCE ALLOWANCE INVESTIGATIONS	CONFERENCE ALLOWANCE PLANNING
(RCP)	TOPEKA, KS	25,000	---	25,000	---
(FDP)	TURKEY CREEK BASIN, KS & MO	67,000	---	67,000	---
	WILSON LAKE, KS	---	---	100,000	---
	KENTUCKY				
(FDP)	EAST FORK OF THE LITTLE SANDY RIVER, KY	200,000	---	200,000	---
	HAZARD, KY	---	---	---	500,000
	KENTUCKY LOCK AND DAM, LOCK ADDITION, KY	---	---	---	2,000,000
	OHIO RIVER AND TRIBUTARIES, METRO LOUISVILLE, SOUTHWEST, LOUISVILLE, KY	---	---	500,000	---
(N)	MCALPINE LOCKS AND DAM, IN & KY	---	3,126,000	---	3,126,000
	MCLEAN COUNTY, KY	---	---	500,000	---
(FDP)	METROPOLITAN LOUISVILLE, BEARGRASS CREEK, KY	400,000	---	400,000	---
(FC)	METROPOLITAN LOUISVILLE, POND CREEK, KY	---	680,000	---	680,000
(N)	UNIONTOWN/OHIO RIVER MAINSTEM STUDY, KY, IL & IN	2,800,000	---	2,800,000	---
	LOUISIANA				
	BAYOU TIGRE, ERATH, LA	---	---	265,000	---
	BLACK BAYOU DIVERSION, LA	---	---	600,000	---
(FC)	COMITE RIVER, LA	---	750,000	---	750,000
(FC)	EAST BATON ROUGE PARISH, LA	---	646,000	---	646,000
(N)	INTRACOASTAL WATERWAY LOCKS, LA	1,700,000	---	1,700,000	---
(FDP)	JEFFERSON PARISH, LA	1,300,000	---	1,300,000	---
(FDP)	LAFAYETTE PARISH, LA	100,000	---	100,000	---
(N)	LAKE CHARLES SHIP CHAN, BY-PASS AND GEN ANCHORAGE AREA	400,000	---	400,000	---
	MERMENTAU, VERMILLION, & CALCASIEU RIVERS AND BAYOU TECHE, LA	---	---	300,000	---
(N)	MISSISSIPPI RIVER - GULF OUTLET BANK EROSION, LA	400,000	---	400,000	---
(FDP)	ORLEANS PARISH, LA	600,000	---	600,000	---
(FDP)	OUACHITA PARISH, LA	300,000	---	300,000	---
	OUACHITA RIVER BASIN COMPREHENSIVE, LA (BAYOU BARRTHOLOMEW)	---	---	400,000	---
(N)	PORT FOURCHON, LA	---	173,000	---	173,000
	ST TAMMANY PARISH, LA	---	---	500,000	---
(FC)	WEST BANK - EAST OF HARVEY CANAL, LA	---	1,500,000	---	1,500,000
	MARYLAND				
(FC)	ANACOSTIA RIVER & TRIBUTARIES, MD & DC	---	700,000	---	700,000
(N)	BALTIMORE HARBOR ANCHORAGES AND CHANNELS, MD	300,000	---	300,000	---
(FDP)	BALTIMORE METROPOLITAN WATER RESOURCES STUDY, MD	240,000	---	240,000	---
(SPE)	CHESAPEAKE BAY TIME VARIABLE MODEL, MD, VA, PA & DC	500,000	---	500,000	---
	OCEAN CITY AND VICINITY WATER RESOURCES	---	---	---	300,000
	PATUXENT RIVER, MD	---	---	700,000	---
	MICHIGAN				
	SAULT STE MARIE, MI	---	---	---	200,000

CORPS OF ENGINEERS - GENERAL INVESTIGATIONS

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES INVESTIGATIONS	BUDGET ESTIMATES PLANNING	CONFERENCE ALLOWANCE INVESTIGATIONS	CONFERENCE ALLOWANCE PLANNING
	MINNESOTA				
(FDP)	CROOKSTON, MN	85,000	---	85,000	---
	MISSISSIPPI				
(FDP)	HANCOCK, HARRISON AND JACKSON COUNTIES, MS	260,000	---	260,000	---
(FDP)	JACKSON METROPOLITAN AREA, MS	333,000	---	333,000	---
	MISSOURI				
(FC)	BLUE RIVER BASIN, KANSAS CITY, MO	---	400,000	---	400,000
(RCP)	CLEARWATER LAKE, MO(SECTION 216)	150,000	---	150,000	---
(N)	MISSISSIPPI RIVER, VICINITY OF ST LOUIS, MO	510,000	---	510,000	---
(FC)	RIVER DES PERES, MO	---	114,000	---	114,000
(FDP)	ST. LOUIS REGION, MO	525,000	---	525,000	---
(FDP)	SWOPE PARK INDUSTRIAL AREA, KANSAS CITY, MO	100,000	---	100,000	---
	NEBRASKA				
(FDP)	ANTELOPE CREEK, LINCOLN, NE	75,000	---	75,000	---
(FDP)	BURT - WASHINGTON COUNTIES, NE	20,000	---	20,000	---
	LOWER PLATTE RIVER & TRIBUTARIES, NE	---	---	160,000	---
(FC)	WOOD RIVER, GRAND ISLAND, NE	---	145,000	---	145,000
	NEVADA				
(FDP)	BATTLE MOUNTAIN, NV	200,000	---	200,000	---
(FDP)	LOWER TRUCKEE RIVER, NV	300,000	---	300,000	---
	NEW JERSEY				
(SP)	BARNEGAT INLET TO LITTLE EGG INLET, NJ	150,000	---	150,000	---
(SP)	BRIGANTINE INLET TO GREAT EGG HARBOR INLET, NJ	320,000	---	320,000	---
	GREAT EGG INLET TO TOWNSENDS INLET, NJ	---	---	250,000	---
(SP)	LOWER CAPE MAY MEADOWS - CAPE MAY POINT, NJ	275,000	---	275,000	---
(FC)	LOWER SADDLE RIVER, BERGEN COUNTY, NJ	---	750,000	---	750,000
	MANASQUAN INLET TO BARNEGAT INLET, NJ	---	---	250,000	---
(FDP)	MANASQUAN RIVER BASIN, NJ	100,000	---	100,000	---
(N)	NEW YORK HBR AND ADJACENT CHANNELS, CLAREMONT TERMINAL	---	272,000	---	272,000
(SP)	RARITAN BAY AND SANDY HOOK BAY, NJ	560,000	---	560,000	---
	RARITAN BAY AND SANDY HOOK BAY (CLIFFWOOD BEACH), NJ	---	---	---	320,000
(FC)	RARITAN RIVER BASIN, GREEN BROOK SUB-BASIN, NJ	---	2,000,000	---	2,000,000
(FDP)	SOUTH RIVER, RARITAN RIVER BASIN, NJ	300,000	---	300,000	---
(SP)	TOWNSENDS INLET TO CAPE MAY INLET, NJ	128,000	---	128,000	---
	NEW MEXICO				
(FDP)	ALBUQUERQUE ARROYOS, RIO GRANDE AND TRIBUTARIES, NM	79,000	---	79,000	---
(FDP)	ESPANOLA VALLEY, RIO GRANDE AND TRIBUTARIES, NM	100,000	---	100,000	---

CORPS OF ENGINEERS - GENERAL INVESTIGATIONS

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES INVESTIGATIONS	BUDGET ESTIMATES PLANNING	CONFERENCE ALLOWANCE INVESTIGATIONS	CONFERENCE ALLOWANCE PLANNING
(FC)	LAS CRUCES, EL PASO AND VICINITY, NM	---	350,000	---	350,000
	RIO DE CHAMA, ABIQUIU DAM TO ESPANOLA, NM	---	---	200,000	---
(FDP)	ROCKY ARROYO/DARK CANYON, PECOS RIVER AND TRIBUTARIES,	183,000	---	183,000	---
(FDP)	SAN JUAN RIVER AND TRIBUTARIES, NM	215,000	---	215,000	---
	NEW YORK				
(RCP)	ADDISON, NY	104,000	---	104,000	---
(N)	ARTHUR KILL CHANNEL - HOWLAND HOOK MARINE TERMINAL, NY	---	370,000	---	670,000
	ATLANTIC COAST OF NEW YORK, NY	---	---	1,000,000	---
	FLUSHING BAY, NY	---	---	250,000	---
(N)	HUDSON RIVER HABITAT RESTORATION, NY	75,000	---	75,000	---
(SP)	JAMAICA BAY, MARINE PARK AND PLUMB BEACH, NY	350,000	---	350,000	---
(N)	LAKE MONTAUK HARBOR, NY	175,000	---	175,000	---
(BE)	LONG BEACH ISLAND, NY	---	500,000	---	500,000
(SP)	LONG BEACH ISLAND, NY	23,000	---	23,000	---
(SP)	MONTAUK POINT, NY	150,000	---	150,000	---
(N)	NEW YORK HARBOR ANCHORAGE AREAS, NY	300,000	---	300,000	---
(SP)	NORTH SHORE OF LONG ISLAND, NY	106,000	---	106,000	---
(SPE)	ONONDAGA LAKE, NY (SEC 401, P L 101-596)	120,000	---	120,000	---
(N)	RARITAN BAY ANCHORAGES, NY AND NJ CHANNELS, NY & NJ	300,000	---	300,000	---
(N)	REYNOLD'S CHANNEL AND NEW YORK STATE BOAT CHANNEL, NY.	150,000	---	150,000	---
(SP)	SOUTH SHORE OF STATEN ISLAND, NY	150,000	---	150,000	---
	YONKERS SHORELINE, NY	---	---	200,000	---
	NORTH CAROLINA				
(FC)	BRUNSWICK COUNTY BEACHES, OCEAN ISLE BEACH PORTION, NC	---	500,000	---	500,000
(N)	CAPE FEAR - NORTHEAST (CAPE FEAR) RIVER, NC	300,000	---	300,000	---
(SP)	DARE COUNTY BEACHES, NC	300,000	---	300,000	---
(N)	WILMINGTON HARBOR, CHANNEL WIDENING, NC	---	560,000	---	560,000
	NORTH DAKOTA				
(SPE)	DEVILS LAKE, ND	350,000	---	350,000	---
(FDP)	GRAND FORKS, ND	460,000	---	460,000	---
(FDP)	LEWIS AND CLARK LAKE, NE & SD AND LAKE SAKAKAWEA, ND	100,000	---	100,000	---
	MIDTOWN DAM, ND	---	---	200,000	---
	OHIO				
(FDP)	DAYTON, OH (MIAMI RIVER BASIN)	300,000	---	300,000	---
(FC)	METROPOLITAN REGION OF CINCINNATI, DUCK CREEK, OH, KY.	---	540,000	---	540,000
	OKLAHOMA				
(FDP)	BIRD CREEK BASIN, OK	235,000	---	235,000	---
(FDP)	NORTH CANADIAN RIVER, OK	120,000	---	120,000	---

CORPS OF ENGINEERS - GENERAL INVESTIGATIONS

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES INVESTIGATIONS	BUDGET ESTIMATES PLANNING	CONFERENCE ALLOWANCE INVESTIGATIONS	CONFERENCE ALLOWANCE PLANNING
	OREGON				
(FDP)	AMAZON CREEK WETLANDS, OR	250,000	---	250,000	---
(N)	COLUMBIA RIVER NAVIGATION CHANNEL DEEPENING, OR & WA	350,000	---	350,000	---
(N)	COOS BAY, OR (DEEP DRAFT NAVIGATION)	---	250,000	---	750,000
(FDP)	JOHNSON CREEK, OR	393,000	---	393,000	---
(FDP)	MIDDLE FORK WILLAMETTE FISHERY RESTORATION, OR	250,000	---	250,000	---
(FDP)	SOUTH SANTIAM FISHERY RESTORATION, OR	150,000	---	150,000	---
(FDP)	WILLAMETTE RIVER BASIN REVIEW, OR	150,000	---	150,000	---
(FDP)	WILLAMETTE RIVER TEMPERATURE CONTROL, OR	411,000	---	911,000	---
	PENNSYLVANIA				
(FC)	CHARTIERS CREEK, PA	---	350,000	---	350,000
(COM)	CONEMAUGH RIVER BASIN, PA	250,000	---	650,000	---
	GLEN FOERD, PA	---	---	---	110,000
(FDP)	JUNIATA RIVER BASIN, PA	50,000	---	50,000	---
(FDP)	LACKAWANNA RIVER BASIN, PA	500,000	---	500,000	---
(FDP)	LEHIGH RIVER BASIN, PA	300,000	---	300,000	---
(N)	LOCKS AND DAMS 2, 3 AND 4, MONONGAHELA RIVER, PA	---	3,852,000	---	3,852,000
(FDP)	MILTON, PA	250,000	---	250,000	---
	MUSSERS DAM, MIDDLE CREEK, SNYDER CO., PA	---	---	---	100,000
(FDP)	SCHYULKILL RIVER BASIN, SCHUYLKILL HAVEN AREA, PA	130,000	---	130,000	---
(FDP)	SUSQUEHANNA RIVER BASIN FISH RESTORATION, PA, NY & MD.	560,000	---	560,000	---
	SUSQUEHANNA RIVER BASIN RESERVOIR MNGT. STUDY PA	---	---	250,000	---
	PUERTO RICO				
(FC)	ARECIBO RIVER, PR	---	550,000	---	550,000
(FC)	RIO GRANDE DE LOIZA, PR	---	600,000	---	600,000
(FDP)	RIO NIGUA AT SALINAS, PR	24,000	---	24,000	---
(N)	SAN JUAN HARBOR, PR	---	989,000	---	989,000
	SOUTH CAROLINA				
(N)	CHARLESTON HARBOR, SC (DEEPENING/WIDENING)	645,000	---	645,000	---
(FDP)	CHARLESTON STORM DAMAGE REDUCTION, SC	154,000	---	154,000	---
	SOUTH DAKOTA				
(FC)	ABERDEEN AND VICINITY, SD	---	20,000	---	20,000
(FC)	BIG SIOUX RIVER, SIOUX FALLS, SD	---	400,000	---	400,000
(SPE)	JAMES RIVER ENVIRONMENTAL, SD	73,000	---	73,000	---
(RCP)	OAHE DAM TO LAKE SHARPE, SD	73,000	---	73,000	---
(FC)	WATERTOWN AND VICINITY, SD	---	170,000	---	170,000

CORPS OF ENGINEERS - GENERAL INVESTIGATIONS

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES INVESTIGATIONS	BUDGET ESTIMATES PLANNING	CONFERENCE ALLOWANCE INVESTIGATIONS	CONFERENCE ALLOWANCE PLANNING
	TENNESSEE				
	KNOXVILLE, TN RIVERFRONT RECON STUDY	---	---	200,000	---
	HARTSVILLE, TROUSDALE COUNTY, TN	---	---	95,000	---
	METRO CENTER LEVEE, CUMBERLAND RIVER, NASHVILLE, TN	---	---	400,000	---
	TEXAS				
(FDP)	BOWIE COUNTY LEVEE, TX	100,000	---	---	---
(FC)	BRAYS BAYOU, HOUSTON, TX	---	900,000	---	900,000
(RCP)	BUFFALO BAYOU & TRIBUTARIES - ADDICKS & BARKER RESERVO	235,000	---	235,000	---
(N)	CORPUS CHRISTI SHIP CHANNEL, TX	400,000	---	400,000	---
(FC)	CYPRESS CREEK, HOUSTON, TX	---	500,000	---	500,000
(SPE)	CYPRESS VALLEY WATERSHED, TX	127,000	---	1,077,000	---
(FC)	DALLAS FLOODWAY EXTENSION, TRINITY RIVER PROJECT, TX	---	700,000	---	700,000
(N)	GIWW - ARANSAS NATIONAL WILDLIFE REFUGE, TX	---	200,000	---	200,000
(RCP)	GIWW - CORPUS CHRISTI BAY TO PORT ISABEL, TX	300,000	---	300,000	---
(RCP)	GIWW - HIGH ISLAND TO BRAZOS RIVER, TX (SECTION 216)	184,000	---	184,000	---
(FDP)	GRAHAM, TX (BRAZOS RIVER BASIN)	114,000	---	114,000	---
(FC)	GREENS BAYOU, HOUSTON, TX	---	700,000	---	700,000
(N)	HOUSTON - GALVESTON NAVIGATION CHANNELS, TX	---	2,000,000	---	2,000,000
(FDP)	JEFFERSON COUNTY, TX	64,000	---	64,000	---
(FDP)	NORTH BOSQUE RIVER WATERSHED, TX	225,000	---	225,000	---
(RDP)	PECAN BAYOU LAKE, TX	520,000	---	520,000	---
(FDP)	PLAINVIEW, BRAZOS RIVER BASIN, TX	230,000	---	230,000	---
(N)	SABINE - NECHES WATERWAY, CHANNEL TO ORANGE, TX	200,000	---	200,000	---
(FC)	SOUTH MAIN CHANNEL, TX	---	900,000	---	900,000
(FDP)	UPPER TRINITY RIVER BASIN, TX	400,000	---	400,000	---
	UTAH				
(FDP)	SEVIER RIVER AND TRIBUTARIES, UT	200,000	---	200,000	---
	UPPER JORDAN RIVER, UT	---	---	---	450,000
	VERMONT				
(FDP)	WINOOSKI RIVER AND TRIBUTARIES, MONTPELIER, VT	200,000	---	200,000	---
	VIRGINIA				
(N)	AIWW BRIDGE AT GREAT BRIDGE, VA	---	850,000	---	850,000
(SPE)	CHESAPEAKE BAY SHORELINE, HAMPTON, VA	100,000	---	100,000	---
	EASTERN SHORE, ACCOMACK & NORTHAMPTON COUNTIES, VA	---	---	300,000	---
(BE)	VIRGINIA BEACH, VA (HURRICANE PROTECTION)	---	700,000	---	700,000

CORPS OF ENGINEERS - GENERAL INVESTIGATIONS

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES INVESTIGATIONS	BUDGET ESTIMATES PLANNING	CONFERENCE ALLOWANCE INVESTIGATIONS	CONFERENCE ALLOWANCE PLANNING
	WASHINGTON				
(SPE)	CHIEF JOSEPH POOL RAISING, WA	600,000	---	600,000	---
(RCP)	HOWARD HANSON DAM (ADDITIONAL STORAGE), WA	400,000	---	400,000	---
(FDP)	SKAGIT RIVER, WA	500,000	---	500,000	---
	PUGET SOUND CONFINED DISPOSAL SITE STUDY, WA	---	---	300,000	---
	WEST VIRGINIA				
(FDP)	CHEAT RIVER BASIN, WV	---	---	400,000	---
(N)	KANAWHA RIVER NAVIGATION, WV	680,000	---	680,000	---
(N)	MARMET LOCKS AND DAM, WV	---	4,522,000	---	4,522,000
(FDP)	NORTH BRANCH POTOMAC RIVER ENVIRONMENTAL RESTOR, WV &.	100,000	---	100,000	---
	TUG VALLEY GREENWAY, WV	---	---	400,000	---
	TYGART RIVER COMPREHENSIVE, WV	---	---	700,000	---
	WEST VIRGINIA TRAILHEAD FACILITIES, WV	---	---	400,000	---
	WEST VIRGINIA COMPREHENSIVE, WV	---	---	350,000	---
	WEST VIRGINIA PORT DEVELOPMENT, WV	---	---	800,000	---
	WISCONSIN				
(RCP)	FOX RIVER, WI	115,000	---	115,000	---
(N)	LOWER KINNICKINNIC RIVER, MILWAUKEE, WI	42,000	---	42,000	---
	WYOMING				
(FDP)	JACKSON HOLE RESTORATION, WY	450,000	---	450,000	---

CORPS OF ENGINEERS - GENERAL INVESTIGATIONS

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES INVESTIGATIONS	BUDGET ESTIMATES PLANNING	CONFERENCE ALLOWANCE INVESTIGATIONS	CONFERENCE ALLOWANCE PLANNING
	MISCELLANEOUS				
	COASTAL FIELD DATA COLLECTION	3,800,000	---	3,800,000	---
	COORDINATION STUDIES WITH OTHER AGENCIES	8,720,000	---	8,720,000	---
	ENVIRONMENTAL DATA STUDIES	155,000	---	155,000	---
	ENVIRONMENTAL SERVICE PARTNERSHIPS	2,115,000	---	1,500,000	---
	FLOOD PLAIN MANAGEMENT SERVICES	7,800,000	---	7,800,000	---
	GREAT LAKES REMEDIAL ACTION PROGRAM (SEC. 401)	---	---	500,000	---
	HYDROLOGIC STUDIES	740,000	---	740,000	---
	INTERNATIONAL WATER STUDIES	500,000	---	500,000	---
	NATIONAL DREDGING NEEDS STUDY OF PORTS AND HARBORS	1,000,000	---	1,000,000	---
	NATIONAL MANAGEMENT DREDGED MATERIAL DISPOSAL	103,000	---	103,000	---
	PRECIPITATION STUDIES (NATIONAL WEATHER SERVICE)	500,000	---	500,000	---
	PRESIDENT'S CLIMATE CHANGE ACTION PLAN	600,000	---	600,000	---
	REMOTE SENSING/GEOGRAPHIC INFORMATION SYSTEM SUPPORT	300,000	---	300,000	---
	RESEARCH AND DEVELOPMENT	37,050,000	---	37,350,000	---
	SEC. 219 ENVIRONMENTAL INFRASTRUCTURE	---	---	1,500,000	---
	SEC. 307 WATER QUALITY PROJECTS	---	---	800,000	---
	SCIENTIFIC AND TECHNICAL INFORMATION CENTERS	300,000	---	300,000	---
	STREAM GAGING (U.S. GEOLOGICAL SURVEY)	730,000	---	730,000	---
	TRANSPORTATION SYSTEMS	1,250,000	---	1,250,000	---
	GSA RENT REDUCTION	-150,000	---	-150,000	---
	REDUCTION FOR ANTICIPATED SAVINGS AND SLIPPAGE	-30,654,000	---	-32,242,000	---
	TOTAL, GENERAL INVESTIGATIONS	97,291,000	50,559,000	118,560,000	62,639,000

TYPE OF PROJECT:
(N) NAVIGATION
(BE) BEACH EROSION CONTROL
(FC) FLOOD CONTROL
(MP) MULTIPURPOSE, INCLUDING POWER
(SP) SHORELINE PROTECTION
(FDP) FLOOD DAMAGE PREVENTION
(RCP) REVIEW OF COMPLETED PROJECT
(RDP) REVIEW OF DEFERRED PROJECT
(COMP) COMPREHENSIVE
(SPEC) SPECIAL

CORPS OF ENGINEERS - CONSTRUCTION, GENERAL

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
	ALABAMA		
(N)	BAYOU LA BATRE, AL	1,500,000	1,500,000
(N)	BLACK WARRIOR AND TOMBIGBEE RIVERS, VICINITY OF JACKSO	500,000	500,000
(N)	TENNESSEE - TOMBIGBEE WATERWAY WILDLIFE MITIGATION, AL	9,600,000	9,600,000
	ALASKA		
(FC)	BETHEL BANK STABILIZATION, AK	5,067,000	5,067,000
	DILLINGHAM, AK SHORELINE EROSION	---	500,000
(N)	KODIAK HARBOR, AK	8,000,000	8,000,000
(N)	SITKA HARBOR, AK	3,900,000	3,900,000
	ARIZONA		
(FC)	CLIFTON, AZ	2,900,000	2,900,000
(FC)	HOLBROOK, AZ	4,200,000	4,200,000
(FC)	NOGALES WASH, AZ	600,000	600,000
(FC)	RILLITO RIVER, AZ	9,600,000	9,600,000
	ARKANSAS		
(MP)	BEAVER LAKE, AR (DAM SAFETY)	916,000	916,000
(MP)	DARDANELLE LOCK AND DAM (POWERHOUSE), AR (MAJOR REHAB)	4,100,000	4,100,000
(N)	MCCLELLAN - KERR AR RVR NAV SYSTEM, LOCKS AND DAMS, AR	8,300,000	8,300,000
	RED RIVER EMERGENCY BANK PROTECTION, AR	---	6,000,000
	CALIFORNIA		
(FC)	COYOTE AND BERRYESSA CREEKS, CA	12,000,000	12,000,000
(FC)	GUADALUPE RIVER, CA	10,000,000	10,000,000
	LOS ANGELES COUNTY DRAINAGE AREA, CA	---	500,000
(FC)	MARYSVILLE/YUBA CITY LEVEE RECONSTRUCTION, CA	3,000,000	3,000,000
(FC)	MERCED COUNTY STREAMS, CA	830,000	830,000
(N)	MORRO BAY HARBOR, CA	1,300,000	1,300,000
(N)	OAKLAND HARBOR, CA	35,000,000	35,000,000
(N)	RICHMOND HARBOR, CA	600,000	600,000
(FC)	SACRAMENTO RIVER BANK PROTECTION PROJECT, CA	1,500,000	1,500,000
(N)	SACRAMENTO RIVER DEEPWATER SHIP CHANNEL, CA	500,000	500,000
(FC)	SACRAMENTO RIVER FLOOD CONTROL PROJECT, CA (DEF CORR)	2,200,000	3,700,000
	SACRAMENTO RIVER FLOOD CONTROL PROJECT (GCID), CA	---	400,000
(FC)	SACRAMENTO URBAN AREA LEVEE RECONSTRUCTION, CA	1,500,000	1,500,000
(N)	SAN FRANCISCO BAY TO STOCKTON, CA	700,000	700,000
(FC)	SAN LUIS REY RIVER, CA	11,200,000	11,200,000
(FC)	SANTA ANA RIVER MAINSTEM, CA	66,000,000	66,000,000
(FC)	SANTA PAULA CREEK, CA	500,000	500,000
(N)	SONOMA BAYLANDS WETLAND DEMONSTRATION PROJECT, CA	8,000,000	8,000,000
(BE)	SURFSIDE - SUNSET - NEWPORT BEACH, CA	1,000,000	1,000,000
	WEST SACRAMENTO, CA	---	500,000
(FC)	WILDCAT AND SAN PABLO CREEKS, CA	2,157,000	2,157,000

CORPS OF ENGINEERS - CONSTRUCTION, GENERAL

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
(E)	YOLO BASIN WETLANDS, SACRAMENTO RIVER, CA	2,000,000	2,000,000
	COLORADO		
(FC)	ALAMOSA, CO	2,000,000	2,000,000
	DELAWARE		
(BE)	DELAWARE COAST PROTECTION, DE	195,000	195,000
	FLORIDA		
	BROWARD COUNTY, FL	---	100,000
(N)	CANAVERAL HARBOR DEEPENING, FL	292,000	292,000
(N)	CANAVERAL HARBOR, FL	4,590,000	4,590,000
(FC)	CENTRAL AND SOUTHERN FLORIDA, FL	3,500,000	8,624,000
(FC)	DADE COUNTY, FL	3,600,000	3,600,000
(BE)	DUVAL COUNTY, FL	7,100,000	7,100,000
(N)	FORT PIERCE HARBOR, FL	2,200,000	2,200,000
(FC)	FOUR RIVER BASINS, FL	372,000	372,000
	KISSIMMEE RIVER, FL	---	4,000,000
(BE)	LEE COUNTY, FL (REIMBURSEMENT)	500,000	500,000
(N)	MANATEE HARBOR, FL	600,000	600,000
	MARTIN COUNTY, FL	---	150,000
(N)	MIAMI HARBOR CHANNEL, FL	1,000,000	1,000,000
(BE)	PINELLAS COUNTY, FL	2,700,000	4,000,000
(BE)	ST. JOHNS COUNTY (ST. AUGUSTINE BEACHES), FL	---	150,000
	GEORGIA		
(MP)	RICHARD B RUSSELL DAM AND LAKE, GA & SC	5,977,000	5,977,000
	SAVANNAH HARBOR DEEPENING, GA	---	11,585,000
	HAWAII		
(FC)	ALENAIO STREAM, HAWAII, HI	1,732,000	1,732,000
(N)	KAWAIHAE SMALL BOAT HARBOR, HAWAII, HI	1,300,000	1,300,000
(N)	MAALAEA HARBOR, MAUI, HI	1,170,000	1,170,000
	ILLINOIS		
(FC)	ALTON TO GALE ORGANIZED LEVEE DISTRICT, IL & MO (DEF C	250,000	250,000
	CASINO BEACH, IL	---	1,000,000
(FC)	EAST ST LOUIS, IL	3,200,000	3,200,000
(N)	FOUR LOCKS, ILLINOIS WATERWAY, IL (MAJOR REHAB)	22,800,000	22,800,000
(N)	LOCK AND DAM 13, MISSISSIPPI RIVER, IL (MAJOR REHAB)	12,200,000	12,200,000
(N)	LOCK AND DAM 15, MISSISSIPPI RIVER, IL (MAJOR REHAB)	4,360,000	4,360,000
(N)	LOCK AND DAM 25, MISSISSIPPI RIVER, IL & MO (MAJOR REH	3,800,000	3,800,000
(FC)	LOVES PARK, IL	4,600,000	4,600,000
(FC)	MCCOOK AND THORNTON RESERVOIRS (CUP), IL	4,100,000	4,100,000

CORPS OF ENGINEERS - CONSTRUCTION, GENERAL

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
(N)	MELVIN PRICE LOCK AND DAM, IL & MO	12,100,000	12,100,000
(N)	OLMSTED LOCKS AND DAM, IL & KY	26,000,000	26,000,000
(N)	UPPER MISS RIVER SYSTEM ENV MGMT PROG, IL, IA, MO, MN.	19,455,000	19,455,000
	INDIANA		
	BURNS WATERWAY HARBOR (MAJOR REHABILITATION), IN	---	1,600,000
(FC)	FORT WAYNE METROPOLITAN AREA, IN	1,000,000	1,000,000
(FC)	LITTLE CALUMET RIVER, IN	3,300,000	3,300,000
	IOWA		
	DES MOINES RECREATIONAL RIVER AND GREENBELT, IA	---	4,000,000
(N)	MISSOURI RIVER FISH AND WILDLIFE MITIGATION, IA, NE, K	10,100,000	10,100,000
(FC)	MISSOURI RIVER LEVEE SYSTEM, IA, NE, KS & MO	500,000	500,000
(FDP)	MUSCATINE ISLAND, IA	---	190,000
(FC)	PERRY CREEK, IA	5,200,000	5,200,000
(FC)	WEST DES MOINES, DES MOINES, IA	5,070,000	5,070,000
	KENTUCKY		
(FC)	FRANKFORT, SOUTH FRANKFORT, KY	3,700,000	3,700,000
(FC)	YATESVILLE LAKE, KY	851,000	851,000
	LOUISIANA		
(FC)	ALOHA - RIGOLETTE, LA	200,000	200,000
	LAKE PONTCHARTRAIN STORM WATER DISCHARGE, LA	---	800,000
(FC)	LAKE PONTCHARTRAIN AND VICINITY, LA (HURRICANE PROTECT	10,000,000	12,500,000
	LAKE PONTCHARTRAIN AND VICINITY, LA (JEFFERSON PARISH)	---	800,000
(FC)	LAROSE TO GOLDEN MEADOW, LA (HURRICANE PROTECTION)	1,711,000	1,711,000
(N)	MISSISSIPPI RIVER - GULF OUTLET, LA	1,000,000	1,000,000
(N)	MISSISSIPPI RIVER SHIP CHANNEL, GULF TO BATON ROUGE, L	5,100,000	5,100,000
(FC)	NEW ORLEANS TO VENICE, LA (HURRICANE PROTECTION)	1,539,000	1,539,000
	OUACHITA RIVER LEVEES, LA	---	4,500,000
	RED RIVER BELOW DENISON DAM, LA, AR, & TX	---	2,100,000
(N)	RED RIVER WATERWAY, MISSISSIPPI RIVER TO SHREVEPORT, L	35,782,000	36,782,000
(FC)	WESTWEGO TO HARVEY CANAL, LA (HURRICANE PROTECTION)	5,100,000	5,100,000
	MARYLAND		
	CHESAPEAKE BAY OYSTER RECOVERY, MD	---	500,000

CORPS OF ENGINEERS - CONSTRUCTION, GENERAL

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
	MASSACHUSETTS		
(FC)	TOWN BROOK, QUINCY AND BRAINTREE, MA	8,500,000	8,500,000
	MICHIGAN		
	CEDAR RIVER HARBOR, MI	---	200,000
	MINNESOTA		
(FC)	BASSETT CREEK, MN	377,000	377,000
(FC)	CHASKA, MN	2,500,000	2,500,000
(FC)	ROCHESTER, MN	3,161,000	3,161,000
	MISSISSIPPI		
(N)	GULFPORT HARBOR, MS	1,000,000	1,000,000
(N)	PASCAGOULA HARBOR, MS	8,000,000	8,000,000
(FC)	TOMBIGBEE RIVER AND TRIBUTARIES, MS & AL	1,200,000	1,200,000
	MISSOURI		
(FC)	BLUE RIVER CHANNEL, KANSAS CITY, MO	8,800,000	8,800,000
(FC)	BRUSH CREEK, KANSAS CITY, MO	3,577,000	3,577,000
(FC)	CAPE GIRARDEAU - JACKSON, MO	2,800,000	2,800,000
(FC)	MERAMEC RIVER BASIN, VALLEY PARK LEVEE, MO	1,180,000	1,180,000
(N)	MISS RIVER BTWN THE OHIO AND MO RIVERS (REG WORKS), MO	6,400,000	6,400,000
	STE GENEVIEVE, MO	---	3,000,000
	NEBRASKA		
(FC)	MISSOURI NATIONAL RECREATIONAL RIVER, NE & SD	100,000	100,000
	NEVADA		
(FC)	TROPICANA AND FLAMINGO WASHES, NV	7,000,000	7,000,000

CORPS OF ENGINEERS - CONSTRUCTION, GENERAL

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
	NEW JERSEY		
(BE)	CAPE MAY INLET TO LOWER TOWNSHIP, NJ	1,735,000	1,735,000
(BE)	GREAT EGG HARBOR INLET AND PECK BEACH, NJ	7,700,000	7,700,000
	HACKENSACK MEADOWLANDS AREA, NJ	---	2,500,000
(FC)	MOLLY ANN'S BROOK AT HALEDON, PROSPECT PARK AND PATERS	3,400,000	3,400,000
(N)	NEW YORK HARBOR & ADJACENT CHANNELS, PORT JERSEY CHANN	300,000	300,000
	RAMAPO RIVER AT OAKLAND, NJ	---	600,000
(N)	SALEM RIVER, NJ	1,000,000	1,000,000
(BE)	SANDY HOOK TO BARNEGAT INLET, NJ	13,100,000	13,100,000
	NEW MEXICO		
(FC)	ACEQUIAS IRRIGATION SYSTEM, NM	1,500,000	2,500,000
(FC)	ALAMOGORDO, NM	400,000	400,000
(FC)	MIDDLE RIO GRANDE FLOOD PROTECTION, BERNALILLO TO BELE	3,800,000	3,800,000
(FC)	RIO GRANDE FLOODWAY, SAN ACACIA TO BOSQUE DEL APACHE,.	1,000,000	1,000,000
	NEW YORK		
(BE)	ATLANTIC COAST OF NYC, ROCKAWAY INLET TO NORTON POINT,	7,467,000	7,467,000
(BE)	EAST ROCKAWAY INLET TO ROCKAWAY INLET AND JAMAICA BAY,	7,600,000	7,600,000
(BE)	FIRE ISLAND INLET TO JONES INLET, NY	5,000,000	8,000,000
(BE)	FIRE ISLAND INLET TO MONTAUK POINT, NY	3,500,000	3,500,000
(N)	KILL VAN KULL AND NEWARK BAY CHANNEL, NY & NJ	8,100,000	8,100,000
(N)	NEW YORK HARBOR COLLECTION AND REMOVAL OF DRIFT, NY &.	290,000	290,000
(FC)	NORTH ELLENVILLE, NY (DEF CORR)	600,000	600,000
	ONONDAGA LAKE, NY COMBINED SEWER OVERFLOW	---	2,000,000
	NORTH CAROLINA		
(N)	AIWW - REPLACEMENT OF FEDERAL HIGHWAY BRIDGES, NC	4,400,000	4,400,000
(BE)	CAROLINA BEACH AND VICINITY, NC	2,500,000	2,800,000
	FORT FISHER AND VICINITY, NC	---	900,000
(N)	WILMINGTON HARBOR OCEAN BAR, NC	21,300,000	21,300,000
	NORTH DAKOTA		
(FC)	LAKE ASHTABULA AND BALDHILL DAM, ND (DAM SAFETY)	2,900,000	2,900,000
(FC)	LAKE ASHTABULA AND BALDHILL DAM, ND (MAJOR REHAB)	4,430,000	4,430,000
(FC)	SHEYENNE RIVER, ND	530,000	530,000
(FC)	SOURIS RIVER BASIN, ND	3,500,000	3,500,000
	OHIO		
(FC)	WEST COLUMBUS, OH	8,000,000	8,000,000

CORPS OF ENGINEERS - CONSTRUCTION, GENERAL

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
	OKLAHOMA		
(FC)	FRY CREEKS, BIXBY, OK	1,000,000	1,000,000
(FC)	MINGO CREEK, TULSA, OK	11,600,000	11,600,000
	OREGON		
(MP)	BONNEVILLE POWERHOUSE PHASE I, OR & WA (MAJOR REHAB)	6,900,000	6,900,000
(MP)	BONNEVILLE POWERHOUSE PHASE II, OR & WA (MAJOR REHAB)	3,500,000	3,500,000
(MP)	BONNEVILLE SECOND POWERHOUSE, OR & WA	4,900,000	4,900,000
(MP)	COLUMBIA RIVER TREATY FISHING ACCESS SITES, OR & WA	1,900,000	3,900,000
(FC)	ELK CREEK LAKE, OR	500,000	500,000
	PENNSYLVANIA		
	BROAD TOP REGION, PA	---	1,000,000
(N)	GRAYS LANDING, LOCK AND DAM 7, MONONGAHELA RIVER, PA	6,970,000	6,970,000
	LACKAWANNA RIVER, OLYPHANT, PA	---	1,100,000
	LACKAWANNA RIVER, SCRANTON, PA	---	1,000,000
	LOCKS 2, 3, & 4, MONONGAHELA RIVER, PA	---	4,148,000
(BE)	PRESQUE ISLE PENINSULA, PA (PERMANENT)	425,000	425,000
	SOUTH CENTRAL PA ENVIRONMENTAL RESTORATION, PA	---	7,000,000
(FC)	TURTLE CREEK, PA	750,000	750,000
	WYOMING VALLEY (LEVEE RAISING), PA	---	2,000,000
	PUERTO RICO		
(FC)	PORTUGUES AND BUCANA RIVERS, PR	12,100,000	12,100,000
	RIO DE LA PLATA, PR	---	350,000
(FC)	RIO PUERTO NUEVO, PR	10,400,000	10,400,000
	RHODE ISLAND		
	ALLENDALE DAM, RI	---	67,500
	SOUTH CAROLINA		
	MYRTLE BEACH, SC	---	3,000,000
	TENNESSEE		
(MP)	CENTER HILL DAM, TN (DAM SAFETY)	5,900,000	5,900,000

CORPS OF ENGINEERS - CONSTRUCTION, GENERAL

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
	TEXAS		
(FC)	BEALS CREEK, BIG SPRING, TX	800,000	800,000
(N)	BRAZOS ISLAND HARBOR, TX	1,721,000	1,721,000
(N)	CHANNEL TO VICTORIA, TX	1,200,000	1,200,000
(FC)	CLEAR CREEK, TX	1,500,000	1,500,000
(FC)	COOPER LAKE AND CHANNELS, TX	8,250,000	8,250,000
(FC)	EL PASO, TX	4,500,000	4,500,000
(N)	GIWW - BRAZOS RIVER FLOODGATES, TX (MAJOR REHAB)	7,000,000	7,000,000
(N)	GIWW - SARGENT BEACH, TX	10,100,000	10,100,000
(FC)	LAKE WICHITA, HOLLIDAY CREEK AT WICHITA FALLS, TX	2,250,000	2,250,000
(FC)	MCGRATH CREEK, WICHITA FALLS, TX	1,700,000	1,700,000
(FC)	RAY ROBERTS LAKE, TX	5,400,000	5,400,000
(FC)	RED RIVER BASIN CHLORIDE CONTROL, TX & OK	16,000,000	16,000,000
(MP)	SAM RAYBURN DAM AND RESERVOIR, TX (DAM SAFETY)	16,000,000	16,000,000
(FC)	SAN ANTONIO CHANNEL IMPROVEMENT, TX	6,000,000	6,000,000
(FC)	SIMS BAYOU, HOUSTON, TX	15,100,000	15,100,000
	WALLISVILLE LAKE, TX	---	1,000,000
	VIRGINIA		
(FC)	JAMES R OLIN FLOOD CONTROL PROJECT, VA	4,700,000	4,700,000
(N)	NORFOLK HARBOR AND CHANNELS (DEEPENING), VA	1,200,000	1,200,000
	RICHMOND FILTRATION PLANT, VA	---	2,000,000
(FC)	ROANOKE RIVER UPPER BASIN, HEADWATERS AREA, VA	800,000	800,000
(BE)	VIRGINIA BEACH, VA (REIMBURSEMENT)	900,000	900,000
	WASHINGTON		
(FC)	CHEHALIS RIVER, SOUTH ABERDEEN AND COSMOPOLIS, WA	6,000,000	6,000,000
(MP)	COLUMBIA RIVER JUVENILE FISH MITIGATION, WA, OR & ID	36,300,000	36,300,000
(N)	GRAYS HARBOR, WA	1,500,000	5,800,000
(MP)	LOWER SNAKE RIVER FISH & WILDLIFE COMPENSATION, WA, OR	1,000,000	6,000,000
(FC)	MUD MOUNTAIN DAM, WA (DAM SAFETY)	8,710,000	8,710,000

CORPS OF ENGINEERS - CONSTRUCTION, GENERAL

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
	WEST VIRGINIA		
(FC)	LEVISA AND TUG FORKS AND UPPER CUMBERLAND RIVER, WV, V	23,000,000	53,750,000
(FC)	MOOREFIELD, WV	3,800,000	3,800,000
(FC)	PETERSBURG, WV	4,200,000	4,200,000
(N)	ROBERT C BYRD LOCKS AND DAM, WV & OH	13,000,000	13,000,000
	SOUTHERN WEST VIRGINIA ENVIRONMENTAL RESTORATION, WV	---	1,500,000
(N)	WINFIELD LOCKS AND DAM, WV	51,000,000	51,000,000
	MISCELLANEOUS		
	AQUATIC PLANT CONTROL (1965 ACT)	7,000,000	9,500,000
	BEACH EROSION CONTROL PROJECTS (SECTION 103)	1,100,000	1,100,000
	CLEARING AND SNAGGING (SECTION 208)	300,000	300,000
	EMERGENCY STREAMBANK & SHORELINE PROTECTION (SEC. 14)	5,400,000	5,950,000
	EMPLOYEES' COMPENSATION	18,071,000	18,071,000
	FLOOD CONTROL PROJECTS (SECTION 205)	16,600,000	16,600,000
	INLAND WATERWAYS USERS BOARD - BOARD EXPENSES	35,000	35,000
	INLAND WATERWAYS USERS BOARD - CORPS EXPENSES	180,000	180,000
	NAVIGATION MITIGATION (SECTION 111)	300,000	757,000
	NAVIGATION PROJECTS (SECTION 107)	2,400,000	2,400,000
	PROJECT MODIFICATIONS FOR IMPROVEMENT OF THE ENVIRONME	5,000,000	8,000,000
	WETLAND AND AQUATIC HABITAT CREATION	2,500,000	2,500,000
	GSA RENT REDUCTION	-407,000	-407,000
	PROCUREMENT REFORM	-2,446,000	-2,446,000
	REDUCTION FOR ANTICIPATED SAVINGS AND SLIPPAGE	-50,025,000	-96,525,500
	REDUCTION FOR PRIOR YEAR UNOBLIGATED BALANCES	---	-63,000,000
	TOTAL, CONSTRUCTION GENERAL	956,147,000	983,668,000

TYPE OF PROJECT:
(N) NAVIGATION
(BE) BEACH EROSION CONTROL
(FC) FLOOD CONTROL
(MP) MULTIPURPOSE, INCLUDING POWER

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CORPS OF ENGINEERS - FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
	GENERAL INVESTIGATIONS		
	SURVEYS:		
	GENERAL STUDIES:		
(FDP)	MORGANZA, LA TO THE GULF OF MEXICO	600,000	600,000
(FDP)	MISSISSIPPI DELTA, MS	3,164,000	3,164,000
(FDP)	REELFOOT LAKE, TN	500,000	500,000
	WOLF RIVER, MEMPHIS, TN	---	475,000
	COLLECTION AND STUDY OF BASIC DATA	325,000	325,000
	PRECONSTRUCTION ENGINEERING AND DESIGN:		
	EASTERN ARKANSAS REGION COMPREHENSIVE, AR	---	3,000,000
(FC)	LOWER WHITE RIVER, BIG CREEK & TRIBUTARIES, AR	414,000	414,000
	SUBTOTAL, GENERAL INVESTIGATIONS	5,003,000	8,478,000
	CONSTRUCTION		
	CACHE RIVER BASIN, AR	---	140,000
(FC)	CHANNEL IMPROVEMENT, AR, IL, KY, LA, MS, MO & TN	67,701,000	67,701,000
(FC)	MISSISSIPPI RIVER LEVEES, AR, IL, KY, LA, MS, MO & TN.	24,255,000	24,255,000
(FC)	ST FRANCIS BASIN, AR & MO, CONSOLIDATED	8,016,000	8,016,000
(FC)	WHITEMAN'S CREEK, AR	720,000	720,000
	HICKMAN BLUFF, KY	---	3,000,000
(FC)	ATCHAFALAYA BASIN, FLOODWAY SYSTEM, LA	6,000,000	6,000,000
(FC)	ATCHAFALAYA BASIN, LA	21,000,000	21,000,000
(FC)	MISSISSIPPI AND LOUISIANA ESTUARINE AREAS, MS & LA	5,600,000	5,600,000
(FC)	MISSISSIPPI DELTA REGION, LA	11,500,000	11,500,000
(FC)	TENSAS BASIN, RED RIVER BACKWATER, LA	7,275,000	7,275,000
(FC)	HORN LAKE CREEK & TRIBUTARIES (INCL COW PEN CREEK), MS	310,000	310,000
	YAZOO BASIN, MS:	(53,605,000)	(58,295,000)
(FC)	BACKWATER LESS ROCKY BAYOU	189,000	189,000
(FC)	BIG SUNFLOWER RIVER, MS	8,540,000	10,500,000
(FC)	DEMONSTRATION EROSION CONTROL	25,000,000	25,000,000
(FC)	F&WL MITIGATION LANDS, MS	701,000	701,000
(FC)	MAIN STEM, MS	25,000	25,000
(FC)	REFORMULATION UNIT, MS	3,860,000	3,860,000
(FC)	TRIBUTARIES, MS	1,280,000	1,280,000
(FC)	UPPER YAZOO PROJECTS, MS	14,010,000	16,740,000
(FC)	NONCONNAH CREEK, TN & MS	100,000	100,000
(FC)	WEST TENNESSEE TRIBUTARIES, TN	2,101,000	2,101,000
	SUBTOTAL, CONSTRUCTION	208,183,000	216,013,000
	MAINTENANCE		
(FC)	CHANNEL IMPROVEMENT, AR, IL, KY, LA, MS, MO & TN	69,318,000	69,318,000
(N)	HELENA HARBOR, PHILLIPS CO, AR	415,000	415,000
(FC)	LOWER ARKANSAS RIVER - NORTH BANK, AR	752,000	752,000
(FC)	LOWER ARKANSAS RIVER - SOUTH BANK, AR	115,000	115,000
(FC)	MISSISSIPPI RIVER LEVEES, AR, IL, KY, LA, MS, MO & TN.	6,108,000	6,108,000

CORPS OF ENGINEERS - FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(FC)	ST FRANCIS RIVER BASIN, AR & MO	7,037,000	7,037,000
(FC)	TENSAS BASIN, BOEUF AND TENSAS RIVERS, AR & LA	2,861,000	2,861,000
(FC)	WHITE RIVER BACKWATER, AR	1,500,000	1,500,000
(FC)	ATCHAFALAYA BASIN, LA	9,363,000	9,363,000
(FC)	BATON ROUGE HARBOR - DEVIL SWAMP, LA	190,000	190,000
(FC)	BAYOU COCODRIE AND TRIBUTARIES, LA	130,000	130,000
(FC)	BONNET CARRE, LA	873,000	873,000
(FC)	LOWER RED RIVER - SOUTH BANK LEVEES, LA	62,000	62,000
(FC)	MISSISSIPPI DELTA REGION, CAERNARVON, LA	35,000	35,000
(FC)	OLD RIVER, LA	3,502,000	3,502,000
(FC)	TENSAS BASIN, RED RIVER BACKWATER, LA	2,578,000	2,578,000
(N)	GREENVILLE HARBOR, MS	258,000	258,000
(N)	VICKSBURG HARBOR, MS	223,000	223,000
	YAZOO BASIN, MS:	(20,889,000)	(27,919,000)
(FC)	ARKABUTLA LAKE, MS	3,588,000	4,468,000
(FC)	BIG SUNFLOWER RIVER, MS	1,921,000	1,921,000
(FC)	ENID LAKE, MS	2,839,000	5,039,000
(FC)	GREENWOOD, MS	659,000	659,000
(FC)	GRENADA LAKE, MS	3,893,000	5,303,000
(FC)	MAIN STEM, MS	916,000	916,000
(FC)	SARDIS LAKE, MS	3,962,000	6,502,000
(FC)	TRIBUTARIES, MS	1,614,000	1,614,000
(FC)	WILL M WHITTINGTON AUX CHAN, MS	406,000	406,000
(FC)	YAZOO BACKWATER AREA, MS	425,000	425,000
(FC)	YAZOO CITY, MS	666,000	666,000
(FC)	WAPPAPELLO LAKE, MO	3,501,000	3,501,000
(N)	MEMPHIS HARBOR (MCKELLAR LAKE), TN	1,646,000	1,646,000
(FC)	INSPECTION OF COMPLETED WORKS	1,348,000	1,348,000
(FC)	MAPPING	959,000	959,000
	SUBTOTAL, MAINTENANCE	133,663,000	140,693,000
	REDUCTION FOR SAVINGS AND SLIPPAGE	-26,849,000	-36,964,000
	GSA RENT REDUCTION	-82,000	-82,000
	TOTAL, FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES	319,918,000	328,138,000

TYPE OF PROJECT:
(N) NAVIGATION
(FC) FLOOD CONTROL

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
	ALABAMA		
(FC)	ALABAMA - COOSA COMPREHENSIVE WATER STUDY, AL	3,000,000	3,000,000
(N)	ALABAMA - COOSA RIVER, AL	5,062,000	7,000,000
(N)	BAYOU CODEN, AL	25,000	25,000
(N)	BAYOU LA BATRE, AL	150,000	550,000
(N)	BLACK WARRIOR AND TOMBIGBEE RIVERS, AL	14,130,000	20,000,000
(N)	DAUPHIN ISLAND BAY, AL	10,000	10,000
(N)	DOG AND FOWL RIVERS, AL	40,000	40,000
(N)	GULF INTRACOASTAL WATERWAY, AL	2,771,000	2,771,000
(MP)	MILLERS FERRY LOCK & DAM - WILLIAM "BILL" DANNELLY LAK	5,201,000	5,201,000
(N)	MOBILE HARBOR, AL	25,145,000	25,145,000
(MP)	ROBERT F HENRY LOCK AND DAM, AL	5,938,000	5,938,000
(N)	TENNESSEE - TOMBIGBEE WATERWAY, AL & MS	17,637,000	20,000,000
(MP)	WALTER F GEORGE LOCK AND DAM, AL & GA	6,017,000	6,017,000
	ALASKA		
(N)	ANCHORAGE HARBOR, AK	1,300,000	1,300,000
(FC)	CHENA RIVER LAKES, AK	1,595,000	1,795,000
(N)	DILLINGHAM HARBOR, AK	603,000	603,000
(N)	DOUGLAS HARBOR, AK	70,000	70,000
(N)	HOMER HARBOR, AK	253,000	253,000
(N)	KETCHIKAN, THOMAS BASIN, AK	382,000	382,000
(N)	NINILCHIK HARBOR, AK	206,000	206,000
(N)	NOME HARBOR, AK	305,000	305,000
(N)	SEWARD HARBOR, AK	70,000	70,000
(N)	VALDEZ HARBOR, AK	70,000	70,000
(N)	WRANGELL NARROWS, AK	347,000	347,000
	ARIZONA		
(FC)	ALAMO LAKE, AZ	1,045,000	1,045,000
(FC)	PAINTED ROCK DAM, AZ	932,000	932,000
	TUCSON DIVERSION CHANNEL, AZ	---	2,500,000
(FC)	WHITLOW RANCH DAM, AZ	110,000	110,000
	ARKANSAS		
(MP)	BEAVER LAKE, AR	3,868,000	3,868,000
(MP)	BLAKELY MT DAM - LAKE OUACHITA, AR	3,928,000	3,928,000
(FC)	BLUE MOUNTAIN LAKE, AR	1,034,000	1,034,000
(MP)	BULL SHOALS LAKE, AR	4,912,000	4,912,000
(MP)	DARDANELLE LOCK AND DAM, AR	5,216,000	5,216,000
(MP)	DEGRAY LAKE, AR	3,556,000	3,556,000
(FC)	DEQUEEN LAKE, AR	948,000	948,000
(FC)	DIERKS LAKE, AR	1,033,000	1,033,000
(FC)	GILLHAM LAKE, AR	943,000	943,000
(MP)	GREERS FERRY LAKE, AR	4,752,000	4,752,000
(N)	HELENA HARBOR, AR	530,000	530,000

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(N)	MCCLELLAN - KERR ARKANSAS RIVER NAVIGATION SYSTEM, AR.	24,073,000	24,073,000
(FC)	MILLWOOD LAKE, AR.	1,888,000	1,888,000
(MP)	NARROWS DAM - LAKE GREESON, AR.	3,067,000	3,067,000
(FC)	NIMROD LAKE, AR.	1,310,000	1,310,000
(MP)	NORFORK LAKE, AR.	3,919,000	3,919,000
(N)	OSCEOLA HARBOR, AR.	577,000	577,000
(N)	OUACHITA AND BLACK RIVERS, AR & LA.	5,039,000	5,039,000
(MP)	OZARK - JETA TAYLOR LOCK AND DAM, AR.	4,091,000	4,091,000
(N)	WHITE RIVER, AR.	2,110,000	2,110,000
(N)	YELLOW BEND PORT, AR.	142,000	142,000
	CALIFORNIA		
(FC)	BLACK BUTTE LAKE, CA.	1,596,000	1,596,000
(FC)	BUCHANAN DAM - H V EASTMAN LAKE, CA.	1,577,000	1,577,000
(N)	CHANNEL ISLANDS HARBOR, CA.	2,420,000	2,420,000
(FC)	COYOTE VALLEY DAM (LAKE MENDOCINO), CA.	2,890,000	2,890,000
(FC)	DRY CREEK (WARM SPRINGS) LAKE AND CHANNEL, CA.	3,071,000	3,071,000
(FC)	FARMINGTON DAM, CA.	215,000	215,000
(FC)	HIDDEN DAM - HENSLEY LAKE, CA.	1,816,000	1,816,000
(N)	HUMBOLDT HARBOR AND BAY, CA.	3,151,000	3,151,000
(FC)	ISABELLA LAKE, CA.	740,000	740,000
(N)	LOS ANGELES - LONG BEACH HARBOR MODEL, CA.	160,000	160,000
(N)	LOS ANGELES - LONG BEACH HARBORS, CA.	3,078,000	3,078,000
(FC)	LOS ANGELES COUNTY DRAINAGE AREA, CA.	4,470,000	4,470,000
(N)	MARINA DEL REY, CA.	50,000	1,800,000
(FC)	MERCED COUNTY STREAM GROUP, CA.	160,000	160,000
(FC)	MOJAVE RIVER DAM, CA.	214,000	214,000
(N)	MORRO BAY HARBOR, CA.	882,000	782,000
(FC)	NEW HOGAN LAKE, CA.	1,630,000	1,630,000
(MP)	NEW MELONES LAKE (DOWNSTREAM CHANNEL), CA.	869,000	869,000
(N)	NEWPORT BAY HARBOR, CA.	40,000	40,000
(N)	NOYO RIVER & HARBOR, CA.	613,000	613,000
(N)	OAKLAND HARBOR, CA.	2,920,000	2,920,000
(N)	OCEANSIDE HARBOR, CA.	710,000	710,000
	OCEANSIDE HARBOR SAND BYPASS, CA.	---	1,500,000
(N)	PETALUMA RIVER, CA.	1,070,000	1,070,000
(FC)	PINE FLAT LAKE, CA.	2,614,000	2,614,000
(N)	PORT HUENEME, CA.	205,000	205,000
(N)	RICHMOND HARBOR, CA.	2,185,000	2,185,000
(N)	SACRAMENTO RIVER (30 FOOT PROJECT), CA.	1,914,000	1,914,000
(N)	SACRAMENTO RIVER AND TRIBUTARIES (DEBRIS CONTROL), CA.	820,000	820,000
(N)	SACRAMENTO RIVER SHALLOW DRAFT CHANNEL, CA.	208,000	208,000
(N)	SAN DIEGO HARBOR, CA.	125,000	125,000
(N)	SAN FRANCISCO BAY - DELTA MODEL STRUCTURE, CA.	2,260,000	2,260,000
	SAN FRANCISCO BAY LONG TERM MANAGEMENT STRATEGY, CA.	---	450,000
(N)	SAN FRANCISCO HARBOR AND BAY (DRIFT REMOVAL), CA.	2,150,000	2,150,000
(N)	SAN FRANCISCO HARBOR, CA.	1,810,000	1,810,000
(N)	SAN JOAQUIN RIVER, CA.	1,607,000	1,607,000
(N)	SAN PABLO BAY AND MARE ISLAND STRAIT, CA.	2,350,000	2,350,000

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(FC)	SANTA ANA RIVER BASIN, CA	2,880,000	2,880,000
	SANTA BARBARA HARBOR, CA	---	800,000
(FC)	SUCCESS LAKE, CA	2,281,000	2,551,000
(N)	SUISUN BAY CHANNEL, CA	1,095,000	1,095,000
(FC)	TERMINUS DAM (LAKE KAWEAH), CA	1,353,000	1,353,000
(N)	VENTURA HARBOR, CA	1,200,000	1,500,000
(N)	YUBA RIVER, CA	30,000	30,000
	COLORADO		
(FC)	BEAR CREEK LAKE, CO	436,000	436,000
(FC)	CHATFIELD LAKE, CO	1,141,000	1,141,000
(FC)	CHERRY CREEK LAKE, CO	800,000	800,000
(FC)	JOHN MARTIN RESERVOIR, CO	1,845,000	1,845,000
(FC)	TRINIDAD LAKE, CO	593,000	593,000
	CONNECTICUT		
(FC)	BLACK ROCK LAKE, CT	306,000	306,000
(FC)	COLEBROOK RIVER LAKE, CT	324,000	324,000
(FC)	HANCOCK BROOK LAKE, CT	216,000	216,000
(FC)	HOP BROOK LAKE, CT	820,000	820,000
(FC)	MANSFIELD HOLLOW LAKE, CT	488,000	488,000
(FC)	NORTHFIELD BROOK LAKE, CT	278,000	278,000
(FC)	STAMFORD HURRICANE BARRIER, CT	1,345,000	1,345,000
(FC)	THOMASTON DAM, CT	578,000	578,000
(FC)	WEST THOMPSON LAKE, CT	594,000	594,000
	DELAWARE		
(N)	CEDAR CREEK, DE	240,000	240,000
(N)	CHESAPEAKE AND DELAWARE CANAL - ST GEORGE'S BRIDGE REP	14,000,000	14,000,000
(N)	INDIAN RIVER INLET AND BAY, DE	40,000	40,000
(N)	INTRACOASTAL WATERWAY, DELAWARE R TO CHESAPEAKE BAY, D	11,102,000	11,102,000
(N)	INTRACOASTAL WATERWAY, REHOBOTH BAY TO DELAWARE BAY, D	40,000	40,000
(N)	MISPILLION RIVER, DE	630,000	630,000
(N)	MURDERKILL RIVER, DE	260,000	260,000
(N)	WILMINGTON HARBOR, DE	3,450,000	3,450,000
	DISTRICT OF COLUMBIA		
(N)	POTOMAC AND ANACOSTIA RIVERS (DRIFT REMOVAL), DC	730,000	730,000
(N)	WASHINGTON HARBOR, DC	32,000	32,000
	FLORIDA		
(N)	AIWW, NORFOLK TO ST JOHNS RIVER, FL, GA, SC, NC & VA	860,000	860,000
(N)	APALACHICOLA BAY, FL	74,000	74,000
(N)	CANAVERAL HARBOR, FL	2,310,000	2,310,000
(FC)	CENTRAL AND SOUTHERN, FL	8,008,000	8,008,000

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(N)	EAST PASS CHANNEL, FL	28,000	28,000
(N)	ESCAMBIA - CONECUH RIVERS, FL	374,000	374,000
(N)	FERNANDINA HARBOR, FL	1,625,000	1,625,000
(N)	FORT PIERCE HARBOR, FL	633,000	633,000
(N)	INTRACOASTAL WATERWAY, CALOOSAHATCHEE R TO ANCLOTE R,	68,000	68,000
(N)	INTRACOASTAL WATERWAY, JACKSONVILLE TO MIAMI, FL	1,136,000	1,136,000
(N)	JACKSONVILLE HARBOR, FL	5,537,000	5,537,000
(MP)	JIM WOODRUFF LOCK AND DAM, LAKE SEMINOLE, FL, AL & GA.	4,792,000	6,586,000
(N)	MIAMI HARBOR, FL	212,000	212,000
(N)	OKEECHOBEE WATERWAY, FL	3,178,000	3,178,000
(N)	OKLAWAHA RIVER, FL	124,000	124,000
(N)	PALM BEACH HARBOR, FL	1,285,000	1,285,000
(N)	PANAMA CITY HARBOR, FL	394,000	394,000
(N)	PENSACOLA HARBOR, FL	60,000	60,000
(N)	PONCE DE LEON INLET, FL	25,000	25,000
	REMOVAL OF AQUATIC GROWTH, FL	3,764,000	3,764,000
(N)	ST AUGUSTINE HARBOR, FL	280,000	280,000
(N)	ST LUCIE INLET, FL	130,000	130,000
(N)	TAMPA HARBOR, FL	5,951,000	5,951,000
(N)	WITHLACOOCHIE RIVER, FL	34,000	34,000
	GEORGIA		
(MP)	ALLATOONA LAKE, GA	4,994,000	4,994,000
(N)	APALACHICOLA CHATTAHOOCHEE AND FLINT RIVERS, GA, AL &.	4,294,000	4,394,000
(N)	ATLANTIC INTRACOASTAL WATERWAY, GA	2,226,000	2,226,000
(N)	BRUNSWICK HARBOR, GA	3,532,000	3,532,000
(MP)	BUFORD DAM AND LAKE SIDNEY LANIER, GA	6,364,000	6,364,000
(MP)	CARTERS DAM AND LAKE, GA	3,360,000	3,360,000
(MP)	HARTWELL LAKE, GA & SC	8,118,000	8,118,000
(MP)	J STROM THURMOND LAKE, GA & SC	7,295,000	7,295,000
(MP)	RICHARD B RUSSELL, GA	6,014,000	6,014,000
(N)	SAVANNAH HARBOR, GA	8,702,000	8,702,000
(N)	SAVANNAH RIVER BELOW AUGUSTA, GA	901,000	901,000
(MP)	WEST POINT DAM AND LAKE, GA & AL	4,729,000	8,229,000
	HAWAII		
(N)	BARBERS POINT HARBOR, HI	126,000	126,000
(N)	HILO HARBOR, HI	19,000	19,000
(N)	HONOLULU HARBOR, HI	119,000	119,000
(N)	KAHULUI HARBOR, HI	19,000	19,000
(N)	NAWILIWILI HARBOR, HI	19,000	19,000
(N)	PORT ALLEN HARBOR, KAUAI, HI	494,000	494,000
	IDAHO		
(MP)	ALBENI FALLS DAM, ID	5,486,000	5,486,000
(MP)	DWORSHAK DAM AND RESERVOIR, ID	8,232,000	8,582,000
(FC)	LUCKY PEAK LAKE, ID	923,000	923,000

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
	ILLINOIS		
(N)	CALUMET HARBOR AND RIVER, IL	782,000	782,000
(FC)	CARLYLE LAKE, IL	3,379,000	3,379,000
(N)	CHICAGO HARBOR, IL	2,182,000	2,182,000
(N)	CHICAGO RIVER, IL	399,000	399,000
(FC)	FARM CREEK RESERVOIRS, IL	233,000	233,000
(N)	ILLINOIS AND MISSISSIPPI CANAL, IL	581,000	581,000
(N)	ILLINOIS WATERWAY (LMVD PORTION), IL	1,487,000	1,487,000
(N)	ILLINOIS WATERWAY (NCD PORTION), IL & IN	20,262,000	20,262,000
(N)	KASKASKIA RIVER NAVIGATION, IL	1,657,000	1,657,000
(N)	LAKE MICHIGAN DIVERSION, IL	480,000	480,000
(FC)	LAKE SHELBYVILLE, IL	4,372,000	4,372,000
(N)	MISS R BETWEEN MO R AND MINNEAPOLIS (LMVD PORTION), IL	10,354,000	10,354,000
(N)	MISS R BETWEEN MO R AND MINNEAPOLIS, IL, IA, MN, MO &.	79,328,000	79,328,000
	NORTH BRANCH CHICAGO RIVER, IL	---	150,000
(FC)	REND LAKE, IL	3,581,000	3,581,000
(N)	WAUKEGAN HARBOR, IL	916,000	916,000
	INDIANA		
(FC)	BEVERLY SHORES, IN	52,000	52,000
(FC)	BROOKVILLE LAKE, IN	556,000	556,000
(N)	BURNS WATERWAY HARBOR, IN	582,000	582,000
(N)	BURNS WATERWAY SMALL BOAT HARBOR, IN	437,000	437,000
(FC)	CAGLES MILL LAKE, IN	688,000	688,000
(FC)	CECIL M HARDEN LAKE, IN	1,087,000	1,087,000
(FC)	HUNTINGTON LAKE, IN	595,000	595,000
(N)	INDIANA HARBOR, IN	309,000	309,000
	JEFFERSONVILLE - CLARKSVILLE, IN	---	750,000
(N)	MICHIGAN CITY HARBOR, IN	151,000	151,000
(FC)	MISSISSINEWA LAKE, IN	596,000	596,000
(FC)	MONROE LAKE, IN	650,000	650,000
(FC)	PATOKA LAKE, IN	558,000	558,000
(FC)	SALAMONIE LAKE, IN	638,000	638,000
	IOWA		
(FC)	CORALVILLE LAKE, IA	2,385,000	2,385,000
(FC)	MISSOURI RIVER - KENSLERS BEND, NE TO SIOUX CITY, IA..	65,000	65,000
(N)	MISSOURI RIVER - SIOUX CITY TO MOUTH, IA, NE, KS & MO.	6,962,000	6,962,000
(FC)	RATHBUN LAKE, IA	1,869,000	1,869,000
(FC)	RED ROCK DAM - LAKE RED ROCK, IA	2,682,000	2,682,000
(FC)	SAYLORVILLE LAKE, IA	3,475,000	3,475,000
	KANSAS		
(FC)	CLINTON LAKE, KS	1,451,000	1,451,000
(FC)	COUNCIL GROVE LAKE, KS	911,000	911,000

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(FC)	EL DORADO LAKE, KS	615,000	615,000
(FC)	ELK CITY LAKE, KS	750,000	750,000
(FC)	FALL RIVER LAKE, KS	1,060,000	1,060,000
(FC)	HILLSDALE LAKE, KS	792,000	792,000
(FC)	JOHN REDMOND DAM AND RESERVOIR, KS	1,003,000	1,003,000
(FC)	KANOPOLIS LAKE, KS	1,379,000	1,379,000
(FC)	MARION LAKE, KS	1,031,000	1,031,000
(FC)	MELVERN LAKE, KS	1,602,000	1,602,000
(FC)	MILFORD LAKE, KS	2,063,000	2,063,000
(FC)	PEARSON - SKUBITZ BIG HILL LAKE, KS	824,000	824,000
(FC)	PERRY LAKE, KS	1,701,000	1,701,000
(FC)	POMONA LAKE, KS	2,111,000	2,111,000
(FC)	TORONTO LAKE, KS	412,000	412,000
(FC)	TUTTLE CREEK LAKE, KS	1,620,000	1,620,000
(FC)	WILSON LAKE, KS	1,387,000	1,387,000
	KENTUCKY		
(MP)	BARKLEY DAM AND LAKE BARKLEY, KY	6,882,000	6,882,000
(FC)	BARREN RIVER LAKE, KY	1,660,000	1,660,000
(N)	BIG SANDY HARBOR, KY	1,035,000	1,035,000
(FC)	BUCKHORN LAKE, KY	1,010,000	1,010,000
(FC)	CARR FORK LAKE, KY	1,237,000	1,237,000
(FC)	CAVE RUN LAKE, KY	796,000	796,000
(FC)	DEWEY LAKE, KY	1,080,000	1,080,000
(N)	ELVIS STAHR (HICKMAN) HARBOR, KY	572,000	572,000
(FC)	FISHTRAP LAKE, KY	1,200,000	1,200,000
(FC)	GRAYSON LAKE, KY	852,000	852,000
(N)	GREEN AND BARREN RIVERS, KY	1,447,000	1,447,000
(FC)	GREEN RIVER LAKE, KY	1,428,000	1,428,000
(N)	KENTUCKY RIVER, KY	1,045,000	1,045,000
(MP)	LAUREL RIVER LAKE, KY	1,149,000	1,149,000
(N)	LICKING RIVER OPEN CHANNEL WORK, KY	22,000	22,000
(FC)	MARTINS FORK LAKE, KY	666,000	666,000
(FC)	MIDDLESBORO CUMBERLAND RIVER BASIN, KY	38,000	38,000
(FC)	NOLIN LAKE, KY	1,614,000	1,614,000
(N)	OHIO RIVER LOCKS AND DAMS, KY, IL, IN, OH, PA & WV	53,182,000	54,182,000
(N)	OHIO RIVER OPEN CHANNEL WORK, KY, IL, IN, OH, PA & WV	6,337,000	6,337,000
(FC)	PAINTSVILLE LAKE, KY	812,000	812,000
(FC)	ROUGH RIVER LAKE, KY	1,549,000	1,549,000
(FC)	TAYLORSVILLE LAKE, KY	890,000	1,490,000
(MP)	WOLF CREEK DAM - LAKE CUMBERLAND, KY	4,440,000	4,440,000
(FC)	YATESVILLE LAKE, KY	935,000	935,000
	LOUISIANA		
(N)	ATCHAFALAYA RIVER AND BAYOUS CHENE, BOEUF AND BLACK, L	10,695,000	10,695,000
(N)	BARATARIA BAY WATERWAY, LA	2,870,000	2,870,000
(FC)	BAYOU BODCAU RESERVOIR, LA	364,000	364,000
(N)	BAYOU LAFOURCHE AND LAFOURCHE - JUMP WATERWAY, LA	10,000	10,000

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(FC)	BAYOU PIERRE, LA	25,000	25,000
(N)	BAYOU TECHE AND VERMILION RIVER, LA CA021	10,000	10,000
(N)	BAYOU TECHE, LA	1,092,000	1,092,000
(FC)	CADDO LAKE, LA	115,000	115,000
(N)	CALCASIEU RIVER AND PASS, LA	7,736,000	9,936,000
(N)	FRESHWATER BAYOU, LA	1,976,000	1,976,000
(N)	GULF INTRACOASTAL WATERWAY, LA & TX SECTION	14,050,000	14,050,000
(N)	HOUMA NAVIGATION CANAL, LA	240,000	240,000
(N)	LAKE PROVIDENCE HARBOR, LA	280,000	280,000
(N)	MADISON PARISH PORT, LA	40,000	40,000
(N)	MERMENTAU RIVER, LA	962,000	962,000
(N)	MISSISSIPPI RIVER - BATON ROUGE TO GULF OF MEXICO, LA.	39,816,000	39,816,000
(N)	MISSISSIPPI RIVER - GULF OUTLET, LA	13,160,000	13,160,000
(N)	MISSISSIPPI RIVER OUTLETS AT VENICE, LA	999,000	999,000
(N)	RED RIVER WATERWAY - MISSISSIPPI RIVER TO SHREVEPORT,.	8,100,000	8,100,000
	REMOVAL OF AQUATIC GROWTH, LA	1,825,000	1,825,000
(FC)	WALLACE LAKE, LA	184,000	184,000
	MARYLAND		
(N)	BALTIMORE HARBOR (DRIFT REMOVAL), MD	415,000	415,000
(N)	BALTIMORE HARBOR (PREVENTION OF OBSTRUCTIVE DEPOSITS),	510,000	510,000
(N)	BALTIMORE HARBOR AND CHANNELS, MD & VA	10,165,000	10,165,000
(N)	BROAD CREEK, MD	102,000	102,000
(FC)	CUMBERLAND, MD AND RIDGELEY, WV	92,000	92,000
(N)	HERRING BAY AND ROCKHOLD CREEK, MD	335,000	335,000
(N)	ISLAND CREEK, ST GEORGE ISLAND, MD	385,000	385,000
(FC)	JENNINGS RANDOLPH LAKE, MD & WV	1,408,000	1,408,000
(N)	NANTICOKE RIVER NORTHWEST FORK, MD	395,000	395,000
(N)	NORTHEAST RIVER, MD	102,000	102,000
(N)	OCEAN CITY HARBOR AND INLET AND SINEPUXENT BAY, MD	480,000	480,000
(N)	POCOMOKE RIVER, MD	600,000	600,000
(N)	TRED AVON RIVER, MD	630,000	630,000
(N)	WICOMICO RIVER, MD	440,000	440,000
	MASSACHUSETTS		
(FC)	BARRE FALLS DAM, MA	684,000	684,000
(FC)	BIRCH HILL DAM, MA	436,000	436,000
(FC)	BUFFUMVILLE LAKE, MA	418,000	418,000
(N)	CAPE COD CANAL, MA	5,936,000	5,936,000
(FC)	CHARLES RIVER NATURAL VALLEY STORAGE AREA, MA	172,000	172,000
(N)	CHATHAM (STAGE) HARBOR, MA	291,000	291,000
(FC)	CONANT BROOK LAKE, MA	355,000	355,000
(N)	CUTTYHUNK HARBOR, MA	132,000	132,000
	DISPOSAL AREA MONITORING, MA	913,000	913,000
(FC)	EAST BRIMFIELD LAKE, MA	407,000	407,000
(N)	GREEN HARBOR, MA	366,000	366,000
(FC)	HODGES VILLAGE DAM, MA	3,938,000	3,938,000
(FC)	KNIGHTVILLE DAM, MA	552,000	552,000

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(FC)	LITTLEVILLE LAKE, MA	373,000	373,000
(FC)	NEW BEDFORD FAIRHAVEN AND ACUSHNET HURRICANE BARRIER,	278,000	278,000
(FC)	TULLY LAKE, MA	496,000	496,000
(FC)	WEST HILL DAM, MA	440,000	440,000
(FC)	WESTVILLE LAKE, MA	488,000	488,000
	MICHIGAN		
(N)	ALPENA HARBOR, MI	208,000	208,000
(N)	CHANNELS IN LAKE ST CLAIR, MI	531,000	531,000
(N)	CLINTON RIVER, MI	15,000	15,000
(N)	DETROIT RIVER, MI	4,118,000	4,118,000
(N)	FRANKFORT HARBOR, MI	1,592,000	1,592,000
(N)	GRAND HAVEN HARBOR, MI	970,000	970,000
(N)	HOLLAND HARBOR, MI	528,000	528,000
(N)	INLAND ROUTE, MI	47,000	47,000
(N)	KEWEENAW WATERWAY, MI	1,848,000	1,848,000
(N)	LELAND HARBOR, MI	215,000	215,000
(N)	LITTLE LAKE HARBOR, MI	177,000	177,000
(N)	LUDINGTON HARBOR, MI	1,292,000	1,292,000
(N)	MANISTEE HARBOR, MI	581,000	581,000
(N)	MARQUETTE HARBOR, MI	212,000	212,000
(N)	MONROE HARBOR, MI	175,000	175,000
(N)	MUSKEGON HARBOR, MI	777,000	777,000
(N)	ONTONAGON HARBOR, MI	2,646,000	2,646,000
(N)	ROUGE RIVER, MI	906,000	906,000
(N)	SAGINAW RIVER, MI	1,862,000	1,862,000
(N)	SAGINAW RIVER, MI (DIKE DISPOSAL)	452,000	452,000
(FC)	SEBEWAING RIVER (ICE JAM REMOVAL), MI	14,000	14,000
(N)	SOUTH HAVEN HARBOR, MI	25,000	25,000
(N)	ST CLAIR RIVER, MI	844,000	844,000
(N)	ST JOSEPH HARBOR, MI	910,000	910,000
(MP)	ST MARYS RIVER, MI	18,865,000	18,865,000
	MINNESOTA		
(FC)	BIGSTONE LAKE WHETSTONE RIVER, MN & SD	190,000	190,000
(N)	DULUTH - SUPERIOR HARBOR, MN & WI	2,938,000	2,938,000
(N)	GRAND MARAIS HARBOR, MN	225,000	225,000
(FC)	LAC QUI PARLE LAKES, MINNESOTA RIVER, MN	444,000	444,000
(N)	MINNESOTA RIVER, MN	145,000	145,000
(FC)	ORWELL LAKE, MN	2,334,000	2,334,000
(FC)	RED LAKE RIVER, MN	95,000	95,000
(N)	RESERVOIRS AT HEADWATERS OF MISSISSIPPI RIVER, MN	3,301,000	3,301,000
	MISSISSIPPI		
(N)	BILOXI HARBOR, MS	697,000	697,000
(N)	CLAIBORNE COUNTY PORT, MS	3,000	3,000
(FC)	EAST FORK, TOMBIGBEE RIVER, MS	170,000	170,000

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(N)	GULFPORT HARBOR, MS	2,357,000	2,357,000
(N)	MOUTH OF YAZOO RIVER, MS	113,000	113,000
(FC)	OKATIBBEE LAKE, MS	1,534,000	1,534,000
(N)	PASCAGOULA HARBOR, MS	2,998,000	2,998,000
(N)	PEARL RIVER, MS & LA	240,000	240,000
(N)	ROSEDALE HARBOR, MS	427,000	427,000
(N)	YAZOO RIVER, MS	79,000	79,000
	MISSOURI		
(N)	CARUTHERSVILLE HARBOR, MO	317,000	317,000
(MP)	CLARENCE CANNON DAM AND MARK TWAIN LAKE, MO	5,074,000	5,074,000
(FC)	CLEARWATER LAKE, MO	1,989,000	1,989,000
(MP)	HARRY S TRUMAN DAM AND RESERVOIR, MO	8,235,000	8,235,000
(FC)	LITTLE BLUE RIVER LAKES, MO	893,000	893,000
(FC)	LONG BRANCH LAKE, MO	807,000	807,000
(N)	MISS RIVER BETWEEN OHIO AND MO RIVERS, MO & IL (REG WO	14,365,000	14,365,000
(N)	NEW MADRID HARBOR, MO	192,000	192,000
(FC)	POMME DE TERRE LAKE, MO	2,094,000	2,094,000
(FC)	SMITHVILLE LAKE, MO	1,129,000	1,129,000
(N)	SOUTHEAST MISSOURI PORT, MISSISSIPPI RIVER, MO	221,000	221,000
(MP)	STOCKTON LAKE, MO	2,994,000	2,994,000
(MP)	TABLE ROCK LAKE, MO	4,908,000	4,908,000
(FC)	UNION LAKE, MO	16,000	16,000
(FC)	WAPPAPELLO LAKE, MO	10,000	10,000
	MONTANA		
(MP)	FT PECK DAM AND LAKE, MT	4,113,000	4,113,000
(MP)	LIBBY DAM, LAKE KOOCANUSA, MT	5,756,000	5,756,000
	NEBRASKA		
(MP)	GAVINS POINT DAM, LEWIS AND CLARK LAKE, NE & SD	5,071,000	5,071,000
(FC)	HARLAN COUNTY LAKE, NE	1,441,000	1,441,000
	MISSOURI NATIONAL RECREATIONAL RIVER, NE & SD	---	200,000
(MP)	MISSOURI R MASTER WTR CONTROL MANUAL, NE, IA, KS, MO,	500,000	500,000
(FC)	PAPILLION CREEK & TRIBUTARIES LAKES, NE	661,000	661,000
(FC)	SALT CREEK AND TRIBUTARIES, NE	642,000	642,000
	NEVADA		
(FC)	MARTIS CREEK LAKE, NV & CA	408,000	408,000
(FC)	PINE AND MATHEWS CANYONS LAKES, NV	199,000	199,000
	NEW HAMPSHIRE		
(FC)	BLACKWATER DAM, NH	439,000	439,000
(FC)	EDWARD MACDOWELL LAKE, NH	495,000	495,000
(FC)	FRANKLIN FALLS DAM, NH	740,000	740,000

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(FC)	HOPKINTON - EVERETT LAKES, NH	1,252,000	1,252,000
(FC)	OTTER BROOK LAKE, NH	545,000	545,000
(FC)	SURRY MOUNTAIN LAKE, NH	530,000	530,000
	NEW JERSEY		
(N)	BARNEGAT INLET, NJ	1,129,000	1,129,000
(N)	CHEESEQUAKE CREEK, NJ	100,000	100,000
(N)	COHANSEY RIVER, NJ	650,000	---
(N)	COLD SPRING INLET, NJ	490,000	490,000
(N)	DELAWARE RIVER AT CAMDEN, NJ	750,000	750,000
(N)	DELAWARE RIVER, PHILADELPHIA TO THE SEA, NJ, PA & DE	12,497,000	12,497,000
(N)	DELAWARE RIVER, PHILADELPHIA, PA TO TRENTON, NJ	2,520,000	2,520,000
(N)	KEYPORT HARBOR, NJ	100,000	100,000
(N)	NEW JERSEY INTRACOASTAL WATERWAY, NJ	2,755,000	2,755,000
(N)	NEWARK BAY, HACKENSACK AND PASSAIC RIVERS, NJ	160,000	160,000
(N)	RARITAN RIVER, NJ	80,000	80,000
(N)	SALEM RIVER, NJ	555,000	555,000
	TOMS RIVER, NJ	---	300,000
	NEW MEXICO		
(FC)	ABIQUIU DAM, NM	1,379,000	1,379,000
(FC)	COCHITI LAKE, NM	1,760,000	1,760,000
(FC)	CONCHAS LAKE, NM	940,000	940,000
(FC)	GALISTEO DAM, NM	271,000	271,000
(FC)	JEMEZ CANYON DAM, NM	419,000	419,000
(FC)	SANTA ROSA DAM AND LAKE, NM	814,000	814,000
(FC)	TWO RIVERS DAM, NM	313,000	313,000
	NEW YORK		
(FC)	ALMOND LAKE, NY	386,000	386,000
(FC)	ARKPORT DAM, NY	206,000	206,000
(N)	BAY RIDGE AND RED HOOK CHANNELS, NY	320,000	320,000
(N)	BLACK ROCK CHANNEL AND TONAWANDA HARBOR, NY	3,368,000	3,368,000
(N)	BROWN CREEK	100,000	100,000
(N)	BUFFALO HARBOR, NY	1,493,000	1,493,000
(N)	BUTTERMILK CHANNEL, NY	150,000	150,000
(N)	CONEY ISLAND CREEK, NY	80,000	80,000
(N)	EAST RIVER, NY	75,000	75,000
(N)	EAST ROCKAWAY INLET, NY	60,000	60,000
(FC)	EAST SIDNEY LAKE, NY	416,000	416,000
(N)	EASTCHESTER CREEK, NY	75,000	75,000
	GLEN COVE CREEK, NY	---	130,000
(N)	HUDSON RIVER CHANNEL, NY	2,245,000	2,245,000
(N)	HUDSON RIVER, NY	2,295,000	2,295,000
(N)	JAMAICA BAY, NY	1,150,000	1,150,000
(N)	JONES INLET, NY	120,000	120,000
(N)	MATAWAN CREEK, NJ	100,000	100,000

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(N)	MATTITUCK HARBOR, NY	870,000	870,000
(N)	MORICHES INLET, NY	100,000	100,000
(FC)	MT MORRIS LAKE, NY	1,875,000	1,875,000
(N)	NEW YORK AND NEW JERSEY CHANNELS, NY	155,000	155,000
(N)	NEW YORK HARBOR (DRIFT REMOVAL), NY & NJ	4,238,000	4,238,000
(N)	NEW YORK HARBOR (PREVENTION OF OBSTRUCTIVE DEPOSITS)	720,000	720,000
(N)	NEW YORK HARBOR, NY	6,396,000	9,896,000
(N)	PORTCHESTER HARBOR, NY	70,000	70,000
(N)	ROCHESTER HARBOR, NY	919,000	919,000
(N)	SHINNECOCK INLET, NY	100,000	100,000
(FC)	SOUTHERN NEW YORK FLOOD CONTROL PROJECTS, NY	783,000	783,000
(FC)	WHITNEY POINT LAKE, NY	3,701,000	3,701,000
	NORTH CAROLINA		
(N)	ATLANTIC INTRACOASTAL WATERWAY, NC	5,247,000	5,247,000
(FC)	B EVERETT JORDAN DAM AND LAKE, NC	1,220,000	1,220,000
(N)	BOGUE INLET AND CHANNEL, NC	450,000	450,000
(N)	CAPE FEAR RIVER ABOVE WILMINGTON, NC	714,000	714,000
(FC)	FALLS LAKE, NC	1,015,000	1,015,000
(N)	MANTEO (SHALLOWBAG) BAY, NC	5,603,000	5,603,000
(N)	MOREHEAD CITY HARBOR, NC	1,965,000	1,965,000
(N)	NEW RIVER INLET, NC	225,000	225,000
(FC)	W KERR SCOTT DAM AND RESERVOIR, NC	1,652,000	1,652,000
(N)	WILMINGTON HARBOR, NC	6,282,000	6,719,000
	NORTH DAKOTA		
(FC)	BOWMAN - HALEY LAKE, ND	261,000	261,000
(MP)	GARRISON DAM, LAKE SAKAKAWEA, ND	9,399,000	9,499,000
(FC)	HOMME LAKE, ND	197,000	197,000
(FC)	LAKE ASHTABULA AND BALDHILL DAM, ND	882,000	882,000
(FC)	PIPESTEM LAKE, ND	411,000	411,000
(FC)	SOURIS RIVER, ND	99,000	99,000
	OHIO		
(FC)	ALUM CREEK LAKE, OH	923,000	923,000
(N)	ASHTABULA HARBOR, OH	3,128,000	3,128,000
(FC)	BERLIN LAKE, OH	1,738,000	1,738,000
(FC)	CAESAR CREEK LAKE, OH	1,206,000	1,206,000
(FC)	CLARENCE J BROWN DAM, OH	567,000	567,000
(N)	CLEVELAND HARBOR, OH	4,814,000	4,814,000
(N)	CONNEAUT HARBOR, OH	717,000	717,000
(FC)	DEER CREEK LAKE, OH	1,920,000	1,920,000
(FC)	DELAWARE LAKE, OH	567,000	567,000
(FC)	DILLON LAKE, OH	541,000	541,000
(N)	FAIRPORT HARBOR, OH	244,000	244,000
(N)	HURON HARBOR, OH	48,000	48,000
(N)	LORAIN HARBOR, OH	1,096,000	1,096,000

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(FC)	MASSILLON LOCAL PROTECTION PROJECT, OH	25,000	25,000
(FC)	MICHAEL J KIRWAN DAM AND RESERVOIR, OH	820,000	820,000
(FC)	MOSQUITO CREEK LAKE, OH	746,000	746,000
(FC)	MUSKINGUM RIVER LAKES, OH	5,747,000	5,747,000
(FC)	NORTH BRANCH KOKOSING RIVER LAKE, OH	235,000	235,000
(FC)	PAINT CREEK LAKE, OH	641,000	641,000
(FC)	ROSEVILLE LOCAL PROTECTION PROJECT, OH	30,000	30,000
(N)	SANDUSKY HARBOR, OH	778,000	778,000
(N)	TOLEDO HARBOR, OH	3,223,000	3,223,000
(FC)	TOM JENKINS DAM, OH	291,000	291,000
(FC)	WEST FORK OF MILL CREEK LAKE, OH	431,000	431,000
(FC)	WILLIAM H HARSHA LAKE, OH	717,000	717,000
	OKLAHOMA		
(FC)	ARCADIA LAKE, OK	329,000	329,000
(FC)	BIRCH LAKE, OK	753,000	753,000
(MP)	BROKEN BOW LAKE, OK	2,404,000	2,404,000
(FC)	CANDY LAKE, OK	46,000	46,000
(FC)	CANTON LAKE, OK	1,782,000	1,782,000
(FC)	COPAN LAKE, OK	913,000	913,000
(MP)	EUFAULA LAKE, OK	3,841,000	3,841,000
(MP)	FORT GIBSON LAKE, OK	3,312,000	3,312,000
(FC)	FORT SUPPLY LAKE, OK	866,000	866,000
(FC)	GREAT SALT PLAINS LAKE, OK	355,000	355,000
(FC)	HEYBURN LAKE, OK	690,000	690,000
(FC)	HUGO LAKE, OK	1,668,000	1,668,000
(FC)	HULAH LAKE, OK	468,000	468,000
(FC)	KAW LAKE, OK	1,498,000	1,498,000
(MP)	KEYSTONE LAKE, OK	3,051,000	3,051,000
(FC)	OOLOGAH LAKE, OK	1,307,000	1,307,000
(FC)	OPTIMA LAKE, OK	523,000	523,000
(FC)	PENSACOLA RESERVOIR - LAKE OF THE CHEROKEES, OK	4,000	4,000
(FC)	PINE CREEK LAKE, OK	1,061,000	1,061,000
(MP)	ROBERT S KERR LOCK AND DAM AND RESERVOIRS, OK	4,262,000	4,262,000
(FC)	SARDIS LAKE, OK	784,000	784,000
(FC)	SKIATOOK LAKE, OK	815,000	815,000
(MP)	TENKILLER FERRY LAKE, OK	3,107,000	3,107,000
(FC)	WAURIKA LAKE, OK	1,349,000	1,349,000
(MP)	WEBBERS FALLS LOCK AND DAM, OK	2,816,000	2,816,000
(FC)	WISTER LAKE, OK	883,000	883,000
	OREGON		
(FC)	APPLEGATE LAKE, OR	633,000	633,000
(FC)	BLUE RIVER LAKE, OR	233,000	233,000
(MP)	BONNEVILLE LOCK AND DAM, OR & WA	17,097,000	17,097,000
	COLUMBIA RIVER TREATY FISHING ACCESS SITES, OR & WA	---	100,000
(N)	CHETCO RIVER, OR	471,000	471,000
(N)	COLUMBIA & LWR WILLAMETTE R BLW VANCOUVER, WA & PORTLA	10,341,000	10,341,000

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(N)	COLUMBIA RIVER AT THE MOUTH, OR & WA	7,870,000	7,870,000
(N)	COLUMBIA RIVER BETWEEN VANCOUVER, WA AND THE DALLES, O	493,000	493,000
(N)	COOS BAY, OR	5,103,000	5,103,000
(N)	COQUILLE RIVER, OR	484,000	484,000
(FC)	COTTAGE GROVE LAKE, OR	694,000	694,000
(MP)	COUGAR LAKE, OR	1,106,000	1,106,000
(N)	DEPOE BAY, OR	3,000	3,000
(MP)	DETROIT LAKE, OR	2,230,000	2,230,000
(FC)	DORENA LAKE, OR	530,000	530,000
(FC)	FALL CREEK LAKE, OR	504,000	504,000
(FC)	FERN RIDGE LAKE, OR	840,000	840,000
(MP)	GREEN PETER - FOSTER LAKES, OR	2,451,000	2,451,000
(MP)	HILLS CREEK LAKE, OR	739,000	739,000
(MP)	JOHN DAY LOCK AND DAM, OR & WA	17,743,000	17,743,000
(MP)	LOOKOUT POINT LAKE, OR	3,550,000	3,550,000
(MP)	LOST CREEK LAKE, OR	3,899,000	3,899,000
(MP)	MCNARY LOCK AND DAM, OR & WA	12,051,000	12,051,000
(N)	PORT ORFORD, OR	263,000	263,000
(N)	ROGUE RIVER, OR	755,000	755,000
(N)	SIUSLAW RIVER, OR	831,000	831,000
(N)	SKIPANON CHANNEL, OR	17,000	17,000
(N)	TILLAMOOK BAY & BAR, OR	8,000	8,000
(N)	UMPQUA RIVER, OR	1,090,000	1,090,000
(N)	WILLAMETTE RIVER AT WILLAMETTE FALLS, OR	727,000	727,000
(FC)	WILLAMETTE RIVER BANK PROTECTION, OR	20,000	20,000
(FC)	WILLOW CREEK LAKE, OR	479,000	479,000
(N)	YAQUINA BAY AND HARBOR, OR	1,783,000	1,783,000
	YAQUINA RIVER, OR	---	293,000
	PENNSYLVANIA		
(N)	ALLEGHENY RIVER, PA	12,274,000	12,274,000
(FC)	ALVIN R BUSH DAM, PA	543,000	543,000
(FC)	AYLESWORTH CREEK LAKE, PA	189,000	189,000
(FC)	BELTZVILLE LAKE, PA	785,000	785,000
(FC)	BLUE MARSH LAKE, PA	1,630,000	1,630,000
(FC)	CONEMAUGH RIVER LAKE, PA	1,350,000	1,350,000
(FC)	COWANESQUE LAKE, PA	2,240,000	2,240,000
(FC)	CROOKED CREEK LAKE, PA	1,328,000	1,328,000
(FC)	CURWENSVILLE LAKE, PA	578,000	578,000
(FC)	EAST BRANCH CLARION RIVER LAKE, PA	1,002,000	1,002,000
(N)	ERIE HARBOR, PA	48,000	48,000
(FC)	FOSTER JOSEPH SAYERS DAM, PA	622,000	622,000
(FC)	FRANCIS E WALTER DAM, PA	1,088,000	1,088,000
(FC)	GENERAL EDGAR JADWIN DAM AND RESERVOIR, PA	194,000	194,000
(FC)	JOHNSTOWN, PA	2,383,000	2,383,000
(FC)	KINZUA DAM AND ALLEGHENY RESERVOIR, PA	1,182,000	1,335,000
(FC)	LOYALHANNA LAKE, PA	997,000	997,000
(FC)	MAHONING CREEK LAKE, PA	956,000	956,000
(N)	MONONGAHELA RIVER, PA	15,715,000	15,715,000

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(FC)	PROMPTON LAKE, PA	669,000	669,000
(FC)	PUNXSUTAWNEY, PA	325,000	325,000
(FC)	RAYSTOWN LAKE, PA	2,830,000	5,330,000
(N)	SCHUYLKILL RIVER, PA	185,000	185,000
(FC)	SHENANGO RIVER LAKE, PA	1,710,000	1,710,000
(FC)	STILLWATER LAKE, PA	309,000	309,000
(FC)	TIOGA - HAMMOND LAKES, PA	2,102,000	2,102,000
(FC)	TIONESTA LAKE, PA	1,052,000	1,052,000
(FC)	UNION CITY LAKE, PA	506,000	506,000
(FC)	WOODCOCK CREEK LAKE, PA	763,000	763,000
(FC)	YORK INDIAN ROCK DAM, PA	479,000	479,000
(FC)	YOUGHIOGHENY RIVER LAKE, PA	1,785,000	1,785,000
	PUERTO RICO		
(N)	SAN JUAN HARBOR, PR	1,515,000	1,515,000
	RHODE ISLAND		
(N)	BLOCK ISLAND HARBOR OF REFUGE, RI	588,000	588,000
(N)	PROVIDENCE RIVER, RI	90,000	90,000
(N)	PT JUDITH POND HBR OF REFUGE, RI	656,000	656,000
(N)	SAKONNET HARBOR, RI	252,000	252,000
	SOUTH CAROLINA		
(N)	ATLANTIC INTRACOASTAL WATERWAY, SC	2,479,000	2,479,000
(N)	BROOKGREEN GARDEN CANAL, SC	5,000	5,000
(N)	CHARLESTON HARBOR, SC	4,701,000	4,701,000
(N)	COOPER RIVER, CHARLESTON HARBOR, SC	2,956,000	2,956,000
(N)	FOLLY RIVER, SC	386,000	386,000
(N)	GEORGETOWN HARBOR, SC	4,042,000	4,042,000
(N)	JEREMY CREEK, SC	4,000	4,000
(N)	LITTLE RIVER INLET, SC & NC	89,000	89,000
(N)	MURRELLS INLET, SC	95,000	95,000
(N)	PORT ROYAL HARBOR, SC	1,175,000	1,175,000
(N)	SHIPYARD RIVER, SC	380,000	380,000
(N)	TOWN CREEK, SC	491,000	491,000
	SOUTH DAKOTA		
(MP)	BIG BEND DAM - LAKE SHARPE, SD	5,887,000	5,887,000
(FC)	COLD BROOK LAKE, SD	474,000	474,000
(FC)	COTTONWOOD SPRINGS LAKE, SD	201,000	201,000
(MP)	FT RANDALL DAM - LAKE FRANCIS CASE, SD	7,520,000	7,520,000
(FC)	LAKE TRAVERSE, SD & MN	614,000	614,000
(MP)	OAHE DAM - LAKE OAHE, SD & ND	9,610,000	9,610,000

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
	TENNESSEE		
(MP)	CENTER HILL LAKE, TN	5,815,000	5,815,000
(MP)	CHEATHAM LOCK AND DAM, TN	5,624,000	5,624,000
(MP)	CORDELL HULL DAM AND RESERVOIR, TN	4,626,000	4,626,000
(MP)	DALE HOLLOW LAKE, TN	3,974,000	3,974,000
(MP)	J PERCY PRIEST DAM AND RESERVOIR, TN	3,618,000	3,618,000
(MP)	OLD HICKORY LOCK AND DAM, TN	5,671,000	5,671,000
(N)	TENNESSEE RIVER, TN	13,690,000	13,690,000
(N)	WOLF RIVER HARBOR, TN	706,000	706,000
	TEXAS		
(FC)	AQUILLA LAKE, TX	656,000	656,000
(FC)	ARKANSAS - RED RIVER BASINS CHLORIDE CONTROL - AREA VI	1,018,000	1,018,000
(N)	BARBOUR TERMINAL CHANNEL, TX	730,000	730,000
(FC)	BARDWELL LAKE, TX	1,160,000	1,160,000
(N)	BAYPORT SHIP CHANNEL, TX	1,780,000	1,780,000
(FC)	BELTON LAKE, TX	2,124,000	2,124,000
(FC)	BENBROOK LAKE, TX	1,536,000	1,536,000
(N)	BRAZOS ISLAND HARBOR, TX	2,145,000	2,145,000
(FC)	BUFFALO BAYOU AND TRIBUTARIES, TX	3,381,000	3,381,000
(FC)	CANYON LAKE, TX	1,488,000	1,488,000
(N)	CHANNEL TO PORT BOLIVAR, TX	75,000	75,000
(N)	CHANNEL TO PORT MANSFIELD, TX	290,000	290,000
(FC)	COOPER LAKE AND CHANNELS, TX	806,000	1,960,000
(N)	CORPUS CHRISTI SHIP CHANNEL, TX	8,489,000	8,489,000
(MP)	DENISON DAM - LAKE TEXOMA, TX	4,762,000	4,762,000
(FC)	ESTELLINE SPRINGS EXPERIMENTAL PROJECT, TX	4,000	4,000
(FC)	FERRELLS BRIDGE DAM - LAKE O'THE PINES, TX	1,994,000	2,244,000
(N)	FREEPORT HARBOR, TX	4,368,000	4,368,000
(N)	GALVESTON HARBOR AND CHANNEL, TX	2,828,000	3,068,000
(N)	GIWW - CHANNEL TO VICTORIA, TX	610,000	610,000
(N)	GIWW - CHOCOLATE BAYOU, TX	22,000	22,000
(FC)	GRANGER DAM AND LAKE, TX	1,308,000	1,308,000
(FC)	GRAPEVINE LAKE, TX	1,969,000	1,969,000
(N)	GREENS BAYOU CHANNEL, TX	14,000	14,000
(N)	GULF INTRACOASTAL WATERWAY, TX	18,062,000	18,562,000
(FC)	HORDS CREEK LAKE, TX	1,164,000	1,164,000
(N)	HOUSTON SHIP CHANNEL, TX	3,623,000	3,623,000
(FC)	JOE POOL LAKE, TX	744,000	744,000
(FC)	LAKE KEMP, TX	210,000	210,000
(FC)	LAVON LAKE, TX	2,124,000	2,124,000
(FC)	LEWISVILLE DAM, TX	2,316,000	2,316,000
(N)	MATAGORDA SHIP CHANNEL, TX	99,000	99,000
(N)	MOUTH OF THE COLORADO RIVER, TX	1,720,000	1,720,000
(FC)	NAVARRO MILLS LAKE, TX	1,305,000	1,305,000
(FC)	NORTH SAN GABRIEL DAM AND LAKE GEORGETOWN, TX	1,287,000	1,287,000
(FC)	O C FISHER DAM AND LAKE, TX	1,095,000	1,095,000
(FC)	PAT MAYSE LAKE, TX	750,000	750,000

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(FC)	PROCTOR LAKE, TX	1,459,000	1,459,000
(FC)	RAY ROBERTS LAKE, TX	768,000	768,000
(N)	SABINE - NECHES WATERWAY, TX	7,328,000	7,328,000
(MP)	SAM RAYBURN DAM AND RESERVOIR, TX	3,932,000	3,932,000
(FC)	SOMERVILLE LAKE, TX	2,224,000	2,224,000
(FC)	STILLHOUSE HOLLOW DAM, TX	1,393,000	1,393,000
(N)	TEXAS CITY SHIP CHANNEL, TX	1,580,000	1,580,000
(MP)	TOWN BLUFF DAM - B A STEINHAGEN LAKE, TX	1,509,000	1,509,000
(N)	TRINITY RIVER & TRIBUTARIES, TX	128,000	128,000
(FC)	WACO LAKE, TX	2,069,000	2,069,000
(FC)	WALLISVILLE LAKE, TX	554,000	554,000
(MP)	WHITNEY LAKE, TX	3,988,000	3,988,000
(FC)	WRIGHT PATMAN DAM AND LAKE, TX	2,200,000	2,200,000
	VERMONT		
(FC)	BALL MOUNTAIN LAKE, VT	713,000	713,000
(N)	NARROWS OF LAKE CHAMPLAIN, VT & NY	45,000	45,000
(FC)	NORTH HARTLAND LAKE, VT	427,000	427,000
(FC)	NORTH SPRINGFIELD LAKE, VT	480,000	480,000
(FC)	TOWNSHEND LAKE, VT	1,964,000	1,964,000
(FC)	UNION VILLAGE DAM, VT	395,000	395,000
	VIRGINIA		
	APPOMATTOX RIVER, VA	---	150,000
(N)	ATLANTIC INTRACOASTAL WATERWAY, VA	2,679,000	2,699,000
(N)	BLACKWATER RIVER, VA	54,000	54,000
(N)	BROAD CREEK, VA	220,000	220,000
(N)	CHANNEL TO NEWPORT NEWS, VA	45,000	45,000
(N)	CHINCOTEAGUE INLET, VA	803,000	803,000
(N)	CHOWAN RIVER, VA	54,000	54,000
(N)	CRANES CREEK, VA	55,000	55,000
(N)	DEEP CREEK, VA	33,000	33,000
(FC)	GATHRIGHT DAM AND LAKE MOOMAW, VA	1,340,000	1,340,000
(N)	GREENVALE CREEK, LANCASTER COUNTY, VA	196,000	196,000
(N)	HAMPTON RDS, NORFOLK & NEWPORT NEWS HBR, VA (DRIFT REM	647,000	647,000
(N)	HORN HARBOR, VA	41,000	41,000
(N)	JAMES RIVER CHANNEL, VA	1,742,000	1,742,000
(MP)	JOHN H KERR DAM AND RESERVOIR, VA & NC	6,937,000	6,977,000
(FC)	JOHN W FLANNAGAN DAM AND RESERVOIR, VA	1,232,000	1,432,000
	NEABSCO CREEK, VA	---	100,000
(N)	NORFOLK HARBOR (PREVENTION OF OBSTRUCTIVE DEPOSITS), V	200,000	200,000
(N)	NORFOLK HARBOR AND CHANNELS, VA	8,213,000	8,213,000
(FC)	NORTH FORK OF POUND RIVER LAKE, VA	394,000	394,000
(MP)	PHILPOTT LAKE, VA	2,140,000	2,140,000
(N)	QUINBY CREEK, VA	352,000	352,000
(N)	RUDEE INLET, VA	542,000	542,000
(N)	STARLINGS CREEK, VA	53,000	53,000
(N)	TANGIER CHANNEL, VA	504,000	504,000

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(N)	THIMBLE SHOAL CHANNEL, VA	180,000	180,000
(N)	WATERWAY ON THE COAST OF VIRGINIA, VA	1,195,000	1,195,000
(N)	WILLOUGHBY CHANNEL, VA	150,000	150,000
	WASHINGTON		
(N)	ANACORTES HARBOR, WA	20,000	20,000
(N)	BELLINGHAM HARBOR, WA	442,000	442,000
(MP)	CHIEF JOSEPH DAM, WA	11,161,000	11,161,000
(N)	COLUMBIA RIVER AT BAKER BAY, WA & OR	24,000	24,000
(N)	COLUMBIA RIVER BETWEEN CHINOOK AND SAND ISLAND, WA	7,000	7,000
(MP)	COLUMBIA RIVER SYSTEM OPERATION REVIEW, WA, ID, MT & O	565,000	565,000
(N)	EVERETT HARBOR AND SNOHOMISH RIVER, WA	835,000	835,000
(N)	GRAYS HARBOR AND CHEHALIS RIVER, WA	6,159,000	9,359,000
(FC)	HOWARD A HANSON DAM, WA	991,000	991,000
(MP)	ICE HARBOR LOCK AND DAM, WA	7,925,000	7,925,000
(N)	LAKE WASHINGTON SHIP CANAL, WA	5,578,000	5,578,000
(MP)	LITTLE GOOSE LOCK AND DAM, WA	5,208,000	5,208,000
(MP)	LOWER GRANITE LOCK AND DAM, WA	7,330,000	7,330,000
(MP)	LOWER MONUMENTAL LOCK AND DAM, WA	6,735,000	6,735,000
(FC)	MILL CREEK LAKE, VIRGIL B BENNINGTON LAKE, WA	763,000	763,000
(FC)	MT ST HELENS, WA	454,000	454,000
(FC)	MUD MOUNTAIN DAM, WA	1,596,000	1,596,000
(N)	PUGET SOUND AND TRIBUTARY WATERS, WA	1,155,000	1,155,000
(N)	QUILLAYUTE RIVER, WA	695,000	695,000
(N)	SEATTLE HARBOR, WA	575,000	575,000
(FC)	STILLAGUAMISH RIVER, WA	165,000	165,000
(FC)	TACOMA, PUYALLUP RIVER, WA	55,000	55,000
(MP)	THE DALLES LOCK AND DAM, WA & OR	9,868,000	9,868,000
(N)	WATERWAY CONNECTING PORT TOWNSEND AND OAK BAY, WA	43,000	43,000
(N)	WILLAPA RIVER AND HARBOR, WA	1,495,000	1,495,000
	WEST VIRGINIA		
(FC)	BEECH FORK LAKE, WV	778,000	778,000
(FC)	BLUESTONE LAKE, WV	4,095,000	4,095,000
(FC)	BURNSVILLE LAKE, WV	1,270,000	1,270,000
	CHARLESTON, WV WATERFRONT PARK	---	275,000
(FC)	EAST LYNN LAKE, WV	1,178,000	1,178,000
(N)	ELK RIVER HARBOR, WV	323,000	323,000
(FC)	ELKINS, WV	7,000	7,000
	HUNTINGTON, WV WATERFRONT PARK	---	805,000
(N)	KANAWHA RIVER LOCKS AND DAMS, WV	11,207,000	11,207,000
(FC)	R D BAILEY LAKE, WV	1,297,000	1,297,000
(FC)	STONEWALL JACKSON LAKE, WV	904,000	904,000
(FC)	SUMMERSVILLE LAKE, WV	1,340,000	1,340,000
(FC)	SUTTON LAKE, WV	1,545,000	1,545,000
(N)	TYGART LAKE, WV	1,957,000	1,957,000

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
	WISCONSIN		
(N)	CORNUCOPIA HARBOR, WI	52,000	52,000
(FC)	EAU GALLE RIVER LAKE WISCONSIN, WI	547,000	547,000
(N)	FOX RIVER, WI	1,869,000	1,869,000
(N)	GREEN BAY HARBOR, WI	1,148,000	1,148,000
(N)	GREEN BAY HARBOR, WI (DIKE DISPOSAL)	3,030,000	3,030,000
(N)	KEWAUNEE HARBOR, WI	253,000	253,000
(FC)	LA FARGE LAKE, WI	41,000	41,000
(N)	MANITOWOC HARBOR, WI	273,000	273,000
(N)	MILWAUKEE HARBOR, WI	3,976,000	3,976,000
(N)	PORT WASHINGTON HARBOR, WI	131,000	131,000
(N)	SHEBOYGAN HARBOR, WI	646,000	646,000
(N)	STURGEON BAY, WI	1,009,000	1,009,000
(N)	TWO RIVERS HARBOR, WI	591,000	591,000
	WYOMING		
(FC)	JACKSON HOLE LEVEES, WY	1,322,000	1,322,000

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
	MISCELLANEOUS		
	CIVIL WORKS ENERGY DATA SYSTEM	60,000	60,000
	COASTAL INLET RESEARCH PROGRAM	4,500,000	4,000,000
	DREDGING DATA AND LOCK PERFORMANCE MONITORING SYSTEM	725,000	725,000
	DREDGING OPERATIONS TECHNICAL SUPPORT (DOTS)	3,250,000	3,250,000
	EARTHQUAKE HAZARDS PROGRAM FOR BUILDINGS AND LIFELINES	600,000	600,000
	ENVIRONMENTAL DREDGING (SEC. 312)	---	1,000,000
	ENVIRONMENTAL REVIEW GUIDE FOR OPERATIONS (ERGO)	1,500,000	1,500,000
	INSPECTION OF COMPLETED WORKS	7,056,000	7,056,000
	MISSISSIPPI RIVER BASIN MAINSTEM MODEL DEVELOPMENT	1,000,000	1,000,000
	MONITORING OF COMPLETED COASTAL PROJECTS	2,100,000	2,100,000
	NATIONAL DAM SAFETY PROGRAM	20,000	20,000
	NATIONAL EMERGENCY PREPAREDNESS PROGRAM (NEPP)	7,000,000	7,000,000
	NATIVE AMERICAN GRAVES PROTECTION AND REPATRIATION	3,235,000	3,235,000
	NATURAL RESOURCES TECHNICAL SUPPORT (NRTS)	1,600,000	1,600,000
	PEER REVIEW PROGRAM	400,000	400,000
	POLICY AND PROCEDURE OPTIONS FOR PROJECT O&M	500,000	500,000
	PROJECT CONDITION SURVEYS	9,067,000	9,067,000
	PROTECTING, CLEARING AND STRAIGHTENING CHANNELS	50,000	50,000
	REAL TIME WATER CONTROL RESEARCH PROGRAM	850,000	850,000
	RELIABILITY MODELS PROGRAM FOR MAJOR REHABILITATION	595,000	595,000
	REMOVAL OF SUNKEN VESSELS	1,000,000	1,000,000
	REPAIR, EVALUATION, MAINTENANCE & REHAB RESEARCH	6,000,000	6,000,000
	RIVER CONFLUENCE ICE RESEARCH	1,150,000	1,150,000
	SCANNING HYDROGRAPHIC OPERATIONAL AIRBORNE LIDAR SURVE	2,164,000	2,164,000
	SCHEDULING RESERVOIR OPERATIONS	3,247,000	3,247,000
	SURVEILLANCE OF NORTHERN BOUNDARY WATERS	3,972,000	3,972,000
	WATER OPERATIONS TECHNICAL SUPPORT (WOTS)	1,550,000	1,550,000
	WATERBORNE COMMERCE STATISTICS	4,200,000	4,200,000
	GSA RENT REDUCTION	-734,000	-734,000
	PROCUREMENT REFORM	-2,682,000	-2,682,000
	REDUCTION FOR ANTICIPATED SAVINGS AND SLIPPAGE	-30,632,000	-35,463,000
	TOTAL, OPERATION AND MAINTENANCE	1,608,184,000	1,646,535,000

TYPE OF PROJECT:
(N) NAVIGATION
(BE) BEACH EROSION CONTROL
(FC) FLOOD CONTROL
(MP) MULTIPURPOSE, INCLUDING POWER

TITLE II

DEPARTMENT OF THE INTERIOR

BUREA OF RECLAMATION

The summary tables at the end of this title set forth the conference agreement with respect to the individual appropriations, programs and activities of the Bureau of Reclamation. Additional items of conference agreement are discussed below.

GENERAL INVESTIGATIONS

Amendment No. 17: Appropriates $14,190,000 for General Investigations as proposed by the House instead of $14,340,000 as proposed by the Senate.

As part of the Bureau of Reclamation's ongoing Tucson/Phoenix Water Conservation and Exchange Study, the conferees encourage the Bureau to participate with non-Federal entities in the Northwest Tucson Active Management Replenishment Program.

Amendment No. 18: Deletes language proposed by the Senate providing $500,000 for the Equus Beds project in Wichita, Kansas. Funding for this project has been provided under the Construction Program as part of the Groundwater Recharge Demonstration Program.

Amendment No. 19: Deletes language proposed by the Senate providing $50,000 for the Lewis and Clark Rural Water System, South Dakota, feasibility study.

CONSTRUCTION PROGRAM

Amendment No. 20: Appropriates $432,727,000 for the Bureau of Reclamation's Construction Program as proposed by the House instead of $425,727,000 as proposed by the Senate.

The conferees have provided, under the Central Valley Project, California, $8,502,000 for the Delta Division for the purposes and priorities proposed by the House with the following changes: $400,000 for the joint Federal-state effort to address the San Francisco Bay and Sacramento San Joaquin Delta water quality efforts; $500,000 for the Delta Barriers Program; and $1,228,000 for the acquisition of Prospect Island.

The conferees have provided, under the Central Valley Project, California, $8,285,000 for the Miscellaneous Project Programs for the purposes and priorities proposed by the House with the following changes: $4,000,000 for the Unscreened Diversions Program; $300,000 for the Spring Run Salmon Program; $150,000 for the Coho Salmon Program; and $100,000 for the Salmon Stamp Program.

The conferees have provided, under the Central Valley Project, California, $3,460,000 for the Sacramento River Division for the purposes and priorities proposed by the House.

For the Shasta Division the conference agreement includes $18,000,000, $13,000,000 above the budget request, for the Shasta Dam Temperature Control Device. Including the amounts to be allocated from the Central Valley Project Restoration Fund, this provides a total of $25,037,000 for the Shasta Dam Temperature Control Device. The conferees direct the Bureau of Reclamation to award a contract to initiate construction in fiscal year 1995 and to request sufficient funds in fiscal year 1996 to keep construction of this important project on an optimum schedule.

Within available funds, the conferees direct the Bureau of Reclamation to provide $100,000 for preconstruction engineering and design work on the Colusa Basin, California, Drainage District's Watershed Integrated Resources Management Program, as described in the District's initial plan, adopted in October, 1993.

Within available funds, the conferees direct the Bureau of Reclamation to provide $100,000 for engineering, design, and construction of a replacement for the McCune Creek Siphon Crossing Putah South Canal in California. The current crossing is a public safety hazard and may adversely impact the operations of the siphon and canal.

The conferees urge the Bureau of Reclamation to reconsider the benefits of working with the National Fish and Wildlife Foundation or other entity to assist in the efficient implementation of the Central Valley Project Improvement Act. In reconsidering this issue, the Bureau of Reclamation should consult with Central Valley Project beneficiaries and other interested groups, such as environmental organizations, in selection of the entity to assist in the implementation, if needed.

The conferees are aware that the water quality within Camanche Reservoir and the Sacramento River Basin in California may be threatened by discharges from the abandoned Penn Mine. In light of this serious situation, the conferees direct the Bureau of Reclamation, in consultation with the Bureau of Mines, to make an analysis of the magnitude of the problem and potential solutions and report back to the Committee on Appropriations of the House and Senate during hearings on the fiscal year 1996 budget.

The conference agreement includes an additional $500,000 for the Groundwater Recharge Demonstration Program for the Equus Beds project in Wichita, Kansas. The Senate had proposed that this project be funded under the General Investigations account.

Amendment No. 21: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate that provides $4,827,000 for the settlement of all claims with the State of New Mexico associated with work at Costilla Dam.

OPERATION AND MAINTENANCE

Amendment No. 22: Appropriates $284,300,000 for Operation and Maintenance instead of $286,521,000 as proposed by the House and $282,165,000 as proposed by the Senate.

The conferees have provided $70,504,000 for operation and maintenance activities associated with the Central Valley Project in California, $2,135,000 above the budget request. The additional funds should be used for replacements, additions, and extraordinary maintenance items.

The conference agreement includes $6,226,000 for the Water Management and Conservation Program for fiscal year 1995. This amount includes $500,000 for the Deschutes River, Oregon, project as described in the Senate report.

Amendment No. 23: Deletes language proposed by the Senate providing $300,000 for a regional drought mitigation center located within the Great Plains Region.

BUREAU OF RECLAMATION LOANS PROGRAM ACCOUNT

Amendment No. 24: Appropriates $9,000,000 for the Bureau of Reclamation Loans Program, excluding administrative expenses, as proposed by the House instead of $6,000,000 as proposed by the Senate.

The conference agreement includes a total of $9,000,000 for Bureau of Reclamation loans in fiscal year 1995. The funds appropriated include $6,000,000 for the initiation of new loans. On May 18, 1994, the Secretary of the Interior transmitted to Congress his approval of eight projects under the Small Reclamation Project Act. Those projects are the Castroville Irrigation Water Supply Project, California; the Water Reclamation Facility for Crop Irrigation Project, Monterey County, California; the Temescal Valley Project, California; the Chino Basin Desalination Project, California; the Ute Mountain Ute Indian Project, Colorado; the Milltown Hill Project, Oregon; The Dalles Project, Oregon; and the Hidalgo County Irrigation Project, Texas. The conferees are also aware that the application for the San Sevaine Creek, California, project is nearing completion and will be processed when received. The funds provided for the initiation of new loans are available to start the above projects.

The conferees are aware that the Bureau of Reclamation desires to fundamentally change the Loan Program. However, until those changes occur, the conferees believe it is appropriate to proceed with projects where the applicants have complied with all the requirements of the existing authorized program. The conferees hope that the Department of the Interior and the Bureau of Reclamation cooperate with this effort and budget for follow-on funding requirements.

Amendment No. 25: Provides for a limitation on the principal amount of direct loans of $23,000,000 as proposed by the House instead of $20,000,000 as proposed by the Senate.

CENTRAL VALLEY PROJECT RESTORATION FUND

The conferees agree with the language in the House report regarding projects to be undertaken under the Central Valley Project Restoration Fund in fiscal year 1995.

GENERAL ADMINISTRATIVE EXPENSES

The conferees are concerned that the establishment and operation of the Western Water Policy Review Commission has been delayed for nearly two years. The Commission was established pursuant to the direction contained in Public Law 102–575 which was enacted on October 30, 1992. The statute requires the Commission's report to be submitted to the President within three years of enactment. The conferees are concerned that insufficient time remains in the three-year period expiring on October 30, 1995, for the Commission to produce a high quality report. Accordingly, the conferees urge that the first meeting of the Commission be convened at the earliest possible date, and that no later than November 1, 1994, the Secretary of the Interior apprise the relevant House and Senate committees of the likelihood of the final report being completed by October 30, 1995.

BUREAU OF RECLAMATION

PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
GENERAL INVESTIGATIONS		
ARIZONA		
TUCSON/PHOENIX WATER CONSERVATION AND EXCHANGE STUDY..	300,000	300,000
VERDE RIVER BASIN MANAGEMENT STUDY.....	125,000	125,000
CALIFORNIA		
AMERICAN RIVER FOLSOM SOUTH OPTIMIZATION STUDY.....	---	400,000
IMPERIAL VALLEY AGRICULTURAL DRAINAGE.....	75,000	75,000
SALTON SEA RESEARCH PROJECT.....	---	100,000
SAN FRANCISCO AREA WATER RECLAMATION STUDY.....	---	790,000
SOUTHERN CALIFORNIA COMPREHENSIVE WATER.....	325,000	325,000
COLORADO		
GRAND VALLEY PROJECT WATER CONSERVATION STUDY	63,000	63,000
YAMPA RIVER WATER SUPPLY STUDY	100,000	100,000
IDAHO		
IDAHO RIVER SYSTEMS MANAGEMENT.....	100,000	100,000
UPPER SALMON RIVER WATER OPTIMIZATION STUDY.....	100,000	100,000
MONTANA		
FORT PECK RESERVATION, INDIAN WATER RIGHTS ASSESSMENT.	---	150,000
MUSSELSHELL RIVER WATER MANAGEMENT PLAN.....	50,000	50,000
WESTERN MONTANA WATER CONSERVATION STUDY.....	200,000	200,000
NEW MEXICO		
MIDDLE RIO GRANDE ASSESSMENT/MGMT STUDY.....	100,000	100,000
PECOS RIVER BASIN FISH AND WILDLIFE.....	50,000	50,000
RIO PUERCO WATERSHED SEDIMENTATION & WATER QUALITY STU	200,000	200,000
SAN JUAN RIVER - GALLUP WATER SUPPLY STUDY.....	---	300,000
OREGON		
CARLTON LAKE RESTORATION.....	200,000	200,000
CENTRAL OREGON IRRIGATION SYSTEM.....	100,000	100,000
GRANDE RONDE WATER OPTIMIZATION STUDY.....	59,000	59,000
NORTHWEST OREGON REGIONAL WATER SUPPLY STUDY	250,000	250,000
OREGON STREAM RESTORATION PLANNING STUDY.....	200,000	200,000
OREGON SUBBASIN CONSERVATION PLANNING.....	200,000	200,000
OWYHEE PROJECT STORAGE OPTIMIZATION STUDY.....	150,000	150,000
UPPER DESCHUTES RIV BASIN WATER CONSERVATION PROJ.....	120,000	120,000

BUREAU OF RECLAMATION

PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
SOUTH DAKOTA		
BLACK HILLS REGIONAL WATER MANAGEMENT STUDY.....	100,000	100,000
TRI COUNTY, SD.....	---	150,000
TEXAS		
EDWARDS ACQUIFER REG. WATER RESOURCES & MGMT STUDY....	240,000	240,000
LOWER RIO GRANDE BASIN STUDY.....	175,000	175,000
RINCON BAYOU-NUECES MARSH WETLANDS.....	90,000	90,000
UTAH		
WEBER BASIN WATER QUALITY/WATERSHED.....	150,000	150,000
VARIOUS		
COLORADO RIVER WATER QUALITY IMPROVEMENT PROGRAM.....	1,245,000	1,245,000
DROUGHT INVESTIGATION PROGRAM.....	80,000	80,000
ENVIRONMENTAL & INTERAGENCY COORDINATION ACTIVITIES...	1,695,000	1,695,000
GENERAL PLANNING STUDIES.....	1,970,000	1,970,000
INVESTIGATION OF EXISTING PROJECTS.....	512,000	512,000
LOWER COLORADO RIVER REGULATORY STORAGE STUDY.....	150,000	150,000
MINOR WORK ON COMPLETED INVESTIGATIONS.....	220,000	220,000
MISSOURI RIVER BASIN WATER RESOURCE MGMT PLANS.....	250,000	250,000
PALLID STURGEON RECOVERY DECISION SUPPORT SYSTEM.....	140,000	140,000
TECHNICAL ASSISTANCE TO STATES.....	1,866,000	1,866,000
UPPER SNAKE RIVER BASIN SALMON MIGRATION WATER STUDY..	300,000	300,000
UPPER SNAKE RIVER BASIN STORAGE OPTIMIZATION.....	200,000	200,000
WEST TEXAS/SOUTHERN NEW MEXICO WATER RESOURCE INVEST..	150,000	150,000
ASSOCIATED ITEMS		
UNDISTRIBUTED REDUCTION FOR ANTICIPATED SAVINGS, SLIPPAGE AND DELAYS.....	---	-300,000
TOTAL, GENERAL INVESTIGATIONS.....	12,600,000	14,190,000

BUREAU OF RECLAMATION

PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
CONSTRUCTION PROGRAM		
CONSTRUCTION AND REHABILITATION AND COLORADO RIVER BASIN SALINITY CONTROL PROJECTS		
CALIFORNIA		
CENTRAL VALLEY PROJECT:		
AUBURN-FOLSOM SOUTH UNIT	2,182,000	2,182,000
DELTA DIVISION	6,024,000	8,502,000
MISCELLANEOUS PROJECT PROGRAMS	2,350,000	8,285,000
SACRAMENTO RIVER DIVISION	---	3,460,000
SAN LUIS UNIT	100,000	676,000
SHASTA DIVISION	5,000,000	18,000,000
TRINITY RIVER RESTORATION PROGRAM	5,000,000	5,000,000
SAN DIEGO AREA WATER RECLAMATION PROJECT	---	2,500,000
SAN GABRIEL BASIN PROJECT	5,000,000	5,000,000
LOS ANGELES AREA WATER RECLAMATION AND REUSE PROJECT	5,250,000	8,250,000
SAN JOSE AREA WATER RECLAMATION AND REUSE PROGRAM	---	1,750,000
COLORADO		
GRAND VALLEY UNIT, TITLE II, CRBSCP	7,270,000	7,270,000
LOWER GUNNISON BASIN UNIT, TITLE II, CRBSCP	698,000	698,000
PARADOX VALLEY UNIT, TITLE II, CRBSCP	3,050,000	3,050,000
NORTH DAKOTA		
GARRISON DIVERSION UNIT, P-SMBP	30,000,000	32,000,000
OREGON		
UMATILLA BASIN PROJECT	10,000,000	10,000,000
SOUTH DAKOTA		
BELLE FOURCHE UNIT, P-SMBP	3,064,000	3,064,000
LAKE ANDES-WAGNER, MARTY II, SD	---	250,000
MNI WICONI PROJECT	8,400,000	14,500,000
MID DAKOTA PROJECT	---	4,000,000

BUREAU OF RECLAMATION

PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
WASHINGTON		
COLUMBIA BASIN PROJECT:		
IRRIGATION FACILITIES	4,800,000	4,800,000
ELWHA RIVER RESTORATION	400,000	---
VARIOUS		
BOULDER CANYON PROJECT, AZ-NV	3,101,000	3,101,000
COLUMBIA AND SNAKE RIVER, SALMON RECOVERY PROJECT	5,600,000	5,600,000
COLORADO RIVER BASIN SALINITY CONTROL PROJ., TITLE I	3,501,000	3,501,000
ENDANGERED SPECIES CONSERVATION/RECOVERY PROJECTS	1,454,000	1,454,000
ENDANGERED SPECIES RECOVERY IMPLEMENTATION PROGRAM	5,546,000	5,546,000
INDIAN WATER RIGHTS SETTLEMENT PROJECTS	3,523,000	3,523,000
SUBTOTAL, REGULAR CONSTRUCTION	121,313,000	165,962,000
DRAINAGE AND MINOR CONSTRUCTION:		
COLORADO RIVER FRONT WORK & LEVEE SYSTEM, AR, CO	2,700,000	2,700,000
CULTURAL RESOURCES ACT., ID,ND,MT,OR,SE,WA,WY	34,000	34,000
HUNGRY HORSE SELECTABLE WITHDRAWAL	1,072,000	4,722,000
KLAMATH PROJECT, OREGON-CALIFORNIA	2,700,000	2,700,000
LEADVILLE / ARKANSAS RIVER RECOVERY	500,000	500,000
MC GEE CREEK PROJECT, OKLAHOMA	135,000	135,000
MOUNTAIN PARK PROJECT, OKLAHOMA	1,500,000	1,500,000
COSTILLA DAM, NM	---	4,827,000
NEWLANDS PROJECT, NEVADA	1,575,000	1,575,000
NUECES RIVER PROJECT, TEXAS	170,000	170,000
PALMETTO BEND PROJECT, TEXAS	75,000	75,000
PICK-SLOAN MISSOURI BASIN PROGRAM:		
BOSTWICK DIVISION, NEBRASKA	100,000	600,000
EAST BENCH UNIT, MONTANA	50,000	50,000
FARWELL UNIT, NEBRASKA	60,000	210,000
NORTH LOUP DIVISION, P-SMBP	2,781,000	2,781,000
OAHE UNIT, SOUTH DAKOTA	100,000	100,000
OWL CREEK UNIT, WYOMING	15,000	15,000
RAPID VALLEY D&MC	335,000	335,000
RECLAMATION RECREATION MANAGMENT ACT - TITLE 28	11,000,000	6,938,000
RECREATION FACILITIES AT EXISTING RESV, VARIOUS	150,000	150,000
WETLANDS DEVELOPMENT, VARIOUS	3,102,000	5,602,000
YAKIMA FISH PASSAGE/PROTECTIVE FACILITIES, WA	160,000	160,000
SUBTOTAL, DRAINAGE AND MINOR CONSTRUCTION	28,314,000	35,879,000

BUREAU OF RECLAMATION

PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
SAFETY OF DAMS PROGRAMS:		
DEPARTMENT OF INTERIOR DAM SAFETY PROGRAM	850,000	850,000
ITITIATE SOD CORRECTION ACTION, VARIOUS	18,389,000	18,389,000
MODIFICATION REPORTS & PRECONSTRUCTION ACTIVITY	2,500,000	2,500,000
SALT RIVER PROJECT, BARTLETT DAM, ARIZONA	15,846,000	15,846,000
SALT RIVER PROJECT, HORSESHOE DAM, ARIZONA	3,369,000	3,369,000
SALT RIVER PROJECT, STEWART MTN. DAM, ARIZONA	887,000	887,000
SAN CARLOS IRRIGATION - COOLIDGE DAM, ARIZONA	8,126,000	8,126,000
UMATILLA PROJECT, COLD SPRINGS DAM	7,150,000	7,150,000
SUBTOTAL, SAFETY OF DAMS	57,117,000	57,117,000
REHABILITATION AND BETTERMENT:		
MILK RIVER, GLASGOW DIVISION, MT	225,000	225,000
OGDEN RIVER PROJECT, UTAH	1,508,000	1,508,000
SHOSHONE PROJECT	1,700,000	1,700,000
WEBER BASIN PROJECT, UTAH	6,528,000	6,528,000
SUBTOTAL, REHABILITATION AND BETTERMENT	9,961,000	9,961,000
SCIENCE AND TECHNOLOGY:		
WATER TREATMENT TECHNOLOGY	1,700,000	1,700,000
GLOBAL CLIMATE CHANGE	525,000	525,000
GROUNDWATER RECHARGE DEMONSTRATION PROGRAM	1,765,000	2,265,000
WATERSHED MIODELING SYSTEM INTIATIVE	1,000,000	1,000,000
WATER TECHNOLOGY/ENVIRONMENTAL RESEARCH	3,000,000	3,000,000
SUBTOTAL, SCIENCE AND TECHNOLOGY	7,990,000	8,490,000
TOTAL, CONSTRUCTION AND REHABILITATION AND COLORADO RIVER BASIN SALINITY CONTROL PROJECTS	224,695,000	277,409,000

BUREAU OF RECLAMATION

PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
COLORADO RIVER STORAGE PROJECT		
UPPER COLORADO RIVER BASIN FUND AND PARTICIPATING PROJECTS		
COLORADO		
ANIMAS-LA PLATA PROJECT	6,600,000	6,600,000
DOLORES PROJECT	2,931,000	2,931,000
UTAH		
CENTRAL UTAH PROJECT, BONNEVILLE UNIT	13,480,000	13,480,000
DRAINAGE & MINOR CONSTRUCTION:		
PARTICIPATING PROJECTS:		
DALLAS CREEK PROJECT	261,000	261,000
RECREATIONAL AND FISH AND WILDLIFE FACILITIES:		
RECREATIONAL FACILITIES	3,835,000	3,835,000
FISH AND WILDLIFE FACILITIES	3,371,000	3,371,000
TOTAL, COLORADO RIVER STORAGE PROJECT	30,478,000	30,478,000
COLORADO RIVER BASIN PROJECT		
CENTRAL ARIZONA PROJECT		
ARIZONA		
CENTRAL ARIZONA PROJECT, WATER DEVELOPMENT (LCRBDF)	146,293,000	153,793,000
CENTRAL ARIZONA PROJECT, SAFETY OF DAMS	9,797,000	9,797,000
TOTAL, COLORADO RIVER BASIN PROJECT	156,090,000	163,590,000
ASSOCIATED ITEMS		
UNDISTRIBUTED REDUCTION BASED ON ANTICIPATED DELAYS	-30,357,000	-38,750,000
TOTAL, CONSTRUCTION PROGRAM	380,906,000	432,727,000

BUREAU OF RECLAMATION

PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
LOAN PROGRAM		
EASTERN MUNICIPAL CALIFORNIA WATER DISTRICT NO. 3.....	2,000,000	2,000,000
TOHONO O'ODHAM SCHUK TOAK.....	1,000,000	1,000,000
INITIATION OF NEW LOANS.....	---	6,000,000
LOAN ADMINISTRATION.....	600,000	600,000
TOTAL, LOAN PROGRAM.....	3,600,000	9,600,000

TITLE III

DEPARTMENT OF ENERGY

The summary tables at the end of this title set forth the conference agreement with respect to the individual appropriations, programs and activities of the Department of Energy. Additional items of conference agreement are discussed below.

APPLICATION OF GENERAL REDUCTIONS

With regard to any general reductions contained in the Fiscal Year 1995 Energy and Water Development Appropriations Act, with the exception of activities specifically addressed by the Committees, the conferees recommend that the Department of Energy apply those reductions in the most prudent and practical manner. Any such reduction should be taken in a manner that is cost effective and generally least disruptive to the Department's missions and programs. The Department continues to maintain significant amounts of prior year uncosted balances, particularly in capital equipment and construction project accounts. In applying any general reductions, the Department should seek to reduce these balances as much as possible. Furthermore, the Department shall consult with and make their plans for these reductions available to the House and Senate Energy and Water Development Appropriations Subcommittee prior to implementing the reductions.

The conferees agree with the provisions contained in the House report concerning Construction Project Reporting Requirements and the provisions contained in the Senate report concerning Technology Transfer, Environmental Remediation Coordination and Departmental reprogrammings.

ENERGY SUPPLY, RESEARCH AND DEVELOPMENT ACTIVITIES

Amendment No. 26: Appropriates $3,314,548,000 for Energy Supply, Research and Development activities instead of $3,302,170,000 as proposed by the House and $3,329,728,000 as proposed by the Senate.

Amendment No. 27: Deletes language proposed by the Senate concerning the construction of the Tokamak Physics Experiment including authorization restrictions.

Amendment No. 28: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: *: Provided, That the Secretary of Energy may transfer available amounts appropriated for use by the Department of Energy under title III of previously enacted Energy and Water Development Appropriations Acts into the Isotope Production and Distribution Program Fund, in order to continue isotope production and distribution activities: Provided further, That the authority to use these amounts appropriated is effective from the date of enactment of this Act: Provided further, That fees set by the Secretary for the sale of isotopes and related services shall hereafter be determined without regard to the provisions of Energy and Water Development Appropriations Act (P.L. 101-101): Provided further, That amounts provided for isotope production and distribution in previous Energy and Water Development Appropriations Acts shall be treated as direct appropriations and shall be merged with funds appropriated under this head.*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Previous Energy and Water Development Appropriations Acts established an Isotope Production and Distribution Program Fund which included a working fund and the retention of revenues. The Administration has sought an amendment to fund the isotope program in the Energy Supply, Research and Development Activities appropriation in order to allow greater flexibility in the production, pricing and sale of isotopes for medical and industrial use. The conferees agree with the amendment of the Senate with an amendment that further clarifies this change.

Amendment No. 29: Deletes language proposed by the Senate specifying funding for specifice solar and renewable activities. This amendment is incorporated in the tables accompanying the statement of the managers.

Amendment No. 30: Deletes language proposed by the Senate. This language is incorporated in Amendment No. 28.

Amendment No. 31: Deletes language proposed by the Senate concerning the hydrogen research program. The hydrogen research and development program is funded at $10,000,000 as proposed by the House which represents a $4,500,000 increase over the budget request. From within these funds, up to $250,000 may be made available to an institution where expertise in electrochemical (fuel cells), thermochemical and photochemical reactions for hydrogen production may be synergistically studied and the application to gas storage and alternate vehicle technology may be integrated.

Amendment No. 32: Deletes language proposed by the Senate concerning the hydropower research and development. This amendment is incorporated in the tables accompanying the statement of the managers.

SOLAR AND RENEWABLE ENERGY PROGRAMS

The conferees agree that the solar and renewables program is funded at $388,108,000 as indicated in the tables. The programs and activities are to be funded at the highest level described in either the House or Senate reports, unless otherwise directed in this report.

The conferees direct that $5,000,000 be restored to biochemical conversion in addition to the amount in the budget request from within available funds provided for biofuel energy systems.

The conferees agree to include $14,000,000 in research funds for electric and magnetic fields research based on information that the non-Federal cost-share of the program will be $8,000,000 for fiscal year 1995.

The conferees agree to fund the hydropower research and development program at $1,500,000 as proposed by the Senate, including the jointly funded program to develop an energy-efficient turbine that reduces the environmental impact on fish species.

The conferees have provided the House-recommended level for the Geysers wastewater effluent project and recognize the potential future application of this technology to the Department of Energy in achieving the goals of the National Energy Plan.

NUCLEAR ENERGY PROGRAMS

The conferees agree to increase the funding for Advanced Light Water Reactors by $14,000,000 as proposed by the Senate which brings the total funding for this program in fiscal year 1995 to $65,000,000. The conferees recommend that the Department of Energy require that the private sector match this increase and that the Government contribution be repaid out of royalties on the first commercial sale of this reactor design.

The conferees agree to fund the passively safe Gas Turbine-Modular Helium Reactor at $12,000,000. This turbine generating system powered by a passively safe nuclear reactor offers the potential of a cleaner, more economical and safe way to generate electricity.

The conferees agree to fund the Isotope Support line item in the Energy Supply, Research and Development Activities appropriation as requested by the Administration in a budget amendment and as recommended by the Senate. The conferees also recommend eliminating the Isotope Production and Distribution appropriation as proposed by the Senate in Amendment No. 40.

The conferees have agreed to terminate the Integral Fast Reactor/Advanced Liquid Metal Reactor (IFR/ALMR) program. A total of $83,800,000 is provided for shutdown of EBR II and termination of the program beginning this fall, as proposed by the House. In the termination process, the Department is to maximize the research on actinide recycle, and, as proposed by the Administration, should also retain such facilities as necessary, especially the pyroprocessing facilities, to provide for alternative missions at Argonne National Laboratory in Idaho and Illinois. The Department is encouraged to identify alternate funding sources for the unfunded alternative missions at Argonne National Laboratory's facilities in Idaho and Illinois.

ENVIRONMENT, SAFETY AND HEALTH

Because of budget constraints and the late arrival of the Administration's budge amendment, the conferees have included $126,740,000 as proposed by the House.

BIOLOGICAL AND ENVIRONMENTAL RESEARCH

The conferees agree to provide $5,000,000 to assist the University of Nebraska Medical Center in the development of its transplant center as proposed by the Senate.

The conferees also agree to provide $5,000,000 for the Biomedical Information Communication Center at the Oregon Health Sciences University as proposed by the Senate.

The conferees provide $3,000,000 to enable the Department to proceed in fiscal year 1995 with the Conceptual Design Phase of the National Biomedical Tracer Facility (NBTF). This phase would follow the conclusions of the Institute of Medicine study on the need for the NBTF and expand the grant previously awarded during the Project Definition Phase by supporting the development of site-specific designs and program plans. The above activities should provide DOE with the information necessary to include firm recommendations on the siting and development of the NBTF in its subsequent budget requests to Congress.

MAGNETIC FUSION

It is the intent of the conferees that the Tokamak Physics Experiment (TPX) project proceed with design activity only, including industrial participation in the engineering design and research and development and includes $42,000,000 for this activity. The conferees recognize the very significant scientific accomplishments of the deuterium-tritium (D-T) experiments on the Tokamak Fusion Test Reactor (TFTR) in support of the ITER design, and it is the intent of the conferees that these important experiments continue until construction of TPX is approved. Therefore, in fiscal year 1995, $65,000,000 is provided for continuation of TFTR experiments. $8,000,000 is included for the PBX-M program. With regard to TPX design, the Department of Energy is directed to use standard, phased industrial contracts for these design activities, with options for construction that would permit continuity and would allow the project to be completed in the most efficient and cost-effective manner. $2,000,000 may be used for the purchase

of long lead-time superconducting material critical to maintaining the schedule of the project.

The conferees also provide $52,000,000 for the DIII-D Tokamak facility and $8,700,000 for the Inertial Confinement Fusion program including an increase of $2,000,000 for the induction linac systems experiment (ILSE) to enable this program to proceed on a timely and cost-effective schedule.

Because of the large budgetary requirements needed in the future for the fusion energy development program and other issues related to the development of fusion as an attractive energy resource, the conferees urge the President's Advisory Council on Science and Technology to undertake a review and evaluation of magnetic fusion and inertial confinement fusion energy development. The Council is also urged to issue a report that will help shape the direction of the Nation's effort on these important energy sources for the future.

SUPPORTING RESEARCH AND TECHNICAL ANALYSIS

The conferees agree to the budget request for Advanced Computational Technology Initiatives as proposed in the budget and funded by the Senate.

The conferees recommend $20,000,000 for operating expenses and $1,000,000 for capital equipment to continue the research and design of the Advanced Neutron Source. It is the intent of the conferees that the ANS project proceed with the design activity including immediate implementation of the planned industrial participation in the engineering design and research and development.

The conferees agree to include $3,700,000 to continue the Midwest Superconductivity Consortium as proposed by the Senate.

The conferees agree to continue the support for the work done at Florida State University's Super Computations Research Institute and include $5,900,000 as proposed by the House.

The conferees agree to fund and implement Indian energy resource programs authorized under section 2603 of the Energy Policy Act of 1992 as proposed by the House. The conferees support the use of funds to initiate the Tazimina hydroelectric project near Iliamna, Alaska.

The conferees agree to provide an additional $3,000,000 for the Division of Energy Biosciences for peer-reviewed, competitive grants as proposed by the Senate.

The conference agreement provides $500,000 to continue the partnership begun in 1992 with Lawrence Livermore and Sandia National Laboratories, Southern University, and other institutions of higher education to support the Louisiana systemic initiative which will address the need to increase representation of minorities and women in science, math technology, engineering, and related disciplines.

The conference agreement provides an additional $5,000,000 under university and science education programs to establish the Center for Minorities in Science, Engineering, and Technology at existing facilities at Southern University and A&M College System in Baton Rouge, Louisiana.

The conferees agree with the strong support of both the House and Senate with regard to the Boron Neutron Capture Therapy Program. The conferees agree that if additional facilities are required, the Committees will entertain a proposal justifying the requirements.

ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT (NON-DEFENSE)

The conferees agree to provide $4,000,000 to continue the University Research Program in Robotics as proposed by the House.

URANIUM SUPPLY AND ENRICHMENT ACTIVITIES

The conferees agree with the increases in operating costs and construction costs as proposed by the Administration and the Senate.

URANIUM ENRICHMENT DECONTAMINATION AND DECOMMISSIONING FUND

Amendment No. 33: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which specifies the funding of title X, subtitle A of the Energy Policy Act of 1992.

GENERAL SCIENCE AND RESEARCH ACTIVITIES

Amendment No. 34: Appropriates $984,031,000 for General Science and Research Activities instead of $989,031,000 as proposed by the House and $973,632,000 as proposed by the Senate. Specific funding allocations are included in the tables accompanying this report.

Amendment No. 35: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides that not to exceed $65,000,000 shall be available as a one-time contribution for the completion, with modification, of partially completed facilities at the Superconducting Super Collider (SSC) project site if the Secretary determines such one-time contribution (i) will assist the maximization of the value of the investment made in the facilities and (ii) is in furtherance of a settlement of the claims that the State of Texas has asserted against the United States in connection with the termination of the SSC project. No funding shall be made available as a contribution to operating expenses of such facilities.

NUCLEAR WASTE DISPOSAL FUND

Amendment No. 36: Appropriates $392,800,000 for the Nuclear Waste Disposal Fund instead of $304,800,000 as proposed by the House and $402,800,000 as proposed by the Senate.

The conferees recognize that the University of Nevada System has unique scientific expertise that can help answer questions posed by the Yucca Mountain project. To the greatest extent possible, the Department should utilize these capabilities. Therefore, the conferees direct that, of the amount appropriated herein, no less than $3,700,000 shall be available for infrastructure studies and other research and development work to be carried out by the University of Nevada-Reno, the University of Nevada-Las Vegas, the Desert Research Institute, and the Community of Southern Nevada, including $1,250,000 to the Center for Environmental Studies at the University of Nevada-Las Vegas for these purposes. Funding to the universities will be administered by the Department of Energy through a cooperative agreement.

Amendment No. 37: Provides $5,500,000 for oversight responsibility by the State of Nevada as proposed by the Senate instead of $6,000,000 as proposed by the House.

Amendment No. 38: Provides $7,000,000 for affected local governments of the Nuclear Waste Disposal Fund as proposed by the Senate instead of $8,500,000 as proposed by the House.

Amendment No. 39: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides that distribution of funds to local governments shall be determined by the Department of Energy and shall be made available to the state and affected units of local government by direct payment.

ISOTOPE PRODUCTION AND DISTRIBUTION PROGRAM FUND

Amendment No. 40: Deletes language proposed by the House providing funds for the Isotope Production and Distribution Program Fund. Funding for this activity is provided under the Energy Supply, Research and Development Activities appropriation.

ATOMIC ENERGY DEFENSE ACTIVITIES

WEAPONS ACTIVITIES

Amendment No. 41: Appropriates $3,229,069,000 instead of $3,201,369,000 as proposed by the House and $3,251,268,000 as proposed by the Senate, and deletes language proposed by the House directing specific funding levels for inertial confinement fusion program participants.

Inertial confinement fusion

The conferees reiterate concerns expressed by the Senate with respect to the program management of the inertial confinement fusion program within the Department and the continued disregard of committee and congressional direction to fund ongoing activities in a manner which provides for efficient operation and completion of the laser upgrades. Statutory language directing specific funding levels for program participants as proposed by the House has been deleted based on the Department's assurances that congressional concerns will be addressed.

Technology transfer

The conferees have provided the budget request of $215,794,000 for the technology transfer program as proposed by the Senate.

Nevada test site

The transfer of $152,419,000 from testing to research and development for stockpile stewardship is not intended to reduce or otherwise affect the Department's plans to expend funds as originally proposed for experimentation at the Nevada Test Site. The conferees believe that in order to maintain the Nevada Test Site in a cost effective manner, the Department should seek to utilize fully, consistent with national policy, the valuable test, demonstration and operational resources available to the Nevada Test Site.

DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT

Amendment No. 42: Appropriates $5,092,691,000 instead of $5,128,211,000 as proposed by the House and $5,083,691,000 as proposed by the Senate.

Construction funding of $7,000,000 has been provided for project 95-E-600, the Hazardous Materials Training Center in Richland, Washington.

The conference agreement provides $1,000,000 for the scholarship and fellowship program, and $17,500,000 for the risk assessment initiative.

Waste Isolation Pilot Plant

The conferees have agreed to provide $178,600,000 for the Waste Isolation Pilot Plant.

Program taxes

There are indications that the Department is taxing the defense environmental restoration and waste management program to fund activities both within the program and throughout the Department which were never identified in the budget request. The

conferees strongly reiterate their position that program taxes are not to be used to fund activities which were not identified in the budget justification materials presented for Congressional review.

Funding adjustments

The conferees have not accepted the Senate's proposal of a general reduction of $25,000,000 to this account. However, due to the large uncosted funding balances which continue to be maintained, the conferees have increased the use of prior year balances by $9,000,000 for a total of $249,300,000.

Amendment No. 43: Deletes language proposed by the House making funds previously appropriated for the Waste Isolation Pilot Plant available for other purposes.

These funds remain available for disbursement to the State of New Mexico upon compliance with the provision in Public Law 102-104, the Energy and Water Development Appropriations Act for fiscal year 1992.

MATERIALS SUPPORT AND OTHER DEFENSE PROGRAMS

Amendment No. 44: Appropriates $1,849,657,000 instead of $1,842,204,000 as proposed by the House and $1,865,910,000 as proposed by the Senate.

Fissile Materials Control and Disposition

The conferees agree to provide $50,000,000 for Fissile Materials Control and Disposition, and direct that not less than $15,000,000 of those funds be expended as proposed by the Senate for the application of reactor technologies in the marketplace in such a way as to minimize cost to the government, and to maximize efficiency of the technology, both in terms of producing tritium and for generation of electricity for commercial sale to regional utilities. Further, the Department is directed to submit to the respective subcommittees, within 180 days, a report on the technological feasibility of a multipurpose, light water reactor for the disposition of plutonium and the production of tritium. Such report shall evaluate the impacts of a multipurpose reactor on the cost, schedule and reliability of the programs for both plutonium and tritium production, as well as the extent to which overall program costs can be offset through private financing of the construction, operation and ownership of the facility, and/or the sale of electricity.

The conferees also urge the Department to ensure that adequate funds, in the range of current year levels, be made available to continue the current accelerator production of tritium project and the accelerator-driven transmutation technology to dispose of plutonium.

Naval reactors

The conferees are unable to restore the funding reduction proposed by the House, but have recommended that the $5,000,000 reduction be applied to reactor operation and evaluation rather than reactor development.

Funding adjustments

The conferees have not accepted the Senate's proposal of a general reduction of $18,000,000 to this account. However, due to the large uncosted funding balances which continue to be maintained, the conferees have increased the use of prior year balances by $12,000,000 for a total of $401,406,000.

DEPARTMENT ADMINISTRATION

The conferees agree with the Senate proposed allocation of funding for general management expenses.

Within this appropriation account, funds have been realigned to reflect the correct distribution of salaries and other expenses for the scientific and engineering training and development program and the environmental policy studies program.

POWER MARKETING ADMINISTRATIONS

BONNEVILLE POWER ADMINISTRATION

Amendment No. 45: Deletes language proposed by the House reducing funds available for obligation in fiscal year 1995 by $485,000.

The conferees support the Senate provision regarding the Bonneville Power Administration's efforts to achieve regional conservation goals. Bonneville should promote these goals while also recognizing the local decisionmaking authority of consumer owned utility systems.

The conferees are aware that the Administration will assume costs of the additional mitigation measures to protect endangered and threatened stocks of salmon in the Columbia and Snake river basins through spill and flow augmentation for 1994 since these additional measures go beyond those called for in the current biological opinion governing the operation of the Federal Columbia River Power System. While there is no objection to the recent decision to provide emergency short-term financial assistance for these expenses, the conferees are concerned that the decision to fund these costs by crediting the Bonneville Power Administration's repayment to Treasury may have broader financial and policy implications. The conferees expect the Department of Energy and the Office of Management and Budget to work with the House and Senate Committees on Appropriations to outline the budgetary principles to be applied if it appears there will be a continuing need for this assistance. The conferees also expect the Administration to work with the Committees on Appropriations to identify the appropriate financing mechanisms to be included in the President's budget.

WESTERN AREA POWER ADMINISTRATION

Amendment No. 46: Appropriates $222,285,000 as proposed by the Senate instead of $224,085,000 as proposed by the House.

Department of Energy

	Budget Estimate	Conference
ENERGY SUPPLY RESEARCH AND DEVELOPMENT		
SOLAR AND RENEWABLE ENERGY		
Solar Energy		
A. Solar applications		
1. Solar building technology research		
Operating expenses	4,505,000	4,505,000
Capital equipment	187,000	187,000
Total, Solar building technology.research	4,692,000	4,692,000
2. Photovoltaic energy systems		
Operating expenses	90,400,000	90,000,000
Capital equipment	4,000,000	1,000,000
Total, Photovoltaic energy systems	94,400,000	91,000,000
3. Solar thermal energy systems		
Operating expenses	32,593,000	32,000,000
Capital equipment	700,000	700,000
Total, Solar thermal energy systems	33,293,000	32,700,000
4. Biofuels energy systems		
Operating expenses	59,152,000	59,152,000
Capital equipment	2,960,000	2,960,000
Total, Biofuels energy systems	62,112,000	62,112,000
5. Wind energy systems		
Operating expenses	50,710,000	48,000,000
Capital equipment	1,000,000	1,000,000
Total, Wind energy systems	51,710,000	49,000,000
Total, Solar applications	246,207,000	239,504,000

Department of Energy

	Budget Estimate	Conference
B. Other solar energy		
1. International solar energy program - OE	13,129,000	9,250,000
2. Solar technology transfer - OE	16,090,000	16,090,000
3. National renewable energy laboratory		
Capital equipment	1,548,000	1,548,000
Construction:		
General plant projects	1,665,000	1,665,000
95-E-103 South table mountain site infrastructure, Golden, CO	2,750,000	2,750,000
Total, Construction	4,415,000	4,415,000
Total, National renewable energy laboratory	5,963,000	5,963,000
4. Resource assessment		
Operating expenses	4,300,000	3,700,000
Capital equipment	400,000	400,000
Total, Resource assessment	4,700,000	4,100,000
5. Solar program support - OE	5,407,000	5,407,000
6. Program direction - OE	9,460,000	8,200,000
Total, Other solar energy	54,749,000	49,010,000
Total, Solar Energy	300,956,000	288,514,000
(Operating expenses)	(285,746,000)	(276,304,000)
(Capital equipment)	(10,795,000)	(7,795,000)
(Construction)	(4,415,000)	(4,415,000)

Department of Energy

	Budget Estimate	Conference
Geothermal		
A. Geothermal technology development - OE	43,377,000	35,277,000
B. Program direction - OE	1,000,000	1,000,000
C. Capital equipment	900,000	900,000
Total, Geothermal	45,277,000	37,177,000
(Operating expenses)	(44,377,000)	(36,277,000)
(Capital equipment)	(900,000)	(900,000)
Hydrogen research.- OE	5,500,000	10,000,000
Hydropower		
A. Small scale hydropower development - OE	910,000	1,410,000
B. Program direction - OE	90,000	90,000
Total, Hydropower	1,000,000	1,500,000
Electric energy systems and storage		
A. Electric energy systems		
1. Electric field effects research - OE	16,000,000	14,000,000
2. Reliability.research - OE	6,200,000	6,200,000
3. System and materials research.- OE	23,000,000	19,000,000
4. Program direction - OE	850,000	850,000
Total, Electric energy systems	46,050,000	40,050,000
B. Energy storage systems		
1. Battery storage - OE	5,700,000	5,700,000
4. Program direction - OE	350,000	350,000
Total, Energy storage systems	6,050,000	6,050,000
Total, Electric energy systems and storage	52,100,000	46,100,000
(Operating expenses)	(52,100,000)	(46,100,000)
Policy and management	4,817,000	4,817,000
TOTAL, SOLAR AND RENEWABLE ENERGY	409,650,000	388,108,000

Department of Energy

	Budget Estimate	Conference
NUCLEAR ENERGY		
A. Nuclear energy R & D		
1. Light water.reactor - OE	51,000,000	65,000,000
2. Advanced reactor R & D		
Operating expenses	8,700,000	20,700,000
3. Space reactor power systems -.OE	1,500,000	1,500,000
4. Advanced radioisotope power system		
Operating expenses	59,083,000	59,083,000
Capital equipment	2,000,000	2,000,000
Total, Advanced radioisotope power system	61,083,000	61,083,000
5. Facilities		
Operating expenses	40,300,000	7,100,000
6. Program direction	12,500,000	12,500,000
7. Policy and management - OE	11,900,000	11,900,000
8. Test reactor area hot cells		
Operating expenses	1,245,000	1,245,000
Capital equipment	200,000	200,000
Total, Test reactor area hot cells	1,445,000	1,445,000
9. Oak Ridge landlord		
Operating expenses	12,923,000	10,164,000
Capital equipment	2,981,000	1,981,000
Construction:		
GPN-103 General plant projects	3,255,000	2,255,000
Total, Oak Ridge landlord	19,159,000	14,400,000

Department of Energy

	Budget Estimate	Conference
10. Test reactor area landlord		
Operating expenses	1,500,000	1,500,000
Construction:		
GP-N-102 General plant projects, Idaho National.Engineering Laboratory, ID	750,000	750,000
95-E-201 Test reactor area fire and life safety improvements, Idaho National Engineering Laboratory, ID	1,750,000	1,750,000
Total, Construction	2,500,000	2,500,000
Total, Test reactor area landlord	4,000,000	4,000,000
11. Advanced test reactor fusion.irradiation	3,500,000	3,500,000
Total, Nuclear energy R & D	215,087,000	203,128,000
(Operating expenses)	(204,151,000)	(194,192,000)
(Capital equipment)	(5,181,000)	(4,181,000)
(Construction)	(5,755,000)	(4,755,000)
B. Termination costs		
Operating expenses	70,250,000	63,000,000
Capital equipment	1,000,000	1,000,000
Construction:		
GPN-102 General plant projects	2,500,000	2,500,000
95-E-207 Modifications to reactors, experimental breeder reactor - II sodium processing facility Argonne National Laboratory-West, ID	1,500,000	1,500,000
92-E-200 Modifications to reactors, experimental breeder reactor-II fuel handling major maintenance, Argonne National Laboratory-West, ID	2,500,000	2,500,000
Total, Construction	6,500,000	6,500,000
Total, Termination costs	77,750,000	70,500,000
C. Isotope support - OE	19,600,000	19,600,000
TOTAL, NUCLEAR ENERGY	312,437,000	293,228,000
(Operating expenses)	(294,001,000)	(276,792,000)
(Capital equipment)	(6,181,000)	(5,181,000)
(Construction)	(12,255,000)	(11,255,000)

Department of Energy

	Budget Estimate	Conference
CIVILIAN WASTE RESEARCH AND DEVELOPMENT		
A. Spent fuel storage R&D - OE	593,000	593,000
B. Program direction - OE	110,000	110,000
TOTAL, CIVILIAN WASTE RESEARCH AND DEVELOPMENT	703,000	703,000
ENVIRONMENT, SAFETY AND HEALTH		
Operating expenses	177,845,000	125,240,000
Capital equipment	1,500,000	1,500,000
TOTAL, ENVIRONMENT, SAFETY AND HEALTH	179,345,000	126,740,000
NUCLEAR SAFETY POLICY - OE	17,180,000	17,180,000

Department of Energy

	Budget Estimate	Conference
ENERGY RESEARCH		
A. Biological and environmental research		
1. Biological and environmental research R&D		
Operating expenses	330,921,000	340,921,000
Capital equipment	25,701,000	25,701,000
Construction:		
GP-E-120 General plant projects	3,500,000	3,500,000
94-E-337 Advanced light source structural biology support facility, LBL	4,700,000	4,700,000
94-E-338 Structural biology.center, ANL	6,700,000	6,700,000
94-E-339 Human genome lab, LBL	15,800,000	15,800,000
91-EM-100 Environmental & molecular sciences laboratory, PNL, Richland, WA	40,000,000	40,000,000
Total, Construction	70,700,000	70,700,000
Total, Biological and environmental research R&D	427,322,000	437,322,000
2. BER program.direction - OE	7,500,000	7,500,000
Total, Biological.and environmental.research	434,822,000	444,822,000
(Operating expenses)	(338,421,000)	(348,421,000)
(Capital equipment)	(25,701,000)	(25,701,000)
(Construction)	(70,700,000)	(70,700,000)
B. Fusion energy	372,563,000	372,563,000
(Operating expenses)	(315,264,000)	(360,264,000)
(Capital equipment)	(10,299,000)	(10,299,000)
(Construction)	(47,000,000)	(2,000,000)

Department of Energy

	Budget Estimate	Conference
C. Supporting research and technical analysis		
1. Basic energy sciences		
a. Materials sciences	274,221,000	275,721,000
b. Chemical.sciences	162,013,000	163,513,000
c. Applied mathematical sciences	109,367,000	109,367,000
d. Engineering and geosciences	36,837,000	36,837,000
e. Advanced.energy projects	11,085,000	11,085,000
f. Energy biosciences	25,957,000	28,957,000
g. Program direction - OE	9,900,000	9,900,000
h. Capital equipment	41,537,000	41,537,000
i. Construction:		
GPE-400 General plant projects	4,500,000	4,500,000
95-E-305.Accelerator improvement projects	7,500,000	7,500,000
89-R-402.6-7 GeV syn. radiation source, ANL	58,379,000	58,379,000
Total, Construction	70,379,000	70,379,000
Total, Basic energy sciences	741,296,000	747,296,000
(Operating expenses)	(629,380,000)	(635,380,000)
(Capital equipment)	(41,537,000)	(41,537,000)
(Construction)	(70,379,000)	(70,379,000)
2. Advanced neutron source		
Operating expenses	12,300,000	20,000,000
Capital equipment	1,000,000	1,000,000
Construction:		
94-E-308 Advanced neutron source	26,700,000	---
Total, Advanced neutron source	40,000,000	21,000,000

Department of Energy

	Budget Estimate	Conference
3. Energy oversight, res. analysis & univ. support		
a. Energy research analyses -.OE.....	3,531,000	3,531,000
b. University and science education programs		
i. Laboratory cooperative science centers..	30,846,000	35,846,000
ii. University programs.....	17,377,000	17,377,000
iii. University reactor fuel assistance.....	3,730,000	3,730,000
iv. University research instrumentation.....	5,647,000	5,647,000
v. Program direction.....	2,944,000	2,944,000
Total, University and science.education programs	60,544,000	65,544,000
c. Laboratory technology transfer - OE.....	53,513,000	57,513,000
d. Advisory.and oversight - OE.....	12,450,000	12,450,000
Total, Energy oversight, res. anal. & univ. supt...	130,038,000	139,038,000

Department of Energy

	Budget Estimate	Conference
4. Multiprogram energy labs - facility support		
a. Multiprogram general purpose facilities		
Operating expenses	595,000	595,000
Capital equipment	5,787,000	5,787,000
Construction:		
GPE-801 General plant projects	8,740,000	8,740,000
95-E-301 Central heating plant rehabilitation, phase I (ANL)	1,307,000	1,307,000
95-E-302 Applied science center, phase I (BNL)	600,000	600,000
95-E-303 Electrical safety rehab (PNL)	240,000	240,000
95-E-310 Multiprogram laboratory rehabilitation, phase I (PNL)	400,000	400,000
94-E-351 Fuel storage and transfer facility upgrade (BNL)	2,479,000	2,479,000
94-E-363 Roofing improvements (ORNL)	3,000,000	3,000,000
93-E-313 Electrical system upgrade, phase II (ANL)	2,043,000	2,043,000
93-E-325 Potable water system upgrade, phase I (BNL)	1,863,000	1,863,000
92-E-322 East canyon electrical safety project (LBL)	1,000,000	1,000,000
92-E-324 Safety compliance modifications 326 building (PNL)	1,900,000	1,900,000
Total, Construction	23,572,000	23,572,000
Total, Multiprogram general purpose facilities	29,954,000	29,954,000

Department of Energy

	Budget Estimate	Conference
b. Multiprogram energy labs-environment, safety and health		
Operating expenses	6,007,000	6,007,000
Capital equipment	500,000	500,000
Construction:		
95-E-307 Fire Safety imp. III (ANL)	210,000	210,000
95-E-308 Sanitary system.mods. II (BNL)	960,000	960,000
95-E-309 Loss prevention.upgrades (BNL)	600,000	600,000
93-E-315 Roof replacement, phase I (BNL)	100,000	100,000
93-E-317 Life safety code compliance (PNL)	506,000	506,000
93-E-320 Fire and safety improvements, phase II (ANL)	1,500,000	1,500,000
93-E-323 Fire and safety systems upgrade phase I (LBL)	2,000,000	2,000,000
93-E-324 Hazardous materials safeguards, phase I (LBL)	1,962,000	1,962,000
Total, Construction	7,838,000	7,838,000
Total, Environment, safety and health	14,345,000	14,345,000
Inactive and surplus facilities - OE	500,000	500,000
Total, Multiprogram energy laboratories - fac sup.	44,799,000	44,799,000
(Operating expenses)	(7,102,000)	(7,102,000)
(Capital equipment)	(6,287,000)	(6,287,000)
(Construction)	(31,410,000)	(31,410,000)
Total, Supporting.research and technical analysis	956,133,000	952,133,000
(Operating expenses)	(778,820,000)	(801,520,000)
(Capital equipment)	(48,824,000)	(48,824,000)
(Construction)	(128,489,000)	(101,789,000)
D. Policy and management	2,200,000	2,200,000
TOTAL, ENERGY RESEARCH	1,765,718,000	1,771,718,000

Department of Energy

	Budget Estimate	Conference
ENERGY APPLICATIONS		
A. Technical information management program		
Operating expenses	14,715,000	14,715,000
Capital equipment	600,000	600,000
Construction	1,000,000	1,000,000
Total, Technical information management program	16,315,000	16,315,000
B. In-house energy management		
Operating expenses	6,550,000	6,550,000
Construction:		
IHE - 500 Modifications for energy mgmt	24,700,000	24,700,000
Total, In-house energy management	31,250,000	31,250,000
TOTAL, ENERGY APPLICATIONS	47,565,000	47,565,000
ENVIRONMENTAL RESTORATION AND WASTE MGMT (NON-DEFENSE)		
A. Corrective activities		
Operating expenses		
Operating expenses (undistributed)	600,000	600,000
Construction:		
92-E-601 Melton Valley liquid low level waste collection and transfer system.upgrade, ORNL	9,100,000	9,100,000
88-R-830 Liquid low level waste collection and transfer.system upgrade, ORNL	17,000,000	17,000,000
Total, Construction	26,100,000	26,100,000
Total, Corrective.activities	26,700,000	26,700,000

Department of Energy

	Budget Estimate	Conference
B. Environmental restoration		
Operating expenses:		
1. Facilities and sites	220,165,000	220,165,000
2. Formerly utilized sites, remedial action projects	74,100,000	74,100,000
3. Uranium program mill tailings, remedial action projects	93,900,000	93,900,000
4. Uranium mill tailings, groundwater restoration.project	7,000,000	7,000,000
Total, Environmental restoration	395,165,000	395,165,000
C. Waste management		
Operating expenses:		
1. Waste operations	76,820,000	76,820,000
2. West valley	127,247,000	127,247,000
3. Low level waste	9,000,000	9,000,000
Total, Operating expenses	213,067,000	213,067,000
Capital equipment	2,191,000	2,191,000
Construction:		
GP-E-600 General plant projects	2,040,000	2,040,000
95-E-601 Radioactive waste handling facility, PPPL	1,937,000	1,937,000
94-E-601 Waste handling building, Fermilab	2,500,000	2,500,000
94-E-602 Bethel Valley federal facility agreement upgrades, ORNL	7,000,000	7,000,000
93-E-632 Laboratory floor drain collection system upgrades, BNL	571,000	571,000
93-E-633 Upgrade sanitary sewer system, ORNL	4,000,000	4,000,000
93-E-900 Long-term storage of TMI-2 fuel, INEL	4,910,000	4,910,000
91-E-305 Waste management facility project, BNL	5,160,000	5,160,000

Department of Energy

	Budget Estimate	Conference
91-E-602 Hazardous, radioactive and mixed waste storage facility, ANL	3,600,000	3,600,000
88-R-812 Hazardous waste handling facility, LBL	625,000	625,000
Total, Construction	32,343,000	32,343,000
Total, Waste management	247,601,000	247,601,000
D. Facility transition and management		
Operating expenses	74,225,000	74,225,000
Capital equipment	350,000	350,000
Total, Facility transition and managment	74,575,000	74,575,000
TOTAL, ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT	744,041,000	744,041,000
(Operating expenses)	(683,057,000)	(683,057,000)
(Capital equipment)	(2,541,000)	(2,541,000)
(Construction)	(58,443,000)	(58,443,000)
Subtotal, Energy supply research and development	3,476,639,000	3,389,283,000
Use of prior year balances	-35,683,000	-35,683,000
Productivity savings	-4,000,000	-4,000,000
GSA rent reduction	-295,000	-295,000
Procurement reform	-12,477,000	-12,477,000
General reduction	---	-22,280,000
TOTAL, ENERGY SUPPLY RESEARCH AND DEVELOPMENT	3,424,184,000	3,314,548,000
(Operating expenses)	(2,969,841,000)	(2,936,905,000)
(Capital equipment)	(107,341,000)	(103,341,000)
(Construction)	(347,002,000)	(274,302,000)

Department of Energy

	Budget Estimate	Conference
URANIUM SUPPLY AND ENRICHMENT ACTIVITIES		
A. Uranium enrichment activities		
1. Residual uranium enrichment activities		
Operating expenses	78,993,000	78,993,000
Construction	4,102,000	4,102,000
Capital equipment	1,000,000	1,000,000
Use of prior year balances	-10,885,000	-10,885,000
Total, Uranium enrichment activities	73,210,000	73,210,000
Revenues - Sales	-9,900,000	-9,900,000
TOTAL, URANIUM SUPPLY AND ENRICHMENT ACTIVITIES	63,310,000	63,310,000
(Operating expenses)	(58,208,000)	(58,208,000)
(Capital equipment)	(1,000,000)	(1,000,000)
(Construction)	(4,102,000)	(4,102,000)

Department of Energy

	Budget Estimate	Conference
URANIUM ENRICHMENT DECONTAMINATION AND DECOMMISSIONING FUND		
UE Decontamination and Decommissioning Fund.....	301,327,000	301,327,000

Department of Energy

	Budget Estimate	Conference
GENERAL SCIENCE AND RESEARCH		
A. High energy physics		
1. Physics research - OE	139,940,000	139,940,000
2. Facility operations		
Operating expenses	254,399,000	279,399,000
Capital equipment	53,775,000	53,775,000
Construction:		
GP-E-103 General plant projects, various locations	12,146,000	12,146,000
95-G-301 Accelerator improvement projects, VL.	12,515,000	12,515,000
94-G-304 B-Factory, SLAC	44,000,000	44,000,000
92-G-302 Fermilab main injector, Fermilab	43,000,000	43,000,000
Total, Construction	111,661,000	111,661,000
Total, Facility operations	419,835,000	444,835,000
3. High energy.technology - OE	58,190,000	58,190,000
4. Other capital equipment	3,925,000	3,925,000
Total, High energy physics	621,890,000	646,890,000
(Operating expenses)	(452,529,000)	(477,529,000)
(Capital equipment)	(57,700,000)	(57,700,000)
(Construction)	(111,661,000)	(111,661,000)

Department of Energy

	Budget Estimate	Conference
B. Nuclear physics		
1. Medium energy physics - OE	93,686,000	127,586,000
2. Heavy ion physics - OE	61,560,000	61,560,000
3. Low energy physics - OE	24,760,000	24,760,000
4. Nuclear theory - OE	14,735,000	14,735,000
5. Capital equipment	26,130,000	26,130,000
6. Construction:		
GP-E-300 General plant projects, various locations	3,900,000	3,900,000
95-G-302 Accelerator improvements & mods., VL	3,200,000	3,200,000
91-G-300 Relativistic heavy ion collider, BNL	70,000,000	70,000,000
87-R-203 Continuous electron beam accelerator facility, Newport News, VA	1,000,000	1,000,000
Total, Construction	78,100,000	78,100,000
7. Other capital equipment	1,870,000	1,870,000
Total, Nuclear physics	300,841,000	334,741,000
(Operating expenses)	(194,741,000)	(228,641,000)
(Capital equipment)	(28,000,000)	(28,000,000)
(Construction)	(78,100,000)	(78,100,000)
C. General science program direction - OE	10,400,000	10,400,000
D. Superconducting super collider		
2. Termination costs	143,491,000	---
Subtotal, General science	1,076,622,000	992,031,000
General reduction	---	-5,000,000
Procurement reform	-3,000,000	-3,000,000
TOTAL, GENERAL SCIENCE AND RESEARCH	1,073,622,000	984,031,000
(Operating expenses)	(798,161,000)	(708,570,000)
(Capital equipment)	(85,700,000)	(85,700,000)
(Construction)	(189,761,000)	(189,761,000)

Department of Energy

	Budget Estimate	Conference
ATOMIC ENERGY DEFENSE ACTIVITIES		
WEAPONS ACTIVITIES		
A. Research and development		
1. Research and development - core		
Operating expenses	649,341,000	649,341,000
Capital equipment	69,420,000	59,420,000
Construction:		
GPD-101 General plant projects, various locations	8,500,000	4,500,000
95-D-102 CMR upgrades, Los Alamos National laboratory, NM	3,300,000	3,300,000
94-D-102 Nuclear weapons research, development, and testing facilities revitalization, Phase V, various locations	13,000,000	13,000,000
92-D-102 Nuclear weapons research, development, and testing facilities revitalization, phase IV, various locations	21,810,000	21,810,000
90-D-102 Nuclear weapons research, development, and testing facilities revitalization, phase III, various locations	7,700,000	4,900,000
88-D-106 Nuclear weapons research, development, and testing facilities revitalization, phase II, various locations	22,480,000	20,980,000
Total, Construction	76,790,000	68,490,000
Total, Research and development - core	795,551,000	777,251,000
2. Stockpile stewardship		
Operating expenses	---	152,419,000
3. Inertial fusion		
Operating expenses	166,755,000	166,755,000
Capital equipment	9,718,000	9,718,000
Total, Inertial fusion	176,473,000	176,473,000

Department of Energy

	Budget Estimate	Conference
3. Technology transfer		
Operating expenses	209,794,000	209,794,000
Capital equipment	6,000,000	6,000,000
Total, Technology transfer	215,794,000	215,794,000
Total, Research and development	1,187,818,000	1,321,937,000

Department of Energy

	Budget Estimate	Conference
B. Testing		
1. Weapons program		
Testing capabilities and readiness - OE	180,000,000	160,000,000
Experimentation - OE	152,419,000	---
Capital equipment	15,000,000	15,000,000
Construction:		
GPD-101 General plant projects, various locations	4,000,000	4,000,000
93-D-102 Nevada support facility, North Las.Vegas, NV	17,000,000	17,000,000
Total, Construction	21,000,000	21,000,000
Total, Weapons.program	368,419,000	196,000,000
2. Marshall Islands		
Operating expenses	6,530,000	6,530,000
Capital equipment	470,000	470,000
Total, Marshall Islands	7,000,000	7,000,000
Total, Testing	375,419,000	203,000,000
Total, Research, development and testing	1,563,237,000	1,524,937,000
(Operating expenses)	(1,364,839,000)	(1,344,839,000)
(Capital equipment)	(100,608,000)	(90,608,000)
(Construction)	(97,790,000)	(89,490,000)
C. Stockpile support		
Operating expenses	1,482,785,000	1,476,785,000
Reconfiguration - OE	94,271,000	94,271,000
Capital equipment	20,180,000	20,180,000
Construction:		
Production base:		
95-D-123, Replacement aviation facility, Albuquerque, NM	2,000,000	2,000,000
88-D-122 Facilities capabilities assurance program (FCAP), various locations	19,620,000	14,820,000
GPD-121 General plant projects, various locations	1,000,000	1,000,000
Total, Production base	22,620,000	17,820,000

Department of Energy

	Budget Estimate	Conference
Environment, safety and health:		
95-D-122 Sanitary sewer upgrade, Y-12 Plant, Oak Ridge,.TN	2,200,000	2,200,000
94-D-124 Hydrogen fluoride supply system, Y-12 Plant, Oak Ridge, TN	6,300,000	6,300,000
94-D-125 Upgrade life safety, Kansas City Plant, Kansas City, MO	1,000,000	1,000,000
94-D-127 Emergency notification system, Pantex Plant, Amarillo, TX	1,000,000	1,000,000
94-D-128 Environmental, Safety and Health analytical.lab, Pantex Plant, Amarillo, TX	1,000,000	1,000,000
93-D-122 Life safety upgrades, Y-12 Plant, Oak Ridge,.TN	5,000,000	5,000,000
Total, Environment, safety and.health	16,500,000	16,500,000
Safeguards and security:		
88-D-123 Security enhancement, Pantex Plant, Amarillo, TX	15,000,000	15,000,000
Reconfiguration		
93-D-123 Complex-21, various.locations	58,000,000	58,000,000
Total, Construction	112,120,000	107,320,000
Total, Stockpile support	1,709,356,000	1,698,556,000

Department of Energy

	Budget Estimate	Conference
D. Program direction		
Weapons program direction - OE	167,498,000	157,498,000
Capital equipment	2,354,000	2,354,000
Total, Program direction	169,852,000	159,852,000
Subtotal, Weapons activities	3,442,445,000	3,383,345,000
Use of prior year balances	-131,077,000	-143,276,000
Procurement reform	-11,000,000	-11,000,000
TOTAL, WEAPONS ACTIVITIES	3,300,368,000	3,229,069,000
(Operating expenses)	(2,967,316,000)	(2,919,117,000)
(Capital equipment)	(123,142,000)	(113,142,000)
(Construction)	(209,910,000)	(196,810,000)

Department of Energy

	Budget Estimate	Conference
DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT		
A. Corrective activities		
Construction:		
92-D-403 Tank upgrades project, LLNL	1,012,000	512,000
B. Environmental restoration		
Operating expenses	1,524,785,000	1,518,549,000
Productivity savings initiative	-133,900,000	-133,900,000
Total, Environmental restoration	1,390,885,000	1,384,649,000

Department of Energy

	Budget Estimate	Conference
C. Waste management		
Operating expenses	2,395,246,000	2,384,066,000
Capital equipment	104,790,000	90,790,000
Construction:		
GP-D-171 General plant projects, various locations	23,742,000	16,832,000
95-D-401 Radiological support facilities Richland, WA	1,585,000	1,585,000
95-D-402 Install permanent electrical service WIPP, AL	700,000	700,000
95-D-403 Hazardous waste storage facility, AL	597,000	597,000
95-D-405 Industrial landfill V and construction/demolition landfill VII, Y-12 Plant, Oak Ridge, TN	1,000,000	1,000,000
95-D-406 Road 5-01 reconstruction, area 5, NV	2,338,000	2,338,000
95-D-407 219-S Secondary containment upgrade, Richland, WA	2,000,000	2,000,000
95-D-408 Phase II liquid effluent treatment and disposal, RL	7,100,000	7,100,000
94-D-400 High explosive wastewater treatment system, LANL	1,000,000	1,000,000
94-D-402 Liquid waste treatment system, NTS	3,292,000	3,292,000
94-D-404 Melton Valley storage tank capacity increase, ORNL	21,373,000	21,373,000
94-D-406 Low-level waste disposal facilities, K-25	6,000,000	6,000,000
94-D-407 Initial tank retrieval systems, Richland, WA	17,700,000	17,700,000
94-D-408 Office facilities - 200 East, Richland, WA	4,000,000	4,000,000
94-D-411 Solid waste operation complex Richland, WA	42,200,000	42,200,000

Department of Energy

	Budget Estimate	Conference
94-D-416 Solvent storage tanks installation, Savannah River, SC	1,700,000	1,700,000
94-D-417 Intermediate-level and low-activity waste vaults, Savannah River, SC	300,000	300,000
93-D-174 Plant drain waste water treatment upgrades, Y-12	1,400,000	1,400,000
93-D-178 Building 374 liquid waste treatment facility, Rocky Flats Plant, CO	3,300,000	3,300,000
93-D-181 Radioactive liquid waste line replacement, Richland, WA	3,300,000	3,300,000
93-D-182 Replacement of cross-site transfer system, Richland, WA	18,910,000	14,810,000
93-D-183 Multi-function waste remediation facility, Richland, WA	95,305,000	88,605,000
93-D-187 High level waste removal from filled waste tanks, Savannah River, SC	26,525,000	26,525,000
92-D-177 Tank 101-AZ waste retrieval system, Richland, WA	5,000,000	5,000,000
92-D-188 Waste management ES&H, and compliance activities, various locations	2,846,000	2,846,000
91-D-171 Waste receiving and processing facility, module 1, Richland, WA	3,995,000	3,995,000

Department of Energy

	Budget Estimate	Conference
90-D-172 Aging waste transfer line, Richland, WA	3,819,000	3,819,000
90-D-177 RWMC transuranic (TRU) waste characterization and storage facility, ID	11,747,000	1,747,000
90-D-178 TSA.retrieval enclosure, ID	7,594,000	7,594,000
89-D-173 Tank farm ventilation upgrade, Richland, WA	800,000	300,000
89-D-174 Replacement high level waste evaporator, Savannah River, SC	18,000,000	18,000,000
89-D-175 Hazardous waste/mixed waste disposal facility, Savannah River, SC	500,000	---
86-D-103 Decontamination and waste treatment facility, LLNL, Livermore, CA	9,500,000	5,900,000
83-D-148 Non-radioactive hazardous waste management, Savannah River, SC	6,000,000	6,000,000
81-T-105 Defense waste processing facility Savannah River, SC	45,058,000	45,058,000
Total, Construction	400,226,000	367,916,000
Subtotal, Waste management	2,900,262,000	2,842,772,000
Productivity savings initiative	-160,800,000	-160,800,000
Total, Waste management	2,739,462,000	2,681,972,000
(Operating expenses)	(2,234,446,000)	(2,223,266,000)
(Capital equipment)	(104,790,000)	(90,790,000)
(Construction)	(400,226,000)	(367,916,000)

Department of Energy

	Budget Estimate	Conference
D. Technology development		
Operating expenses	386,974,000	386,974,000
Capital equipment	25,435,000	24,785,000
Construction:		
95-E-600 Hazardous materials training center, Richland, Washington	14,000,000	7,000,000
Total, Technology development	426,409,000	418,759,000
E. Transportation management		
Operating expenses	20,240,000	20,240,000
Capital equipment	444,000	444,000
Total, Transportation management	20,684,000	20,684,000
F. Program direction		
Operating expenses	83,748,000	83,748,000
Capital equipment	1,200,000	1,200,000
Total, Program direction	84,948,000	84,948,000

Department of Energy

	Budget Estimate	Conference
G. Facility transition & management		
Operating expenses	683,517,000	676,884,000
Capital equipment	23,947,000	18,947,000
Construction:		
GP-D-171 General plant projects, var. locations	20,495,000	15,211,000
95-D-453 Primary highway route north of the Wye Barricade, Richland, WA	2,500,000	---
95-D-454 324 Facility compliance/renovation, Richland, WA	1,500,000	1,500,000
95-D-455 Idaho national engineering laboratory radio communications upgrade, INEL, Idaho	1,440,000	---
95-D-456 Security facilities upgrade, Idaho chemical processing plant, INEL, Idaho	986,000	986,000
94-D-122 Underground storage tanks, Rocky Flats Plant, CO	2,500,000	2,500,000
94-D-401 Emergency response facility, INEL, ID	5,219,000	5,219,000
94-D-412 300 area process sewer piping system upgrade, Richland, WA	7,800,000	7,800,000
94-D-415 Idaho national engineering laboratory medical facilities, INEL, ID	4,920,000	4,920,000
94-D-451 Infrastructure replacement, Rocky Flats Plant, CO	10,600,000	10,600,000
93-D-172 Idaho national engineering laboratory electrical upgrade, INEL, ID	7,800,000	7,800,000
93-D-184 325 facility compliance/renovation, Pacific Northwest Laboratory, Richland, WA	1,000,000	1,000,000
93-D-186 200 Area unsecured core area fabrication shop, Richland, WA	4,000,000	4,000,000
92-D-125 Master safeguards and security agreement/materials surveillance task force security upgrades, Rocky Flats Plant, CO	2,100,000	2,100,000
92-D-181 Idaho national engineering laboratory fire and life safety improvements, INEL, ID	6,000,000	6,000,000

Department of Energy

	Budget Estimate	Conference
92-D-182 Idaho national engineering laboratory sewer systems upgrade, INEL, ID	1,900,000	1,900,000
92-D-186 Steam system rehabilitation, phase II Richland, WA	5,600,000	5,600,000
Total, Construction	86,360,000	77,136,000
Subtotal, Facility transition and management	793,824,000	772,967,000
Productivity savings initiative	-5,000,000	-5,000,000
Total, Facility transition and management	788,824,000	767,967,000
(Operating expenses)	(678,517,000)	(671,884,000)
(Capital expenses)	(23,947,000)	(18,947,000)
(Construction)	(86,360,000)	(77,136,000)
Subtotal, Defense.environment restoration & waste mgmt	5,452,224,000	5,359,491,000
Use of prior year balances	-240,300,000	-249,300,000
Procurement reform	-17,500,000	-17,500,000
TOTAL, DEFENSE ENVIRONMENTAL RESTORATION & WASTE MGMT.	5,194,424,000	5,092,691,000
(Operating expenses)	(4,537,010,000)	(4,503,961,000)
(Capital equipment)	(155,816,000)	(136,166,000)
(Construction)	(501,598,000)	(452,564,000)

Department of Energy

	Budget Estimate	Conference
MATERIALS SUPPORT AND OTHER DEFENSE PROGRAMS		
A. Materials Support		
1. Reactor operations	163,634,000	163,634,000
2. Processing of nuclear materials	410,468,000	410,468,000
3. Supporting services	167,776,000	167,776,000
4. Capital equipment	39,427,000	39,427,000
5. Construction:		
a. Environment, safety and health:		
95-D-154 Health physics site support facility, Savannah River, SC	2,000,000	---
95-D-158 Disassembly basin upgrades-K,L,P, Savanah River, SC	13,000,000	13,000,000
93-D-147 Domestic water system upgrade Phase I & II, Savannah River, SC	11,300,000	11,300,000
93-D-148 Replace high-level drain lines, Savannah River, SC	2,700,000	2,700,000
93-D-152 Environmental modification for production facilities, Savannah River, SC	2,900,000	2,900,000
92-D-143 Health protection instrument calibration facility, Savannah River, SC	3,000,000	3,000,000
90-D-149 Plantwide fire protection, Phases I and II, Savannah River, SC	21,000,000	5,000,000
Total, Environment, safety and health	55,900,000	37,900,000

Department of Energy

	Budget Estimate	Conference
b. Programmatic projects:		
GPD-146 General plant projects, various locations	21,000,000	15,000,000
95-D-155 Upgrade site road infrastructure, Savannah.River, SC	750,000	750,000
95-D-156 Radio trunking system, Savannah River, SC	2,100,000	2,100,000
95-D-157 D-area powerhouse life extension, Savannah.River, SC	4,000,000	4,000,000
92-D-150 Operations support facilities, Savannah.River, SC	2,000,000	2,000,000
92-D-153 Engineering support facility, Savannah.River Site, SC	3,200,000	3,200,000
Total, Programmatic projects	33,050,000	27,050,000
Total, Construction	88,950,000	64,950,000
6. Program direction	58,000,000	56,000,000
Subtotal, Materials Support	928,255,000	902,255,000
Total, Materials support	928,255,000	902,255,000
(Operating expenses)	(799,878,000)	(797,878,000)
(Capital equipment)	(39,427,000)	(39,427,000)
(Construction)	(88,950,000)	(64,950,000)

Department of Energy

	Budget Estimate	Conference
B. Other national security programs		
1. Verification and control technology		
a. Nonproliferation and verification R&D		
Operating expenses	224,547,000	215,000,000
Capital equipment	13,500,000	13,500,000
Total, Nonproliferation & verification R&D	238,047,000	228,500,000
b. Arms control		
Operating expenses	76,251,000	76,251,000
Capital equipment	673,000	673,000
Total, Arms control	76,924,000	76,924,000
c. Intelligence		
Operating expenses	41,431,000	41,431,000
Capital equipment	1,700,000	1,700,000
Total, Intelligence	43,131,000	43,131,000
Total, Verification and control technology	358,102,000	348,555,000
2. Nuclear safeguards and security		
Operating expenses	82,421,000	82,421,000
Capital equipment	3,395,000	3,395,000
Total, Nuclear safeguards and security	85,816,000	85,816,000
3. Security investigations - OE	38,827,000	33,827,000
4. Security evaluations - OE	14,780,000	14,780,000
5. Office of nuclear safety		
Operating expenses	24,629,000	21,629,000
Capital equipment	50,000	50,000
Total, Office of nuclear safety	24,679,000	21,679,000
6. Worker and community transition	125,000,000	115,000,000
7. Fissile materials control and disposition	9,000,000	50,000,000
Total, Other national security programs	656,204,000	669,657,000
(Operating expenses)	(636,886,000)	(650,339,000)
(Capital equipment)	(19,318,000)	(19,318,000)

Department of Energy

	Budget Estimate	Conference
C. Naval reactors		
1. Naval reactors development		
a. Plant development - OE	146,700,000	146,700,000
b. Reactor development - OE	348,951,000	348,951,000
c. Reactor operation and evaluation - OE	136,000,000	131,000,000
d. Capital equipment	28,200,000	28,200,000
e. Construction:		
GPN-101 General plant projects, various locations	6,200,000	6,200,000
95-D-200 Laboratory systems and hot cell upgrades, various locations	2,400,000	2,400,000
95-D-201 Advanced test reactor radioactive waste system upgrades, Idaho National Engineering Laboratory, ID	700,000	700,000
93-D-200 Engineering services facilities Knolls Atomic Power Laboratory, Niskayuna, NY	7,900,000	7,900,000
92-D-200 Laboratories facilities upgrades, various locations	2,800,000	2,800,000
Total, Construction	20,000,000	20,000,000
f. Program direction - OE	18,800,000	18,800,000
Total, Naval reactors development	698,651,000	693,651,000
2. Enrichment materials - OE	32,000,000	32,000,000
Total, Naval reactors	730,651,000	725,651,000
(Operating expenses)	(682,451,000)	(677,451,000)
(Capital equipment)	(28,200,000)	(28,200,000)
(Construction)	(20,000,000)	(20,000,000)
Subtotal, Materials support & other defense programs	2,315,110,000	2,297,563,000
Savannah river pension refund	-40,000,000	-40,000,000
Use of prior year balances	-369,700,000	-401,406,000
Procurement reform	-6,500,000	-6,500,000
TOTAL, MATERIALS SUPPORT AND OTHER DEFENSE PROGRAMS	1,898,910,000	1,849,657,000
(Operating expenses)	(1,703,015,000)	(1,677,762,000)
(Capital equipment)	(86,945,000)	(86,945,000)
(Construction)	(108,950,000)	(84,950,000)

Department of Energy

	Budget Estimate	Conference
DEFENSE NUCLEAR WASTE DISPOSAL		
Defense nuclear waste disposal	129,430,000	129,430,000
TOTAL, ATOMIC ENERGY DEFENSE ACTIVITIES	10,523,132,000	10,300,847,000
(Operating expenses)	(9,336,771,000)	(9,230,270,000)
(Capital equipment)	(365,903,000)	(336,253,000)
(Construction)	(820,458,000)	(734,324,000)

Department of Energy

	Budget Estimate	Conference
DEPARTMENTAL ADMINISTRATION		
A. Administrative Operations		
1. Office of the Secretary - salaries and expenses.	3,416,000	3,416,000
2. General management - personnel compensation and benefits	199,383,000	202,886,000
3. General management - other expenses		
a. Travel	5,663,000	5,755,000
b. Services	180,978,000	181,028,000
c. Capital equipment	6,895,000	6,895,000
Total, Other expenses	193,536,000	193,678,000
4. Program support		
a. Minority.economic impact	3,426,000	3,426,000
b. Policy analysis and system.studies	5,875,000	4,500,000
c. Consumer.affairs	46,000	46,000
d. Public affairs	54,000	54,000
f. Environmental policy studies	---	6,070,000
g. Scientific and engineering training	---	2,285,000
Total, Program.support	9,401,000	16,381,000
Total, Administrative operations	405,736,000	416,361,000
B. Cost of work for others	24,356,000	24,356,000
Subtotal, Departmental Administration (gross)	430,092,000	440,717,000
Use of unobligated balances and other adjustments	-30,707,000	-30,707,000
GSA rent reduction	-2,698,000	-2,698,000
Total, Departmental administration (gross)	396,687,000	407,312,000
Miscellaneous revenues	-161,490,000	-161,490,000
TOTAL, DEPARTMENTAL ADMINISTRATION (net)	235,197,000	245,822,000
(Operating expenses)	(228,302,000)	(238,927,000)
(Capital equipment)	(6,895,000)	(6,895,000)

Department of Energy

	Budget Estimate	Conference
OFFICE OF INSPECTOR GENERAL		
Office of Inspector General	32,425,000	32,425,000
Use of prior year balances	-5,960,000	-5,960,000
TOTAL, OFFICE OF INSPECTOR GENERAL	26,465,000	26,465,000

Department of Energy

	Budget Estimate	Conference
POWER MARKETING ADMINISTRATIONS:		
ALASKA POWER ADMINISTRATION		
A. Operation and maintenance		
Operating expenses	6,494,000	6,494,000
TOTAL, ALASKA POWER ADMINISTRATION	6,494,000	6,494,000
SOUTHEASTERN POWER ADMINISTRATION		
A. Operation and maintenance		
1. Operating expenses	3,292,000	3,292,000
2. Purchase power and wheeling	27,249,000	27,249,000
Subtotal, Operation and maintenance	30,541,000	30,541,000
Use of prior year balances	-8,110,000	-8,110,000
TOTAL, SOUTHEASTERN POWER ADMINISTRATION	22,431,000	22,431,000
SOUTHWESTERN POWER ADMINISTRATION		
A. Operation and maintenance		
1. Operating expenses	19,539,000	19,539,000
2. Purchase power and wheeling	1,503,000	1,503,000
3. Construction	9,514,000	9,514,000
Subtotal, Operation and maintenance	30,556,000	30,556,000
Use of prior year balances	-9,240,000	-9,240,000
TOTAL, SOUTHWESTERN POWER ADMINISTRATION	21,316,000	21,316,000
WESTERN AREA POWER ADMINISTRATION		
A. Operation and maintenance		
1. Construction and rehabilitation	95,683,000	92,883,000
2. System operation and maintenance	127,972,000	127,972,000
3. Purchase power and wheeling	101,506,000	101,506,000
4. Utah mitigation and conservation	5,135,000	5,135,000
Subtotal, Operation and maintenance	330,296,000	327,496,000
Use of prior year balances	-105,044,000	-105,044,000
GSA rent reduction	-167,000	-167,000
TOTAL, WESTERN AREA POWER ADMINISTRATION	225,085,000	222,285,000
TOTAL, POWER MARKETING ADMINISTRATIONS	275,326,000	272,526,000

Department of Energy

	Budget Estimate	Conference
FEDERAL ENERGY REGULATORY COMMISSION		
Federal energy.regulatory commission	166,173,000	166,173,000
FERC revenues	-166,173,000	-166,173,000
TOTAL, FEDERAL ENERGY REGULATORY COMMISSION	---	---
NUCLEAR WASTE DISPOSAL FUND		
Discretionary funding	254,800,000	392,800,000

TITLE IV

INDEPENDENT AGENCIES

APPALACHIAN REGIONAL COMMISSION

Amendment No. 47: Appropriates $282,000,000 for the Appalachian Regional Commission instead of $187,000,000 as proposed by the House and $287,000,000 as proposed by the Senate.

The conferees agree that a total of $75,000,000 is provided for Corridor H in West Virginia; a total of $2,000,000 is provided for Corridor F and $20,000,000 for Corridor G in Kentucky; and a total of $35,400,000 is provided for corridor construction in Alabama.

NUCLEAR REGULATORY COMMISSION

Amendment No. 48: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum stricken and inserted by said amendment, insert: *$520,501,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement appropriates $520,501,000 for the Nuclear Regulatory Commission Salaries and Expenses instead of $540,501,000 as proposed by the House and $535,501,000 as proposed by the Senate.

Amendment No. 49: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum stricken and inserted by said amendment, insert: *$498,501,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement applies revenues of $498,501,000 instead of $518,501,000 as proposed by the House and $513,501,000 as proposed by the Senate.

Amendments No. 48 and 49 provide for economies at the Nuclear Regulatory Commission.

TENNESSEE VALLEY AUTHORITY

Amendment No. 50: Appropriates $142,873,000 as proposed by the Senate instead of $136,856,000 as proposed by the House.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1995 recommended by the Committee of Conference, with comparisons to the fiscal year 1994 amount, the 1995 budget estimates, and the House and Senate bills for 1995 follow:

New budget (obligational) authority, fiscal year 1994	$22,275,532.000
Budget estimates of new (obligational) authority, fiscal year 1995	20,682,638,000
House bill, fiscal year 1995	20,525,510,000
Senate bill, fiscal year 1995	20,682,296,000
Conference agreement, fiscal year 1995	20,662,402,000
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1994	−1,613,130,000
Budget estimates of new (obligational) authority, fiscal year 1995	−20,236,000
House bill, fiscal year 1995	+136,892,000
Senate bill, fiscal year 1995	−19,894,000

TOM BEVILL,
VIC FAZIO,
JIM CHAPMAN,
DOUGLAS "PETE" PETERSON,
ED PASTOR,
CARRIE P. MEEK,
DAVID R. OBEY,
JOHN T. MYERS,
(except for amendment no. 35)
DEAN A. GALLO,
HAROLD ROGERS,
JOSEPH M. MCDADE,
Managers on the Part of the House.
J. BENNETT JOHNSTON,
ROBERT C. BYRD,
ERNEST F. HOLLINGS,
JIM SASSER,
DENNIS DECONCINI,
HARRY REID,
J. ROBERT KERREY,
MARK O. HATFIELD,
THAD COCHRAN,
PETE V. DOMENICI,
DON NICKLES,
SLADE GORTON,
MITCH MCCONNELL,
Managers on the Part of the Senate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. DEFAZIO (at the request of Mr. GEPHARDT), for today and the balance of the week, on account of family illness.

Mrs. COLLINS of Illinois (at the request of Mr. GEPHARDT), for today, on account of official business in the district.

Mr. FORD of Michigan (at the request of Mr. GEPHARDT), for today, on account of personal business.

Mr. CLEMENT (at the request of Mr. GEPHARDT), for today after 1 p.m., on account of personal business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. DORNAN) to revise and extend their remarks and include extraneous material:)

Mr. DORNAN, for 5 minutes, today.
Mr. HORN, for 5 minutes, today.
Mr. DUNCAN, for 5 minutes, today.
Mr. DELAY, for 5 minutes, today.
Mr. SAXTON, for 5 minutes, today.
Mr. EMERSON, for 5 minutes, today.
Mr. KINGSTON, for 5 minutes, today.
Mr. GINGRICH, for 5 minutes, today.
Mr. WELDON, for 5 minutes, today.
Mr. MICA, for 5 minutes, today.

(The following Members (at the request of Mr. CARDIN) to revise and extend their remarks and include extraneous material:)

Ms. NORTON, for 5 minutes, today.
Mr. SANDERS, for 5 minutes, today.
Mr. CARDIN, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. WOLF, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. DINGELL and Mr. FIELDS of Texas on conference report to accompany H.R. 3841.

Mr. HUGHES, immediately following colloquy of Mr. FRANK of Massachusetts and Mr. MCCOLLUM during consideration of conference report on H.R. 3841, today.

(The following Members (at the request of Mr. DORNAN) and to include extraneous matter:)

Mr. PACKARD in two instances.
Mr. SOLOMON in two instances.
Mr. WALSH.
Mr. BALLENGER.
Mr. FIELDS of Texas.
Mr. KOLBE in two instances.
Mr. GOODLING.
Mr. EVERETT.
Mr. DORNAN.

(The following Members (at the request of Mr. CARDIN) and to include extraneous matter:)

Ms. SCHENK.
Mr. MANN.
Ms. PELOSI.
Mr. FOGLIETTA.
Mr. HOYER.
Mr. TRAFICANT.
Mr. DURBIN.
Mr. VENTO in two instances.
Ms. ESHOO.

(The following Members (at the reqeust of Mr. DOOLITTLE) and to inlcude extraneous matter:)

Mr. CLYBURN.
Mr. COOPER.
Mr. STUPAK.
Mr. POSHARD.
Mr. TORRES.
Mr. HUTTO.
Mr. BARCIA of Michigan.
Mr. COSTELLO.
Mr. MATSUI.
Mr. STUDDS in two instances.
Mr. MOLINARI in two instances.
Mr. OWENS.
Mr. NADLER.

ENROLLED BILLS AND A JOINT RESOLUTION SIGNED

Mr. ROSE, from the Committee on House Administration, reported that that committee had examined and found two enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 868. An act to strengthen the authority of the Federal Trade Commission to protect consumers in connection with sales made with a telephone, and for other purposes;

H.R. 2457. An act to direct the Secretary of the Interior to conduct a salmon captive broodstock program; and

H.J. Res. 374. Joint resolution designating August 2, 1994, as "National Neighborhood Crime Watch Day."

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1458. An act to amend the Federal Aviation Act of 1958 to establish time limitations on certain civil actions against aircraft manufacturers, and for other purposes.

ADJOURNMENT

Mr. DOOLITTLE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 31 minutes p.m.), the House adjourned until tomorrow, Friday, August 5, 1994 at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3641. A letter from the Acting General Counsel, Department of Defense, transmitting a list of congressionally mandated reports compiled pursuant to section 1151 of the fiscal year 1994 National Defense Authorization Act, pursuant to 10 U.S.C. 113 note; to the Committee on Armed Services.

3642. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a report pursuant to section 3 of the AECA concerning the unauthorized transfer of U.S.-origin defense articles, pursuant to 22 U.S.C. 2314(d); to the Committee on Foreign Affairs.

3643. A letter from the Executive Secretary, Federal Reserve Employee Benefits System, transmitting the pension plan report for the Federal Reserve Employee Benefits System for plan year ending December 31, 1993, pursuant to 31 U.S.C. 9503(a)(1)(B); to the Committee on Government Operations.

3644. A letter from the Deputy Associate Director for Compliance, Department of the Interior, transmitting notification of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Natural Resources.

3645. A letter from the Deputy Associate Director for Compliance, Department of the Interior, transmitting notification of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Natural Resources.

3646. A letter from the Deputy Associate Director for Compliance, Department of the Interior, transmitting notification of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Natural Resources.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing reference to the proper calendar, as follows:

Mr. OBEY: Committee on Appropriations. Revised Subdivision of Budget Totals for fiscal year 1994 (Rept. 103-664). Referred to the Committee of the Whole House on the State of the Union.

Mr. OBEY: Committee on Appropriations. Revised Subdivision of Budget Totals for fiscal year 1995 (Rept. 103-665). Referred to the Committee of the Whole House on the State of the Union.

Mr. DERRICK: Committee on Rules. House Resolution 507. Resolution providing for consideration of the bill (H.R. 4217) to reform the Federal Crop Insurance Program, and for other purposes (Rept. 103-666). Referred to the House Calendar.

Mr. MILLER of California: Committee on Natural Resources. H.R. 2866. A bill to provide for the sound management and protection of Redwood forest areas in Humboldt County, CA, by adding certain lands and waters to the Six Rivers National Forest and by including a portion of such lands in the national wilderness preservation system; with an amendment (Rept. 103-667 Pt. 1). Ordered to be printed.

Mr. MONTGOMERY: Committee on Veterans' Affairs. H.R. 4088. A bill to amend title 38, United States Code, to provide a cost-of-living adjustment in the rates of disability compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for survivors of such veterans; with amendments (Rept. 103-668). Referred to the Committee of the Whole House on the State of the Union.

Mr. MONTGOMERY: Committee on Veterans' Affairs. H.R. 4386. A bill to amend title 38, United States Code, authorizing the Secretary of Veterans Affairs to provide compensation to veterans suffering from disabilities resulting from illnesses attributed to service in the Persian Gulf theater of operations during the Persian Gulf war, to provide for increased research into illnesses reported by Persian Gulf war veterans, and for other purposes; with an amendment (Rept. 103-669). Referred to the Committee of the Whole House on the State of the Union.

Mr. GIBBONS: Committee of Conference. Conference report on H.R. 4277. A bill to establish the Social Security Administration as an independent agency and to make other improvements in the old-age, survivors, and disability insurance program (Rept. 103-670). Ordered to be printed.

Mr. DIXON: Committee of Conference. Conference report on H.R. 4649. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1995, and for other purposes (Rept. 103-671). Ordered to be printed.

Mr. BEVILL: Committee of Conference. Conference report on H.R. 4506. A bill making appropriations for energy and water development for the fiscal year ending September 30, 1995, and for other purposes (Rept. 103-672). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COOPER (for himself and Mr. GORDON):

H.R. 4897. A bill to provide for more effective child support enforcement; to the Committee on Ways and Means.

H.R. 4898. A bill to strengthen paternity establishment; to the Committee on Ways and Means.

By Mr. FRANKS of Connecticut:

H.R. 4899. A bill to amend the Internal Revenue Code of 1986 to allow a credit for 100 percent of the contributions made by individuals to organizations engaged in addressing the needs of at-risk youth and teenagers; to the Committee on Ways and Means.

By Mr. WILLIAMS:

H.R. 4900. A bill to provide for the establishment of an occupational safety and health standard applicable to boxing under the Occupational Safety and Health Act of 1970, and for other purposes; to the Committee on Education and Labor.

By Mr. BARCIA of Michigan (for himself, Mr. BREWSTER, and Mr. CAMP):

H.R. 4901. A bill to amend the Internal Revenue Code of 1986 to simplify the assessment and collection of the excise tax on arrows; to the Committee on Ways and Means.

By Ms. DUNN (for herself, Mr. DEAL, Mr. ZIMMER, Mrs. FOWLER, Mr. CUNNINGHAM, Mr. SAXTON, Mr. SMITH of New Jersey, Mr. MANTON, Mr. MANZULLO, Mr. LINDER, Ms. MOLINARI, Mr. HUFFINGTON, Mr. HYDE, and Mr. MCCOLLUM):

H.R. 4902. A bill to provide protection against sexually violent predators; to the Committee on the Judiciary.

By Mr. OWENS:

H.R. 4903. A bill to expand the powers of the Secretary of the Treasury and the Bureau of Alcohol, Tobacco and Firearms to regulate the manufacture, distribution, and sale of firearms and ammunition, and to expand the jurisdiction of the Bureau to include firearm products and non-powder firearms; to the Committee on the Judiciary.

By Mr. HOEKSTRA (for himself, Mr. ARMEY, Mr. BOEHNER, Mr. DORNAN, Mr. GOODLING, Mr. GRAMS, Mr. MCKEON, Mr. MILLER of Florida, Mr. SMITH of New Jersey, Mr. BALLENGER, Mr. KNOLLENBERG, Mr. MCINNIS, Mr. HUTCHINSON, Mr. UPTON, Mr. TORKILDSEN, and Mrs. FOWLER):

H. Con. Res. 277. Concurrent resolution expressing the sense of the Congress regarding the prerogatives of each State for health care reform; jointly, to the Committees on Energy and Commerce and Ways and Means.

By Mr. MCMILLAN:

H. Res. 508. Resolution making in order, in the consideration by the House of Representatives of H.R. 3600—the "Health Security Act"—an amendment in the nature of a substitute consisting of the text of H.R. 3080 and including a title providing for assistance for the purpose of health insurance; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ROTH:

H.R. 4904. A bill for the relief of Eugene Hasenfus; to the Committee on the Judiciary.

By Mr. SAXTON:

H.R. 4905. A bill for the relief of Floyd L. Martin; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 291: Mr. ROBERTS, Mr. YOUNG of Alaska, Mr. LAFALCE, Mr. TOWNS, Mr. MOLLOHAN,

Mr. LEWIS of Kentucky, Mr. WOLF, Mr. NEAL of North Carolina, Mr. KLECZKA, and Mrs. VUCANOVICH.

H.R. 323: Ms. MOLINARI.

H.R. 494: Mr. GILMAN.

H.R. 546: Mr. PASTOR.

H.R. 723: Mr. FIELDS of Texas.

H.R. 1080: Mr. LUCAS.

H.R. 1110: Mr. SENSENBRENNER and Mr. GILLMOR.

H.R. 1164: Mr. SAXTON.

H.R. 1276: Mr. LUCAS.

H.R. 1280: Mr. THOMPSON, Mr. FIELDS of Louisiana, Mr. BRYANT, Mr. COPPERSMITH, Mr. BARRETT of Wisconsin, and Mr. MANN.

H.R. 1428: Mr. DOOLITTLE.

H.R. 1824: Mr. MATSUI.

H.R. 1834: Mr. THORNTON.

H.R. 2345: Mr. HAMBURG.

H.R. 2375: Mr. FINGERHUT.

H.R. 2586: Mr. BARRETT of Wisconsin and Mr. MORAN.

H.R. 2680: Mr. WISE.

H.R. 2866: Mrs. LOWEY.

H.R. 3538: Mr. TOWNS, Mr. BERMAN, Mr. STUPAK, and Mr. FINGERHUT.

H.R. 3630: Mr. WELDON.

H.R. 3645: Mr. LUCAS.

H.R. 3666: Mr. COBLE, Mr. FRANK of Massachusetts, Mrs. UNSOELD, Mr. WILSON, Mr. SKEEN, and Mr. PAYNE of Virginia.

H.R. 3705: Mr. HOLDEN and Mrs. MEYERS of Kansas.

H.R. 3795: Mr. LIVINGSTON.

H.R. 3814: Mr. SCHAEFER.

H.R. 3835: Mr. HASTERT.

H.R. 3851: Mr. DUNCAN, Mr. ROGERS, Mr. SOLOMON, Mr. KYL, Mrs. VUCANOVICH, and Mrs. MEYERS of Kansas.

H.R. 4051: Mr. BARLOW, Mr. HOCHBRUECKNER, Mr. SAWYER, and Mr. HEFNER.

H.R. 4072: Mr. OBEY.

H.R. 4074: Mr. BARCIA of Michigan, Mr. REYNOLDS, Mr. FISH, Mr. HOLDEN, Mr. SCHIFF, Mr. SCHUMER, Mr. STARK, Mr. BARRETT of Wisconsin, Mr. DIAZ-BALART, Mr. MATSUI, Mr. MINETA, Mr. KREIDLER, Mr. HASTINGS, Mr. GREENWOOD, and Mr. HUTCHINSON.

H.R. 4088: Mr. CRAMER, Mr. MONTGOMERY, and Mr. STUMP.

H.R. 4142: Mr. CRANE, Mrs. BENTLEY, and Mr. DIXON.

H.R. 4179: Mr. DIAZ-BALART.

H.R. 4232: Mr. PETERSON of Minnesota and Mr. UPTON.

H.R. 4288: Mr. SERRANO.

H.R. 4303: Mr. HOEKSTRA.

H.R. 4318: Mr. BARLOW and Mr. HEFNER.

H.R. 4345: Mr. EVANS.

H.R. 4370: Mr. SANDERS.

H.R. 4371: Mr. PALLONE.

H.R. 4404: Mr. HAMILTON, Ms. ROYBAL-ALLARD, Mr. GEJDENSON, and Ms. SLAUGHTER.

H.R. 4450: Mr. ACKERMAN and Mr. POSHARD.

H.R. 4481: Mr. DELLUMS.

H.R. 4540: Mr. INSLEE, Mr. TOWNS, Ms. DELAURO, Mr. HOAGLAND, Mr. DIAZ-BALART, and Mr. TORRICELLI.

H.R. 4559: Mrs. MEYERS of Kansas.

H.R. 4589: Mr. SENSENBRENNER.

H.R. 4636: Mr. BARRETT of Wisconsin, Mr. BILBRAY, Mr. TRAFICANT, Mr. HILLIARD, Mr. CARR, and Mr. TORRES.

H.R. 4643: Mr. KOPETSKI.

H.R. 4713: Ms. LAMBERT.

H.R. 4734: Mr. SAXTON, Mr. STUPAK, and Ms. KAPTUR.

H.R. 4742: Mr. DOOLITTLE, Mr. TAUZIN, Mr. HAYES, and Mr. BAKER of Louisiana.

H.R. 4805: Mr. HAMILTON, Mr. ROHRABACHER, Mr. PETRI, Mr. MCCLOSKEY, and Mr. GUNDERSON.

H.R. 4831: Mr. HUNTER.

H.R. 4857: Mr. SENSENBRENNER.

H.R. 4887: Mr. STEARNS.

H.J. Res. 261: Mr. KASICH, Mr. MEEHAN, Mr. SOLOMON, Mr. LEACH, Mr. FROST, Mr. DOOLITTLE, Mr. WOLF, Mr. CALLAHAN, and Mr. DE LUGO.

H.J. Res. 366: Mr. BECERRA, Mr. FAZIO, Mr. FIELDS of Texas, Mr. GEJDENSON, Mr. GREENWOOD, Mr. HASTERT, Mr. HORN, Mr. HUTCHINSON, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. KIM, Ms. MARGOLIES-MEZVINSKY, Ms. MCKINNEY, Mr. MCNULTY, Mrs. MEYERS of Kansas, Mr. MILLER of California, Mr. MINGE, Mr. MOORHEAD, Mr. QUILLEN, Mr. RICHARDSON, Mr. STOKES, Mr. TANNER, Mr. VALENTINE, and Mr. YOUNG of Alaska.

H.J. Res. 390: Mr. BONIOR.

H. Con. Res. 148: Mr. SMITH of Texas.

H. Con. Res. 192: Mr. ABERCROMBIE.

H. Con. Res. 223: Mr. FOGLIETTA, Mr. LIPINSKI, and Mr. TEJEDA.

H. Con. Res. 268: Mr. MILLER of Florida, Mr. BARTON of Texas, Mr. MANZULLO, Ms. DUNN, and Mr. ROYCE.

H. Con. Res. 269: Mr. LIPINSKI, Mr. BAKER of Louisiana, and Mr. MCMILLAN.

H. Con. Res. 274: Mr. LEHMAN and Mr. BROOKS.

H. Res. 86: Mr. WALSH.

H. Res. 270: Mr. BAKER of Louisiana, Mr. HOEKSTRA, and Mr. HAYES.

H. Res. 485: Mr. EWING and Mr. NEAL of North Carolina.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 4590: Mr. BARLOW.