SENATE—*Thursday, August 18, 1994*

The Senate met at 9:30 a.m. and was called to order by the President pro tempore [Mr. BYRD].

The PRESIDENT pro tempore. The prayer to the great God of the Universe, Creator of man in His own image, will be led by the Senate Chaplain, the Reverend Dr. Richard C. Halverson.

PRAYER

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

Let us pray:

Come unto me, all ye that labour and are heavy laden, and I will give you rest.—Matthew 11:28.

Thank You, God, for this beautiful promise and invitation from our Lord.

Almighty God, Thou knowest better than we the weariness, the frustration, the pressure and tension under which Your servants labor. Thou knowest their minds and hearts, their families, their canceled plans, circumstances which are difficult to bear.

In a way that only God can do it, grant to Your faithful servants a special dispensation of love, grace, mercy, and peace. Encourage them, strengthen them, grant them the "peace that passeth understanding." Demonstrate the reality of Your presence in this place.

In Jesus' name who is Love incarnate. Amen.

RESERVATION OF LEADER TIME

The PRESIDENT pro tempore. Under the order entered yesterday, the leadership time is reserved.

MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 10 o'clock a.m., with Senators permitted to speak therein for not to exceed 5 minutes.

Also under the previous order, the Senator from Utah [Mr. HATCH] is to be recognized for up to 10 minutes.

The Senator from Utah [Mr. HATCH].

Mr. HATCH. I thank the Chair.

CRIME BILL CONFERENCE REPORT

Mr. HATCH. Mr. President, the more people learn about this crime bill, the more opposition to it grows. Now it seems the President's own prosecutors have serious troubles with parts of this crime bill. The President's frontline Federal prosecutors have announced that they are "very much opposed" to the crime bill's mandatory minimum reform provision. The National Association of Assistant U.S. Attorneys, which represents nearly 4,000 Federal prosecutors, has written a letter to me opposing the crime bill's mandatory minimum reform.

As I have stated on a number of occasions, this provision of the crime bill will decrease penalties for many drug dealers, conspirators, and drug traffickers. It will also result in the early release of as many as 16,000 Federal drug dealers, and it will clog our courts with frivolous litigation. Our Nation's Federal prosecutors know that such a provision is not tough and it surely is not smart.

Republicans support the passage of a crime bill which is both tough and smart. And I might add, a number of Democrats do as well. Unfortunately, the crime bill conference report is neither. It is larded with pork barrel spending. It provides too little money for prisons. It drops several tough-on-crime provisions which were part of the Senate bill. It permits the early release of as many as 16,000 Federal prisoners. It fails to prevent the administration's planned implementation of a racial quota which will eliminate the Federal death penalty, and it increases the deficit by at least $13 billion.

Notwithstanding our repeated calls for bipartisanship, some Members on the other side of the aisle have questioned our motives and the sincerity of our objections. Frankly, I was particularly troubled by some recent remarks on the floor of this body which called into question our distinguished Republican leader's candor in his call for bipartisanship.

Yesterday, Senator DOLE took the floor and discussed some areas for possible compromise. Rather than responding in a constructive manner, his proposed changes were assailed by the other side of the aisle.

For example, he suggested that the administration should agree to drop the get-out-of-jail-free mandatory minimum provision that the prosecutors have just said should be changed. Republicans have expressed strong opposition to this provision because it is simply too broad and it will permit the early release of as many as 10,000 to 16,000 Federal prisoners—criminals.

Yesterday, one of our colleagues from the other side of the aisle claimed that only 400 offenders would be released as a result of this provision. Yet, the figure he cited was the Clinton administration's Bureau of Prisons estimate. The fact is the neutral Administrative Office of the U.S. Courts has concluded that as many as 10,000 Federal prisoners will be eligible for early release. Furthermore, respected Princeton University professor, John DiLuilio, a self-professed card-carrying Democrat, has estimated that as many as 16,000 prisoners will qualify for early release under this provision.

I ask unanimous consent that relative documents supporting my position be inserted in the RECORD.

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

JUDICIAL IMPACT STATEMENT—VIOLENT CRIME CONTROL AND LAW ENFORCEMENT ACT OF 1994

(Prepared by the Judicial Impact Office, Administrative Office of the U.S. Courts)

APPLICABILITY OF MANDATORY MINIMUM PENALTIES IN CERTAIN CASES (TITLE II, SECTIONS 201 AND 203)

Section 201 would permit Federal judges to impose sentences below mandatory minimum levels under specific conditions. More encompassing than the version in the Senate crime bill, this provision would apply to the drug offender who: (1) does not have more than 1 "criminal history point" under the United States Sentencing Commission Guidelines Manual; (2) did not use or threaten violence or possess a dangerous weapon during the offense; (3) was not an organizer, leader, manager, or supervisor of others in the offense; and (4) discloses all information known about the offense. This provision would not apply if the offense caused death or serious injury to another person.

Based on data from the United States Sentencing Commission's February 22, 1994 report on the Senate crime bill, this provision could affect about 150 to 900 defendants annually. This should not have a significant impact on the Judiciary's resource needs. It could however, impose costs on the Federal probation system earlier than planned since prisoners could be released from prison and placed under supervised release earlier than they would otherwise.

Section 203 would allow the retroactive application of proposed Section 201 to an individual already sentenced and serving prison time, provided that the individual has demonstrated good behavior while in prison. According to preliminary estimates developed by the Federal Bureau of Prisons, somewhere between 5,000 and 10,000 Federal prisoners could meet the eligibility requirements of Section 201. A sentence reduction hearing would likely be required to reduce a prisoner's sentence, each costing the Judiciary about $2,500. If 5,000 to 10,000 hearings were conducted, the cost to the Judiciary could be between $12.5 million to $25 million, which would likely be incurred within the first two to three years after enactment of the provision.

This provision may create other adverse resource consequences for the Judiciary. First, it is possible that some court time could be unproductively spent hearing frivolous motions for reduced sentences. Second, similar to what could occur under proposed

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

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Section 201, this provision could result in an influx of prisoners released early from prison and placed under supervised release, which could impose substantial costs on the Federal probation system earlier than anticipated.

EXCERPT FROM SENATE AMENDMENT TO CRIME BILL

SEC. 2404. FLEXIBILITY IN APPLICATION OF MANDATORY MINIMUM SENTENCE PROVISIONS IN CERTAIN CIRCUMSTANCES.

(a) AMENDMENT OF TITLE 18, UNITED STATES CODE.—Section 3553 of title 18, United States Code, is amended by adding at the end the following new subsection:

"(f) MANDATORY MINIMUM SENTENCE PROVISIONS.—

"(1) SENTENCING UNDER THIS SECTION.—In the case of an offense described in paragraph (2), the court shall, notwithstanding the requirement of a mandatory minimum sentence in that section, impose a sentence in accordance with this section and the sentencing guidelines and any pertinent policy statement issued by the United States Sentencing Commission.

"(2) OFFENSES.—An offense is described in this paragraph if—

"(A) the defendant is subject to a mandatory minimum term of imprisonment under section 401 or 402 of the Controlled Substances Act (21 U.S.C. 841 and 844) or section 1010 of the Controlled Substances Import and Export Act (21 U.S.C. 960);

"(B) the defendant does not have—

"(i) more than 0 criminal history point under the sentencing guidelines; or

"(ii) any prior conviction, foreign or domestic, for a crime of violence against the person or drug trafficking offense that resulted in a sentence of imprisonment (or an adjudication as a juvenile delinquent for an act that, if committed by an adult, would constitute a crime of violence against the person or drug trafficking offense;

"(C) the offense did not result in death or serious bodily injury (as defined in section 1365) to any person—

"(i) as a result of the act of any person during the course of the offense; or

"(ii) as a result of the use by any person of a controlled substance that was involved in the offense;

"(D) the defendant did not carry or otherwise have possession of a firearm (as defined in section 921) or other dangerous weapon during the course of the offense and did not direct another person who possessed a firearm to do so and the defendant had no knowledge of any other conspirator involved possessing a firearm;

"(E) the defendant was not an organizer, leader, manager, or supervisor of others (as defined or determined under the sentencing guidelines) in the offense; and

"(F) the defendant was nonviolent in that the defendant did not use, attempt to use, or make a credible threat to use physical force against the person of another during the course of the offense.

"(G) the defendant did not own the drugs, finance any part of the offense or sell the drugs.".

(b) HARMONIZATION.—

(1) IN GENERAL.—The United States Sentencing Commission—

(A) may make such amendments as it deems necessary and appropriate to harmonize the sentencing guidelines and policy statements with section 3553(f) of title 18, United States Code, as added by subsection (a), and promulgate policy statements to assist the courts in interpreting that provision; and

(B) shall amend the sentencing guidelines, if necessary, to assign to an offense under section 401 or 402 of the Controlled Substances Act (21 U.S.C. 841 and 844) or section 1010 of the Controlled Substances Import and Export Act (21 U.S.C. 960) to which a mandatory minimum term of imprisonment applies a guideline level that will result in the imposition of a term of imprisonment at least equal to the mandatory term of imprisonment that is currently applicable unless a downward adjustment is authorized under section 3553(f) of title 18, United States Code, as added by subsection (a).

(2) If the Commission determines that an expedited procedure is necessary in order for amendments made pursuant to paragraph (1) to become effective on the effective date specified in subsection (c), the Commission may promulgate such amendments as emergency amendments under the procedures set forth in section 21(a) of the Sentencing Act of 1987 (Public Law 100-182; 101 Stat. 1271), as though the authority under that section had not expired.

(c) EFFECTIVE DATE.—The amendment made by subsection (a) and any amendments to the sentencing guidelines made by the United States Sentencing Commission pursuant to subsection (b) shall apply with respect to sentences imposed for offenses committed on or after the date that is 60 days after the date of enactment of this Act. Notwithstanding any other provision of law, any defendant who has been sentenced pursuant to section 3553(f) who is subsequently convicted of a violation of the Controlled Substances Act or any crime of violence for which imposition of a mandatory minimum term of imprisonment is required, he or she shall be sentenced to an additional 5 years imprisonment.

[From the Wall Street Journal, Aug. 11, 1994]

THIS BILL IS A CRIME

(By Jay Apperson)

The so-called anti-crime bill crafted by House-Senate conferees appears headed for a crucial vote in the House this week, possibly as early as today. The bill is a bad bill and should be defeated. While I do not speak for the Justice Department, I do speak as a veteran front-line prosecutor. Based on my experience, the crime bill does little to strengthen law enforcement and wastes hundreds of millions of dollars on soft-headed gimmicks that don't work.

More important, the bill is the drug dealer's best friend. It guts one of the most effective law enforcement tools to induce cooperation against high-level drug traffickers—"mandatory minimums"—and, incredibly, authorizes the wholesale release from prison of potentially thousands of convicted drug traffickers, putting them back on the street.

The legislation is the result of intense and sustained lobbying by the criminal defense bar and other critics of tough mandatory-minimum drug sentences enacted in the 1980s. These critics have painted a picture of federal prosecutors who round up helpless drug addicts and throw then in jail for 10 years with no change for parole. The reality is far different. Mandatory minimums apply (with a single exception) to drug dealers, not users. Simple possession by a user is only a misdemeanor which carries a sentence of no more than one year.

What the critics don't tell you is that mandatory minimums for those assisting in drug distribution are part of a comprehensive scheme which allows the government to move to reduce a defendant's sentence below the minimum term if he provides "substantial assistance" in the prosecution of others. In other words, if low-level dealers, drug couriers or "mules," arrested on federal drug offenses, cooperate with prosecutors, identify their sources and higher-ups, testify against them at trial, and help put them out of business, then those low-level defendants can have their own sentence reduced. It is a common-sense "carrot and stick" approach which represents perhaps the single most effective law enforcement tool in convicting high-level drug suppliers and traffickers.

Congress should think long and hard before returning us to the old days when narcolords could successfully insulate themselves by having others handle the drugs. Before mandatory minimums, underlings served very little jail time for their scutwork. Often paid for their prison time by their bosses, the low-level guys didn't finger increasingly violent higher-ups. Their short sentences were simply the cost of doing business.

However, faced with the certainty of a 10-year mandatory sentence with no parole, it's amazing how defendants' loyalty or fear is suddenly put into perspective. They very quickly realize they will be giving up a huge chunk of their lives for someone else. And they usually decide to cooperate with prosecutors.

Federal prosecutors have utilized mandatory minimums to successfully convict increasingly sophisticated high-level traffickers and racketeers—people who would otherwise still be in business. Responsible defense attorneys have zealously represented their clients by getting them to cooperate with the United States to earn reduced time. It is a system that works—both for society, which is rid of some high-level dealers, and for low-level defendants, who earn a reduced sentence.

Yet you'd never understand how this system works from reading press accounts, which have been shaped by critics of mandatory minimums. A good example is a Feb. 20 Washington Post article, which portrayed a young black man named Derrick Curry, who had been convicted on federal drug trafficking charges. The Post reporter lamented the "incomprehensibly severe" 20-year sentence for this "small-time dealer." The story noted, almost in passing, that Curry steadfastly refused to cooperate by "ratting on his friends." For those who think that's noble, remember Jesse Jackson's admonition to young blacks: "It's like seeing your apartment building in flames and not telling anybody about it because * * * the guys who set the fire are black. They think they're being disloyal to the race if they tell it. No: They will burn the race up unless they tell it."

Unfortunately, the crime bill removes the incentive to "tell it" by gutting mandatory minimums for a large number of low level defendants. These "low-level" defendants—a term defined by politicians not prosecutors—would be eligible to escape the mandatory minimum sentences without ever providing meaningful cooperation to prosecutors. The escape provision applies regardless of the amount of drugs involved. A person who distributes hundreds of kilograms of cocaine or heroin can qualify. It applies even to people who have engaged in repeated and ongoing trafficking, not just small fry who get caught for a single lapse in judgment.

The bill actually allows the escape hatch to apply retroactively, allowing release of those already convicted and sentenced. What's more, these convicted criminals may qualify for release even if they continue to protect higher-up drug traffickers. Convicted

criminals may be released simply by having admitted they did it even after they have been convicted by a jury. They can also be released by telling the government what happened years after their arrest and conviction, when that information is useless. There is no requirement that they testify against anyone.

Passage of this legislation will reward the dangerously false nobility of the Derrick Currys of the world. And the punks whom they have protected will be waiting to put them back in the drug business when they get out.

If Congress is serious about fighting crime, it will defeat this bill. If President Clinton is serious, he will veto it. It's a bad bill.

EXCERPT FROM HOUSE AMENDMENT TO CRIME BILL

TITLE II—APPLICABILITY OF MANDATORY MINIMUM PENALTIES IN CERTAIN CASES

SEC. 201. LIMITATION ON APPLICABILITY OF MANDATORY MINIMUM PENALTIES IN CERTAIN CASES.

(a) IN GENERAL.—Section 3553 of title 18, United States Code, is amended by adding at the end the following:

"(f) LIMITATION ON APPLICABILITY OF STATUTORY MINIMUMS IN CERTAIN CASES.—Notwithstanding any other provision of law, in the case of an offense under section 401, 404, or 406 of the Controlled Substances Act or section 1010 or 1013 of the Controlled Substances Import and Export Act, the court shall impose a sentence pursuant to guidelines established by the United States Sentencing Commission, without regard to any statutory minimum sentence, if the court finds at sentencing that—

"(1) the defendant does not have more than 1 criminal history point under the United States Sentencing Commission Guidelines Manual;

"(2) the defendant did not use violence or credible threats of violence or possess a firearm or other dangerous weapon (or induce another participant to do so) in connection with the offense;

"(3) the offense did not result in death or serious bodily injury to any person;

"(4) the defendant was not an organizer, leader, manager, or supervisor of others (as determined under the United States Sentencing Commission Guidelines Manual) in the offense; and

"(5) no later than the time of the sentencing hearing, the defendant has provided to the Government all information the defendant has concerning the offense or offenses that were part of the same course of conduct or of a common scheme or plan. The fact that the defendant has no relevant or useful other information to provide shall not preclude or require a determination by the court that the defendant has complied with this requirement.".

(b) SENTENCING COMMISSION AUTHORITY.—

"(1) IN GENERAL.—The United States Sentencing Commission (hereinafter in this section referred to as the "Commission") may—

(A) make such amendments as the Commission deems necessary to harmonize the sentencing guidelines and policy statements with this section and the amendment made by this section; and

(B) promulgate policy statements to assist in the application of this section and that amendment.

(2) PROCEDURES.—If the Commission determines it is necessary to do so in order that the amendments made under paragraph (1) may take effect on the effective date of the amendment made by subsection (a), the Commission may promulgate the amendments made under paragraph (1) in accordance with the procedures set forth in section 21(a) of the Sentencing Act of 1987, as though the authority under that section had not expired.

(c) EFFECTIVE DATE AND APPLICATION.—The amendment made by subsection (a) shall apply to all sentences imposed on or after the 10th day beginning after the date of the enactment of this Act.

SEC. 202. DIRECTION TO SENTENCING COMMISSION.

The United States Sentencing Commission shall promulgate sentencing guidelines or amend existing sentencing guidelines with respect to cases where statutory minimum sentences would apply but for section 3553(f) of title 18, United States Code, to carry out the purposes of such section, so that the lowest sentence in the guideline range is not less than 2 years in those cases where a 5-year minimum would otherwise apply.

SEC. 203. SPECIAL RULE.

For the purpose of section 3582(c)(2) of title 18, United States Code, with respect to a prisoner the court determines has demonstrated good behavior while in prison, the changes in sentencing made as a result of this Act shall be deemed to be changes in the sentencing ranges by the Sentencing Commission pursuant to section 994(o) of title 28, United States Code.

EXCERPT FROM CONFERENCE REPORT ON CRIME BILL

TITLE VIII—APPLICABILITY OF MANDATORY MINIMUM PENALTIES IN CERTAIN CASES

SEC. 80001. LIMITATIONS ON APPLICABILITY OF MANDATORY MINIMUM PENALTIES IN CERTAIN CASES.

(a) IN GENERAL.—Section 3553 of title 18, United States Code, is amended by adding at the end the following new subsection.

"(f) LIMITATION ON APPLICABILITY OF STATUTORY MINIMUMS IN CERTAIN CASES.—Notwithstanding any other provision of law, in the case of an offense under section 401, 404, or 406 of the Controlled Substances Act (21 U.S.C. 841, 844, 846) or section 1010 or 1013 of the Controlled Substances Import and Export Act (21 U.S.C. 961, 963), the court shall impose a sentence pursuant to guidelines promulgated by the United States Sentencing Commission under section 994 of title 28 without regard to any statutory minimum sentence, if the court finds at sentencing that—

"(1) the defendant does not have more than 1 criminal history point, as determined under the sentencing guidelines;

"(2) the defendant did not use violence or credible threats of violence or possess a firearm or other dangerous weapon (or induce another participant to do so) in connection with the offense;

"(3) the offense did not result in death or serious bodily injury to any person;

"(4) the defendant was not an organizer, leader, manager, or supervisor of others in the offense, as determined under the sentencing guidelines; and

"(5) not later than the time of the sentencing hearing, the defendant has provided to the Government all information the defendant has concerning the offense or offenses that were part of the same course of conduct or of a common scheme or plan, but the fact that the defendant has no relevant or useful other information to provide or that the government is already aware of the information shall not preclude a determination by the court that the defendant has complied with this requirement, and a defendant sentenced before this subsection takes effect shall be deemed to have satisfied the requirement of this paragraph if such defendant—

"(A) received an adjustment under the sentencing guidelines for acceptance of responsibility;

"(B) received a sentence below the applicable guideline range for having provided substantial assistance in the investigation or prosecution of another person who has committed an offense; or

"(C) provides to the Government, after moving for resentencing and before determination of that motion, all information that the defendant has concerning the offense or offenses that were part of the same course of conduct or of a common scheme or plan.

(b) SENTENCING COMMISSION AUTHORITY.—

(1) IN GENERAL.—(A) The United States Sentencing Commission (referred to in this subsection as the "Commission"), under section 994(a)(1) and (p) of title 28—

(i) Shall promulgate guidelines, or amendments to guidelines, to carry out the purposes of this section and the amendment made by this section; and

(ii) may promulgate policy statements, or amendments to policy statements, to assist in the application of this section and that amendment.

(B) In the case of a defendant for whom the statutorily required minimum sentence is 5 years, such guidelines and amendments to guidelines issued under subparagraph (A) shall call for a guideline range in which the lowest term of imprisonment is at least 24 months.

(2) PROCEDURES.—If the Commission determines that it is necessary to do so in order that the amendments made under paragraph (1) may take effect on the effective date of the amendment made by subsection (a), the Commission may promulgate the amendments made under paragraph (1) in accordance with the procedures set forth in section 21(a) of the Sentencing Act of 1987, as though the authority under that section had not expired.

(c) EFFECTIVE DATE AND APPLICATION.—The amendment made by subsection (a) shall apply to all sentences imposed on or after the 10th day beginning after the date of enactment of this Act.

SEC. 80002. SPECIAL RULE.

(a) OFFENSES SUBJECT TO SENTENCING GUIDELINES.—For the purpose of section 3582(c)(2) of title 18, United States Code, with respect to a prisoner who, as determined by the court, has demonstrated good behavior while in prison, the changes in sentencing made as a result of this title shall be deemed to be changes in the sentencing ranges by the United States Sentencing Commission pursuant to section 994(o) of title 28, United States Code.

(b) OFFENSES NOT SUBJECT TO SENTENCING GUIDELINES.—Notwithstanding any other provision of law, a defendant serving a term of imprisonment who—

(1) was convicted of an offense that occurred prior to November 1, 1987, or was sentenced as if the offense had occurred before such date:

(2) meets the criteria set forth in section 3553(f) of title 18, United States Code; and

(3) has demonstrated good behavior while in prison; shall be eligible for release consideration under the provisions of chapter 311 of title 18, United States Code (as such provisions remain applicable to an individual who committed an offense prior to November 1,

1987). Such a release determination shall be made pursuant to the guidelines and policy statements issued by the United States Sentencing Commission.

Mr. HATCH. I thank the Chair.

Perhaps recent developments will open the administration's eyes to the fact that our concerns about that provision are legitimate. Over the last several days the administration has been focused on turning a handful of votes. Consumed with this bare-knuckle strategy, they ignored their own prosecutors who attempted to broker some modest changes to the crime bill. Having been overlooked, President Clinton's prosecutors have been forced to publicly announce their opposition to this provision. That is no small thing. These are Democrat and Republican prosecutors.

The National Association of Assistant United States Attorneys, in a letter dated yesterday, has taken the position that they are "very much opposed" to the crime bill's mandatory minimum reform proposal. They note that the crime bill would permit as many as 20,000 petitions for early release. This sort of litigation will clog our courts and "dilute" Federal prosecutors' ability to do their jobs and would eliminate the leverage they need in order to nail certain types of drug traffickers.

Mr. President, I appreciate the courage of the administration's frontline prosecutors to publicly oppose the President on this issue, and I have no doubt that there are those up here and those down there who will threaten them from here on in and will try to hurt the careers of some of these people. So it took guts to do what they did, and we ought to be listening to them.

One can only wonder whether this step would have been necessary had the administration worked with the Republicans in a bipartisan manner.

Nevertheless, these men and women who represent the United States in all criminal prosecutions felt that they had to take this stand in the face of significant pressure from supporters of the crime bill. It is a testament to their fidelity to justice that they came forward. To continue to suggest, in the face of this sort of growing opposition, that our concerns about mandatory minimum reform in the crime bill are illegitimate, is ludicrous.

I have been an advocate for responsible mandatory minimum reform. I authored the Senate-passed provision. Indeed, the President's prosecutors support responsible reform. Nevertheless, this administration and the Congress owe it to our Nation's Federal prosecutors to listen to them and consider their suggested changes. After all, it is our prosecutors who will bear the burden of this so-called reform.

Mr. President, I ask unanimous consent that a copy of their letter to me dated August 17, and their policy brief, be printed in the RECORD.

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

NATIONAL ASSOCIATION OF
ASSISTANT UNITED STATES ATTORNEYS,
Alexandria, VA, August 17, 1994.

Hon. ORRIN HATCH,
U.S. Senate, Washington, DC.

DEAR SENATOR HATCH: The National Association of Assistant United States Attorneys has as its members front-line litigators. Our members represent the United States in all civil and criminal matters. We are our nation's lawyers. Most of our members are prosecutors who work very closely with federal and local law enforcement agencies.

In 1987, Congress enacted the Federal Sentencing Guidelines, which, in part, had stiff but appropriate sentencing provisions, incorporating mandatory minimum sentences for certain drug traffickers. Those mandatory minimums have given our prosecutors the ability to get drug dealers to cooperate by forcing them to work with us in giving up their source(s) of supply or face years of incarceration. When their cooperation is deemed to be "substantial" by a committee of Assistant United States Attorneys (or, in some cases, the United States Attorney), their sentences may be reduced by a federal Judge. In fiscal 1993, almost one-fifth of convicted defendants benefited by having their sentences reduced because they cooperated with law enforcement authorities. The results of that cooperation led to the arrest and conviction of numerous drug suppliers and their sources.

The present Crime Bill contains a provision which not only severely negates the benefits of "mandatory minimums" for a certain class of offenders, but also would permit the filing of 10,000 to 20,000 frivolous law suits which would cause prosecutors to spend their time in needless litigation instead of investigating and prosecuting criminals. The present provision would dilute prosecutors' ability to determine if a drug dealer has "substantially" cooperated. In effect, our leverage to get to the suppliers would be eliminated for certain types of drug traffickers. We cannot stand idly by and allow this very effective tool to be taken from us and the citizens we are sworn to protect.

The bill's present language is intended to address low level drug traffickers who are so minimally involved that they cannot have their sentences reduced because they truly cannot provide information or cooperation which would be deemed to be "substantial". In some instances under mandatory minimums (and the Department of Justice's requirement that prosecutors had to charge the most serious provable crime), some injustices occurred. We believe that should be corrected. However, Attorney General Reno fixed this problem some time ago by no longer requiring Assistant United States Attorneys to charge the most serious readily provable offense if that would result in a miscarriage of justice. In addition, our Association proposed minor revisions to the present bill which would codify the intent to appropriately treat first time low level traffickers. We are not opposed to these goals and objectives. We are, however, very much opposed to the way the present bill achieves them.

We believe that prosecutors are in the best position to determine if an individual has cooperated substantially or truly has nothing to offer and therefore meets the other criteria to receive a reduced sentence in accordance with this bill's present language. We have proposed, therefore, that in order to qualify for "safety valve" relief, the current language be amended as follows:

"(f)(5) is hereby amended by striking the current language and inserting:

"(f)(5) the government certifies that the defendant has timely and truthfully provided to the government all information and evidence the defendant has concerning the offense or offenses that were part of the same course of conduct or of a common scheme or plan."

We urge the Committee to make the change we have proposed.

Sincerely,

LAWRENCE J. LEISER, AUSA,
President, NAAUSA.

NATIONAL ASSOCIATION OF ASSISTANT UNITED STATES ATTORNEYS—POLICY BRIEF

MANDATORY MINIMUMS

The National Association of Assistant United States Attorneys represents frontline federal prosecutors, including criminal narcotics prosectors and designated Organized Crime Drug Enforcement Task Force prosecutors, charged with enforcing the federal narcotics laws. We are encouraged that "The Mandatory Minimum Sentencing Reform Act of 1994", H.R. 3979, as amended, and adopted by the Committee on the Judiciary's Crime Subcommittee, recognizes the importance of limiting relief from provisions of existing mandatory minimum sentences to those defendants who have made every effort to provide assistance to the government.

The proposed amendment to Section 3553 of Title 18, United States Code, to create a relief mechanism from application of mandatory minimum sentences in certain cases, includes the criteria as set forth in paragraph (5) that the defendant has provided to the government all information the defendant has concerning the offense or other criminal conduct related to the offense.

While we are encouraged by the obvious recognition that any relaxation from mandatory minimum application should be limited to those who provide information to the government, we suggest that the existing language is problematic in its application. The first difficulty arises as to who is in a position to determine whether a defendant has provided the government all information. Only the government is able to make that determination, by comparing the information provided with other evidence of the case. The current language would conceivably allow the defendant to self-servingly state "that's all I know," without the government being in a position to test that assertion by debriefings, polygraph results, etc. In order to assist in this process, the defendant should be required to provide any evidence he can, in addition to information.

Similarly, we are concerned that this relief mechanism not be available to a defendant who has provided information which is not truthful, or to a defendant who in providing certain truthful information, nevertheless, also lies about other aspects or details so as to mislead investigators or obstruct the investigation.

It also should be required that the information be timely. Under the current language, a defendant who goes to trial and is convicted, would presumably be able to stand up at sentencing, tell the government what it has already proved, and avoid the mandatory minimums under this escape provision.

Accordingly, we seek amended language which would require that the defendant must

provide timely information, truthful information, other evidence, and that the determination as to whether a defendant has provided all this be by certification by the government. Otherwise the sentencing court will be inundated by litigation calling upon it to make determinations it is not equipped to make.

This is the natural complement to the existing "Substantial Assistance" reduction mechanism currently embodied under Section 3553(e) of Title 18, United States Code. This provision has been responsibly applied by federal prosecutors throughout the country.

It reflects the recognition that the government is in the best position to make such a determination, and provides the incentive to the low-level defendant to work with the government in working up the ladder to identify and target higher-up drug traffickers. The current amendment properly recognizes that there are simply those who are not able to provide "substantial assistance" but who nevertheless have done everything they can to assist.

Simply put, society has a right to ask that a defendant provide all that he knows. If what he knows constitutes "substantial assistance" he will have already earned relief. (18 U.S.C. 3553(e)) If it does not, and he meets the other requirements of the currently proposed legislation, then justice dictates that he receive a lesser sentence.

The amended language which we have suggested (attached) will assure that defendants continue to have an incentive to cooperate with the United States by providing all truthful information in a timely manner, while allowing those who, through no fault of their own, are simply not in a position to provide "substantial assistance," an opportunity to receive a sentence below current mandatory minimums.

(f)(5) is hereby amended by striking:

"(5) no later than the time of the sentencing hearing, the defendant has provided to the Government all information the defendant has concerning the offense or offenses that were part of the same course of conduct or of a common scheme or plan. The fact that the defendant has no relevant or useful other information to provide shall not preclude or require a determination by the court that the defendant has complied with this requirement."

and inserting:

"(5) the government certifies that the defendant has timely and truthfully provided to the government all information, and evidence that defendant has concerning the offenses or offenses that were part of the same course of conduct or of a common scheme or plan."

Mr. HATCH. As my colleagues know, I have also opposed wasteful social spending in the bill. Specifically, I have opposed the Local Partnership Act, the YES Program, and the Model Intensive Grants Programs, to just name a few. These three programs alone account for nearly $3.6 billion of pork-barrel programs in the crime bill, and they should be dropped.

Ironically, I have not heard many defenders of the crime bill defending these pork feeding frenzies. Instead, my colleagues on the other side of the aisle have suggested that Republicans once supported similar programs in the past.

The crime bill's Model Intensive Grants Program is an $895 million pork program for 15 cities handpicked by the administration. Republicans oppose it. My friend from Delaware has suggested that this program is similar to a measure Senator D'AMATO and Senator GORTON supported. The measure he cites is a bill to provide emergency aid of up to $50 million to cities which the President declares to be major drug emergency areas. This was a 1991 bill. This was a bill Senator BIDEN introduced. Senators GORTON and D'AMATO were only 2 of the bill's 16 cosponsors. To suggest that limited Republican support for this 1991 disaster areas bill somehow excuses the big-city ripoff of the model intensive grants is not just a stretch, it's an extraordinary leap. Such as argument illustrates the extreme lengths to which some will go to defend this crime bill.

Senator BIDEN has suggested that since midnight basketball may have been one of President Bush's so-called points of light, we have to make a $50 million Federal program out of it. The fact of the matter is, the point-of-light concept was intended to encourage private sector involvement in crime prevention and education efforts. Indeed, midnight basketball programs are largely funded by the private sector. Supporters of midnight basketball say its a success and it has done so without huge Government handouts.

Another reason Republicans oppose the crime bill is its soft truth-in-sentencing provision. It has been suggested that the Republican conferees voted against tough truth-in-sentencing. True, the Senate Republican conferees did vote against the Biden prison amendment which incorporated a truth-in-sentencing amendment. But that was only after the Democrat conferees had rejected a tougher Republican prison proposal which contained truth-in-sentencing.

We did not oppose the Biden prison amendment because of its truth-in-sentencing provision—and my colleague from Delaware should know that. We opposed it because the amount it proposed for prison construction was inadequate. Furthermore, the amendment contained a reverter provision which required that the truth-in-sentencing grants be diverted into other programs if the money was not spent quickly.

Mr. President, I ask unanimous consent that a copy of the Hatch prisons amendment, which all Senate Republican conferees supported, be printed in the RECORD.

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

TITLE I—VIOLENT REPEAT OFFENDER INCARCERATION

SEC. 101. PRISON GRANTS.

(a) IN GENERAL.—The Attorney General may provide formula grants to eligible States and to eligible States organized as regional compacts to build, expand, and operate space in correctional facilities in order to increase the prison bed capacity in such facilities for the confinement of persons convicted of a serious violent felony and to build, expand, and operate temporary or permanent correctional facilities and jails, including facilities on military bases, for the confinement of convicted nonviolent offenders and criminal aliens for the purpose of freeing suitable existing prison space for the confinement of persons convicted of a serious violent felony.

(b) FEDERAL FUNDS.—

(1) FORMULA FOR DISTRIBUTION OF FUNDS.—Of the total amount of funds appropriated under this section for each fiscal year—

(A) $500,000 or 0.40 percent, whichever is greater, shall be allocated to each of the participating States; and

(B) of the total funds remaining after the allocation under subparagraph (A), there shall be allocated to each participating State an amount that bears the same ratio to the amount of remaining funds as the population of the State bears to the population of all of the participating States.

(2) DISTRIBUTION OF FUNDS.—

(A) GENERAL FUND.—50 percent of the total amount of funds appropriated under this section for each fiscal year shall be allocated to each State (including a State that is participating in a regional compact) that meets the eligibility requirements of paragraph (3) according to the formula stated in paragraph (1).

(B) INCENTIVE FUND.—50 percent of the total amount of funds appropriated shall be allocated under an incentive fund to each State (including a State that is participating in a regional compact) that meets the eligibility requirements of paragraph (4) according to the formula stated in paragraph (1).

(3) ELIGIBILITY FOR GENERAL FUND.—In order to be eligible for a grant from the general fund under paragraph (2)(A), a State or States organized as regional compacts shall submit an application and give the Attorney General assurances that each State applying—

(A) will make a good faith effort to become eligible for a grant under paragraph (5); and

(B)(i)(I) since 1993 has increased the percentage of convicted violent offenders sentenced to prison;

(II) since 1993 has increased the average prison time actually to be served in prison by convicted violent offenders sentenced to prison; and

(III) since 1993 has increased the percentage of sentence to be actually served in prison by violent offenders sentenced to prison; or

(ii) in the case of a State that on the date of enactment of this Act practices indeterminant sentencing, experiences average times served for the offenses of murder, rape, robbery, and assault in the State that exceed by at least 10 percent the national average of times served for such offenses in all of the States.

(4) ELIGIBILITY FOR INCENTIVE FUND.—

(A) IN GENERAL.—In order to be eligible for a grant from the incentive fund under paragraph (2)(B), a State or States organized as regional compacts shall submit an application and demonstrate that each State applying—

(i) has in effect, or has enacted legislation that will result in the State's having in effect within 3 years after the date of enactment of such legislation, laws and regulations that include—

(I) truth-in-sentencing laws requiring that, except as provided in subparagraph (B), a person convicted of a serious violent felony

serve not less than 85 percent of the sentence imposed or 85 percent of the court-ordered maximum sentence for States that practice indeterminate sentencing;

(II) pretrial detention similar to and at least as restrictive as that provided in the Federal system under section 3142 of title 18, United States Code;

(III) laws requiring that the sentencing or releasing authorities notify and allow the defendant's victims or the family of victims the opportunity to be heard regarding the issue of sentencing and any post-conviction release; and

(IV) laws requiring that, except as provided in subparagraph (B), a person who is convicted of a serious violent felony shall be sentenced to life imprisonment if—

(aa) the person has been convicted (and those convictions have become final) on 2 or more prior occasions in a court of the United States or of a State of a serious violent felony, or of 1 or more serious violent felonies and 1 or more serious drug offenses; and

(bb) each serious violent felony or serious drug offense used as a basis for sentencing under this subparagraph, other than the first, was committed after the defendant's conviction of the preceding serious violent felony or serious drug offense; or

(ii) in the case of a State that on the date of enactment of this Act practices indeterminant sentencing, experiences average times served for the offenses of murder, rape, robbery, and assault in the State that exceed by at least 10 percent the national average of times served for such offenses in all of the States and the State meets the requirements of clause (i) (II) and (III).

(v) laws prohibiting the consideration of an inmate's residency status in determining release dates.

(B) RELEASE OF OLDER PRISONERS.—A law described in subparagraph (A) (i) or (iii) may provide that the Governor of the State may allow for the release of a prisoner over the age of 70 after a public hearing in which representatives of the public and the prisoner's victims have an opportunity to be heard regarding a proposed release.

(5) EXPEDITION OF OUTLAYS.—All funds appropriated for the purposes of this section shall be distributed by the Attorney General within 180 days after the appropriation is made. The Attorney General may not require States to expend distributed funds as a condition of eligibility.

(c) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated to carry out this section $1,250,000,000 for fiscal year 1995, $2,500,000,000 for fiscal year 1996, $3,750,000,000 for fiscal year 1997, and $5,500,000,000 for fiscal year 1998.

(2) PRIORITY.—No funds for other purposes authorized by this Act to be appropriated for purposes other than the purposes of this section for fiscal years 1995, 1996, 1997, 1998, or 1999 shall be appropriated unless the programs under this section are fully funded in those years.

(3) LIMITATIONS ON FUNDS.—

(A) NONSUPPLANTING REQUIREMENT.—Funds made available under this section shall not be used to supplant State funds, but shall be used to increase the amount of funds that would, in the absence of Federal funds, be made available from State sources.

(B) PROHIBITED USES.—Funds made available under this section shall not be used for treatment, education, or recreation costs associated with convicted violent offenders.

(C) ADMINISTRATIVE COSTS.—Not more than 1 percent of the funds available under this section may be used for administrative costs.

(D) MATCHING FUNDS.—The Federal share of a grant received under this section may not exceed 75 percent of the costs of a proposal as described in an application approved under this section.

(E) CARRYOVER OF APPROPRIATIONS.—Any funds appropriated but not expended as provided by this section during any fiscal year shall be carried over and shall be made available until expended.

(d) DEFINITIONS.—

(1) IN GENERAL.—In this section—

"arson", subject to paragraph (2), means an offense that has as its elements maliciously damaged or destroying any building, inhabited structure, vehicle, vessel, or real property by means of fire or an explosive.

"assault with intent to commit rape" means an offense that has as its elements engaging in physical conduct by which a person intentionally places another person in fear of aggravated sexual abuse or sexual abuse (as described in sections 2241 and 2242 of title 18, United States Code).

"extortion" means an offense that has as its elements the extraction of anything of value from another person by threatening or placing that person in fear of injury to any person or kidnapping of any person.

"firearms use" means an offense that has as its elements those described in section 924(c) or 929(a) of title 18, United States Code, if the firearm was brandished, discharged, or otherwise used as a weapon and the crime of violence or drug trafficking crime during and in relation to which the firearm was used was subject to prosecution in a court of the United States or a court of a State, or both.

"indeterminate sentencing" means a system by which the court has discretion on imposing the actual length of the sentence, up to the statutory maximum and an administrative agency, generally the parole board, controls release between court-ordered minimum and maximum sentence.

"kidnapping" means an offense that has as its elements the abduction, restraining, confining, or carrying away of another person by force or threat of force.

"serious violent felony" means—

(i) a Federal or State offense, by any designation and wherever it may be committed, consisting of murder (as described in section 1111 of title 18, United States Code); manslaughter other than involuntary manslaughter (as described in section 1112 of that title); assault with intent to commit murder (as described in section 113(a) of that title); assault with intent to commit rape; aggravated sexual abuse and sexual abuse (as described in sections 2241 and 2242 of that title); abusive sexual contact (as described in sections 2244(a)(1) and 2244(a)(2) of that title); kidnapping; aircraft piracy (as described in section 902(i)(2) or 902(n)(2) of the Federal Aviation Act of 1958 (49 U.S.C. 1472(i)(2) or (n)(2)); robbery (as described in section 2111, 2113, or 2118 of title 18, United States Code), subject to paragraph (2); carjacking (as described in section 2119 of that title); extortion; arson, subject to paragraph (3); firearms use; or attempt, conspiracy, or solicitation to commit any of the offenses described in this subparagraph; and

(ii) any other offense punishable by a maximum term of imprisonment of 10 years or more that has as an element the use, attempted use, or threatened use of physical force against the person of another or that, by its nature, involves a substantial risk that physical force against the person of another may be used in the course of committing the offense.

"serious drug offense" means—

(A) an offense subject to a penalty provided for in section 401(b)(1)(A) or 408 of the Controlled Substances Act or section 1010(b)(1)(A) of the Controlled Substances Import and Export Act; and

(B) an offense under State law that, had the offense been prosecuted in a court of the United States, would have been subject to a penalty provided for in section 401(b)(1)(A) or 408 of the Controlled Substances Act or section 1010(b)(1)(A) of the Controlled Substances Import and Export Act.

"State" means a State, the District of Columbia, or any commonwealth, territory, or possession of the United States.

(2) OFFENSES NOT COUNTED IN CERTAIN CIRCUMSTANCES.—

(A) ROBBERY AND OTHER SERIOUS VIOLENT OFFENSES.—A case of robbery or an attempt, conspiracy, or solicitation to commit robbery, or an offense described in clause (ii) of the definition of "serious violent penalty" in paragraph (1) shall not be counted for the purposes of this section if the defendant establishes by clear and convincing evidence that—

(i) no firearm or other dangerous weapon was involved in the offense and no threat of use of a firearm or other dangerous weapon was involved in the offense; and

(ii) the offense did not result in death or serious bodily injury (as defined in section 1365) to any person.

(B) ARSON.—A case of arson shall not be counted for the purposes of this section if the defendant establishes by clear and convincing evidence that—

(i) the offense posed no threat to human life; and

(ii) the defendant reasonably believed that the offense posed no threat to human life.

Mr. HATCH. Mr. President, many Republicans have raised concerns about the crime bill's rejection of the community notification provision of the child predator language. It has been suggested by supporters of the crime bill that the community notification provision is in the crime bill. That simply is not the case.

The Senate-passed crime bill allowed local law enforcement agencies to release to the public the identity of convicted sex offenders living in our neighborhoods. It also granted law enforcement limited immunity when they chose to notify a community. The crime bill conference report, on the other hand, protects the privacy of registered sex offenders and child molesters. Information collected under the conference report "shall be treated as private data." The information may be released only for law enforcement purposes and to "notify the victims of the offender." That is found on page 283 of the conference report. Could somebody please tell me how this permits community notification? Who is kidding who.

I ask unanimous consent that the relevant Senate-passed language and the conference report language be printed in the RECORD at this point.

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

EXCERPT FROM SENATE AMENDMENT TO CRIME BILL

(c) COMMUNITY NOTIFICATION.—The designated State law enforcement agency may release relevant information that is necessary to protect the public concerning a specific sexually violent predator required to register under this section.

(d) IMMUNITY FOR GOOD FAITH CONDUCT.—Law enforcement agencies, employees of law enforcement agencies, and State officials shall be immune from liability for any good faith conduct under this section.

EXCERPT FROM CONFERENCE REPORT ON CRIME BILL

(5) PRIVACY OF DATA.—The information collected under a State registration program shall be treated as private data on individuals and may be disclosed only to law enforcement agencies for law enforcement purposes or to government agencies conducting confidential background checks with fingerprints. A law enforcement agency may release relevant information concerning a sex offender required to register under this section when such release of information is necessary to carry out law enforcement purposes or to notify the victims of the offender.

Mr. HATCH. Mr. President, another concern of ours has been the crime bill's failure to include the Simpson criminal alien deportation provisions which passed the Senate. Here again, Democrats have suggested that the crime bill contains these provisions. Once again, that is not accurate. The crime bill does contain some enhanced penalties for failure to depart, of for reentry, by criminal aliens. Yet, several major criminal alien deportation reforms were dropped including a judicial deportation provision, an expanded definition of aggravated felony, and restrictions on certain deportation defenses where certain crimes have been committed.

I ask unanimous consent that the relevant conference report language and a copy of the Simpson language be printed in the RECORD at this point.

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

SIMPSON CRIMINAL ALIEN AMENDMENT REJECTED IN CONFERENCE

TITLE L—DEPORTATION OF ALIENS CONVICTED OF CRIMES

SEC. 5001. EXPANSION OF DEFINITION OF AGGRAVATED FELONY.

(a) EXPANSION OF DEFINITION.—Section 101(a)(43) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(43)) is amended to read as follows:

"(43) The term 'aggravated felony' means—

"(A) murder;

"(B) illicit trafficking in a controlled substance (as defined in section 102 of the Controlled Substances Act), including a drug trafficking crime (as defined in section 924(c) of title 18, United States Code);

"(C) illicit trafficking in firearms or destructive devices (as defined in section 921 of title 18, United States Code) or in explosive materials (as defined in section 841(c) of that title);

"(D) an offense described in section 1956 of title 18, United States Code (relating to laundering of monetary instruments) or section 1957 of that title (relating to engaging in monetary transactions in property derived from specific unlawful activity) if the amount of the funds exceeded $100,000;

"(E) an offense described in—

"(i) section 842 (h) or (i) of title 18, United States Code, or section 844 (d), (e), (f), (g), (h), or (i) of that title (relating to explosive materials offenses);

"(ii) section 922(g) (1), (2), (3), (4), or (5), (j), (n), (o), (p), or (r) or 924 (b) or (h) of title 18, United States Code (relating to firearms offenses); or

"(iii) section 5861 of the Internal Revenue Code of 1986 (relating to firearms offenses);

"(F) a crime of violence (as defined in section 16 of title 18, United States Code, but not including a purely political offense) for which the term of imprisonment imposed (regardless of any suspension of imprisonment) is at least 5 years;

"(G) a theft offense (including receipt of stolen property) or budgetary offense for which the term of imprisonment imposed (regardless of any suspension of such imprisonment) is at least 33 months;

"(H) an offense described in section 875, 876, 877, or 1202 of title 18, United States Code (relating to the demand for or receipt of ransom);

"(I) an offense described in section 2251, 2251A, or 2252 of title 18, United States Code (relating to child pornography);

"(J) an offense described in section 1962 of title 18, United States Code (relating to racketeer influenced corrupt organizations) for which a sentence of 5 years' imprisonment or more may be imposed;

"(K) an offense that—

"(i) relates to the owning, controlling, managing, or supervising of a prostitution business; or

"(ii) is described in section 1581, 1582, 1583, 1584, 1585, or 1588, of title 18, United States Code (relating to peonage, slavery, and involuntary servitude);

"(L) an offense relating to perjury or subornation of perjury if the offense involved causing or threatening to cause physical injury to a person or damage to property;

"(M) an offense described in—

"(i) section 793 (relating to gathering or transmitting national defense information), 798 (relating to disclosure of classified information), 2153 (relating to sabotage) or 2381 or 2382 (relating to treason) of title 18, United States Code; or

"(ii) section 601 of the National Security Act of 1947 (50 U.S.C. 421) (relating to protecting the identity of undercover intelligence agents);

"(N) an offense that—

"(i) involves fraud or deceit in which the loss to the victim or victims exceeds $200,000; or

"(ii) is described in section 7201 of the Internal Revenue Code of 1986 (relating to tax evasion) in which the revenue loss to the Government exceeds $200,000;

"(O) an offense described in section 274(a)(1) of title 18, United States Code (relating to alien smuggling) for the purpose of commercial advantage;

"(P) an offense described in section 1546(a) of title 18, United States Code (relating to document fraud) which constitutes trafficking in the documents described in such section;

"(Q) an offense relating to a failure to appear by a defendant for service of sentence if the underlying offense is punishable by imprisonment for a term of 15 years or more; and

"(R) an attempt or conspiracy to commit an offense described in this paragraph.

The term applies to an offense described in this paragraph whether in violation of Federal or State law and applies to such an offense in violation of the law of a foreign country for which the term of imprisonment was completed within the previous 15 years.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to convictions entered on or after the date of enactment of this Act.

SEC. 5002. DEPORTATION PROCEDURES FOR CERTAIN CRIMINAL ALIENS WHO ARE NOT PERMANENT RESIDENTS.

(a) ELIMINATION OF ADMINISTRATIVE HEARING FOR CERTAIN CRIMINAL ALIENS.—Section 242A of the Immigration and Nationality Act (8 U.S.C. 1252a) is amended by adding at the end the following new subsection:

"(f) DEPORTATION OF ALIENS WHO ARE NOT PERMANENT RESIDENTS.—

"(1) Notwithstanding section 242, and subject to paragraph (5), the Attorney General may issue a final order of deportation against any alien described in paragraph (2) whom the Attorney General determines to be deportable under section 241(a)(2)(A)(iii) (relating to conviction of an aggravated felony).

"(2) An alien is described in this paragraph if the alien—

"(A) was not lawfully admitted for permanent residence at the time that proceedings under this section commenced, or

"(B) had permanent resident status on a conditional basis (as described in section 216 or 216A) at the time that proceedings under this section commenced.

"(3) No alien described in this section shall be eligible for any relief from deportation that the Attorney General may grant in his discretion.

"(4) The Attorney General may not execute any order described in paragraph (1) until 14 calendar days have passed from the date that such order was issued, unless waived by the alien, in order that the alien has an opportunity to apply for judicial review under section 106.

"(5) Pending a determination of deportability under this section, the Attorney General shall not release the alien. An order of deportation entered pursuant to this section shall be executed by the Attorney General in accordance with section 243. Proceedings before the Attorney General under this section shall be in accordance with such regulations as the Attorney General shall prescribe and shall include requirements that provide that—

"(A) the alien is given reasonable notice of the charges;

"(B) the alien has an opportunity to have assistance of counsel at no expense to the government and in a manner that does not unduly delay the proceedings;

"(C) the alien has a reasonable opportunity to inspect the evidence and rebut the charges;

"(D) the determination of deportability is supported by reasonable, substantial, and probative evidence; and

"(E) the final order of deportation is not adjudicated by the same person who issued such order.".

(b) LIMITED JUDICIAL REVIEW.—Section 106 of the Immigration and Nationality Act (8 U.S.C. 1105a) is amended—

(1) in the first sentence of subsection (a), by inserting "or pursuant to section 242A" after "under section 242(b)";

(2) in subsection (a)(1) and subsection (a)(3), by inserting "(including an alien described in section 242A)" after "aggravated felony"; and

(3) by adding at the end the following new subsection:

"(d) Notwithstanding subsection (c), a petition for review or for habeas corpus on behalf of an alien described in section 242A(c) may only challenge whether the alien is in fact an alien described in such section, and no court shall have jurisdiction to review any other issue.".

(c) TECHNICAL AMENDMENTS.—Section 242A of the Immigration and Nationality Act (8 U.S.C. 1252a) is amended—

(1) in subsection (a)—

(A) by striking "(a) IN GENERAL.—" and inserting the following:

"(b) DEPORTATION OF PERMANENT RESIDENT ALIENS.—

"(1) IN GENERAL.—"; and

(B) by inserting in the first sentence "permanent resident" after "correctional facilities for";

(2) in subsection (b)—

(A) by striking "(b) IMPLEMENTATION.—" and inserting "(2) IMPLEMENTATION.—"; and

(B) by striking "respect to an" and inserting "respect to a permanent resident";

(3) by striking subsection (c);

(4) in subsection (d)—

(A) by striking "(d) EXPEDITED PROCEEDINGS.—(1)" and inserting "(3) EXPEDITED PROCEEDINGS.—(A)";

(B) by inserting "permanent resident" after "in the case of any"; and

(C) by striking "(2)" and inserting "(B)";

(5) in subsection (e)—

(A) by striking "(e) REVIEW.—(1)" and inserting "(4) REVIEW.—(A)";

(B) by striking the second sentence; and

(C) by striking "(2)" and inserting "(B)";

(6) by redesignating subsection (f), as added by subsection (a) of this section, as subsection (c);

(7) by inserting after the section heading the following new subsection:

"(a) PRESUMPTION OF DEPORTABILITY.—An alien convicted of an aggravated felony shall be deportable from the United States."; and

(8) by amending the section heading to read as follows:

"EXPEDITED DEPORTATION OF ALIENS CONVICTED OF COMMITTING AGGRAVATED FELONIES".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to all aliens against whom deportation proceedings are initiated after the date of enactment of this Act.

SEC. 5003. JUDICIAL DEPORTATION.

(a) JUDICIAL DEPORTATION.—Section 242A of the Immigration and Nationality Act (8 U.S.C. 1252a) is amended by adding at the end the following new subsection:

"(d) JUDICIAL DEPORTATION.—

"(1) AUTHORITY.—Notwithstanding any other provision of this Act, a United States district court shall have jurisdiction to enter a judicial order of deportation at the time of sentencing against an alien whose criminal conviction causes such alien to be deportable under section 241(a)(2)(A)(iii) (relating to conviction of an aggravated felony), if such an order has been requested prior to sentencing by the United States Attorney with the concurrence of the Commissioner.

"(2) PROCEDURE.—

"(A) The United States Attorney shall provide notice of intent to request judicial deportation promptly after the entry in the record of an adjudication of guilt or guilty plea. Such notice shall be provided to the court, to the Service, to the alien, and to the alien's counsel of record.

"(B) Notwithstanding section 242B, the United States Attorney, with the concurrence of the Commissioner, shall file at least 20 days prior to the date set for sentencing a charge containing factual allegations regarding the alienage of the defendant and satisfaction by the defendant of the definition of aggravated felony.

"(C) If the court determines that the defendant has presented substantial evidence to establish prima facie eligibility for relief from deportation under section 212(c), the Commissioner shall provide the court with a recommendation and report regarding the alien's eligibility for relief under such section. The court shall either grant or deny the relief sought.

"(D)(i) The alien shall have a reasonable opportunity to examine the evidence against him or her, to present evidence on his or her own behalf, and to cross-examine witnesses presented by the Government.

"(ii) The court, for the purposes of determining whether to enter an order described in paragraph (1), shall only consider evidence that would be admissible in proceedings conducted pursuant to section 242(b).

"(iii) Nothing in this subsection shall limit the information a court of the United States may receive or consider for the purposes of imposing an appropriate sentence.

"(iv) The court may order the alien deported if the Attorney General demonstrates by clear and convincing evidence that the alien is deportable under this Act.

"(3) NOTICE, APPEAL, AND EXECUTION OF JUDICIAL ORDER OF DEPORTATION.—

"(A)(i) A judicial order of deportation or denial of such order may be appealed by either party to the court of appeals for the circuit in which the district court is located.

"(ii) Except as provided in clause (iii), such appeal shall be considered consistent with the requirements described in section 106.

"(iii) Upon execution by the defendant of a valid waiver of the right to appeal the conviction on which the order of deportation is based, the expiration of the period described in section 106(a)(1), or the final dismissal of an appeal from such conviction, the order of deportation shall become final and shall be executed at the end of the prison term in accordance with the terms of the order. If the conviction is reversed on direct appeal, the order entered pursuant to this section shall be void.

"(B) As soon as is practicable after entry of a judicial order of deportation, the Commissioner shall provide the defendant with written notice of the order or deportation, which shall designate the defendant's country of choice for deportation and any alternate country pursuant to section 243(a).

"(4) DENIAL OF JUDICIAL ORDER.—Denial of a request for a judicial order of deportation shall not preclude the Attorney General from initiating deportation proceedings pursuant to section 242 upon the same ground of deportability or upon any other ground of deportability provided under section 241(a).".

(b) TECHNICAL AMENDMENT.—The ninth sentence of section 242(b) of the Immigration and Nationality Act (8 U.S.C. 1252(b)) is amended by striking "The" and inserting "Except as provided in section 242A(d), the".

(c) RULE OF CONSTRUCTION.—Nothing in this section may be construed to alter the privilege of being represented at no expense to the Government set forth in section 292 of the Immigration and Nationality Act.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to all aliens whose adjudication of guilt or guilty plea is entered in the record after the date of enactment of this Act.

SEC. 5004. RESTRICTING DEFENSES TO DEPORTATION FOR CERTAIN CRIMINAL ALIENS.

(a) DEFENSES BASED ON SEVEN YEARS OF PERMANENT RESIDENCE.—The last sentence of section 212(c) of the Immigration and Nationality Act (8 U.S.C. 1182(c)) is amended by striking "has served for such felony or felonies" and all that follows through the period and inserting "has been sentenced for such felony or felonies to a term of imprisonment of at least 5 years, if the time for appealing such conviction or sentence has expired and the sentence has become final. For purposes of this section, the term 'sentence' does not include a sentence the execution of which was suspended in its entirety.".

(b) DEFENSES BASED ON WITHHOLDING OF DEPORTATION.—Section 243(h)(2) of the Immigration and Nationality Act (8 U.S.C. 1253(h)(2)) is amended—

(1) by striking the final sentence and inserting the following new subparagraph:

"(E) the alien has been convicted of an aggravated felony."; and

(2) by striking "or" at the end of subparagraph (C) and inserting "or" at the end of subparagraph (D).

SEC. 5005. ENHANCING PENALTIES FOR FAILING TO DEPART, OR REENTERING, AFTER FINAL ORDER OF DEPORTATION.

(a) FAILURE TO DEPART.—Section 242(e) of the Immigration and Nationality Act (8 U.S.C. 1252(e)) is amended—

(1) by striking "paragraph (2), (3), or 4 of" the first time it appears; and

(2) by striking "shall be imprisoned not more than ten years" and inserting "shall be imprisoned not more than four years, or shall be imprisoned not more than ten years if the alien is a member of any of the classes described in paragraph (1)(E), (2), (3), or (4) of section 241(a).".

(b) REENTRY.—Section 276(b) of the Immigration and Nationality Act (8 U.S.C. 1326(b)) is amended—

(1) in paragraph (1)—

(A) by inserting after "commission of" the following: "three or more misdemeanors involving drugs, crimes against the person, or both, or"; and

(B) by striking "5" and inserting "10";

(2) in paragraph (2), by striking "15" and inserting "20"; and

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

"For the purposes of this subsection, the term 'deportation' includes any agreement in which an alien stipulates to deportation during a criminal trial under either Federal or State law.".

(c) COLLATERAL ATTACKS ON UNDERLYING DEPORTATION ORDER.—Section 276 of the Immigration and Nationality Act (8 U.S.C. 1326) is amended by adding after subsection (b) the following new subsection:

"(c) In a criminal proceeding under this section, an alien may not challenge the validity of the deportation order described in subsection (a)(1) or subsection (b) unless the alien demonstrates that—

"(1) the alien exhausted any administrative remedies that may have been available to seek relief against the order;

"(2) the deportation proceedings at which the order was issued improperly deprived the alien of the opportunity for judicial review; and

"(3) the entry of the order was fundamentally unfair.".

SEC. 5006. MISCELLANEOUS AND TECHNICAL CHANGES.

(a) FORM OF DEPORTATION HEARINGS.—The second sentence of section 242(b) of the Immigration and Nationality Act (8 U.S.C.

1252(b)) is amended by inserting before the period the following: "; except that nothing in this subsection shall preclude the Attorney General from authorizing proceedings by electronic or telephonic media, in the discretion of the special inquiry officer, or, where waived or agreed to by the parties, in the absence of the alien.".

(b) CONSTRUCTION OF EXPEDITED DEPORTATION REQUIREMENTS.—No amendment made by this Act and nothing in section 242(i) of the Immigration and Nationality Act (8 U.S.C. 1252(i)) shall be construed to create any substantive or procedural right or benefit that is legally enforceable by any party against the United States or its agencies or officers or any other person.

SEC. 5007. CRIMINAL ALIEN TRACKING CENTER.

(a) OPERATION.—The Attorney General shall, under the authority of section 242(a)(3)(A) of the Immigration and Nationality Act (8 U.S.C. 1252(a)(3)(A)), operate a criminal alien tracking center.

(b) PURPOSE.—The criminal alien tracking center shall be used to assist Federal, State, and local law enforcement agencies in identifying and locating aliens who may be subject to deportation by reason of their conviction of aggravated felonies.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $2,000,000 for fiscal year 1994 and $6,000,000 for each of fiscal years 1995, 1996, 1997, and 1998.

SENATE-PASSED CRIMINAL ALIEN DEPORTATION

TITLE L—DEPORTATION OF ALIENS CONVICTED OF CRIMES

SEC. 5001. EXPANSION OF DEFINITION OF AGGRAVATED FELONY.

(a) EXPANSION OF DEFINITION.—Section 101(a)(43) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(43)) is amended to read as follows:

"(43) The term 'aggravated felony' means—

"(A) murder;

"(B) illicit trafficking in a controlled substance (as defined in section 102 of the Controlled Substances Act), including a drug trafficking crime (as defined in section 924(c) of title 18, United States Code);

"(C) illicit trafficking in firearms or destructive devices (as defined in section 921 of title 18, United States Code) or in explosive materials (as defined in section 841(c) of that title);

"(D) an offense described in section 1956 of title 18, United States Code (relating to laundering of monetary instruments) or section 1957 of that title (relating to engaging in monetary transactions in property derived from specific unlawful activity) if the amount of the funds exceeded $100,000;

"(E) an offense described in—

"(i) section 842 (h) or (i) of title 18, United States Code, or section 844 (d), (e), (f), (g), (h), or (i) of that title (relating to explosive materials offenses);

"(ii) section 922(g) (1), (2), (3), (4), or (5), (j), (n), (o), (p), or (r) or 924 (b) or (h) of title 18, United States Code (relating to firearms offenses); or

"(iii) section 5861 of the Internal Revenue Code of 1986 (relating to firearms offenses);

"(F) a crime of violence (as defined in section 16 of title 18, United States Code, but not including a purely political offense) for which the term of imprisonment imposed (regardless of any suspension of imprisonment) is at least 5 years;

"(G) a theft offense (including receipt of stolen property) or budgetary offense for which a sentence of 5 years' imprisonment or more may be imposed;

"(H) an offense described in section 875, 876, 877, or 1202 of title 18, United States Code (relating to the demand for or receipt of ransom);

"(I) an offense described in section 2251, 2251A, or 2252 of title 18, United States Code (relating to child pornography);

"(J) an offense described in—

"(i) section 1962 of title 18, United States Code (relating to racketeer influenced corrupt organizations); or

"(ii) section 1084 (if it is a second or subsequent offense) or 1955 of that title (relating to gambling offenses),

for which a sentence of 5 years' imprisonment or more may be imposed;

"(K) an offense relating to commercial bribery, counterfeiting, forgery, or trafficking in vehicles the identification numbers of which have been altered for which a sentence of 5 years' imprisonment or more may be imposed;

"(L) an offense that—

"(i) relates to the owning, controlling, managing or supervising of a prostitution business;

"(ii) is described in section 2421, 2422, or 2423 of title 18, United States Code (relating to transportation for the purpose of prostitution) for commercial advantage; or

"(iii) is described in section 1581, 1582, 1583, 1584, 1585, or 1588, of title 18, United States Code (relating to peonage, slavery, and involuntary servitude);

"(M) an offense relating to perjury or subornation of perjury for which a sentence of 5 years' imprisonment or more may be imposed;

"(N) an offense described in—

"(i) section 793 (relating to gathering or transmitting national defense information), 798 (relating to disclosure of classified information), 2153 (relating to sabotage) or 2381 or 2382 (relating to treason) of title 18, United States Code; or

"(ii) section 601 of the National Security Act of 1947 (50 U.S.C. 421) (relating to protecting the identity of undercover intelligence agents);

"(O) an offense that—

"(i) involves fraud or deceit in which the loss to the victim or victims exceeds $200,000; or

"(ii) is described in section 7201 of the Internal Revenue Code of 1986 (relating to tax evasion) in which the revenue loss to the Government exceeds $200,000;

"(P) an offense described in section 274(a)(1) of title 18, United States Code (relating to alien smuggling) for the purpose of commercial advantage;

"(Q) an offense described in section 1546(a) of title 18, United States Code (relating to document fraud), for the purpose of commercial advantage;

"(R) an offense relating to a failure to appear before a court pursuant to a court order to answer to or dispose of a charge of a felony for which a sentence of 2 years' imprisonment or more may be imposed; and

"(S) an attempt or conspiracy to commit an offense described in this paragraph.

The term applies to an offense described in this paragraph whether in violation of Federal or State law and applies to such an offense in violation of the law of a foreign country for which the term of imprisonment was completed within the previous 15 years.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to convictions entered on or after the date of enactment of this Act.

SEC. 5002. DEPORTATION PROCEDURES FOR CERTAIN CRIMINAL ALIENS WHO ARE NOT PERMANENT RESIDENTS.

(a) ELIMINATION OF ADMINISTRATIVE HEARING FOR CERTAIN CRIMINAL ALIENS.—Section 242A of the Immigration and Nationality Act (8 U.S.C. 1252a) is amended by adding at the end the following new subsection:

"(c) DEPORTATION OF ALIENS WHO ARE NOT PERMANENT RESIDENTS.—

"(1) Notwithstanding section 242, and subject to paragraph (5), the Attorney General may issue a final order of deportation against any alien described in paragraph (2) whom the Attorney General determines to be deportable under section 241(a)(2)(A)(iii) (relating to conviction of an aggravated felony).

"(2) An alien is described in this paragraph if the alien—

"(A) was not lawfully admitted for permanent residence at the time that proceedings under this section commenced, or

"(B) had permanent resident status on a conditional basis (as described in section 216) at the time that proceedings under this section commenced.

"(3) No alien described in this section shall be eligible for any relief from deportation that the Attorney General may grant in his discretion.

"(4) The Attorney General may not execute any order described in paragraph (1) until 14 calendar days have passed from the date that such order was issued, unless waived by the alien, in order that the alien has an opportunity to apply for judicial review under section 106.".

(b) LIMITED JUDICIAL REVIEW.—Section 106 of the Immigration and Nationality Act (8 U.S.C. 1105a) is amended—

(1) in the first sentence of subsection (a), by inserting "or pursuant to section 242A" after "under section 242(b)";

(2) in subsection (a)(1) and subsection (a)(3), by inserting "(including an alien described in section 242A)" after "aggravated felony"; and

(3) by adding at the end the following new subsection:

"(d) Notwithstanding subsection (c), a petition for review or for habeas corpus on behalf of an alien described in section 242A(c) may only challenge whether the alien is in fact an alien described in such section, and no court shall have jurisdiction to review any other issue.".

(c) TECHNICAL AMENDMENTS.—Section 242A of the Immigration and Nationality Act (8 U.S.C. 1252a) is amended—

(1) in subsection (a)—

(A) by striking "(a) IN GENERAL.—" and inserting the following:

"(b) DEPORTATION OF PERMANENT RESIDENT ALIENS.—

"(1) IN GENERAL.—"; and

(B) by inserting in the first sentence "permanent resident" after "correctional facilities for";

(2) in subsection (b)—

(A) by striking "(b) IMPLEMENTATION.—" and inserting "(2) IMPLEMENTATION.—"; and

(B) by striking "respect to an" and inserting "respect to a permanent resident";

(3) by striking subsection (c);

(4) in subsection (d)—

(A) by striking "(d) EXPEDITED PROCEEDINGS.—(1)" and inserting "(3) EXPEDITED PROCEEDINGS.—(A)";

(B) by inserting "permanent resident" after "in the case of any"; and

(C) by striking "(2)" and inserting "(B)";

(5) in subsection (e)—

(A) by striking "(e) REVIEW.—(1)" and inserting "(4) REVIEW.—(A)";

(B) by striking the second sentence; and

(C) by striking "(2)" and inserting "(B)";

(6) by inserting after the section heading the following new subsection:

"(a) PRESUMPTION OF DEPORTABILITY.—An alien convicted of an aggravated felony shall be conclusively presumed to be deportable from the United States."; and

(7) by amending the heading to read as follows:

"EXPEDITED DEPORTATION OF ALIENS CONVICTED OF COMMITTING AGGRAVATED FELONIES".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to all aliens against whom deportation proceedings are initiated after the date of enactment of this Act.

SEC. 5003. JUDICIAL DEPORTATION.

(a) JUDICIAL DEPORTATION.—Section 242A of the Immigration and Nationality Act (8 U.S.C. 1252a) is amended by adding at the end the following new subsection:

"(d) JUDICIAL DEPORTATION.—

"(1) AUTHORITY.—Notwithstanding any other provision of this Act, a United States district court shall have jurisdiction to enter a judicial order of deportation at the time of sentencing against an alien whose criminal conviction causes such alien to be deportable under section 241(a)(2)(A)(iii) (relating to conviction of an aggravated felony), if such an order has been requested prior to sentencing by the United States Attorney with the concurrence of the Commissioner.

"(2) PROCEDURE.—

"(A) The United States Attorney shall provide notice of intent to request judicial deportation promptly after the entry in the record of an adjudication of guilt or guilty plea. Such notice shall be provided to the court, to the alien, and to the alien's counsel of record.

"(B) Notwithstanding section 242B, the United States Attorney, with the concurrence of the Commissioner, shall file at least 20 days prior to the date set for sentencing a charge containing factual allegations regarding the alienage of the defendant and satisfaction by the defendant of the definition of aggravated felony.

"(C) If the court determines that the defendant has presented substantial evidence to establish prima facie eligibility for relief from deportation under section 212(c), the Commissioner shall provide the court with a recommendation and report regarding the alien's eligibility for relief under such section. The court shall either grant or deny the relief sought.

"(D)(i) The alien shall have a reasonable opportunity to examine the evidence against him or her, to present evidence on his or her own behalf, and to cross-examine witnesses presented by the Government.

"(ii) The court, for the purposes of determining whether to enter an order described in paragraph (1), shall only consider evidence that would be admissible in proceedings conducted pursuant to section 242(b).

"(iii) Nothing in this subsection shall limit the information a court of the United States may receive or consider for the purposes of imposing an appropriate sentence.

"(iv) The court may order the alien deported if the Attorney General demonstrates by clear and convincing evidence that the alien is deportable under this Act.

"(3) NOTICE, APPEAL, AND EXECUTION OF JUDICIAL ORDER OF DEPORTATION.—

"(A)(i) A judicial order of deportation or denial of such order may be appealed by either party to the court of appeals for the circuit in which the district court is located.

"(ii) Except as provided in clause (iii), such appeal shall be considered consistent with the requirements described in section 106.

"(iii) Upon execution by the defendant of a valid waiver of the right to appeal the conviction on which the order of deportation is based, the expiration of the period described in section 106(a)(1), or the final dismissal of an appeal from such conviction, the order of deportation shall become final and shall be executed at the end of the prison term in accordance with the terms of the order.

"(B) As soon as is practicable after entry of a judicial order of deportation, the Commissioner shall provide the defendant with written notice of the order or deportation, which shall designate the defendant's country of choice for deportation and any alternate country pursuant to section 243(a).

"(4) DENIAL OF JUDICIAL ORDER.—Denial of a request for a judicial order of deportation shall not preclude the Attorney General from initiating deportation proceedings pursuant to section 242 upon the same ground of deportability or upon any other ground of deportability provided under section 241(a).".

(b) TECHNICAL AMENDMENT.—The ninth sentence of section 242(b) of the Immigration and Nationality Act (8 U.S.C. 1252(b)) is amended by striking "The" and inserting "Except as provided in section 242A(d), the".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to all aliens whose adjudication of guilt or guilty plea is entered in the record after the date of enactment of this Act.

SEC. 5004. RESTRICTING DEFENSES TO DEPORTATION FOR CERTAIN CRIMINAL ALIENS.

(a) DEFENSES BASED ON SEVEN YEARS OF PERMANENT RESIDENCE.—The last sentence of section 212(c) of the Immigration and Nationality Act (8 U.S.C. 1182(c)) is amended by striking "has served for such felony or felonies" and all that follows through the period and inserting "has been sentenced for such felony or felonies to a term of imprisonment of at least 5 years, if the time for appealing such conviction or sentence has expired and the sentence has become final.".

(b) DEFENSES BASED ON WITHHOLDING OF DEPORTATION.—Section 243(h)(2) of the Immigration and Nationality Act (8 U.S.C. 1253(h)(2)) is amended—

(1) by striking the final sentence and inserting the following new subparagraph:

"(E) the alien has been convicted of an aggravated felony."; and

(2) by striking "or" at the end of subparagraph (C) and inserting "or" at the end of subparagraph (D).

SEC. 5005. ENHANCING PENALTIES FOR FAILING TO DEPART, OR REENTERING, AFTER FINAL ORDER OF DEPORTATION.

(a) FAILURE TO DEPART.—Section 242(e) of the Immigration and Nationality Act (8 U.S.C. 1252(e)) is amended—

(1) by striking "paragraph (2), (3), or 4 of" the first time it appears; and

(2) by striking "shall be imprisoned not more than ten years" and inserting "shall be imprisoned not more than four years, or shall be imprisoned not more than ten years if the alien is a member of any of the classes described in paragraph (1)(E), (2), (3), or (4) of section 241(a).".

(b) REENTRY.—Section 276(b) of the Immigration and Nationality Act (8 U.S.C. 1326(b)) is amended—

(1) in paragraph (1)—

(A) by inserting after "commission of" the following: "three or more misdemeanors invoving drugs, crimes against the person, or both, or"; and

(B) by striking "5" and inserting "10";

(2) in paragraph (2), by striking "15" and inserting "20"; and

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

"For the purposes of this subsection, the term 'deportation' includes any agreement in which an alien stipulates to deportation during a criminal trial under either Federal or State law.".

(c) COLLATERAL ATTACKS ON UNDERLYING DEPORTATION ORDER.—Section 276 of the Immigration and Nationality Act (8 U.S.C. 1326) is amended by adding after subsection (b) the following new subsection:

"(c) In a criminal proceeding under this section, an alien may not challenge the validity of the deportation order described in subsection (a)(1) or subsection (b) unless the alien demonstrates that—

"(1) the alien exhausted any administrative remedies that may have been available to seek relief against the order;

"(2) the deportation proceedings at which the order was issued improperly deprived the alien of the opportunity for judicial review; and

"(3) the entry of the order was fundamentally unfair.".

SEC. 5006. MISCELLANEOUS AND TECHNICAL CHANGES.

(a) FORM OF DEPORTATION HEARINGS.—The second sentence of section 242(b) of the Immigration and Nationality Act (8 U.S.C. 1252(b)) is amended by inserting before the period the following: "; except that nothing in this subsection shall preclude the Attorney General from authorizing proceedings by electronic or telephonic media (with the consent of the alien) or, where waived or agreed to by the parties, in the absence of the alien.".

(b) CONSTRUCTION OF EXPEDITED DEPORTATION REQUIREMENTS.— No amendment made by this Act and nothing in section 242(i) of the Immigration and Nationality Act (8 U.S.C. 1252(i)) shall be construed to create any substantive or procedural right or benefit that is legally enforceable by any party against the United States or its agencies or officers or any other person.

SEC. 5007. CRIMINAL ALIEN TRACKING CENTER.

(a) OPERATION.—The Commissioner of Immigration and Naturalization, with the cooperation of the Director of the Federal Bureau of Investigation and the heads of other agencies, shall, under the authority of section 242(a)(3)(A) of the Immigration and Nationality Act (8 U.S.C. 1252(a)(3)(A)), operate a criminal alien tracking center.

(b) PURPOSE.—The criminal alien tracking center shall be used to assist Federal, State, and local law enforcement agencies in identifying and locating aliens who may be subject to deportation by reason of their conviction of aggravated felonies.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $5,000,000 for fiscal year 1994 and $2,000,000 for each of fiscal years 1995, 1996, 1997, and 1998.

TITLE LI—GENERAL PROVISIONS

SEC. 5101. CREDITING OF "GOOD TIME".

Section 3624 of title 18, United States Code, is amended—

(1) by striking "he" each place it appears and inserting "the prisoner";

(2) by striking "his" each place it appears and inserting "the prisoner's";

(3) in subsection (d) by striking "him" and inserting "the prisoner"; and

CONFERENCE REPORT

TITLE XIII—CRIMINAL ALIENS AND IMMIGRATION ENFORCEMENT

SEC. 130001. ENHANCEMENT OF PENALTIES FOR FAILING TO DEPART, OR REENTERING, AFTER FINAL ORDER OF DEPORTATION.

(a) FAILURE TO DEPART.—Section 242(e) of the Immigration and Nationality Act (8 U.S.C. 1252(e)) is amended—

(1) by striking "paragraph (2), (3), or (4) of" the first time it appears; and

(2) by striking "shall be imprisoned not more than ten years" and inserting "shall be imprisoned not more than four years, or shall be imprisoned not more than ten years if the alien is a member of any of the classes described in paragraph (1)(E), (2), (3), or (4) of section 241(a).".

(b) REENTRY.—Section 276(b) of the Immigration and Nationality Act (8 U.S.C. 1326(b)) is amended—

(1) in paragraph (1)—

(A) by inserting after "commission of" the following: "three or more misdemeanors involving drugs, crimes against the person, or both, or"; and

(B) by striking "5" and inserting "10";

(2) in paragraph (2), by striking "15" and inserting "20"; and

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

"For the purposes of this subsection, the term 'deportation' includes any agreement in which an alien stipulates to deportation during a criminal trial under either Federal or State law.".

SEC. 130002. CRIMINAL ALIEN TRACKING CENTER.

(a) OPERATION.—The Attorney General shall, under the authority of section 242(a)(3)(A) of the Immigration and Nationality Act (8 U.S.C. 1252(a)(3)(A)), operate a criminal alien tracking center.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—

(1) $3,400,000 for fiscal year 1996;

(2) $3,600,000 for fiscal year 1997;

(3) $3,700,000 for fiscal year 1998;

(4) $3,800,000 for fiscal year 1999; and

(5) $3,900,000 for fiscal year 2000.

* * * * *

(b) CONDITIONS OF ENTRY.—

(1) WAIVER OF GROUNDS FOR EXCLUSION.—Section 212(d) of the Immigration and Nationality Act (8 U.S.C. 1182(d)) is amended by inserting at the beginning the following new paragraph:

"(1) The Attorney General shall determine whether a ground for exclusion exists with respect to a nonimmigrant described in section 101(a)(15)(S). The Attorney General, in the Attorney General's discretion, may waive the application of subsection (a) (other than paragraph (3)(E)) in the case of a nonimmigrant described in section 101(a)(15)(S), if the Attorney General considers it to be in the national interest to do so. Nothing in this section shall be regarded as prohibiting the Immigration and Naturalization Service from instituting deportation proceedings against an alien admitted as a nonimmigrant under section 101(a)(15)(S) for conduct committed after the alien's admission into the United States, or for conduct or a condition that was not disclosed to the Attorney General prior to the alien's admission as a nonimmigrant under section 101(a)(15)(S).".

(2) NUMERICAL LIMITATIONS; PERIOD OF ADMISSION; ETC.—Section 214 of the Immigration and Nationality Act (8 U.S.C. 1184) is amended by adding at the end the following new subsection:

"(j)(1) The number of aliens who may be provided a visa as nonimmigrants under section 101(a)(15)(S)(i) in any fiscal year may not exceed 100. The number of aliens who may be provided a visa as nonimmigrants under section 101(a)(15)(S)(ii) in any fiscal year may not exceed 25.

"(2) No alien may be admitted into the United States as such a nonimmigrant more than 5 years after the date of the enactment of this subsection.

"(3) The period of admission of an alien as such a nonimmigrant may not exceed 3 years. Such period may not be extended by the Attorney General.

"(4) As a condition for the admission, and continued stay in lawful status, of such a nonimmigrant, the nonimmigrant—

"(A) shall report not less often than quarterly to the Attorney General such information concerning the alien's whereabouts and activities as the Attorney General may require;

"(B) may not be convicted of any criminal offense punishable by a term of imprisonment of 1 year or more after the date of such admission;

"(C) must have executed a form that waives the nonimmigrant's right to contest, other than on the basis of an application for withholding of deportation, any action for deportation of the alien instituted before the alien obtains lawful permanent resident status; and

"(D) shall abide by any other condition, limitation, or restriction imposed by the Attorney General.

"(5) The Attorney General shall submit a report annually to the Committee on the Judiciary of the House of Representatives and the Committee on the Judiciary of the Senate concerning—

"(A) the number of such nonimmigrants admitted;

"(B) the number of successful criminal prosecutions or investigations resulting from cooperation of such aliens;

"(C) the number of terrorist acts prevented or frustrated resulting from cooperation of such aliens;

"(D) the number of such nonimmigrants whose admission or cooperation has not resulted in successful criminal prosecution or investigation or the prevention or frustration of a terrorist act; and

"(E) the number of such nonimmigrants who have failed to report quarterly (as required under paragraph (4)) or who have been convicted of crimes in the United States after the date of their admission as such a nonimmigrant.".

(3) PROHIBITION OF CHANGE OF STATUS.—Section 248(1) of the Immigration and Naturalization Act (8 U.S.C. 1258(1)) is amended by striking "or (K)" and inserting "(K), or (S)".

(c) ADJUSTMENT TO PERMANENT RESIDENT STATUS.—

(1) IN GENERAL.—Section 245 of the Immigration and Nationality Act (8 U.S.C. 1255) is amended by adding at the end the following new subsection:

"(i)(1) If, in the opinion of the Attorney General—

"(A) a nonimmigrant admitted into the United States under section 101(a)(15)(S)(i) has supplied information described in subclause (I) of such section; and

"(B) the provision of such information has substantially contributed to the success of an authorized criminal investigation or the prosecution of an individual described in subclause (III) of that section,

the Attorney General may adjust the status of the alien (and the spouse, married and unmarried sons and daughters, and parents of the alien if admitted under that section) to that of an alien lawfully admitted for permanent residence if the alien is not described in section 212(a)(3)(E).

"(2) If, in the sole discretion of the Attorney General—

"(A) a nonimmigrant admitted into the United States under section 101(a)(15)(S)(ii) has supplied information described in subclause (I) of such section, and

"(B) the provision of such information has substantially contributed to—

"(i) the prevention or frustration of an act of terrorism against a United States person or United States property, or

"(ii) the success of an authorized criminal investigation of, or the prosecution of, an individual involved in such an act of terrorism, and

"(C) the nonimmigrant has received a reward under section 36(a) of the State Department Basic Authorities Act of 1956,

the Attorney General may adjust the status of the alien (and the spouse, married and unmarried sons and daughters, and parents of the alien if admitted under such section) to that of an alien lawfully admitted for permanent residence if the alien is not described in section 212(a)(3)(E).

"(3) Upon the approval of adjustment of status under paragraphs (1) or (2), the Attorney General shall record the alien's lawful admission for permanent residence as of the date of such approval and the Secretary of State shall reduce by one the number of visas authorized to be issued under sections 201(d) and 203(b)(4) for the fiscal year then current.".

(2) EXCLUSIVE MEANS OF ADJUSTMENT.—Section 245(c) of the Immigration and Nationality Act (8 U.S.C. 1255(c)) is amended by striking "or" before "(4)" and by inserting before the period at the end the following: "; or (5) an alien who was admitted as a nonimmigrant described in section 101(a)(15)(S)".

(d) EXTENSION OF PERIOD OF DEPORTATION FOR CONVICTION OF A CRIME.—Section 241(a)(2)(A)(i)(I) of the Immigration and Nationality Act (8 U.S.C. 1251(a)(2)(A)(i)(I)) is amended by inserting "(or 10 years in the case of an alien provided lawful permanent resident status under section 245(i))" after "five years".

SEC. 130004. DEPORTATION PROCEDURES FOR CERTAIN CRIMINAL ALIENS WHO ARE NOT PERMANENT RESIDENTS.

(a) ELIMINATION OF ADMINISTRATIVE HEARING FOR CERTAIN CRIMINAL ALIENS.—Section 242A of the Immigration and Nationality Act (8 U.S.C. 1252a) is amended by adding at the end the following new subsection:

"(b) DEPORTATION OF ALIENS WHO ARE NOT PERMANENT RESIDENTS.—

"(1) The Attorney General may, in the case of an alien described in paragraph (2), determine the deportability of such alien under section 241(a)(2)(A)(iii) (relating to conviction of an aggravated felony) and issue an order of deportation pursuant to the procedures set forth in this subsection or section 242(b).

"(2) An alien is described in this paragraph if the alien—

"(A) was not lawfully admitted for permanent residence at the time at which proceedings under this section commenced; and

"(B) is not eligible for any relief from deportation under this Act.

"(3) The Attorney General may not execute any order described in paragraph (1) until 30 calendar days have passed from the date that such order was issued, unless

waived by the alien, in order that the alien has an opportunity to apply for judicial review under section 106.

"(4) Proceedings before the Attorney General under this subsection shall be in accordance with such regulations as the Attorney General shall prescribe. The Attorney General shall provide that—

"(A) the alien is given reasonable notice of the charges and of the opportunity described in subparagraph (C);

"(B) the alien shall have the privilege of being represented (at no expense to the government) by such counsel, authorized to practice in such proceedings, as the alien shall choose;

"(C) the alien has a reasonable opportunity to inspect the evidence and rebut the charges;

"(D) the determination of deportability is supported by clear, convincing, and unequivocal evidence and a record is maintained for judicial review; and

"(E) the final order of deportation is not entered by the same person who issues the charges.".

(b) LIMITED JUDICIAL REVIEW.—Section 106 of the Immigration and Nationality Act (8 U.S.C. 1105a) is amended—

(1) in the first sentence of subsection (a), by inserting "or pursuant to section 242A" after "under section 242(b)";

(2) in subsection (a)(1) and subsection (a)(3), by inserting "(including an alien described in section 242A)" after "aggravated felony"; and

(3) by adding at the end the following new subsection:

"(d)(1) A petition for review or for habeas corpus on behalf of an alien against whom a final order of deportation has been issued pursuant to section 242A(b) may challenge only—

"(A) whether the alien is in fact the alien described in the order;

"(B) whether the alien is in fact an alien described in section 242A(b)(2);

"(C) whether the alien has been convicted of an aggravated felony and such conviction has become final; and

"(D) whether the alien was afforded the procedures required by section 242A(b)(5).

"(2) No court shall have jurisdiction to review any issue other than an issue described in paragraph (1).".

(c) TECHNICAL AMENDMENTS.—Section 242A of the Immigration and Nationality Act (8 U.S.C. 1252a) is amended—

(1) by amending the heading to read as follows:

"EXPEDITED DEPORTATION OF ALIENS CONVICTED OF COMMITTING AGGRAVATED FELONIES";

(2) in subsection (a), as designated prior to enactment of this Act, by striking "(a) IN GENERAL.—" and inserting the following:

"(a) DEPORTATION OF CRIMINAL ALIENS.—

"(1) IN GENERAL.—";

(3) in subsection (b), as designated prior to enactment of this Act, by striking "(b) IMPLEMENTATION.—" and inserting "(2) IMPLEMENTATION.—";

(4) by striking subsection (c);

(5) in subsection (d)—

(A) by striking "(d) EXPEDITED PROCEEDINGS.—(1)" and inserting "(3) EXPEDITED PROCEEDINGS.—(A)"; and

(B) by striking "(2)" and inserting "(B)"; and

(6) in subsection (e)—

(A) by striking "(e) REVIEW.—(1)" and inserting "(4) REVIEW.—(A)";

(B) by striking the second sentence; and

(C) by striking "(2)" and inserting "(B)".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to all aliens against whom deportation proceedings are initiated after the date of enactment of this Act.

SEC. 130005. EXPEDITIOUS DEPORTATION FOR DENIED ASYLUM APPLICANTS.

(a) IN GENERAL.—The Attorney General may provide for the expeditious adjudication of asylum claims and the expeditious deportation of asylum applicants whose applications have been finally denied, unless the applicant remains in an otherwise valid nonimmigrant status.

(b) EMPLOYMENT AUTHORIZATION.—Section 208 of the Immigration and Nationality Act (8 U.S.C. 1158) is amended by adding at the end the following new subsection:

"(e) An applicant for asylum is not entitled to employment authorization except as may be provided by regulation in the discretion of the Attorney General.".

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—

(1) $64,000,000 for fiscal year 1995;

(2) $90,000,000 for fiscal year 1996;

(3) $93,000,000 for fiscal year 1997; and

(4) $91,000,000 for fiscal year 1998.

SEC. 130006. IMPROVING BORDER CONTROLS.

(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for the Immigration and Naturalization Service to increase the resources for the Border Patrol, the Inspections Program, and the Deportation Branch to apprehend illegal aliens who attempt clandestine entry into the United States or entry into the United States with fraudulent documents or who remain in the country after their nonimmigrant visas expire—

(1) $228,000,000 for fiscal year 1995, of which $181,000,000 is authorized to be appropriated from the Violent Crime Reduction Trust Fund established by this Act, and $47,000,000 is authorized from the General Fund of the Treasury;

(2) $185,000,000 for fiscal year 1996, of which $137,000,000 is authorized to be appropriated from the Violent Crime Reduction Trust Fund established by this Act, and $48,000,000 is authorized from the General Fund of the Treasury;

(3) $204,000,000 for fiscal year 1997, of which $156,000,000 is authorized to be appropriated from the Violent Crime Reduction Trust Fund established by this Act, and $48,000,000 is authorized from the General Fund of the Treasury;

(4) $58,000,000 for fiscal year 1998, of which $10,000,000 is authorized to be appropriated from the Violent Crime Reduction Trust Fund established by this Act, and $48,000,000 is authorized from the General Fund of the Treasury;

Of the sums authorized in this section, all necessary funds shall, subject to the availability of appropriations, be allocated to increase the number of agent positions (and necessary support personnel positions) in the Border Patrol by not less than 1,000 full-time equivalent positions in each of fiscal years 1995, 1996, 1997, and 1998 beyond the number funded as of October 1, 1994.

(b) REPORT.—By September 30, 1996 and September 30, 1998, the Attorney General shall report to the Congress on the programs described in this section. The report shall include an evaluation of the programs, an outcome-based measurement of performance, and an analysis of the cost effectiveness of the additional resources provided under this Act.

SEC. 130007. EXPANDED SPECIAL DEPORTATION PROCEEDINGS.

(a) IN GENERAL.—Subject to the availability of appropriations, the Attorney General may expand the program authorized by section 242A(d) and 242(i) of the Immigration and Nationality Act to ensure that such aliens are immediately deportable upon their release from incarceration.

(b) DETENTION AND REMOVAL OF CRIMINAL ALIENS.—Subject to the availability of appropriations, the Attorney General may—

(1) construct or contract for the construction of 2 Immigration and Naturalization Service Processing Centers to detain criminal aliens; and

(2) provide for the detention and removal of such aliens.

(c) REPORT.—By September 30, 1996, and September 30, 1998 the Attorney General shall report to the Congress on the programs referred to in subsections (a) and (b). The report shall include an evaluation of the programs, an outcome-based measurement of performance, and an analysis of the cost effectiveness of the additional resources provided under this Act.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—

(1) $55,000,000 for fiscal year 1995;

(2) $54,000,000 for fiscal year 1996;

(3) $49,000,000 for fiscal year 1997; and

(4) $2,000,000 for fiscal year 1998.

SEC. 130008. AUTHORITY TO ACCEPT CERTAIN ASSISTANCE.

(a) IN GENERAL.—Subject to subsection (b) and notwithstanding any other provision of law, the Attorney General, in the discretion of the Attorney General, may accept, hold, administer, and utilize gifts of property and services (which may not include cash assistance) from State and local governments for the purpose of assisting the Immigration and Naturalization Service in the transportation of deportable aliens who are arrested for misdemeanor or felony crimes under State or Federal law and who are either unlawfully within the United States or willing to submit to voluntary departure under safeguards. Any property acquired pursuant to this section shall be acquired in the name of the United States.

(b) LIMITATION.—The Attorney General shall terminate or rescind the exercise of the authority under subsection (a) if the Attorney General determines that the exercise of such authority has resulted in discrimination by law enforcement officials on the basis of race, color, or national origin.

SEC. 130009. PASSPORT AND VISA OFFENSES PENALTIES IMPROVEMENT.

(a) IN GENERAL.—Chapter 75 of title 18, United States Code, is amended—

(1) in section 1541 by striking "not more than $500 or imprisoned not more than one year" and inserting "under this title, imprisoned not more than 10 years";

(2) in each of sections 1542, 1543, and 1544 by striking "not more than $2,000 or imprisoned not more than five years" and inserting "under this title, imprisoned not more than 10 years";

(3) in section 1545 by striking "not more than $2,000 or imprisoned not more than three years" and inserting "under this title, imprisoned not more than 10 years";

(4) in section 1546(a) by striking "five years" and inserting "10 years";

(5) in section 1546(b) by striking "in accordance with this title, or imprisoned not more than two years" and inserting "under this title, imprisoned not more than 5 years"; and

(6) by adding at the end the following new section:

"§ 1547. Alternative imprisonment maximum for certain offenses

"Notwithstanding any other provision of this title, the maximum term of imprisonment that may be imposed for an offense under this chapter (other than an offense under section 1545)—

"(1) if committed to facilitate a drug trafficking crime (as defined in 929(a)) is 15 years; and

"(2) if committed to facilitate an act of international terrorism (as defined in section 2331) is 20 years.".

(b) TECHNICAL AMENDMENT.—The chapter analysis for chapter 75 of title 18, United States Code, is amended by adding at the end the following new item:

"1547. Alternative imprisonment maximum for certain offenses.".

SEC. 130010. ASYLUM.

(a) FINDINGS.—The Senate finds that—

(1) in the last decade applications for asylum have greatly exceeded the original 5,000 annual limit provided in the Refugee Act of 1980, with more than 150,000 asylum applications filed in fiscal year 1993, and the backlog of cases growing to 340,000;

(2) this flood of asylum claims has swamped the system, creating delays in the processing of applications of up to several years;

(3) the delay in processing asylum claims due to the overwhelming numbers has contributed to numerous problems, including—

(A) an abuse of the asylum laws by fraudulent applicants whose primary interest is obtaining work authority in the United States while their claim languishes in the backlogged asylum processing system;

(B) the growth of alien smuggling operations, often involving organized crime;

(C) a drain on limited resources resulting from the high cost of processing frivolous asylum claims through our multilayered system; and

(D) an erosion of public support for asylum, which is a treaty obligation.

(4) asylum, a safe haven protection for aliens abroad who cannot return home, has been perverted by some aliens who use asylum claims to circumvent our immigration and refugee laws and procedures; and

(5) a comprehensive revision of our asylum law and procedures is required to address these problems.

(b) POLICY.—It is the sense of the Senate that—

(1) asylum is a process intended to protect aliens in the United States who cannot safely return home;

(2) persons outside their country of nationality who have a well-founded fear of persecution if they return should apply for refugee status at one of our refugee processing offices abroad; and

(3) the immigration, refugee and asylum laws of the United States should be reformed to provide—

(A) a procedure for the expeditious exclusion of any asylum applicant who arrives at a port-of-entry with fraudulent documents, or no documents, and makes a noncredible claim of asylum; and

(B) the immigration, refugee and asylum laws of the United States should be reformed to provide for a streamlined affirmative asylum processing system for asylum applicants who make their application after they have entered the United States.

Mr. HATCH. Mr. President, another issue: mandatory restitution for victims of violent crime. The conference committee rejected the Senate-passed Nickles provision which requires mandatory restitution to victims of violent crime. Here again, it has been suggested that we are wrong. It has been suggested that there is a comprehensive mandatory restitution provision in the bill. Yet, the crime bill only mandates restitution in Federal sex offenses and certain crimes against children. Why did the conferees stop there? Why did they reject the Nickles amendment? Other victims of violent crime are left out in the cold.

I ask unanimous consent that the Senate-passed Nickles amendment and the relevant conference report language be inserted in the RECORD at this point.

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

SENATE AMENDMENT—VICTIMS RIGHTS RESTITUTION

SEC. 902. MANDATORY RESTITUTION AND OTHER PROVISIONS.

(a) ORDER OF RESTITUTION.—Section 3663 of title 18, United States Code, is amended—

(1) in subsection (a)—

(A) by striking "may order" and inserting "shall order"; and

(B) by adding at the end the following new paragraph:

"(4) In addition to ordering restitution of the victim of the offense of which a defendant is convicted, a court may order restitution of any person who, as shown by a preponderance of evidence, was harmed physically, emotionally, or pecuniarily, by unlawful conduct of the defendant during—

"(A) the criminal episode during which the offense occurred; or

"(B) the course of a scheme, conspiracy, or pattern of unlawful activity related to the offense.";

(2) in subsection (b)(1)(A) by striking "impractical" and inserting "impracticable";

(3) in subsection (b)(2) by inserting "emotional or" after "resulting in";

(4) in subsection (b)—

(A) by striking "and" at the end of paragraph (3);

(B) by redesignating paragraph (4) as paragraph (5); and

(C) by inserting after paragraph (4) the following new paragraph:

"(4) in any case, reimburse the victim for necessary child care, transportation, and other expenses related to participation in the investigation or prosecution of the offense or attendance at proceedings related to the offense; and".

(5) in subsection (c) by striking "If the Court decides to order restitution under this section, the" and inserting "The";

(6) by striking subsections (d), (e), (f), (g), and (h); and

(7) by adding at the end the following new subsections:

"(d)(1) The court shall order restitution to a victim in the full amount of the victim's losses as determined by the court and without consideration of—

"(A) the economic circumstances of the offender; or

"(B) the fact that a victim has received or is entitled to receive compensation with respect to a loss from insurance or any other source.

"(2) Upon determination of the amount of restitution owed to each victim, the court shall specify in the restitution order the manner in which and the schedule according to which the restitution is to be paid, in consideration of—

"(A) the financial resources and other assets of the offender;

"(B) projected earnings and other income of the offender; and

"(C) any financial obligations of the offender, including obligations to dependents.

"(3) A restoration order may direct the offender to make a single, lump-sum payment, partial payment at specified intervals, or such in-kind payments as may be agreeable to the victim and the offender.

"(4) An in-kind payment described in paragraph (3) may be in the form of—

"(A) return of property;

"(B) replacement of property; or

"(C) services rendered to the victim or to a person or organization other than the victim.

"(e) When the court finds that more than 1 offender has contributed to the loss of a victim, the court may make each offender liable for payment of the full amount of restitution or may apportion liability among the offenders to reflect the level of contribution and economic circumstances of each offender.

"(f) When the court finds that more than 1 victim has sustained a loss requiring restitution by an offender, the court shall order full restitution of each victim but may provide for different payment schedules to reflect the economic circumstances of each victim.

"(g)(1) If the victim has received or is entitled to receive compensation with respect to a loss from insurance or any other source, the court shall order that restitution be paid to the person who provided or is obligated to provide the compensation, but the restitution order shall provide that all restitution of victims required by the order be paid to the victims before any restitution is paid to such a provider of compensation.

"(2) The issuance of a restitution order shall not affect the entitlement of a victim to receive compensation with respect to a loss from insurance or any other source until the payments actually received by the victim under the restitution order fully compensate the victim for the loss, at which time a person that has provided compensation to the victim shall be entitled to receive any payments remaining to be paid under the restitution order.

"(3) Any amount paid to a victim under an order of restitution shall be set off against any amount later recovered as compensatory damages by the victim in—

"(A) any Federal civil proceeding; and

"(B) any State civil proceeding, to the extent provided by the law of the State.

"(h) A restitution order shall provide that—

"(1) all fines, penalties, costs, restitution payments and other forms of transfers of money or property made pursuant to the sentence of the court shall be made by the offender to an entity designated by the Director of the Administrative Office of the United States Courts for accounting and payment by the entity in accordance with this subsection;

"(2) the entity designated by the Director of the Administrative Office of the United States Courts shall—

"(A) log all transfers in a manner that tracks the offender's obligations and the current status in meeting those obligations, unless, after efforts have been made to enforce the restitution order and it appears that compliance cannot be obtained, the court determines that continued recordkeeping under this subparagraph would not be useful;

"(B) notify the court and the interested parties when an offender is 90 days in arrears in meeting those obligations; and

"(3) the offender shall advise the entity designated by the Director of the Administrative Office of the United States Courts of any change in the offender's address during the term of the restitution order.

"(i) A restitution order shall constitute a lien against all property of the offender and may be recorded in any Federal or State office for the recording of liens against real or personal property.

"(j) Compliance with the schedule of payment and other terms of a restitution order shall be a condition of any probation, parole, or other form of release of an offender. If a defendant fails to comply with a restitution order, the court may revoke probation or a term of supervised release, modify the term or conditions of probation or a term of supervised release, hold the defendant in contempt of court, enter a restraining order or injunction, order the sale of property of the defendant, accept a performance bond, or take any other action necessary to obtain compliance with the restitution order. In determining what action to take, the court shall consider the defendant's employment status, earning ability, financial resources, the willfulness in failing to comply with the restitution order, and any other circumstances that may have a bearing on the defendant's ability to comply with the restitution order.

"(k) An order of restitution may be enforced—

"(1) by the United States—

"(A) in the manner provided for the collection and payment of fines in subchapter (B) of chapter 229 of this title; or

"(B) in the same manner as a judgment in a civil action; and

"(2) by a victim named in the order to receive the restitution, in the same manner as a judgment in a civil action.

"(l) A victim or the offender may petition the court at any time to modify a restitution order as appropriate in view of a change in the economic circumstances of the offender.".

(b) PROCEDURE FOR ISSUING ORDER OF RESTITUTION.—Section 3664 of title 18, United States Code, is amended—

(1) by striking subsection (a);

(2) by redesignating subsections (b), (c), (d), and (e) as subsections (a), (b), (c), and (d);

(3) by amending subsection (a), as redesignated by paragraph (2), to read as follows:

"(a) The court may order the probation service of the court to obtain information pertaining to the amount of loss sustained by any victim as a result of the offense, the financial resources of the defendant, the financial needs and earning ability of the defendant and the defendant's dependents, and such other factors as the court deems appropriate. The probation service of the court shall include the information collected in the report of presentence investigation or in a separate report, as the court directs."; and

(4) by adding at the end thereof the following new subsection:

"(e) The court may refer any issue arising in connection with a proposed order of restitution to a magistrate or special master for proposed findings of fact and recommendations as to disposition, subject to a de novo determination of the issue by the court.".

SEC. 903. SENSE OF THE CONGRESS CONCERNING THE RIGHT OF A VICTIM OF A VIOLENT CRIME OR SEXUAL ABUSE TO SPEAK AT AN OFFENDER'S SENTENCING HEARING AND ANY PAROLE HEARING.

It is the sense of the Congress that—

(1) the law of a State should provide for a victim's right of allocution at a sentencing hearing * * *

* * * * *

SEC. 3213. MANDATORY RESTITUTION FOR SEX CRIMES.

(a) SEXUAL ABUSE.—(1) Chapter 109A of title 18, United States Code, is amended by adding at the end thereof the following:

"§ 2248. Mandatory restitution

"(a) IN GENERAL.—Notwithstanding the terms of section 3663 of this title, and in addition to any other civil or criminal penalty authorized by law, the court shall order restitution for any offense under this chapter.

"(b) SCOPE AND NATURE OF ORDER.—(1) The order of restitution under this section shall direct that—

"(A) the defendant pay to the victim (through the appropriate court mechanism) the full amount of the victim's losses as determined by the court, pursuant to paragraph (2); and

"(B) the United States Attorney enforce the restitution order by all available and reasonable means.

"(2) For purposes of this subsection, the term 'full amount of the victim's losses' includes any costs incurred by the victim for—

"(A) medical services relating to physical, psychiatric, or psychological care;

"(B) physical and occupational therapy or rehabilitation;

"(C) necessary transportation, temporary housing, and child care expenses;

"(D) lost income;

"(E) attorneys' fees, expert witness and investigators' fees, interpretive services, and court costs; and

"(F) any other losses suffered by the victim as a proximate result of the offense.

"(3) Restitution orders under this section are mandatory. A court may not decline to issue an order under this section because of—

"(A) the economic circumstances of the defendant; or

"(B) the fact that a victim has, or is entitled to, receive compensation for his or her injuries from the proceeds of insurance or any other source.

"(4)(A) Notwithstanding the terms of paragraph (3), the court may take into account the economic circumstances of the defendant in determining the manner in which and the schedule according to which the restitution is to be paid.

"(B) For purposes of this paragraph, the term 'economic circumstances' includes—

"(i) the financial resources and other assets of the defendant;

"(ii) projected earnings, earning capacity, and other income of the defendant; and

"(iii) any financial obligations of the defendant, including obligations to dependents.

"(C) An order under this section may direct the defendant to make a single lump-sum payment or partial payments at specified intervals. The order shall also provide that the defendant's restitutionary obligation takes priority over any criminal fine ordered.

"(D) In the event that the victim has recovered for any amount of loss through the proceeds of insurance or any other source, the order of restitution shall provide that restitution be paid to the person who provided the compensation, but that restitution shall be paid to the victim for the victim's other losses before any restitution is paid to any other provider of compensation.

"(5) Any amount paid to a victim under this section shall be set off against any amount later recovered as compensatory damages by the victim from the defendant in—

"(A) any Federal civil proceeding; and

"(B) any State civil proceeding, to the extent provided by the law of the State.

"(c) PROOF OF CLAIM.—(1) Within 60 days after conviction and, in any event, no later than 10 days prior to sentencing, the United States Attorney (or the United States Attorney's delegee), after consulting with the victim, shall prepare and file an affidavit with the court listing the amounts subject to restitution under this section. The affidavit shall be signed by the United States Attorney (or the United States Attorney's delegee) and the victim. Should the victim object to any of the information included in the affidavit, the United States Attorney (or the United States Attorney's delegee) shall advise the victim that the victim may file a separate affidavit and shall provide the victim with an affidavit form which may be used to do so.

"(2) If no objection is raised by the defendant, the amounts attested to in the affidavit filed pursuant to subsection (1) shall be entered in the court's restitution order. If objection is raised, the court may require the victim or the United States Attorney (or the United States Attorney's delegee) to submit further affidavits or other supporting documents, demonstrating the victim's losses.

"(3) If the court concludes, after reviewing the supporting documentation and considering the defendant's objections, that there is a substantial reason for doubting the authenticity or veracity of the records submitted, the court may require additional documentation or hear testimony on those questions. Any records filed, or testimony heard, pursuant to this section, shall be in camera in the judge's chambers.

"(4) In the event that the victim's losses are not ascertainable 10 days prior to sentencing as provided in subsection (c)(1), the United States Attorney (or the United States Attorney's delegee) shall so inform the court, and the court shall set a date for the final determination of the victim's losses, not to exceed 90 days after sentencing. If the victim subsequently discovers further losses, the victim shall have 60 days after discovery of those losses in which to petition the court for an amended restitution order. Such order may be granted only upon a showing of good cause for the failure to include such losses in the initial claim for restitutionary relief.

"(d) DEFINITIONS.—For purposes of this section, the term 'victim' includes the individual harmed as a result of a commission of a crime under this chapter, including, in the case of a victim who is under 18 years of age, incompetent, incapacitated, or deceased, the legal guardian of the victim or representative of the victim's estate, another family member, or any other person appointed as suitable by the court: *Provided*, That in no event shall the defendant be named as such representative or guardian.".

(2) TABLE OF SECTIONS.—The table of sections for chapter 109A of title 18, United States Code, is amended by adding at the end thereof the following:

"2248. Mandatory restitution.".

(b) SEXUAL EXPLOITATION AND OTHER ABUSE OF CHILDREN.—(1) Chapter 110 of title 18, United States Code, is amended by adding at the end thereof the following:

"§ 2259. Mandatory restitution

"(a) IN GENERAL.—Notwithstanding the terms of section 3663 of this title, and in addition to any other civil or criminal penalty authorized by law, the court shall order restitution for any offense under this chapter.

"(b) SCOPE AND NATURE OF ORDER.—(1) The order of restitution under this section shall direct that—

"(A) the defendant pay to the victim (through the appropriate court mechanism) the full amount of the victim's losses as determined by the court, pursuant to paragraph (2); and

"(B) the United States Attorney enforce the restitution order by all available and reasonable means.

"(2) For purposes of this subsection, the term 'full amount of the victim's losses' includes any costs incurred by the victim for—

"(A) medical services relating to physical, psychiatric, or psychological care;

"(B) physical and occupational therapy or rehabilitation;

"(C) necessary transportation, temporary housing, and child care expenses;

"(D) lost income;

"(E) attorneys' fees, expert witness and investigators' fees, interpretive services, and court costs; and

"(F) any other losses suffered by the victim as a proximate result of the offense.

"(3) Restitution orders under this section are mandatory. A court may not decline to issue an order under this section because of—

"(A) the economic circumstances of the defendant; or

"(B) the fact that a victim has, or is entitled to, receive compensation for his or her injuries from the proceeds of insurance or any other source.

"(4)(A) Notwithstanding the terms of paragraph (3), the court may take into account the economic circumstances of the defendant in determining the manner in which and the schedule according to which the restitution is to be paid.

"(B) For purposes of this paragraph, the term 'economic circumstances' includes—

"(i) the financial resources and other assets of the defendant;

"(ii) projected earnings, earning capacity, and other income of the defendant; and

"(iii) any financial obligations of the defendant, including obligations to dependents.

"(C) An order under this section may direct the defendant to make a single lump-sum payment or partial payments at specified intervals. The order shall also provide that the defendant's restitutionary obligation takes priority over any criminal fine ordered.

"(D) In the event that the victim has recovered for any amount of loss through the proceeds of insurance or any other source, the order of restitution shall provide that restitution be paid to the person who provided the compensation, but that restitution shall be paid to the victim for the victim's other losses before any restitution is paid to any other provider of compensation.

"(5) Any amount paid to a victim under this section shall be set off against any amount later recovered as compensatory damages by the victim from the defendant in—

"(A) any Federal civil proceeding; and

"(B) any State civil proceeding, to the extent provided by the law of the State.

"(c) PROOF OF CLAIM.—(1) Within 60 days after conviction and, in any event, no later than 10 days prior to sentencing, the United States Attorney (or the United States Attorney's delegee), after consulting with the victim, shall prepare and file an affidavit with the court listing the amounts subject to restitution under this section. The affidavit shall be signed by the United States Attorney (or the United States Attorney's delegee) and the victim. Should the victim object to any of the information included in the affidavit, the United States Attorney (or the United States Attorney's delegee) shall advise the victim that the victim may file a separate affidavit and shall provide the victim with an affidavit form which may be used to do so.

"(2) If no objection is raised by the defendant, the amounts attested to in the affidavit filed pursuant to subsection (1) shall be entered in the court's restitution order. If objection is raised, the court may require the victim or the United States Attorney (or the United States Attorney's delegee) to submit further affidavits or other supporting documents, demonstrating the victim's losses.

"(3) If the court concludes, after reviewing the supporting documentation and considering the defendant's objections, that there is a substantial reason for doubting the authenticity or veracity of the records submitted, the court may require additional documentation or hear testimony on those questions. Any records filed, or testimony heard, pursuant to this section, shall be in camera in the judge's chambers.

"(4) In the event that the victim's losses are not ascertainable 10 days prior to sentencing as provided in subsection (c)(1), the United States Attorney (or the United States Attorney's delegee) shall so inform the court, and the court shall set a date for the final determination of the victim's losses, not to exceed 90 days after sentencing. If the victim subsequently discovers further losses, the victim shall have 60 days after discovery of those losses in which to petition the court for an amended restitution order. Such order may be granted only upon a showing of good cause for the failure to include such losses in the initial claim for restitutionary relief.

"(d) DEFINITIONS.—For purposes of this section, the term 'victim' includes the individual harmed as a result of a commission of a crime under this chapter, including, in the case of a victim who is under 18 years of age, incompetent, incapacitated, or deceased, the legal guardian of the victim or representative of the victim's estate, another family member, or any other person appointed as suitable by the court: *Provided*, That in no event shall the defendant be named as such representative or guardian.".

(2) The table of sections for chapter 110 of title 18, United States Code, is amended by adding at the end thereof the following:

"2259. Mandatory restitution.".

SEC. 3214. AUTHORIZATION FOR FEDERAL VICTIM'S COUNSELORS.

There is authorized to be appropriated for fiscal year 1994, $1,500,000 for the United States Attorneys for the purpose of appointing Victim/Witness Counselors for the prosecution of sex crimes and domestic violence crimes where applicable (such as the District of Columbia).

* * * * *

SEC. 3704. EXTENSION AND STRENGTHENING OF RESTITUTION.

Section 3663(b) of title 18, United States Code, is amended—

(1) in paragraph (2) by inserting "including an offense under chapter 109A or chapter 110" after "an offense resulting in bodily injury to a victim";

(2) by striking "and" at the end of paragraph (3);

(3) by redesignating paragraph (4) as paragraph (5); and

(4) by inserting after paragraph (3) the following new paragraph:

"(4) in any case, reimburse the victim for lost income and necessary child care, transportation, and other expenses related to participation in the investigation or prosecution of the offense or attendance at proceedings related to the offense; and".

SEC. 3705. ENFORCEMENT OF RESTITUTION ORDERS THROUGH SUSPENSION OF FEDERAL BENEFITS.

Section 3663 of title 18, United States Code, is amended—

(1) by redesignating subsections (g) and (h) as subsections (h) and (i), respectively; and

(2) by inserting after subsection (f) the following new subsection:

"(g)(1) If the defendant is delinquent in making restitution in accordance with any schedule of payments or any requirement of immediate payment imposed under this section, the court may, after a hearing, suspend the defendant's eligibility for all Federal benefits until such time as the defendant demonstrates to the court good-faith efforts to return to such schedule.

"(2) In this subsection—

"(A) 'Federal benefits'—

"(i) means any grant, contract, loan, professional license, or commercial license provided by an agency of the United States or appropriated funds of the United States; and

"(ii) does not include any retirement, welfare, Social Security, health, disability, veterans benefit, public housing, or other similar benefit, or any other benefit for which payments or services are required for eligibility.

"(B) 'veterans benefit' means all benefits provided to veterans, their families, or survivors by virtue of the service of a veteran in the Armed Forces of the United States.".

CONFERENCE REPORT—VICTIMS RIGHTS

TITLE XXIII—VICTIMS OF CRIME

Subtitle A—Victims of Crime

SEC. 230101. VICTIM'S RIGHT OF ALLOCUTION IN SENTENCING.

(a) MODIFICATION OF PROPOSED AMENDMENTS.—The proposed amendments to the Federal Rules of Criminal Procedure which are embraced by an order entered by the Supreme Court of the United States on April 29, 1994, shall take effect on December 1, 1994, as otherwise provided by law, but with the following amendments:

(b) IN GENERAL.—Rule 32 of the Federal Rules of Criminal Procedure is amended by—

(1) striking "and" following the semicolon in subdivision (c)(3)(C);

(2) striking the period at the end of subdivision (c)(3)(D) and inserting "; and";

(3) inserting after subdivision (c)(3)(D) the following:

"(E) if sentence is to be imposed for a crime of violence or sexual abuse, address the victim personally if the victim is present at the sentencing hearing and determine if the victim wishes to make a statement or present any information in relation to the sentence.";

(4) in subdivision (c)(3)(D), striking "equivalent opportunity" and inserting in lieu thereof "opportunity equivalent to that of the defendant's counsel";

(5) in the last sentence of subdivision (c)(4), striking "and (D)" and inserting "(D), and (E)";

(6) in the last sentence of subdivision (c)(4), inserting "the victim," before "or the attorney for the Government."; and

(7) adding at the end the following:

"(f) DEFINITIONS.—For purposes of this rule—

"(1) 'victim' means any individual against whom an offense has been committed for which a sentence is to be imposed, but the right of allocution under subdivision (c)(3)(E) may be exercised instead by—

"(A) a parent or legal guardian if the victim is below the age of eighteen years or incompetent; or

"(B) one or more family members or relatives designated by the court if the victim is deceased or incapacitated;

if such person or persons are present at the sentencing hearing, regardless of whether the victim is present; and

"(2) 'crime of violence or sexual abuse' means a crime that involved the use or attempted or threatened use of physical force against the person or property of another, or a crime under chapter 109A of title 18, United States Code.".

(c) EFFECTIVE DATE.—The amendments made by subsection (b) shall become effective on December 1, 1994.

SEC. 230102. SENSE OF THE SENATE CONCERNING THE RIGHT OF A VICTIM OF A VIOLENT CRIME OR SEXUAL ABUSE TO SPEAK AT AN OFFENDER'S SENTENCING HEARING AND ANY PAROLE HEARING.

It is the sense of the Senate that—

(1) the law of a State should provide for a victim's right of allocution at a sentencing hearing and at any parole hearing if the offender has been convicted of a crime of violence or sexual abuse;

(2) such a victim should have an opportunity equivalent to the opportunity accorded to the offender to address the sentencing court or parole board and to present information in relation to the sentence imposed or to the early release of the offender; and

(3) if the victim is not able to or chooses not to testify at a sentencing hearing or parole hearing, the victim's parents, legal guardian, or family members should have the right to address the court or board.

Subtitle B—Crime Victims' Fund

SEC. 230201. ALLOCATION OF FUNDS FOR COSTS AND GRANTS.

(a) GENERALLY.—Section 1402(d) of the Victims of Crime Act of 1984 (42 U.S.C. 10601(d)) is amended by—

(1) striking paragraph (2) and inserting the following:

"(2) the next $10,000,000 deposited in the Fund shall be available for grants under section 1404A.";

(2) striking paragraph (3) and inserting the following:

"(3) Of the remaining amount deposited in the Fund in a particular fiscal year—

"(A) 48.5 percent shall be available for grants under section 1403;

"(B) 48.5 percent shall be available for grants under section 1404(a); and

"(C) 3 percent shall be available for grants under section 1404(c).";

(3) striking paragraph (4) and inserting the following:

"(4) The Director may retain any portion of the Fund that was deposited during a fiscal year that is in excess of 110 percent of the total amount deposited in the Fund during the preceding fiscal year as a reserve for use in a year in which the Fund falls below the amount available in the previous year. Such reserve may not exceed $20,000,000."; and

(4) striking paragraph (5).

(b) CONFORMING CROSS REFERENCE.—Section 1402(g)(1) of the Victims of Crime Act of 1984 (42 U.S.C. 10601(g)(1)) is amended by striking "(d)(2)(D)" and inserting "(d)(2)".

SEC. 230202. RELATIONSHIP OF CRIME VICTIM COMPENSATION TO CERTAIN FEDERAL PROGRAMS.

Section 1403 of the Victims of Crime Act of 1984 (42 U.S.C. 10602) is amended by adding at the end the following new subsection:

"(e) Notwithstanding any other law, if the compensation paid by an eligible crime victim compensation program would cover costs that a Federal program, or a federally financed State or local program, would otherwise pay,—

"(1) such crime victim compensation program shall not pay that compensation; and

"(2) the other program shall make its payments without regard to the existence of the crime victim compensation program.".

SEC. 230203. ADMINISTRATIVE COSTS FOR CRIME VICTIM COMPENSATION.

(a) CREATION OF EXCEPTION.—The final sentence of section 1403(a)(1) of the Victims of Crime Act of 1984 (42 U.S.C. 10602(a)(1)) is amended by striking "A grant" and inserting "Except as provided in paragraph (3), a grant".

(b) REQUIREMENTS OF EXCEPTION.—Section 1403(a) of the Victims of Crime Act of 1984 (42 U.S.C. 10602(a)) is amended by adding at the end the following new paragraph:

"(3) Not more than 5 percent of a grant made under this section may be used for the administration of the State crime victim compensation program receiving the grant.".

SEC. 230204. GRANTS FOR DEMONSTRATION PROJECTS.

Section 1404(c)(1)(A) of the Victims of Crime Act of 1984 (42 U.S.C. 10603(c)(1)(A)) is amended by inserting "demonstration projects and" before "training".

SEC. 230205. ADMINISTRATIVE COSTS FOR CRIME VICTIM ASSISTANCE.

(a) CREATION OF EXCEPTION.—Section 1404(b)(2) of the Victims of Crime Act of 1984 (42 U.S.C. 10603(b)(2)) is amended by striking "An eligible" and inserting "Except as provided in paragraph (3), an eligible".

(b) REQUIREMENTS OF EXCEPTION.—Section 1404(b) of the Victims of Crime Act of 1984 (42 U.S.C. 10603(b)) is amended by adding at the end the following new subsection:

"(3) Not more than 5 percent of sums received under subsection (a) may be used for the administration of the State crime victim assistance program receiving such sums.".

SEC. 230206. MAINTENANCE OF EFFORT.

Section 1407 of the Victims of Crime Act of 1984 (42 U.S.C. 10604) is amended by adding at the end the following new subsection:

"(h) Each entity receiving sums made available under this Act for administrative purposes shall certify that such sums will not be used to supplant State or local funds, but will be used to increase the amount of such funds that would, in the absence of Federal funds, be made available for these purposes.".

SEC. 230207. CHANGE OF DUE DATE FOR REQUIRED REPORT.

Section 1407(g) of the Victims of Crime Act of 1984 (42 U.S.C. 10604(g)) is amended by striking "and on December 31 every two years thereafter", and inserting "and on June 30 every two years thereafter".

SEC. 230208. AMENDMENT OF THE VICTIMS OF CRIME ACT.

Section 1404(a)(5)(B) of the Victims of Crime Act of 1984 (42 U.S.C. 10603(a)(5)(B)) is amended to read as follows:

"(B) $200,000 thereafter.".

* * * * *

SEC. 40113. MANDATORY RESTITUTION FOR SEX CRIMES.

(a) SEXUAL ABUSE.—

(1) IN GENERAL.—Chapter 109A of title 18, United States Code, is amended by adding at the end the following new section:

"§ 2248. Mandatory restitution

"(a) IN GENERAL.—Notwithstanding section 3663, and in addition to any other civil or criminal penalty authorized by law, the court shall order restitution for any offense under this chapter.

"(b) SCOPE AND NATURE OF ORDER.—

"(1) DIRECTIONS.—The order of restitution under this section shall direct that—

"(A) the defendant pay to the victim (through the appropriate court mechanism) the full amount of the victim's losses as determined by the court, pursuant to paragraph (3); and

"(B) the United States Attorney enforce the restitution order by all available and reasonable means.

"(2) ENFORCEMENT BY VICTIM.—An order of restitution also may be enforced by a victim named in the order to receive the restitution in the same manner as a judgment in a civil action.

"(3) DEFINITION.—For purposes of this subsection, the term 'full amount of the victim's losses' includes any costs incurred by the victim for—

"(A) medical services relating to physical, psychiatric, or psychological care;

"(B) physical and occupational therapy or rehabilitation;

"(C) necessary transportation, temporary housing, and child care expenses;

"(D) lost income;

"(E) attorneys' fees, plus any costs incurred in obtaining a civil protection order; and

"(F) any other losses suffered by the victim as a proximate result of the offense.

"(4) ORDER MANDATORY.—(A) The issuance of a restitution order under this section is mandatory.

"(B) A court may not decline to issue an order under this section because of—

"(i) the economic circumstances of the defendant; or

"(ii) the fact that a victim has, or is entitled to, receive compensation for his or her injuries from the proceeds of insurance or any other source.

"(C)(i) Notwithstanding subparagraph (A), the court may take into account the economic circumstances of the defendant in determining the manner in which and the schedule according to which the restitution is to be paid.

"(ii) For purposes of this subparagraph, the term 'economic circumstances' includes—

"(I) the financial resources and other assets of the defendant;

"(II) projected earnings, earning capacity, and other income of the defendant; and

"(III) any financial obligations of the defendant, including obligations to dependents.

"(D) Subparagraph (A) does not apply if—

"(i) the court finds on the record that the economic circumstances of the defendant do not allow for the payment of any amount of a restitution order, and do not allow for the payment of any or some portion of the amount of a restitution order in the foreseeable future (under any reasonable schedule of payments); and

"(ii) the court enters in its order the amount of the victim's losses, and provides a nominal restitution award.

"(5) MORE THAN 1 OFFENDER.—When the court finds that more than 1 offender has contributed to the loss of a victim, the court may make each offender liable for payment

of the full amount of restitution or may apportion liability among the offenders to reflect the level of contribution and economic circumstances of each offender.

"(6) MORE THAN 1 VICTIM.—When the court finds that more than 1 victim has sustained a loss requiring restitution by an offender, the court shall order full restitution of each victim but may provide for different payment schedules to reflect the economic circumstances of each victim.

"(7) PAYMENT SCHEDULE.—An order under this section may direct the defendant to make a single lump-sum payment or partial payments at specified intervals.

"(8) SETOFF.—Any amount paid to a victim under this section shall be set off against any amount later recovered as compensatory damages by the victim from the defendant in—

"(A) any Federal civil proceeding; and

"(B) any State civil proceeding, to the extent provided by the law of the State.

"(9) EFFECT ON OTHER SOURCES OF COMPENSATION.—The issuance of a restitution order shall not affect the entitlement of a victim to receive compensation with respect to a loss from insurance or any other source until the payments actually received by the victim under the restitution order fully compensate the victim for the loss.

"(10) CONDITION OF PROBATION OR SUPERVISED RELEASE.—Compliance with a restitution order issued under this section shall be a condition of any probation or supervised release of a defendant. If an offender fails to comply with a restitution order, the court may, after a hearing, revoke probation or a term of supervised release, modify the terms or conditions of probation or a term of supervised release, or hold the defendant in contempt pursuant to section 3583(e). In determining whether to revoke probation or a term of supervised release, modify the terms or conditions of probation or supervised release or hold a defendant serving a term of supervised release in contempt, the court shall consider the defendant's employment status, earning ability and financial resources, the willfulness of the defendant's failure to comply, and any other circumstances that may have a bearing on the defendant's ability to comply.

"(c) PROOF OF CLAIM.—

"(1) AFFIDAVIT.—Within 60 days after conviction and, in any event, not later than 10 days prior to sentencing, the United States Attorney (or the United States Attorney's delegee), after consulting with the victim, shall prepare and file an affidavit with the court listing the amounts subject to restitution under this section. The affidavit shall be signed by the United States Attorney (or the United States Attorney's delegee) and the victim. Should the victim object to any of the information included in the affidavit, the United States Attorney (or the United States Attorney's delegee) shall advise the victim that the victim may file a separate affidavit and shall provide the victim with an affidavit form which may be used to do so.

"(2) OBJECTION.—If, after the defendant has been notified of the affidavit, no objection is raised by the defendant, the amounts attested to in the affidavit filed pursuant to paragraph (1) shall be entered in the court's restitution order. If objection is raised, the court may require the victim or the United States Attorney (or the United States Attorney's delegee) to submit further affidavits or other supporting documents, demonstrating the victim's losses.

"(3) ADDITIONAL DOCUMENTATION AND TESTIMONY.—If the court concludes, after reviewing the supporting documentation and considering the defendant's objections, that there is a substantial reason for doubting the authenticity or veracity of the records submitted, the court may require additional documentation or hear testimony on those questions. The privacy of any records filed, or testimony heard, pursuant to this section shall be maintained to the greatest extent possible, and such records may be filed or testimony heard in camera.

"(4) FINAL DETERMINATION OF LOSSES.—If the victim's losses are not ascertainable by the date that is 10 days prior to sentencing as provided in paragraph (1), the United States Attorney (or the United States Attorney's delegee) shall so inform the court, and the court shall set a date for the final determination of the victim's losses, not to exceed 90 days after sentencing. If the victim subsequently discovers further losses, the victim shall have 60 days after discovery of those losses in which to petition the court for an amended restitution order. Such order may be granted only upon a showing of good cause for the failure to include such losses in the initial claim for restitutionary relief.

"(d) MODIFICATION OF ORDER.—A victim or the offender may petition the court at any time to modify a restitution order as appropriate in view of a change in the economic circumstances of the offender.

"(e) REFERENCE TO MAGISTRATE OR SPECIAL MASTER.—The court may refer any issue arising in connection with a proposed order of restitution to a magistrate or special master for proposed findings of fact and recommendations as to disposition, subject to a de novo determination of the issue by the court.

"(f) DEFINITION.—For purposes of this section, the term 'victim' means the individual harmed as a result of a commission of a crime under this chapter, including, in the case of a victim who is under 18 years of age, incompetent, incapacitated, or deceased, the legal guardian of the victim or representative of the victim's estate, another family member, or any other person appointed as suitable by the court, but in no event shall the defendant be named as such representative or guardian.".

(2) TECHNICAL AMENDMENT.—The chapter analysis for chapter 109A of title 18, United States Code, is amended by adding at the end the following new item:

"2248. Mandatory restitution.".

(b) SEXUAL EXPLOITATION AND OTHER ABUSE OF CHILDREN.—

(1) IN GENERAL.—Chapter 110 of title 18, United States Code, is amended by adding at the end the following new section:

"§ 2259. Mandatory restitution

"(a) IN GENERAL.—Notwithstanding section 3663, and in addition to any other civil or criminal penalty authorized by law, the court shall order restitution for any offense under this chapter.

"(b) SCOPE AND NATURE OF ORDER.—

"(1) DIRECTIONS.—The order of restitution under this section shall direct that—

"(A) the defendant pay to the victim (through the appropriate court mechanism) the full amount of the victim's losses as determined by the court, pursuant to paragraph (3); and

"(B) the United States Attorney enforce the restitution order by all available and reasonable means.

"(2) ENFORCEMENT BY VICTIM.—An order of restitution may also be enforced by a victim named in the order to receive the restitution in the same manner as a judgment in a civil action.

"(3) DEFINITION.—For purposes of this subsection, the term 'full amount of the victim's losses' includes any costs incurred by the victim for—

"(A) medical services relating to physical, psychiatric, or psychological care;

"(B) physical and occupational therapy or rehabilitation;

"(C) necessary transportation, temporary housing, and child care expenses;

"(D) lost income;

"(E) attorneys' fees, as well as other costs incurred; and

"(F) any other losses suffered by the victim as a proximate result of the offense.

"(4) ORDER MANDATORY.—(A) The issuance of a restitution order under this section is mandatory.

"(B) A court may not decline to issue an order under this section because of—

"(i) the economic circumstances of the defendant; or

"(ii) the fact that a victim has, or is entitled to, receive compensation for his or her injuries from the proceeds of insurance or any other source.

"(C)(i) Notwithstanding subparagraph (A), the court may take into account the economic circumstances of the defendant in determining the manner in which and the schedule according to which the restitution is to be paid.

"(ii) For purposes of this subparagraph, the term 'economic circumstances' includes—

"(I) the financial resources and other assets of the defendant;

"(II) projected earnings, earning capacity, and other income of the defendant; and

"(III) any financial obligations of the defendant, including obligations to dependents.

"(D) Subparagraph (A) does not apply if—

"(i) the court finds on the record that the economic circumstances of the defendant do not allow for the payment of any amount of a restitution order, and do not allow for the payment of any or some portion of the amount of a restitution order in the foreseeable future (under any reasonable schedule of payments); and

"(ii) the court enters in its order the amount of the victim's losses, and provides a nominal restitution award.

"(5) MORE THAN 1 OFFENDER.—When the court finds that more than 1 offender has contributed to the loss of a victim, the court may make each offender liable for payment of the full amount of restitution or may apportion liability among the offenders to reflect the level of contribution and economic circumstances of each offender.

"(6) MORE THAN 1 VICTIM.—When the court finds that more than 1 victim has sustained a loss requiring restitution by an offender, the court shall order full restitution of each victim but may provide for different payment schedules to reflect the economic circumstances of each victim.

"(7) PAYMENT SCHEDULE.—An order under this section may direct the defendant to make a single lump-sum payment or partial payments at specified intervals.

"(8) SETOFF.—Any amount paid to a victim under this section shall be set off against any amount later recovered as compensatory damages by the victim from the defendant in—

"(A) any Federal civil proceeding; and

"(B) any State civil proceeding, to the extent provided by the law of the State.

"(9) EFFECT ON OTHER SOURCES OF COMPENSATION.—The issuance of a restitution order shall not affect the entitlement of a victim to receive compensation with respect to a loss from insurance or any other source

until the payments actually received by the victim under the restitution order fully compensate the victim for the loss.

"(10) CONDITION OF PROBATION OR SUPERVISED RELEASE.—Compliance with a restitution order issued under this section shall be a condition of any probation or supervised release of a defendant. If an offender fails to comply with a restitution order, the court may, after a hearing, revoke probation or a term of supervised release, modify the terms or conditions of probation or a term of supervised release, or hold the defendant in contempt pursuant to section 3583(e). In determining whether to revoke probation or a term of supervised release, modify the terms or conditions of probation or supervised release or hold a defendant serving a term of supervised release in contempt, the court shall consider the defendant's employment status, earning ability and financial resources, the willfulness of the defendant's failure to comply, and any other circumstances that may have a bearing on the defendant's ability to comply.

"(c) PROOF OF CLAIM.—

"(1) AFFIDAVIT.—Within 60 days after conviction and, in any event, not later than 10 days prior to sentencing, the United States Attorney (or the United States Attorney's delegee), after consulting with the victim, shall prepare and file an affidavit with the court listing the amounts subject to restitution under this section. The affidavit shall be signed by the United States Attorney (or the United States Attorney's delegee) and the victim. Should the victim object to any of the information included in the affidavit, the United States Attorney (or the United States Attorney's delegee) shall advise the victim that the victim may file a separate affidavit and shall provide the victim with an affidavit form which may be used to do so.

"(2) OBJECTION.—If, after the defendant has been notified of the affidavit, no objection is raised by the defendant, the amounts attested to in the affidavit filed pursuant to paragraph (1) shall be entered in the court's restitution order. If objection is raised, the court may require the victim or the United States Attorney (or the United States Attorney's delegee) to submit further affidavits or other supporting documents, demonstrating the victim's losses.

"(3) ADDITIONAL DOCUMENTATION AND TESTIMONY.—If the court concludes, after reviewing the supporting documentation and considering the defendant's objections, that there is a substantial reason for doubting the authenticity or veracity of the records submitted, the court may require additional documentation or hear testimony on those questions. The privacy of any records filed, or testimony heard, pursuant to this section shall be maintained to the greatest extent possible, and such records may be filed or testimony heard in camera.

"(4) FINAL DETERMINATION OF LOSSES.—If the victim's losses are not ascertainable by the date that is 10 days prior to sentencing as provided in paragraph (1), the United States Attorney (or the United States Attorney's delegee) shall so inform the court, and the court shall set a date for the final determination of the victim's losses, not to exceed 90 days after sentencing. If the victim subsequently discovers further losses, the victim shall have 60 days after discovery of those losses in which to petition the court for an amended restitution order. Such order may be granted only upon a showing of good cause for the failure to include such losses in the initial claim for restitutionary relief.

"(d) MODIFICATION OF ORDER.—A victim or the offender may petition the court at any time to modify a restitution order as appropriate in view of a change in the economic circumstances of the offender.

"(e) REFERENCE TO MAGISTRATE OR SPECIAL MASTER.—The court may refer any issue arising in connection with a proposed order of restitution to a magistrate or special master for proposed findings of fact and recommendations as to disposition, subject to a de novo determination of the issue by the court.

"(f) DEFINITION.—For purposes of this section, the term 'victim' means the individual harmed as a result of a commission of a crime under this chapter, including, in the case of a victim who is under 18 years of age, incompetent, incapacitated, or deceased, the legal guardian of the victim or representative of the victim's estate, another family member, or any other person appointed as suitable by the court, but in no event shall the defendant be named as such representative or guardian.".

(2) TECHNICAL AMENDMENT.—The chapter analysis for chapter 110 of title 18, United States Code, is amended by adding at the end the following new item:

"2259. Mandatory restitution.".

SEC. 40114. AUTHORIZATION FOR FEDERAL VICTIM'S COUNSELORS.

There are authorized to be appropriated for the United States Attorneys for the purpose of appointing Victim/Witness Counselors for the prosecution of sex crimes and domestic violence crimes where applicable (such as the District of Columbia)—

(1) $500,000 for fiscal year 1996;

(2) $500,000 for fiscal year 1997; and

(3) $500,000 for fiscal year 1998.

CHAPTER 2—LAW ENFORCEMENT AND PROSECUTION GRANTS TO REDUCE VIOLENT CRIMES AGAINST WOMEN

SEC. 40121. GRANTS TO COMBAT VIOLENT CRIMES AGAINST WOMEN.

(a) IN GENERAL.—Title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3711 et seq.), as amended by section 32101(a), is amended—

(1) by redesignating part T as part U;

(2) by redesignating section 2001 as section 2101; and

(3) by inserting after part S the following new part:

* * * * *

Subtitle E—Violence Against Women Act Improvements

SEC. 40501. PRE-TRIAL DETENTION IN SEX OFFENSE CASES.

Section 3156(a)(4) of title 18, United States Code, is amended—

(1) by striking "or" at the end of subparagraph (A);

(2) by striking the period at the end of subparagraph (B) and inserting "; or"; and

(3) by adding after subparagraph (B) the following new subparagraph:

"(C) any felony under chapter 109A or chapter 110.".

SEC. 40502. INCREASED PENALTIES FOR SEX OFFENSES AGAINST VICTIMS BELOW THE AGE OF 16.

Section 2245(2) of title 18, United States Code, is amended—

(1) by striking "or" at the end of subparagraph (B);

(2) by striking "; and" at the end of subparagraph (C) and inserting "; or"; and

(3) by inserting after subparagraph (C) the following new subparagraph:

"(D) the intentional touching, not through the clothing, of the genitalia of another person who has not attained the age of 16 years with an intent to abuse, humiliate, harass, degrade, or arouse or gratify the sexual desire of any person;".

SEC. 40503. PAYMENT OF COST OF TESTING FOR SEXUALLY TRANSMITTED DISEASES.

(a) FOR VICTIMS IN SEX OFFENSE CASES.—Section 503(c)(7) of the Victims' Rights and Restitution Act of 1990 (42 U.S.C. 10607(c)(7)) is amended by adding at the end the following: "The Attorney General shall provide for the payment of the cost of up to 2 anonymous and confidential tests of the victim for sexually transmitted diseases, including HIV, gonorrhea, herpes, chlamydia, and syphilis, during the 12 months following sexual assaults that pose a risk of transmission, and the cost of a counseling session by a medically trained professional on the accuracy of such tests and the risk of transmission of sexually transmitted diseases to the victim as the result of the assault. A victim may waive anonymity and confidentiality of any tests paid for under this section.".

(b) PENALTIES FOR INTENTIONAL TRANSMISSION OF HIV.—Not later than 6 months after the date of enactment of this Act, the United States Sentencing Commission shall conduct a study and prepare and submit to the committees on the Judiciary of the Senate and the House of Representatives a report concerning recommendations for the revision of sentencing guidelines that relate to offenses in which an HIV infected individual engages in sexual activity if the individual knows that he or she is infected with HIV and intends, through such sexual activity, to expose another to HIV.

SEC. 40504. EXTENSION AND STRENGTHENING OF RESTITUTION.

Section 3663(b) of title 18, United States Code, is amended—

(1) in paragraph (2) by inserting "including an offense under chapter 109A or chapter 110" after "an offense resulting in bodily injury to a victim";

(2) by striking "and" at the end of paragraph (3);

(3) by redesignating paragraph (4) as paragraph (5); and

(4) by inserting after paragraph (3) the following new paragraph:

"(4) in any case, reimburse the victim for lost income and necessary child care, transportation, and other expenses related to participation in the investigation or prosecution of the offense or attendance at proceedings related to the offense; and".

SEC. 40505. ENFORCEMENT OF RESTITUTION ORDERS THROUGH SUSPENSION OF FEDERAL BENEFITS.

Section 3663 of title 18, United States Code, is amended by adding at the end the following new subsection:

"(i)(1) A Federal agency shall immediately suspend all Federal benefits provided by the agency to the defendant, and shall terminate the defendant's eligibility for Federal benefits administered by that agency, upon receipt of a certified copy of a written judicial finding that the defendant is delinquent in making restitution in accordance with any schedule of payments or any requirement of immediate payment imposed under this section.

"(2) Any written finding of delinquency described in paragraph (1) shall be made by a court, after a hearing, upon motion of the victim named in the order to receive the restitution or upon motion of the United States.

"(3) A defendant found to be delinquent may subsequently seek a written finding from the court that the defendant has rectified the delinquency or that the defendant

has made and will make good faith efforts to rectify the delinquency. The defendant's eligibility for Federal benefits shall be reinstated upon receipt by the agency of a certified copy of such a finding.

"(4) In this subsection, "Federal benefit" means a grant, contract, loan, professional license, or commercial license provided by an agency of the United States.".

SEC. 40506. NATIONAL BASELINE STUDY ON CAMPUS SEXUAL ASSAULT.

(a) STUDY.—The Attorney General, in consultation with the Secretary of Education, shall provide for a national baseline study to examine the scope of the problem of campus sexual assaults and the effectiveness of institutional and legal policies in addressing such crimes and protecting victims. The Attorney General may utilize the Bureau of Justice Statistics, the National Institute of Justice, and the Office for Victims of Crime in carrying out this section.

(b) REPORT.—Based on the study required by subsection (a) and data collected under the Student Right-To-Know and Campus Security Act (20 U.S.C. 1001 note; Public Law 101-542) and amendments made by that Act, the Attorney General shall prepare a report including an analysis of—

(1) the number of reported allegations and estimated number of unreported allegations of campus sexual assaults, and to whom the allegations are reported (including authorities of the educational institution, sexual assault victim service entities, and local criminal authorities);

(2) the number of campus sexual assault allegations reported to authorities of educational institutions which are reported to criminal authorities;

Mr. HATCH. Mr. President, these are just some examples of the way in which supporters of the crime bill are trying to confuse the public about what is and what is not in this crime bill. In the coming days, congressional Democrats and the administration will need to reconcile whether they want a crime bill or an issue. Republicans want a crime bill but it has to be a tough bill. We are not willing to support a bill which diverts billions of dollars of crimefighting resources to special interest spending programs, which expands the rights of criminals, and which drops so many urgently needed crimefighting measures.

Continued obfuscation and denial by the administration in the face of growing opposition to this legislation will not produce a tough crime bill for the American people. Accordingly, I renew my call for a bipartisan effort. If President Clinton wants to pass a crime bill, Republicans will deliver the necessary votes provided our concerns—and they are legitimate concerns—are addressed.

I thank the Chair.

MEASURE PLACED ON THE CALENDAR—S. 2380

The PRESIDENT pro tempore. There are several bills on the calendar, bills and joint resolutions, which are addressed the first time.

The Senate, having adjourned last evening, this day is a new legislative day. Therefore, the bills are eligible to be called up.

The clerk will read the first bill.

The assistant legislative clerk read as follows:

A bill (S. 2380) to encourage serious negotiations between the major league baseball players and the owners of major league baseball in order to prevent a strike by the players or a lockout by the owners so that fans will be able to enjoy the remainder of the baseball season and the playoffs of the world season.

Mr. STEVENS. Mr. President, in order that these bills may go to the calendar, under the rule, I wish to be recorded as objecting to each one of them in behalf of my side of the aisle.

The PRESIDENT pro tempore. Objection to the proceedings having been heard, the bill will go over and will be printed on the general orders calendar. It will be eligible for a motion to proceed on the next legislative day.

MEASURE PLACED ON THE CALENDAR—S. 2381

The PRESIDENT pro tempore. The clerk will report the next bill.

The assistant legislative clerk read as follows:.

A bill (S. 2381) to require the Secretary of Health and Human Services to provide health care fraud and abuse guidance, and for other purposes.

Mr. STEVENS. Mr. President, similar objection, please.

The PRESIDENT pro tempore. Objection having been heard, the bill will go over on the general orders calendar, and will be subject to a callup on the next legislative day.

MEASURE PLACED ON THE CALENDAR—S. 2396

The PRESIDENT pro tempore. The clerk will report the next bill.

The assistant legislative clerk read as follows:

A bill (S. 2396) entitled "The Affordable Health Care Now Act."

Mr. STEVENS. Similar objection, please, Mr. President.

The PRESIDENT pro tempore. The Senator from Alaska objects.

Objection having been heard, the bill will go over on the general orders calendar subject to a callup by a motion on the next legislative day.

The Senator from Alaska is recognized.

Mr. STEVENS. Mr. President, I desire to be recognized to make a statement after morning business has expired.

The PRESIDENT pro tempore. The chair thanks the Senator.

TRIBUTE TO ROBERT F. MORAN

Mr. HEFLIN. Mr. President, today, I want to congratulate Mr. Robert F. Moran on the occasion of his retirement after 52 years of service to the Federal Government. In a career of military and civilian service spanning over five decades, Robert has earned a tremendous amount of respect and a reputation as a committed and effective health care administrator.

Integrity and humility have been hallmarks of his career. He began naval service as a hospital corpsman on combat duty during World War II, rising through the ranks to lieutenant commander in the Medical Service Corps.

Continuing to increase his knowledge and expertise in health care management and medicine, Robert joined the staff of the Office of the Attending Physician as its Administrator in 1966. During 28 years of service at the U.S. Capitol, Robert oversaw the medical aspects of the planning, preparation, and execution of Presidential swearing-in ceremonies, State of the Union Addresses, joint and special sessions of Congress, and all aspects of health care delivery for the highest officials of the U.S. Government.

Throughout his career, Robert Moran has always advocated the concepts of professional growth and development, networking, and continuing education. A humble and dedicated man, he has constructed a career of service and accomplishments using the values and principles he brought with him to work each day. His commitment to patients and dedication to duty and service are unsurpassed.

I ask my colleagues to join me in recognizing Robert Moran for his exemplary leadership, selfless dedication, and outstanding service to the U.S. Government and many patients, staff, and tourists at the Capitol.

TRIBUTE TO ALBERT ELVIS WILLIAMS

Mr. HEFLIN. Mr. President, Albert Elvis "Al" Williams, the manager of Listerhill Employees Credit Union in Sheffield, AL, for 22 years, died on August 2. He had served as chairman of the Credit Union National Association as well as holding other national offices.

Al was the first vice president of the World Council of Credit Unions; chairman of the Credit Union National Association's Election and Governance Task Force; vice chairman of its bylaws committee; and a member of the governmental affairs committee.

He was the former chairman of the Alabama Credit Union League; a board member of the Alabama Credit Union Administration; chairman of the Alabama Credit Union Legislative Action Council; and president of the State Credit Union Forum. Al was named Outstanding Alumnus of the Year by the University of North Alabama in 1988.

Al Williams contributed a great deal to his community and State over the course of his career, and he will be sorely missed. I extend my sincerest

condolences to his wife, Charlotte Young Williams, and her entire family in the wake of their painful loss.

MIKE BOX SELECTED TO HEAD NATIONAL CONFERENCE OF STATE LEGISLATURES

Mr. HEFLIN. Mr. President, a nominating committee recently tapped Mobile County, AL, legislator Mike Box for the vice presidency and later presidency of the National Conference of State Legislatures. In 1996, Mike will become the first Alabama lawmaker ever named president of the national conference. He is already the first Alabamian ever elected to the conference's prestigious executive committee.

Mike's selection by the nominating committee places him at the heart of the national conference's efforts to improve the country's State legislatures through the exchange of ideas and technological advances.

The National Conference of State Legislatures was formed to share ideas, prevent duplication of efforts, and provide a united front to the Federal Government. It also allows States to develop expertise needed to deal with modern government problems. In this era of shrinking fiscal resources at the national, State, and local levels, the goals supported and fostered by the conference are more important than ever before. I am proud that Alabamian Mike Box has been entrusted with the leadership of this outstanding organization. I commend him and wish him much continued success.

UKRAINIAN INDEPENDENCE

Mr. LEVIN. Mr. President, on August 24, 1991, the Parliament of Ukraine declared Ukraine's independence. This long-awaited triumph was the culmination of the struggle waged by generations of Ukrainians who never lost faith in the ultimate victory of a free and independent Ukraine.

This coming Sunday there will be an observation of the third anniversary of Ukrainian independence celebrated at the Ukrainian Cultural Center in Warren, MI.

Mr. President, the program this Sunday will commemorate the emergence of Ukraine as a free member of the international community of independent nations, to be followed by a cultural program that celebrates the rich traditions of a culture, language, and people who were not crushed by 70 years of Communist oppression.

Ukraine faces many daunting challenges and has encountered many difficulties since the collapse of the Soviet Union. Yet its people and spirit continue to inspire freedom-loving people everywhere.

I join the people of Michigan in commending the people of Ukraine for never losing faith, for shouldering the burdens that come with restructuring a society, and for emerging in victory to bear witness to this third anniversary of the proclamation of Ukrainian independence.

THE REPLACEMENT OF ROBERT FISKE WITH KENNETH STARR AS SPECIAL COUNSEL

Mr. LEAHY. Mr. President, the recent firing of Robert Fiske and his apparent replacement by Kenneth Starr continuous to trouble me. The most recent revelation in this regard is Mr. Starr's reported plan to stay active with his prestigious law firm, to maintain active relationships with his other clients, to retain his seat on his firm's management committee and continue to draw his reported seven-figure salary.

The fact that Mr. Starr is approaching this as a part-time pursuit is among the most troubling aspects of this matter that has dragged on far too long for such little cause—other than the political hay being thatched by the President's political opponents. I think the American people have long since lost interest in events that occurred in Arkansas two decades ago. The only thing that is continuing the investigation is the investigation, itself. The firing of Robert Fiske serves only to delay its conclusion even further.

Now we learn that Mr. Starr, who was anxious to accept this appointment, is proceeding with his vacation plans, has not decided what staff he can retain, has not assembled new staff, has not gotten up to speed, is still reviewing matters, and plans to pursue a leisurely pace being a part-time investigator and full-time partner in a demanding, sophisticated and well-connected law practice. What is going on here?

Some time ago I noted my concern that the firing of Robert Fiske and appointment of Kenneth Starr had done nothing to improve appearances. Some have been concerned from the outset that Mr. Starr might be motivated by personal or political gain. I refuse to subscribe to that view, but did call upon Mr. Starr to provide public reassurances by renouncing any interest in seeking or accepting public office in the future. His having served as a special counsel investigating the President of the United States should not be something that supplements a political résumé and is later used as a basis for obtaining appointed office or even elective office. In other words his personal fortunes in the future ought not be tied in any way to the outcome of the investigation. Otherwise the investigation will not be seen as impartial and its results will not be accepted.

Mr. Starr has ignored suggestions to renounce future political aspirations. Now we find that we do not have to wait until the future to become concerned. We must also be concerned about the present. How is Mr. Starr going to juggle his responsibilities, his personal career interests and the financial interests he shares with his partners? Where is he going to devote his time and attention once he returns to work?

At this point I ask that the August 15 article from the Legal Times entitled "Starr Plans To Stay Active at Kirkland & Ellis" be reprinted in the RECORD.

I also ask that the editorial from today's New York Times entitled "Mr. Starr's Duty To Resign" be reprinted, as well.

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

MR. STARR'S DUTY TO RESIGN

When a special Washington court replaced Robert Fiske with Kenneth Starr as Whitewater independent counsel two weeks ago, the judges specifically cited the need for the appearance, as well as the reality, of impartial justice. But it is now clear that the chairman of that panel, Judge David Sentelle, violated the court's own standard for purity of appearances by meeting with a Senator eager to have the court dump Mr. Fiske as counsel. For that reason, the appointment of Mr. Starr is fatally tainted.

This situation was brought about by Judge Sentelle's flamboyantly bad judgment in meeting with Senator Lauch Faircloth and another Clinton opponent, Senator Jesse Helms. At the time, Judge Sentelle and his two colleagues on the court were considering the appointment of a new prosecutor. Mr. Starr is in no way to blame for this untoward meeting, but he has to recognize that a cloud of political favoritism now hangs over his appointment and will undermine public confidence in it. As a matter of public service and personal honor, he should resign the appointment.

The independent counsel law, recently renewed, is designed to make sure that Federal investigations involving high government officials—in this case President and Mrs. Clinton—are evenhanded and appear so. Yet last month, while the court was studying whether to keep Mr. Fiske or make its own choice, Judge Sentelle lunched with Senator Faircloth, leader of a group pressing the Justice Department to remove Mr. Fiske.

Joining them in the Senate dining room was Senator Helms, Judge Sentelle's political patron and one of the Clintons' most outspoken foes in Congress. They all deny discussing the pending appointment. But the public must not be asked to take such matters on faith, any more than it should have to take on faith that all the suspicious circumstances of Whitewater were innocuous coincidence. A crisis of political confidence cannot be cured by an inquiry that has the look of political collusion.

In regard to public confidence, there is another troubling circumstance. It now emerges that Mr. Starr was working on a legal brief for a conservative women's organization opposing President Clinton in the Paula Jones sexual harassment lawsuit against him. Mr. Starr's legal view, that the President enjoyed no constitutional immunity from the suit for alleged actions when the Governor of Arkansas, had been well known. But by undertaking the friend-of-the-court brief Mr. Starr passed from public

commentator to litigating opponent of the President, a clear conflict with his independent counsel assignment. Though his firm has ended its participation in the Jones case, Mr. Starr's original decision to take it on further blemishes the appearance of impartiality his present assignment requires.

Replacing Mr. Fiske was a reasonable step. His own appearance of impartiality was beclouded by the fact that he had been recruited by Attorney General Janet Reno. Indeed, the court placed such a high value on appearance that it said its only reason for replacing him was the need to provide "an apparent as well as an actual independence on the part of the counsel."

By that standard, the Starr appointment cannot stand, nor should Judge Sentelle participate in the naming of a new counsel. He can step aside and leave the matter to his colleagues. Failing that, the Chief Justice ought to name a new chairman for the panel to replace Judge Sentelle.

At the time of the Starr appointment two weeks ago, this page applauded the court's decision and retains respect for Mr. Starr's service as Solicitor General. But his appointment now looks terrible under the law and the ethical precepts the judges say they recognize. The appearance of impartial justices is not some finicky rule of etiquette but the essence of justice itself. Moreover, President Clinton and others in the Administration deserve a prosecutor who cannot be accused either of favoring them or of being tied too closely to their opponents. Mr. Starr, rightly proud of an honorable career, stands in the way of justice as long as he clings to this unfortunate assignment.

STARR PLANS TO STAY ACTIVE AT KIRKLAND & ELLIS

(By Robert Schmidt)

When Robert Fiske Jr. was tapped in January as Whitewater independent counsel, he immediately severed all ties with his law firm, New York's Davis Polk & Wardwell.

He stopped working for clients, drew out his share of the firm's profits, and ceased participating in firm activities, says firm chairman and managing partner Henry King.

"We never even discussed the issue," says King. "We just though it was appropriate for Bob to take a leave."

Fiske's replacement, Kenneth Starr, and his law firm, Chicago-based Kirkland & Ellis, are playing it quite differently.

Starr not only is maintaining his partnership and his reputed seven-figure salary, but also is planning to keep active client relationships and will even retain his seat on the management committee of the 450-lawyer firm.

"Under the independent-counsel statute, Ken is free to remain a partner of Kirkland & Ellis, and Kirkland & Ellis is free to compensate Ken like any other partner," says Edward Warren, a partner in the firm's D.C. office who is helping Starr manage the transition to independent counsel, a job Starr officially began last week.

THE SAME, BUT DIFFERENT

Starr's arrangement is perfectly legal, and he enjoys freedoms Fiske did not—since Fiske was appointed by Attorney General Janet Reno and considered an executive-branch employee, while Starr, selected under the independent-counsel statute, is not. Further, Starr is following the lead of most previous independent counsel.

Still, some earlier independent counsel were tripped up by perceived conflicts stemming from their private practices.

And Starr's decision to maintain an active law practice is now drawing fire from government-watchdog groups. They argue that the unique circumstances of the Whitewater probe and Starr's background demand a higher standard of conduct.

These advocates say that Starr, whose firm represents numerous corporate clients before the federal government, should avoid even the appearance of conflict—and that means cutting his ties to the firm.

"I don't care what is in the canon of ethics or what the law is, that's not relevant," says Charles Lewis, executive director of the Center for Public Integrity, a non-profit watchdog group.

"To clearly avoid an appearance problem—he only arguably holds the future of the Clinton administration in the palm of his hand—he would at the very least sever his ties and not receive any remuneration from his law firm," Lewis says.

Warren does acknowledge that the firm is still looking into some of the issues surrounding Starr's appointment.

But he says that firm leader met on Aug. 8, and voiced their strong support for Starr's taking on the Whitewater case and his remaining an active partner.

"Kirkland & Ellis certainly wants Ken to remain as active as possible in representing clients," says Warren. "The only question is the time constraints imposed by his new job."

Ironically Starr's decision to keep working at Kirkland & Ellis leaves him vulnerable to criticism similar to that leveled against Fiske.

Last month, conservative activist Floyd Brown and 10 Republican Congress members wrote letters to D.C. Circuit Judge David Sentelle, who heads the three-judge panel that appointed Starr, urging that Fiske not be given the post.

Among other issues, the lawmakers complained that Fiske could not be impartial because his firm represented the international Paper Co., which sold land to the Whitewater development.

Starr's own impartiality has already been questioned in light of his strong Republican background—and his earlier comments that President Bill Clinton should not be able to claim presidential immunity in the sexual-harassment suit brought against the president by Paula Corbin Jones, a former Arkansas state employee.

Starr, a former solicitor general and D.C. Circuit judge, joined Kirkland & Ellis in February 1993. He has litigated on behalf of General Motors, financier Victor Posner, and Anglo Irish Beef Processors International.

Kirland & Ellis longtime clients include General Motors' Abbott Laboratories, the largest producer of baby formula in the United States; the Hughes Aircraft Co.; and the JMB Realty Corp.

None of the critics know of any actual conflicts involving current Kirkland & Ellis clients and the Whitewater probe. They say that since disclosure of clients is not required, however, it's impossible at this point to know what potential conflicts lurk.

Specific conflicts aside, critics contend that Starr's firm or its clients could receive special treatment from the government because of their association with the man running such a politically sensitive and potentially explosive probe.

"Who's to say Starr's name won't be invoked by some junior partner," asks Lewis of the Center for Public Integrity. "No one [in the government] wants to tick off Starr and his firm."

Adds Pamela Gilbert, director of Congress Watch, a non-profit founded by consumer crusader Ralph Nader: "Independent counsel should not be drawing a salary nor should they work at their firm. . . . There should be, at minimum, a temporary severing of ties."

SPECIAL STATUS

Starr is required to fill out a standard financial disclosure statement, says Gary Davis, general counsel at the Office of Government Ethics. But Davis is unsure if Starr's clients will be listed on the form.

If Starr's clients are listed, their names won't become public until he files the form, which he doesn't have to do until May 1995.

Under the independent-counsel law, Starr is not a full-time government employee, so the usual ethical and disclosure requirements for government workers don't all apply. (Such requirements did apply to Fiske, since he was appointed under regulatory authority during a period in which the independent-counsel law had lapsed).

It's that part-time status that allows Starr to remain at his firm. Warren, the Kirkland & Ellis D.C. partner helping Starr, says that the firm "informally consulted with a few [former independent counsel] to be sure of our own ground on this."

Former Independent Counsel Lawrence Walsh, who investigated the Iran-Contra matter, says that he supports Starr's arrangement.

Although Walsh, now of counsel at Oklahoma City's Crowe & Dunlevy, put aside his private practice while independent counsel, he says that the job "contemplates part-time work," by providing per-diem compensation.

"The concept of an independent counsel is a person who is a practicing lawyer who is asked to take on a case for the government," says Walsh, noting that some of his senior staffers, including Dan Webb, a partner at Chicago's Winston & Strawn, worked part time.

The notion of allowing independent counsel to keep their outside work is in part meant to entice the best lawyers to take the job, says Katy Harriger, associate professor of politics at Wake Forest University and author of Independent Justice, a study of the history and legal underpinnings of independent counsel.

On the other hand, potential conflicts loom, and an independent counsel's outside work could take time away from the investigation, thus costing taxpayers more money than necessary, Harriger offers.

"It's always been sort of an unresolved issue," says Harriger, who notes that one former independent counsel, Alexia Morrison, provoked controversy with her outside work.

Lewis and some other activists are also troubled that Starr's law firm, Kirkland & Ellis, does not have to disclose publicly its clientele. It is unclear whether Starr will have to disclose his own client list.

Starr would not comment for this article, and Warren declines to discuss Starr's or the firm's clientele.

Morrison, a partner in D.C.'s Swidler & Berlin, was appointed independent counsel in 1986 to investigate charges that Theodore Olson, when he was assistant attorney general for the Justice Department's Office of Legal Counsel, lied to Congress.

During her investigation, Morrison also represented Carl "Spitz" Channell, a fundraiser for the Nicaraguan Contras who at the time was being probed by Walsh and who eventually pleaded guilty to criminal tax charges.

Despite an outcry from Congress, the Justice Department, and other D.C. lawyers, Morrison remained in her post and kept her client. She did not return calls last week.

That wasn't the first time an independent counsel's private practice caused the counsel some problems.

Morrison had taken over the job as independent counsel from James McKay, who was forced to remove himself because of a conflict. McKay, then a partner at D.C.'s Covington & Burling and now senior counsel, stepped down because one of his partners, Charles Ruff, had done work for the House Judiciary Committee conducting the investigation that prompted the inquiry on Olson.

Harriger notes that independent counsel are checked for conflicts by the secretive three-judge panel that selects them. But after that, the counsel must be trusted to recuse themselves if any conflicts arise.

"If the judges do their job, they can uncover most of the conflicts," says Harriger. "Most of the [independent counsel] did continue to do some work for their firms. I also think they made a conscious effort to remove themselves from any conflicts of interest."

Starr, through a spokesman, declines to say anything about his disclosures to the three-judge panel. The head of the panel, Sentelle, was out of town and did not return phone calls.

It is precisely the lack of public discussion of Starr's law practice that most disturbs his critics.

Says Ellen Miller, director of the Center for Responsive Politics: "I think there could be some serious problems here. The bottom line is that the public is in the dark about this."

Meanwhile, Rep. John Bryant (D-Texas), who heads the House Judiciary subcommittee with jurisdiction over the independent-counsel law, got in his own jab at Starr.

Bryant on Friday introduced a bill requiring the three-judge panel to appoint independent counsel "without any real or apparent personal, financial, or political conflict of interest."

ONE LANDMINE'S LEGACY

Mr. LEAHY. Mr. President, I have spoken about the problem of landmines many times. There are 100 million unexploded landmines in over 60 countries. Each month these weapons, which are often no larger than a can of shoe polish, kill or maim another 1,200 people. In some countries as many as a quarter to a third of the casualties are children, who lose their legs, their arms, parts of their face, or their eyesight. And they are the lucky ones, who are not killed outright, or who do not die from loss of blood.

Landmines do not distinguish between civilians and combatants. They will blow the legs off whoever steps on them, and usually it is a civilian. But we should not forget that thousands and thousands of American soldiers have also been killed and maimed by landmines. At least 7,300 American troops were killed by mines and booby traps in Vietnam, and many thousands more were injured.

One of those injured was Lt. Robert "Mike" Ransom, Jr., of Bronxville, NY, whose family spent their summers in Dorset, VT and whose mother now lives in Williston, VT. On April 22, 1968, Robert was injured by shrapnel from an exploding landmine. He described the accident this way:

* * * one of my men jumped right into a mine. Both his feet were blown off, both legs were torn to shreds; his entire groin area was completely blown away. It was the most horrible sight I've ever seen. Fortunately, he never knew what hit him. I tried to revive him but it was hopeless.

Robert Ransom died a few weeks later. We remember him today as one of the tens of thousands of brave Americans who gave their lives in that tragic war. His mother, Louise Ransom, has spent the last 2½ decades fighting to improve the lives of Vietnam veterans. I have been proud to work with her and her late husband—two of Vermont's most respected citizens.

Mr. President, this is the legacy of landmines. As we try today to stop the carnage landmines cause day after day, we remember Robert Ransom.

IS CONGRESS IRRESPONSIBLE? YOU BE THE JUDGE OF THAT

Mr. HELMS. Mr. President, the incredibly enormous Federal debt is like the weather—everybody talks about the weather but nobody does anything about it. Many Senators talk a good game when they are back home about bringing Federal deficits and the Federal debt under control, but look how so many of them vote on bloated spending bills that roll through the Senate.

As of Wednesday, August 17, at the close of business, the Federal debt stood—down to the penny—at exactly $4,668,682,813,919.54. This debt, do not forget, was run up by the Congress of the United States. The Founding Fathers decreed that the big-spending bureaucrats in the executive branch of the U.S. Government should never be able to spend a dime unless and until it had been authorized and appropriated by the U.S. Congress. The U.S. Constitution is quite specific about that, as every school boy is supposed to know.

And do not be misled by declarations by politicians that the Federal debt was run up by some previous President or another, depending on party affiliation. Sometimes they falsely claim that Ronald Reagan ran it up; sometimes they play hit-and-run with George Bush. These buck-passing declarations are false because the Congress of the United States is the culprit. The Senate and the House of Representatives are the big-spenders.

Most people cannot conceive of a billion of anything, let alone a trillion. It may provide a bit of perspective to bear in mind that a billion seconds ago, Mr. President, the Cuban missile crisis was in progress. A billion minutes ago, the crucifixion of Jesus Christ had occurred not long before.

That sort of puts it in perspective, does it not, that Congress has run up a Federal debt totaling 4,668 of those billions—of dollars. In other words, the Federal debt, as I said earlier, stands today at 4 trillion, 668 billion, 682 million, 813 thousand, 919 dollars and 54 cents.

CRIME

Mr. DOLE. Mr. President, during the past 2 days, the distinguished chairman of the Judiciary Committee, Senator BIDEN, has made a number of regrettable comments on this floor that have mischaracterized not only my views, but the views of other Republican Senators. I would like to take a few moments now to set the record straight.

On Tuesday, and again yesterday, Senator BIDEN claimed that the crime bill incorporates the Megan Kanka Law, named after the 7-year-old girl who was raped and strangled to death near her home in Hamilton Township, NJ. The Megan Kanka Law would require State law enforcement agencies to notify the public when a violent sexual predator is living in their neighborhoods. Contrary to Senator BIDEN's assertions, this public-notification provision, modeled after a successful Washington State law, was stripped out of the conference report. It is not part of the crime bill, as Senator BIDEN claims.

The distinguished Senator from Delaware suggested that Senators HATCH, THURMOND, and SIMPSON supported the crime bill's retroactive repeal of mandatory minimum sentences for convicted drug dealers. They did not, and they do not now.

This misguided proposal could result in the early release of 10,000 Federal prisoners, a get-out-of-jail-free card brought to you by the U.S. Congress.

Yesterday, my good friend from Delaware cited a Bureau of Prisons study indicating that only 400 persons would be affected by the retroactive repeal of the mandatory minimums. Of course, Senator BIDEN ignores the study conducted by the Administrative Office of the U.S. Courts, which estimates that as many as 10,000 convicted drug offenders would be eligible for early release. Princeton University professor, John DiIulio, a self-described registered democrat, estimates an even higher number—16,000. And, just yesterday, the National Association of Assistant U.S. Attorneys, which represents nearly 4,000 Federal Career Prosecutors, publicly registered its own opposition to the mandatory minimum reform provision, estimating that it could result in 20,000 petitions for early release.

The distinguished Senator from Delaware suggested that Senators HATCH, THURMOND, SIMPSON, and GRASSLEY voted against truth-in-sentencing during the conference deliberations. In reality, what they voted against was a

watered-down version of a prison and truth-in-sentencing amendment offered by Senator BIDEN. What Senator BIDEN failed to mention is that he and the other Democrat conferees voted against a tougher Republican amendment that would have strengthened the truth-in-sentencing language and provided more funding for prisons.

Senator BIDEN claimed that the crime bill contains mandatory restitution for crime victims. Yes, the Conference report mandates restitution in Federal sex offense cases. Yet, the Nickles proposal mandating restitution to the victims of all violent crimes was dropped in conference. Senator BIDEN should know better.

Senator BIDEN suggested that the crime bill restores Senator SIMPSON's provision requiring swift deportation of criminal aliens. Wrong again. The crime bill does contain some enhanced penalties for criminal aliens who fail to depart, or reenter, our country. But it does not contain Senator SIMPSON's important proposals establishing judicial deportation authority, restricting the defenses to deportation for some criminal aliens, and expediting the deportation process. Nor does it contain the Alien Terrorist Removal Act, which would hasten the departure of vicious terrorists from American soil.

So, Mr. President, it is important for the American people to hear both sides of the story, particularly when one side resorts to exaggerations and factual inaccuracies. I appreciate this opportunity to set the record straight.

STATEMENT ON THE NOMINATION OF HAROLD J. CREEL, JR., TO BE FEDERAL MARITIME COMMISSIONER

Mr. HOLLINGS. Mr. President, I am pleased that the Senate has approved Harold J. Creel to be a Member of the Federal Maritime Commission [FMC]. I have known Hal for nearly 5 years, and I assure my colleagues that he will bring significant experience and enthusiasm to this important position.

Hal has an impressive background. The FMC will be gaining the services of an individual with exceptional understanding of this nation's maritime industry. Hal, a South Carolina native, is currently serving as senior counsel to the Merchant Marine Subcommittee of the Senate Committee on Commerce, Science, and Transportation. Prior to his service on the committee, he served for 6 years as attorney/adviser for the National Oceanic and Atmospheric Administration [NOAA] of the Department of Commerce, 1983–89. From 1982 to 1983, Hal was an associate attorney with Courtenay, Forstall, Grace, and Hebert in New Orleans.

Mr. Creel received a bachelor's degree in political science from Wofford College in Spartanburg, SC, in 1979 and a law degree from the University of South Carolina Law School, (J.D. 1982).

I believe that the President has made a very wise choice in nominating Hal Creel for this position. Hal is capable, intelligent, easy to work with, and a person of integrity. He knows the Hill, maritime issues, and the regulatory process well. Hal has rendered invaluable service to me and the Commerce Committee, and I know he will do the same for the FMC. He is well-qualified and well-suited for his new position and he will do an outstanding job.

The FMC's gain is our loss. However, I take comfort in the fact that I, and the rest of my colleagues, will continue our relationship with Hal, although in a different capacity.

I thank my colleagues for their support for Hal Creel's nomination.

CONCLUSION OF MORNING BUSINESS

The PRESIDENT pro tempore. There being no further morning business, morning business is closed.

HEALTH SECURITY ACT

The PRESIDENT pro tempore. The Senator from Alaska will be recognized following the reading of the bill, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 2351) to achieve universal health coverage, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Mitchell amendment No. 2560, in the nature of a substitute.

Daschle amendment No. 2564 (to amendment No. 2560), to improve the access of individuals in rural areas to quality health care.

The PRESIDENT pro tempore. The pending business is S. 2351. The pending question is on amendment No. 2564, which amendment is open to amendment in the second degree. Of course, the underlying bill is open to amendment in two degrees.

The Senator from Alaska is recognized.

Mr. STEVENS. Mr. President, is there a time agreement on this amendment?

The PRESIDENT pro tempore. There is not.

Mr. STEVENS. Thank you.

Mr. President, I have taken some time to review the Mitchell proposal for health care reform, and have concluded that it comes up short when weighed against the need of my Alaska constituents.

Alaskans tell me to take care of the people who have fallen through the cracks, and for the rest, to find ways to hold down price increases for them.

I do not, however, want to speak about only what I am opposed to. I intend to discuss what I am in favor of in terms of health care reform, also.

Significant progress could be made on health care with reform measures on which most of us already agree. We actually agree more than we disagree. Many of us want to act now on the best proposals to cover the uninsured. Funding for those proposals, I believe, is the major problem.

Bills have been introduced which promise expanded benefits and greater Federal taxpayer support. But there is no way I feel those promises can become a reality without destroying the taxpayers who support the system now.

One of my greatest concerns is for the small business community. In our State, small business is the major part of our economy. I think that is true throughout our Nation. Small businesses are really where the jobs are. In 1990, there were 12,843 businesses in Alaska. 12,433 of those were small businesses; 88 percent of those small businesses in Alaska had fewer than 20 employees.

I believe it is unfair to expect these small business men and women who are struggling to survive now to bear the increased taxes and costs of this bill. There are few opportunities for today's young Alaskans to carve out a homestead from the wilderness. There are fewer and fewer areas of employment in our declining economy which those young Alaskans can hope to enter.

In our State, the average age is 28.9, Mr. President. If these young people stay in our State, they take marginal and seasonal jobs and cannot pay ever-increasing taxes to support expanded benefits for the population as a whole and for those who are unemployed.

Alaska is a primarily resource-driven State. This administration's policies, unfortunately, primarily in the Interior Department and the Forest Service, have limited our State's responses to unemployment for our own citizens. In most areas, Alaska will have great difficulty in maintaining current services, such as schools, child protection, and environmental protection, as our resource income declines. We continue to see fishing, timber, tourism, and oil as the backbone of our economy—some mining—but there are consistent, difficult problems in covering those employed in those areas with health insurance.

I have talked to a great number of individuals, Alaskans and non-Alaskans, about the problems, and I find most people want for themselves and their employees the best of what our health system can bring now. They want to take care of themselves and their families, obviously.

So that Alaskans and all Americans can achieve that goal, I believe that any health care bill we pass must include the elements that we have already agreed to, basically: Every American should be able to obtain health insurance even if he or she has a preexisting medical condition. If a person changes jobs, that person should be able to transfer his or her medical

insurance with them to the next job and should not lose insurance if they do not get a job immediately. Illness or loss of a job should not be a reason for canceling insurance. Every American should be able to choose his or her doctor or hospital, to the greatest extent possible. People, even in remote villages of my State, like Holikachuk or Shishmaref, should have access to both a doctor and a hospital, even if there are no doctors or hospitals in those villages.

Mr. President, I will show to the Senate now an overlay of my State on the Nation. It shows the locations of the villages and highways in Alaska. You will note that the highways are predominantly in the south central area and connect to Canada. There are no highways or roads anywhere in the rest of the State that connect the villages. As I have mentioned, in the villages out on the west coast, residents can only commute by air into the medical centers of our State. I am concerned that the Mitchell bill does not adequately address the needs of Alaskans—the small business men and women and their employees. These include Natives and rural residents. They have to fly hundreds and even thousands of miles across that enormous State of ours to get the medical attention.

Mr. President, my colleagues have heard me speak in the past about how Alaska is unique, and I think it is, and that different solutions are necessary for our problems, and that our problems probably are not shared anywhere else in the United States. I tried to discuss this with Mrs. Clinton when she came to visit the Republicans on the issue of health care, and I indicated to her that if her bill would address health care access in Alaska, real health care access, I would support her bill. Her answer made it clear to me that she did not understand what I meant. I am sorry that is the case. But she responded to me that to deal with our transportation problems in Alaska—as I say, they are critical to real health care access in my State—we should raise the premiums.

Alaska, unlike many other rural areas in the country, is a high-cost area. This is largely because of transportation, as I earlier mentioned, to these very remote areas in our State. We must transport every commodity by air to these rural areas. Even bricks and mortar and hay for horses are transported to those areas by air. And they are transported to the remote sites for the construction of housing units for the Native people in those areas. It is all done by air. We must use aircraft to deliver the bulk U.S. mail, mail that is trucked to the communities of even the rural States in the south 48.

To serve our Indian Aleut and Eskimo villages, we must import doctors and nurses from residential centers like Anchorage and Fairbanks, again by air. And they must take all of their equipment and their belongings with them. And when their temporary duties are over, we transport them back, because they are unable to have the facilities in each of these villages to deal with the people who live there and, of course, they must go back to their families who are either in the medical centers of Alaska, or somewhere on the west coast.

We have no medical or dental schools in Alaska. We do not have academic health centers, and we have difficulty in attracting and retaining specialists. For that reason, Alaska cannot support health care reform approaches which prevent the training of additional specialists in areas that we need very critically—trauma surgeons, for instance, or specialists who will work with developmental disabilities. We are especially interested in expansion of training opportunities for nurse practitioners and physician assistants. We need them very much in our rural communities. Their importance to rural health care has been proven over and over again.

Labor and supply costs are high in our State. It is not surprising that we are unable to attract providers of any kind to stay in these communities of 50 to 100, or even 500, particularly, if those communities do not have housing, running water, flush toilets, and the normal amenities of life in America.

Hard as it may be to believe, more than 200 of our rural communities lack water and sewer facilities—adequate ones, that is.

We have now developed an approach that generally works for Alaska and which the General Accounting Office, in 1993, acclaimed as "a creative approach for Alaska." The distinguished occupant of the chair has helped me frame that approach over the years, and I am proud of it. It is the Community Health Aide Program. We call that the CHAP Program. CHAP employs residents of Native villages. Some of them may have only a seventh- or eighth-grade education.

After a few weeks of training, the community health aides serve, in most instances, as the sole medical provider in their community, and those funds available to them are provided through the subcommittee that the distinguished occupant of the chair has chaired in the past and still chairs and the Appropriations Committee which he chairs.

These community health aides, through the Indian Health Service, are provided a detailed manual. They are given a telephone connection to nurses or nurse practitioners or doctors or physician assistants who are in the nearest hub, the nearest center, and that is good if the weather does not knock the power out, that gives them both the telephone access and ability to operate their clinics.

They cope with all the tragedy that these rural communities experience—injuries and death due to alcohol abuse, chronic diseases such as tuberculosis and diabetes; high rates of lung and cervical cancer; self-inflicted ailments due to tobacco, or misuse of alcohol or inhalants; and drownings and hyperthermia and fetal alcohol syndrome and disease. Burns are a constant problem because many of these communities do not have adequate fire protection. A community health aide in one of those villages deals with that full spectrum of the health care delivery.

While the Mitchell bill includes many of the same rural provisions which the Dole bill has, it does not include those provisions that are critical to Alaska.

Those seek to address the critical issue of transportation—and real access to health care—in a place such as our State.

Many primarily rural States will have the problem that they are low-cost States and expansion of new or even existing technology will be limited by this bill. That is also a serious problem for Alaska, even though we are a high-cost State. Many areas of Alaska are now just getting basic technology. Some have just gotten access to an x-ray machine. Some of our health facilities are housed in old tuberculosis sanitariums built in the fifties.

The Mitchell bill, I feel, will stop the progress of medical technology in my State and force us into yesterday's medicine. It is unlikely that any rural village will ever see a CAT scan machine or MRI machine, equipment we take for granted now in urban areas like Washington, DC, or even Anchorage, AK. I question under the Mitchell bill whether Alaska will ever receive the technology it will need and I believe those rural citizens deserve.

I recall many years ago when the senior Senator from Massachusetts asked us to consider legislation on the subject of CAT scanners. My concern then was whether Alaska would get a CAT scan, or if they would be rationed on the basis of population. That was the suggestion early in that debate.

When I survived a plane crash in 1978, it was a CAT scan that told physicians then that I did not need brain surgery, an operation I surely would have had if the CAT scan had been rationed by population.

We cannot have technology rationed on the basis of population. Rationing of care continues to be my recurrent nightmare after my own experience. Our population between 570,000 and 580,000 approaches one individual per square mile. Our land area is 586,412 square miles, 365 million acres. I show

that to the Senate, that vast area, how it spreads from coast to coast and from north to south as far as the 48 States' circumference is concerned.

The implication of this legislation before us is that resources would be distributed on a population basis. We must examine how we approach the distribution of resources that provide medical technology and innovation, and that is particularly true in the area of telemedicine. We must examine how we treat States and communities with academic health centers and those who have none and ask, for those who have none how we can get the technology to them. The wrong approach to health care reform will be the difference between access to new standard therapy and diagnostic procedures and the lack of access for rural and less populated areas for a long time to come.

I ask the Senate if we really have a commitment to medical research and infrastructure development in this bill. The Indian Health Service proposals in the Mitchell bill I believe are not what the Indian community had hoped for. They are not what was recommended by the Committee on Indian Affairs.

My concern with the initial proposals concerning the Indian programs offered by the administration was that those programs could not be supported by the resources that have been available in the past under the Interior appropriations bill. In particular, I was advised that the Federal Indian Health Insurance Fund to which third party insurance dollars and appropriated funds would be contributed was not adequate to implement the policies we want to provide for Native Americans, but that still remains in the majority leader's bill.

It is my belief that we cannot raise expectations beyond what we can afford to fulfill, and all too often those expectations are raised in rural, less populated areas and left unfunded because Federal health dollars flow disproportionately to the heavily populated areas.

I believe we must keep in place the system which works and which has been a safety net for American Indians and Alaska Natives on reservations and in villages in my State and keep it in place until we have a proven new system that also works.

I have compassion for the Indians in urban areas. In the past, they have not received medical resources because of our historic distribution system based upon reservations. But we cannot expand our resources into new missions and new places if we cannot keep the commitments we have already made. We have already promised to provide basic medical service, including the construction and renovation of critical medical facilities in North American Indian communities, and in Native American communities.

Alaskans have consistently supported two areas of what we call supplemental benefits which we have been unable to provide as quickly as we would like. One of those areas is patient travel, which I mentioned before. The other is sanitation.

In Alaska, travel to a medical facility may cost more than the care that one goes to the medical facility to get. For many Alaska communities, the Indian Health Service in Alaska used to pay emergency travel expenses to a health facility, often to an Indian Health Service facility. But the IHS only provides one-way fares. If a village wanted to see its family member come back to the community after discharge from the hospital, residents had to raise funds to return the patient home. We still have that problem. It is made more acute when there is an emergency transfer of a patient from the village to the hub community where a regional hospital exists. Doctors in that hospital decide whether a more sophisticated medical approach is needed. Travel then becomes necessary from that regional hospital to the flagship of the Indian Health Service in Anchorage, the Alaska Native Medical Center.

Patient travel expenses come from contract care funds in the Indian Health Service. Using those funds for travel takes money away from patient care, and that is not an answer to access. Diminishing the amount of patient care funds in order to provide patient access is not an answer for health care in rural Alaska.

Alaska's problem with sanitation is an issue that a number of my colleagues here in the Senate are aware of and have worked on with me through work on the appropriations subcommittees or the full committee or through service on the Indian Affairs Committee or the relevant authorizing committees in dealing with sanitation problems.

The Indian Health Service has told us that providing clean water and sanitation facilities is the most significant and necessary public health expenditure in Alaska. Health care access requires a health clinic have clean water and sanitation facilities. To expect those clinics to function without these basics makes health care reform meaningless in rural Alaskan communities.

So I ask the Senate to refuse to eliminate the Federal systems which are the safety net in my State until we know whether these reform proposals for health care work.

Throughout this debate on health care, we have heard a lot of laudatory comments about the Federal Employees Health Benefits Program and deservedly so. I think I have served on the committee having jurisdiction over the Federal Employees Health Benefits Program longer than any other Member of the Senate. The FEHB Program is part of an American health care system that works. It provides affordable quality health care to over 9 million Federal employees, retirees, and their dependents.

The FEHB Program, this Federal employee program for health care, is the largest medical plan in the United States.

It is not perfect. OPM works continually with carriers and participants to improve this system and the benefits offered through its customer satisfaction service, annual call letters, and its oversight. But the program has had more than its share of successes and deserves to be recognized as a basic success in health care insurance.

The FEHB Program has been successful in holding down costs—over the last 12 years, the program's average premium cost per person rose approximately 3.5 percent less than private sector premiums for large businesses. The system holds down growth in costs by forcing insurers to compete for customers by providing the best service at the lowest premiums.

The program provides flexibility through its annual open season, which allows individuals and families to change their policy to adjust to changing circumstances. And, the FEHB Program gives its participants the ability to choose the health care plan which is offered that is best for them.

Every enrollee has a choice among many health plans with varying levels of benefits and premiums. It has benefits that I believe we all would agree should be included in health care reform.

For example, FEHB includes the ability with copayment or deductibles, to choose one's own physician; it basically insures everyone, regardless of preexisting condition; and there is no cancellation of FEHB insurance for catastrophic illness.

Rural areas, particularly like Alaska, need the flexibility of health plans which provide options to meet individual and family needs.

Unfortunately, instead of serving as a model for reform, the FEHB plan would be drastically changed by the Mitchell plan.

The Mitchell bill essentially attempts to turn the program into an almost monolithic single-payer plan, to the detriment of Federal employees, retirees, and dependents.

Ultimately, it challenges the very viability of the plan itself. Rather than treating the plan, as I believe it should be, as a large employer plan, and preserving it as a model to judge the effectiveness of new plans for employees, retirees, and dependents, the debate has now turned to how to open up FEHB. I do believe that people throughout the United States have told us they want a medical reform bill that gives every American a right to get a plan as good as FEHB. But I do not think I have

heard from anyone that we ought to destroy FEHB in order to try to accomplish that.

Instead of a straightforward repeal of the program, as was proposed in President Clinton's health care reform bill, the Mitchell bill would repeal the FEHB Program by overwhelming it.

The Mitchell bill would open up the FEHB Program to welfare recipients, employers with fewer than 500 employees, the self-employed, and the unemployed. To maintain contact with those people, Mr. President, who are not Federal employees, throughout this country would require a bureaucracy almost as large as the Federal Government itself.

The reason that the Federal Employees Health Benefits Program works is the Federal Government is a very large employer. The Mitchell bill will not treat the Federal Government as a large employer anymore. It seeks to treat the Federal Employees Health Benefits Program as a series of very small employers throughout the United States.

Initially under the Mitchell plan, Federal employees and non-Federal participants would be in separate risk pools, which is intended, apparently, to protect Federal employees from sharp increases in premiums. But the pools will soon be merged, creating a massive new system.

I want to read what the Mitchell bill specifically states so there is no disagreement about it. The Mitchell bill would eliminate this model plan in 10 years. It says specifically:

> The Office of Personnel Management shall implement rules to blend after January 1, 2005, the premiums for FEHB plans offered through purchasing cooperatives to Federal employees and community-rated individuals in each community-rated area.

What that means is, after 2005, the FEHB plan that is offered through these purchasing cooperatives and the FEHB plan offered by the Federal Government as employer will merge.

The Mitchell bill eliminates the model FEHB plan in 10 years.

The merging of the risk pools will expose Federal employees to sharp increases in premiums. This problem is made even more difficult by the fact that there is no estimate of the number, age, or medical condition of people who may opt to join the plan. That, of course, will depend in large part on the premiums for the non-Federal entrants, which will not be set until January 1997, although they are free to enter the pools immediately.

However, we can make some estimates of the number of entrants by using Medicaid figures.

The Medicaid population alone this year is approximately 34.6 million people. But not all Medicaid recipients would turn to the FEHB Program. Four million Medicaid recipients who are over the age of 65 also participate in Medicare and use Medicaid only as a supplement.

Another 5.5 million Medicaid recipients are blind or disabled, 3.7 million of them receive SSI benefits and would be excluded from the FEHB Program by the Mitchell bill. That is probably because the risk that would be added to the pool by that high-cost group would dramatically drive up health care costs and premiums for both the employee and the employer.

Let me explain that that is a vital concern to us also, because when you look at the children with fetal alcohol syndrome in the villages, we are talking about some of the people who would be excluded from the benefits of this plan. That leaves almost 27 million people who could potentially join the FEHB Program from Medicaid alone. And that number does not include individuals who are uninsured, self-employed, or whose employers choose to participate in this system.

The potential for increase in the number of people in the FEHB Program is four to five times the size of FEHB now and, as I said, that is the largest system in the United States today.

In addition to the problems of the sheer size of the system the Mitchell plan would create, the plan has the potential to wreak havoc with the premiums of Federal employees.

As I said, the FEHB Program is currently experience-rated, with premium rates based on the entire group. It is not a community-rated system.

Under the Mitchell plan, the move to community rating will have a devastating impact on Federal employees in high cost areas, such as Alaska. And it will have an increasingly devastating impact on the Federal taxpayer who pays 72 percent of the cost of that plan.

The premiums of most FEHB fee-for-service plans, such as the Blue Cross & Blue Shield plan, which covers 40 percent of all FEHB participants, are not currently affected by local costs.

But beginning in 2005, Federal employees and retirees will pay the same community-rated premiums as non-Federal employees.

That means that Federal employees working in Alaska will pay higher premiums than Federal employees with the exact same health care plan living in low-cost areas in the south 48. The costs to the taxpayers, as their employer, will similarly go up. As I said, 72 percent of those increased costs will be paid by the taxpayers.

Look at the average cost of the various health care services around the country. They demonstrate the impact that community rating will have on the Federal employees health benefits system, particularly the employees.

According to the Health Insurance Association of America Source Book on Insurance Data, the average cost of a semiprivate hospital room in the country costs $297 in 1990, with cost varying from $215 in South Carolina to $407 in Alaska and $456 in Connecticut. Now that is 1990.

In 1990, the average cost for an inpatient surgical procedure was $980, but it rose as high as $1,348 in Alaska and $1,400 in Maryland.

Under the Mitchell plan, the disparity among Federal employees' premiums increase when risk is added to the pool through the inclusion of millions of potentially high cost, non-Federal participants and the costs to the taxpayers for the FEHB plan will similarly go up dramatically.

I do not know why we cannot recognize that the Federal Government is a major employer and, as such, the taxpayers who support that system should have the advantages that any other major employer should have.

At the same time, premium costs will vary substantially from State to State and the pool then becomes subject to community rating.

Now, another problem in the Mitchell bill arises from the use of the phantom or "Big Six" formula. And I think this is one of the most difficult things for some people to really dig into.

By law, OPM must now use a formula based on what is known as the Big Six plans' premiums to set the Government's contribution—the taxpayer's contribution—for employee health insurance.

The Government contribution to each enrollee's premium is an amount equal to 60 percent of the average of the high option premiums for the Big Six Plans.

The Big Six average is currently calculated using the premiums for the six plans.

The first five plans of the Big Six in FEHB are: the Blue Cross/Blue Shield high option, two employee organization plans—Government Employees Health Association [GEHA] and mail handlers—and two HMO's with the highest number of enrollees—the Kaiser Health Plan of Northern California and the Kaiser Health Plan of Southern California.

The sixth part of the Big Six formula is a fictitious premium based on Aetna's 1989 premium updated by the annual change in the premiums of the five remaining Big Six plans.

Aetna withdrew from FEHB as an underwriter in 1989. Since Aetna's withdrawal, this mathematical formula replaced Aetna in the 1990 through 1998 calculations.

The Big Six formula was recently reauthorized through 1998, primarily to get the plans through health care reform with the assumption that this would be reevaluated.

But the Big Six formula would continue to be used to set premiums for Federal enrollees under the Mitchell bill.

It would continue the Big Six fictitious formula to establish the hypothetical premiums which are used to

calculate the Federal Government's employer contribution to FEHB plans.

I am told there is real concern among the carriers that the Big Six formula may not be workable under the Mitchell plan, particularly with a standardized benefit plan.

Remember, there are a series of options now under FEHB; there is no standardized plan. And the merging of risk pools—there are a series of pools to be created by the Mitchell bill, some of them Federal employees, some of those who enter by being employees who select the plan, some unemployed, and others who can come into this FEHB Program now. And the blending of those premiums will take place in 2005.

At that time there is no escaping the conclusion the cost to the taxpayers will go up, the cost to the Federal employees will go up, and there will be no real benefit to the others in the process. They belong primarily in the pools of their own communities. They would benefit more in the long run by being in those communities.

The FEHB Program in this bill will be unworkable, as with many other provisions in the Mitchell bill, the provisions mandate change now, but will determine the details later.

As the saying goes: "The devil is in the details." These are issues that cannot wait.

We ought to know the details now. We ought to know how our premiums are going to be figured for the FEHB entrants who come in from the public at large into this large pool who are not employees of the Federal taxpayer.

The Mitchell bill will place more and more individuals in the FEHB plans.

My major concern is that carriers will drop out of the old FEHB plan, rather than be forced to accept potentially high-cost, community rated applicants in the new Mitchell pools.

Mr. KENNEDY. Will the Senator yield for a question?

Mr. STEVENS. I will yield when I finish my statement.

FEHB under the Mitchell bill, will be an uncertain program which will be destabilized when the separate pools are merged in 2005. Carriers will have no incentive to participate in an uncertain plan which has no future. At most, FEHB has a maximum 10-year shelf life under the Mitchell bill.

I understand that some concern has been expressed in the past that the modest and incremental expansion of the FEHB Program to employees of certain small businesses included in the Dole bill might destabilize the FEHB plan premiums.

Think of that, the Dole bill, which has a modest access to the FEHB plan for the employees of some small businesses, has been criticized already. The enormous, enormous expansion in the Mitchell bill has really not been examined at all.

The Dole FEHB Program provisions, to me, are far preferable to the sweeping and dramatic changes in the Mitchell plan, which I believe would ultimately lead to the collapse of the FEHB Program. It certainly leads to the demise of it and a future for FEHB that is uncertain when these pools are merged in 1995.

Another issue that concerns me deeply is whether cost containment and managed care will ever be viable in our State of Alaska because of Alaska's geographic uniqueness.

In addition to the access and cost containment problems I have mentioned, I want to discuss some of the other concerns that I have with the Mitchell bill.

Specifically, the Government would set price controls which will unfairly burden Alaskans. Under the plan, health insurance premiums growing faster than the reference premium would be taxed at 25 percent.

The Congressional Budget Office has stated that "few, if any, areas would meet that test more than the first year or two, because the reference premiums would be constrained to grow far more slowly than the expected growth of health insurance premiums." This is from page 12 of the CBO's preliminary analysis of Senator MITCHELL's health proposal.

This means that some Alaskans and other Americans will be taxed at 25 percent on some portion of their health care package, because their premiums will exceed the premium that the Mitchell bill determines is reasonable for the country as a whole.

Senator MITCHELL's health plan also includes an employer mandate that will drive jobs out of Alaska and other States that fall below 95 percent coverage. This is on page 14 of the CBO report. Employers would be required to pick up half the cost of employee health insurance plans. These are the small employers.

The Congressional Budget Office reported that the cost of this mandate would drive businesses out of States which have the mandate into States that do not have the mandate.

The mandate is triggered by the failure to achieve 95 percent coverage and by definition we will never exceed 95 percent because of the geographic area that we have to cover in the State.

Alaska, with approximately 13,000 businesses, many low-income families, and high uninsured rates, is one of the States which will likely fall below the 95-percent coverage target. Alaska businesses will emigrate to States without the mandate.

With unemployment rates higher than 20 percent in some remote villages, Alaska cannot afford to lose any small businesses and the jobs they provide.

Although estimates are not yet available for the Mitchell bill, the National Federation for Independent Business estimates that 6,532 jobs would be lost in Alaska in the Clinton health plan were adopted. Another 38,297 workers would have reduced wages and/or benefits.

Under the Dole plan individuals would not lose their jobs, income, or benefits, because the Dole plan does not impose a mandate on businesses or individuals.

The Mitchell plan also discriminates against self-employed individuals by allowing only a 50-percent deduction for health insurance premiums. In 1992, there were approximately 27,000 self-employed workers in Alaska.

The fishing industry, our largest employer, includes thousands of self-employed fishermen who would lose out under the Mitchell bill.

Alaskans and all Americans will be hit hard by the 17 new taxes or tax increases included in the Mitchell plan.

Every middle-income family will have to pay $500 in new taxes. Based on three taxes alone: the 1.75 percent tax on all health insurance premiums; the 25 percent excise tax on excess premiums; and the State 1 percent tax on premiums to cover State administrative costs.

This does not even include the other tax increases such as tobacco, hollow point bullets, and Medicare that are included in the bill. In contrast, the Dole bill includes no new taxes or tax increases.

Over the past few days and weeks the Senate has spent a great deal of time discussing the merits and shortcomings of both the Mitchell and Dole plans.

I have made a careful analysis of the provisions contained in both bills and based on the health care needs of Alaskans, I have concluded that the Dole plan goes further in meeting those needs in Alaska than does the Mitchell bill.

Let me, in closing, comment specifically on the pending health care amendments. I am disappointed that the Members from the other side of the aisle, members of the Senate Rural Health Caucus, did not work with those of us on this side of the aisle in the caucus on a bipartisan package for these amendments. We have had a rural health care caucus on a bipartisan basis. I appreciate the fact that the Democratic group saw fit to adopt a provision from the Dole plan that they added to their package. The States of Alaska, Montana, and Wyoming I think ought to be described as frontier rather than rural; although rural can be in any area in the country and our needs sometimes coincide with the Midwest and rural States. But sometimes they are vastly different.

We have not yet suggested convening a frontier caucus. I do not know whether there is a phone booth big enough for us. But I suggest the Western States group in which both parties are

represented and the health care caucus in which both parties are represented could have done a better job to present a bipartisan approach to rural health care amendments.

In particular, Alaska's issues differ from those of nearly every other rural State because of the high-cost environment. The rural caucus is dealing with a low-cost environment. We in Alaska are dealing with problems and costs associated with geography and the related transportation issues.

As I said before, we are a young population. The average age is 28.9. The typical rural health economy that exists relies heavily on Medicare. As a result, those of us from Alaska have supported Medicare provisions for rural areas which did not as directly benefit our State of Alaska because we recognized there is diversity in the rural areas and we look to this core group of the Senate Rural Health Caucus to support Alaska when it has specific provisions when they are probably not relevant to other rural States.

As I say, many of these provisions in this package—and I generally tend to support the package—we recognize they are needed for the States that are represented by the Senators who have presented these provisions.

Let me point out that the Dole bill recognized that Medicaid provisions for Alaska were 25 percent higher. The Dole bill had specific provisions allowing Alaskans to require insurers marketing in Alaska to include emergency and nonemergency, medically necessary transportation to health care and needed diagnostic procedures in any policy marketed in the State. That would be up to the State if it wished to do so.

We also included in the Dole bill rural infrastructure and development formulas which recognize Alaska's higher costs and extreme distribution problems and that the land base is a factor because of transportation.

I do hope, as we review this rural health care package, that there will be consideration given, as the final bills are put together, to the unique needs of our State. Our people have unique needs that need to be met, and I hope to see they are met.

If the Senator from Massachusetts has a question for me, I will be pleased to respond.

Mr. KENNEDY. Mr. President, I thank the Senator from Alaska. As I was listening to the Senator from Alaska, I gather then since we, as Members of Congress, have the Federal employees health insurance program, that under the Senator's position you are not prepared to include the American people in the same kind of program that we have and, as the majority leader has suggested, will be effectively open immediately to all Americans, and then with the blending of the programs, all Americans will have the same plan available to them as we have. Am I right?

I have difficulty understanding why. If we do nothing at all, we are still going to have ours as Members of Congress and the Senate. There has not been a Member of this body who has been willing to give up all of their Federal employee health benefits. That is the fact of it.

I am just wondering why the Senator from Alaska is reluctant to include all Americans into the same kind of plan, to have what we have.

Mr. STEVENS. Mr. President, if the Senator will allow me to answer, apparently the Senator from Massachusetts did not hear me.

Mr. KENNEDY. I heard you.

Mr. STEVENS. I said I have no problem at all creating a plan similar to FEHB for all Americans. You are saying "the same kind of plan." The trouble with the Mitchell bill is it puts them in the same plan.

Mr. KENNEDY. That is exactly——

Mr. STEVENS. I still have the floor, and I will answer the Senator. The difference is that the model, which is a good model and which could be used for a plan for all Americans, is to be blended in with a plan that is uncertain, that has no possibility of any kind of rating, and which is going to impose risk; that we feel the carriers will leave the old plan, the FEHB plan because of the uncertainty of all of these new entrants into it.

I encourage the Senator to look at the FEHB plan as a model—and I urged that. As a matter of fact, the Heritage Foundation, to its great credit, first proposed to create a plan for all America based upon FEHBP. That system is a viable system. It is possible. But we have ratings, we have experience in the FEHB plan. We ought to use it as a yardstick to measure any plan.

Incidentally, the Congress does not have a separate plan. I keep hearing that all over. The Federal employees have a plan, and we opted to become part of it. No Member is forced to join it. It is all voluntary. And some of us do obtain our insurance through one of the health plans. I use the Treasury one. I do not know what anyone else uses, but I chose to use the Treasury one.

There are a series of options, as the Senator from Massachusetts knows, and those options are unique. Under the Mitchell proposal, there will be one option. There will be the basic plan for the United States and the FEHB Program. That is no way to compare—and we do not want to transition the FEHB plan, which has a series of options, into a single monolithic, single-payer plan. That is where we go in 2005. That is what the instructions say. Blend them all in 2005.

Mr. KENNEDY. Give exactly to the American people what we have.

Mr. STEVENS. No, no, it will not.

Mr. KENNEDY. That is what that says.

Mr. STEVENS. It is exactly what the Mitchell plan will give the American people. There is a difference.

Mr. KENNEDY. That is exactly what it said, Senator. You said it very eloquently, did you not——

The PRESIDENT pro tempore. The Senator from Alaska has the floor.

Mr. STEVENS. I will be glad to yield for a question.

The PRESIDENT pro tempore. The Senators will address other Senators in the third person, not in the second person.

Mr. KENNEDY. Did you not say after the transition period, in 7 years, that effectively the Members of the U.S. Congress and Senate, who are members of the Federal employees plan which include 10 million of our fellow citizens, that they would be effectively in the same plan that would be offered under the Mitchell plan?

Mr. STEVENS. Mr. President, I say again, at 2005, there will be one single, monolithic plan under the FEHB label. It will not be the FEHB plan. It will be a community-rated system, not an experience-rated system. It will be a plan with one basic medical plan and penalties if you do not take that plan, as compared to our plan now which has a series of options offered by a series of carriers, many of whom I think will leave us as soon as they discover that in 2005 the Mitchell bill will merge everyone who is not under a large employer plan into the single, monolithic plan under FEHB.

There will be community ratings, there will be different premiums, there will be different premiums for an employee that works for the Forest Service in Alaska as compared to one in South Carolina. There will even be a different payment for employees of our offices, some who work here in Washington and some who work in Alaska. There will be a different payment for the Federal Government in Fairbanks as compared to Anchorage as compared to Washington.

The impact of the Mitchell changes on the FEHB plan will be to create a single, monolithic, single-payer plan using a single benefit package, a national standard benefit package which we do not want.

We want the options under the Federal Employees Health Benefits Program. I would like to see the Nation have a chance to have options under a plan similar to the one we have. That will take some doing. It will take some time to do that. It will take some infrastructure to support bringing all the small businesses in.

Can OPM, with its current employees, support a plan that would cover, instead of 9 to 10 million, 50 to 60 million people, people who have no employment connection with the U.S. Government? They are not employees,

they are not all going to the office everyday, they are not people who have an administrative contact.

We will have to have an enormous cost to support that program. It is wrong to do that. It is better to have the people who do not have insurance be able to get insurance as people do under the major plans, who work for major employers out there in the areas in which they work, instead of having us change our experienced national system into a community-rated system where every Federal employee must take the plan that exists in his or her community and the Federal employees will pay into that plan and the employer, the Federal Government, the taxpayers will support different premium costs all over the country. This is wrong.

I do not know when the leaders are going to wake up. As I said, to me this means the Federal Employee Health Benefits Program has a 10-year shelf life. That is, in 10 years, the plan, as we know it, will go. It will no longer be experience rated. It will no longer have a series of options. It will no longer have an employee option to go in and out of plans without impunity, just entirely voluntary. You can come and go.

Under this system, when you come into it, you will take the national benefit plan, the one that is outlined in the Mitchell bill, by 2005. Federal employees will have that. It is not that the American public will have what we have now, we will have what they have then, if it works, and God hope it works. We know this one works.

I do not want to forecast the demise of FEHB now. I do not want to forecast the demise of the Indian Health Service now. I think the Federal systems that are working should be preserved until this experiment is proven. This is an experiment. This is an experiment with one-seventh of the economy of the United States. And it is wrong for us to tell the American people, as so many people have, "We're going to give you what we have." Wrong. We are going to change what we have in the hopes that they might have something better than what they have.

I say they will have a better system if we use the FEHB as a model, if we create a system under the Mitchell bill that will create a plan like the FEHB and try to offer some options.

But the bill itself does not do that, I say to the Senator from Massachusetts. The bill does not do that. It does not envision that those people who come into the FEHB pools will have available a series of options similar to what we have under FEHB. They will have the standard benefit option, and if they do not have that, they are going to be taxed more. If they have more, they will be taxed more—by definition, they cannot get less.

But that means our Federal employees, when they go into that, will have to pay more to get what they have today. Today, we have the best plan in the country, if not the world. I think it should be a model for America. We have offered time and time again, and the Heritage Foundation did, in fact, set forth a plan of transition to just that, without increased taxes, without mandates. It can be done. It was contained in Senator NICKLES' bill, which I cosponsored.

Mr. President, I have talked a long time. I will be glad to answer any questions if the Senator has any. And I do not want to walk away without answering questions.

Mr. KENNEDY. I would like to, if I could. I know my colleagues are here and want to talk about it.

Then, I am correct that the Senator's position is that he wants to maintain the Federal employees program, of which he is a member, of which I am a member, all 100 Members of the Senate, and the House and 10 million Americans, he wants to maintain that as a separate program?

The effect of the Mitchell bill will be that in 10 years every Member of the Congress, every Member of the Senate as well as individuals across this country, if they so choose, would also be able to participate in the same program.

Now, as I understand it, the Senator's position is that he wants to maintain what we have, and he finds that the idea of having the Federal employees program, which has been expanded, supported by the chairman of the committee, Senator GLENN, in the Senate, the chairman of the committee in the House of Representatives, Mr. CLAY, and has even been accepted by Senator ROTH in a more limited way, who talked about that for several years, he wants to make sure that our program, the Federal employees program, will be maintained as a separate program and is not willing to put us in the same pool as the rest of Americans.

Mr. STEVENS addressed the Chair.

Mr. KENNEDY. Is that not the effect of the Senator's position?

Mr. STEVENS. If I still have the floor—I think I do still have the floor.

The PRESIDENT pro tempore. The Senator from Alaska has the floor.

Mr. STEVENS. I say to my friend—and he is my great friend, and I have great admiration for what he is trying to do—I just wish he would listen again. Let me find the section that deals with this.

Let me tell the Senate and the Senator from Massachusetts, Mr. President, that he still does not hear me. I know what we have, and I think it is a good plan and I hope we can create another plan that will give every American access to the same kind of plan. The Mitchell bill does not present the same options for Americans that we have under FEHB. It says the "standard benefit plan." Beyond that, let me tell you, it also says—and it is what has moved my friends who are the leaders of the Federal employees. I am reading from section 1342.

> The Office of Personnel Management shall develop FEHBP supplemental health benefit plans. The Office of Personnel Management shall meet and confer with representatives of Federal employees and annuitants regarding the supplemental services plans and the cost-sharing plans to be offered—including premium contributions, if any, to be made by the Federal Government with respect to such plans for Federal employees and annuitants—through a process to be established by the National Partnership Council.
>
> The Federal Government shall offer FEHBP supplemental health benefit plans developed in accordance with subsection (a) and cost-sharing plans as provided in section 1141 to Federal employees, annuitants, and any other community-rated individual.

What is that saying, Mr. President? It says after 2005, you merge everybody into these plans. You tell the public that they have the same plan as everybody else, but you negotiate with the leaders of the employees and you give them supplemental benefits that are not under this bill to be made available to the public. The most duplicitous section is right there, section 1342. It says, contrary to what the Senator from Massachusetts says, the public will not be getting what the Federal employees will get.

The Federal employees, after they are downgraded by the Mitchell plan, will then be given supplemental benefits. You talk to the labor leaders. They will tell you it is the supplemental benefits section that tells them, "Don't worry, boys; we are going to see to it that your employees still get what they have got now"—supplemental benefits above what the average American has under the health benefit plan paid for by small employers.

I say we could use the FEHB plan as a model. Heritage showed us the direction in how that could be done. I have some slight disagreement with some of the suggestions they made, but they made basically a good suggestion. Take FEHBP as a model, keep it intact, make sure you make it work and compare it to these other plans as they develop. Do they offer the public the same kind of options, the same freedom that Federal employees have, including Members of Congress?

And the cost to the taxpayer the Senator from Massachusetts forgets entirely. As the cost to the employees goes up, the cost to the taxpayer maintaining the existing coverage for medical insurance for employees will likewise go up. The Federal Government pays 72 percent of those costs. So by definition, when they go to community-rated policies under carriers in these communities all over the country, there will be a difference between what we now get with the bid system.

Under the "big six" formula, whoever comes into the plan gets reimbursed,

based upon the formula of what the big six provided to Federal employees. They take 60 percent of those premiums, and that is the average that no carrier under the FEHB program will exceed.

There is nothing like that in the Mitchell bill for the public. The public is not told that. They have said, "Look, we will bring the public into these separate pools and then in 2005 we are going to merge them."

"Oh, but don't worry, employees, because when we do merge them, section 1342 has special rules for FEHBP supplemental plans. We are going to devise a supplemental plan for all Federal employees."

Now, I ask you, Mr. President, is that not misleading the American people? All I am asking is that we maintain the FEHB Program, make it viable, maintain it—it is the lowest possible cost to the taxpayers, who are really our employers—and extend that concept out to the public, as suggested by Heritage, as suggested by Mitchell, in effect, but Mitchell does not do it that way. It leads to the demise of FEHB in 10 years. The model will be gone. Oh, but the model will then be supplemented under plans to be negotiated to keep the support of the labor leaders as far as this bill is concerned.

I think it is wrong, Mr. President.

I have taken a lot of time of the Senate.

I yield the floor, Mr. President.

The PRESIDENT pro tempore. The Senator from New Jersey.

RETURN OF LISA AND SAMI ABEQUA

Mr. LAUTENBERG. Mr. President, I regret that I am the one who is interrupting this debate because I think there is still a lot of ground to cover, and I hope that at a later moment perhaps we can determine what the facts are and get on with the discussion that has been taking place here.

Mr. President, for the last several days, the Senate has been absorbed in a painstaking debate over health care reform. But while we do that, we dare not forget our other duties to the American people, to our constituents. I wish to discuss one of those duties now, a special need to help a constituent requiring a solution to an overwhelming problem.

As my colleagues may recall, some weeks ago, a Jordanian man named Mohammad Abequa strangled his estranged wife at her home in New Jersey. And after murdering their mother, he abducted their two children, Lisa, a girl 6 years of age, and Sami, a boy 3 years old, and took them to his sister's home in Jordan.

Now, he was charged with murder by an American court, and the Jordanian authorities in a cooperative effort located him, charged him with murder and with kidnapping and arrested him.

He has confessed to the crimes and is now in jail in Jordan, but his arrest left the children, Lisa and Sami, in legal limbo because the murderer's family seized custody of the American-born children.

Last month, during consideration of the foreign operations bill, the Senate supported an amendment that I offered calling for the children's safe return to the United States. Since then, along with other members of the New Jersey delegation, I have worked through the State Department and the Jordanian Government, including King Hussein, to accomplish a very simple goal, and that is the release of Lisa and Sami and their return to the legal custody of their maternal aunt in Paterson, NJ. She was awarded guardianship by a State court in New Jersey.

Today, Mr. President, I am delighted to announce that Lisa and Sami Abequa are on their way back home.

In an earlier era, the children's saga could have turned into an international bureaucratic nightmare. It might have taken months or even years before the children were able to return to America. But thanks to an unprecedented international effort, Lisa and Sami are coming home today. They are in the air right now on their way from Frankfurt, Germany, accompanied by their tenacious aunt, courageous aunt, Nesime Dokur of Paterson, NJ, who traveled to Jordan on August 1 and stayed there until yesterday to take custody of her niece and nephew.

Our negotiations for the release of Lisa and Sami are symbolic of the new spirit of warmth and cooperation that now characterizes our relationship with King Hussein and the Jordanian Government. Lisa and Sami's homecoming would not have been possible without the support and intervention of President Clinton who took the time, despite a pressing agenda of getting a Washington declaration signed, the agenda with health care, and crime legislation, to effect the release of these two children.

It would not have been possible without the personal involvement and the commitment of King Hussein, who met with us more than once last month when he was in the United States to hear our concerns about the welfare of these two children. He worked with us to expedite the process of bringing the children home.

In addition to President Clinton and King Hussein, I must thank Secretary of State Warren Christopher and our Ambassador Wesley Egan in Amman for their tireless efforts to facilitate our negotiations with the Jordanian Government.

I want to say a special thanks for the work of a member of my staff, Sharon Waxman, whom I sent over there to accompany Ms. Dokur and to give her advice and counsel, and to be in touch with our office. She went for what she thought was a 4-day stay. She was there 17 days. She helped work through the legal and diplomatic issues involved, and I am grateful to her.

I also must say how grateful I am to the occupant of the chair, the President pro tempore of the Senate, Senator BYRD, because he helped make that trip possible, thereby helping to expedite today's homecoming.

Finally, I want to thank other members of the New Jersey delegation who worked with me to make sure that these children would be brought home to the family and the country they know and they love.

My colleague, Senator BRADLEY, with whom I work on so many issues, was with me when we met King Hussein and offered our cooperation with him if he, in turn, could assure us that he would lend the power of his office to the release of those children; Congressman KLEIN, and Congressman TORRICELLI, and all contributed to this process.

Mr. President, Lisa and Sami's return to America will be at best bittersweet. These two young children, just 3 and 6 years of age, will never again see their mother. They do not know at this point that their mother was murdered, that they will not see a father with whom there was a very troubled relationship. Nevertheless, children's affinity for a parent, sometimes even if they are harmed by a parent, is something that they regard as a precious legacy. These children will never see the loving mother or the father that they knew. They do not know that. They are in a state of some confusion. They have been taken away from their homes. They have been away for a month in a country where the language is strange, and the family was estranged. They never saw these relatives before they were spirited away in the dark of night by their criminal father.

So this return we hope will be the beginning of a period of love and affection, repair and consolation for these children. They are going to have to make enormous adjustments to the traumatic change in their lives.

We are going to help them in whatever way we can. Thanks to our cooperative efforts, all of us, Mr. President, Lisa and Sami will have a chance to rebuild their lives at home in New Jersey under the custody of their loving and dedicated aunt and their maternal grandmother.

Mr. President, this effort to bring these children home I think reminds all of us about what it is that we are here for in Washington, about the human element that sometimes gets lost in the maze of legislative language and debates. It reminds us that our job is to listen to the American people, to hear their problems, and hear them when they cry out for help, and to try to help them. The rewards for each one

of us—and there is not anyone here who has been in the U.S. Senate or the Government for any length of time who has not taken great satisfaction out of seeing the result of some special effort that you supply.

So, when we focus on one individual plight or intervene to help one family as we did here, we can feel just a mite better about the job that we have.

Sometimes we do it by learning from a single tragedy, like the recent murder, also in New Jersey, of a 7-year-old named Megan Kanka, who was first sexually attacked by a frequent sexual pervert, and then he killed her. We have to try to in some way make that young life, 7 years of age, a lasting memorial to what happens when you do not pay attention to signs that you see, or have laws that can protect children, as we know exist in the crime bill that is under contemplation.

Sometimes we do our job by listening more to the general concerns of the American people and passing comprehensive legislation like health care reform to improve conditions for all Americans now and in the future.

Mr. President, some days, as the occupant of the chair knows perhaps better than most, many days are very discouraging, hard work, little progress to show. But every now and then, whether it is the prospect of a health care bill, or a crime bill, or helping Lisa and Sami to come home, or create a law in the honor and the memory of Megan Kanka, that says we have to press forward, that is our mission. And we all occasionally, Mr. President, have to take the pledge that we will continue on to try to serve our people.

I thank you. I yield the floor.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Mr. President, I ask unanimous consent that following the completion of Senator BRADLEY'S remarks—which he has just stated will be no longer than 15 minutes and probably a little shorter, the Senate vote on the pending Daschle amendment.

The PRESIDING OFFICER (Mr. MATHEWS). Is there objection?

Without objection, it is so ordered.

Mr. MITCHELL. I ask unanimous consent that it now be in order to request the yeas and nays on that vote.

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

Mr. MITCHELL. Mr. President, I ask for the yeas and nays on the vote.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Mr. President, I ask unanimous consent that following Senator BRADLEY'S remarks, Senator HUTCHISON be recognized for 5 minutes, and following Senator HUTCHISON'S remarks, Senator DASCHLE be recognized 5 minutes, and then the Senate vote on the amendment.

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

Mr. MITCHELL. Mr. President, Senators should be aware that a vote will occur in approximately 20 to 25 minutes on the pending amendment. I thank my colleagues and I thank the Senator from New Jersey.

Mr. BRADLEY addressed the Chair.

The PRESIDENT pro tempore. The Senator from New Jersey [Mr. BRADLEY] is recognized.

Mr. BRADLEY. Mr. President, let me say first of all that I would like to salute my colleague, Senator LAUTENBERG for his efforts in the Abequa case. I was pleased and proud to join him in the efforts. But he made the difference, and I think his conduct is in the best tradition of public service, helping another human being in the time of stress. I think FRANK LAUTENBERG has had many fine moments in the U.S. Senate. But today when he—and hopefully I will be joining him—meets these children coming off of the plane in Newark, NJ, from Jordan, this will be one of his finest moments. I think he deserves the gratitude not only of the families, but the salutations and praise of his colleagues. I am giving that to him today.

I hope, also, that if the crime bill is reopened, Megan's law will be tightened. Now the bill has a Megan's law in it, but if it is reopened, I hope that it will be tightened. Again, that will be because both he and I have talked to the President and urged that it happen if the bill is reopened.

Mr. President, last spring I gave a speech on violence in which I called for a national rebellion against violence with a goal to reduce violent crime by 75 percent in 10 years. I tried to point out that the blaze of violence is fed by many fires, and I tried to point out seven truths about violence in America.

Truth 1: There is no miracle cure, and the answer lies closer to home than to Washington, DC.

Truth 2: Violence will not be stopped by soft words. Every person who uses violence must pay the price in lost freedom, and doing time, especially for the young, must be a memory that one does not ever want to repeat.

Truth 3: We will never counter violence unless we restrict handguns used in 80 percent of America's gun murders. What is common sense to people in virtually every other country of the world becomes a constitutional crisis for us.

Truth 4: There is no substitute for a job. If we can move those on the bottom of the economic ladder up just a few rungs, our efforts against violence will have acquired a powerful ally.

Truth 5: Violence is a phenomenon caused by twisted values and a loss of self-esteem and self control. The formation of values and self-discipline begins in childhood, and teaching them is the job of parents. Unless we instill them in all our children, we will have only ourselves to blame.

Truth 6: We need to make it as unfashionable to sell violence in America as it is to smoke cigarettes. We do not need censorship; we need enhanced citizenship, particularly in the boardrooms.

Truth 7: Drugs and violence go together like gunpowder and a match. To ignore an addiction as a national problem is to sentence more Americans to death.

Mr. President, like so many other issues of public life and in the debate about violence, people do not listen to each other. They are frozen in a dichotomy between conservative or liberal, Republican or Democrat, tough or coddling. Those who believe the answer is gun control do not listen to those who want the death penalty. Those who believe severe punishment is the answer cannot see the necessity of limiting guns. Often, neither gun control advocates nor tough sentencers see the connection between societal violence and poverty, family disintegration and exploitive media violence. Instead of confronting reality, more and more people look for magic bullets to stop violence in its tracks.

Mr. President, the truth is much harder. The crime bill, under the leadership of Senator JOE BIDEN, tried to face the truth and to deal with the reality. With only 13 percent of the crime-fighting resources available to the Federal Government, the answer to violence is truly closer to home than it is to Washington, DC. But a sound Federal effort can make a difference.

The crime bill is such an effort. It combines punishment—100,000 more police on the streets, the police corps, three strikes and you are out, boot camps and more prisons, tougher death penalty—with preventive measures, including everything from an assault weapons ban to community schools.

The House of Representatives voted down the rule last week. I hope the House will vote again and reverse its decision. Mr. President, there were two groups, roughly, opposed to this crime bill. Members of the Black Caucus and Republicans from New Jersey and other northeastern States should have known better, because they know the situation in America's cities. Many of the others who voted the bill down represent small towns far from high-crime areas, towns where kids walk to school, join debate clubs, sing in the high school glee club, play in the band, compete in sports such as football and basketball. And it is these Congressmen I would like to address my remarks today to.

Some say these Congressmen voted "no" because of pressure from the NRA. I would like to think that was not so. I would like to think they voted "no" because they just do not know. Maybe they really do not know what

people of good will are up against in America's cities. Maybe if they did know, they would change their vote.

So, Mr. President, today I would like to share a letter that I received just a short time ago from Patricia Roberts, describing a visit that she made with a Catholic nun, Sister Piper. The letter says:

DEAR SENATOR BRADLEY: Every so often I accompany Sister Piper, a part-time prison chaplain, to an evening meeting with young inmates at the Bordentown Juvenile Medium Security Facility. Recently, we took your speech on violence, reviewed its highlights, and asked the young people what they thought of it and what suggestions they might have. None of our group of three young people knew what a Senator was, and when we told them that it was someone in Washington, DC, might have their interests at heart, they were amazed. We told them we would send their ideas on to you, Senator Bradley, and you might respond to them.

They agreed that violence destroys trust and love, as you said in your speech, and all three spoke about how being in prison killed their self-respect. Each spoke about his mother and how sorry they were for her sorrow at their deeds. The only reference to a father was from one young man who said he learned bad things from his father who was in jail.

One young man said that he was not brought up to land in jail but, "The streets took control of me * * * I was upset and pushed to the limit."

Another suggested that if someone had said to him, "Do you really want to do this," if he had a guardian angel or two or three, someone he could trust, it might make a difference."

All of the young men spoke about school. One said, "Einstein and Benjamin Franklin mean nothing to me." They asked for more practical studies—how to cope in the world, on the streets, skills so they could get a job. Jobs that pay money are crucial to them.

One, a 19-year-old father of seven, said his kids come before money. He also literally did not know that it is customary to have one person as the mother of all your children. Sister Piper, by no means a conservative, believes we need to teach basic moral procedures that most of us take for granted.

In an earlier meeting, one young man said he wished there were more parks in cities where there would be someone to talk to. He told us his father beat him from as early on as he could remember and he took to the streets to escape.

Most of the young men seem very bright—not educated but certainly not stupid. All acknowledged that going back to where they came from—Camden, Newark, Jersey City—is going to be hard if they want to go straight. They acknowledged that they need help, someone to talk to and learn from. Sister Piper tells them that unless they try hard to change she is likely to see their names on the obituary pages.

One fellow believes that 9 out of 10 of his problems started in school because what he was learning had no relevance and said: "We want to learn about other good people in good communities and how good communities get along. Maybe we could study communities in Colorado or Montana." It was as though he, from Camden, could not imagine a "good community existing" in New Jersey.

There you have it, Mr. President: A father who beats his son; sons who do not know that it is customary to have one person as the mother of all their children; kids who want someone to trust, someone who would have said "no" to them, someone to talk to in a park, some idea of how good people in good communities get along.

Mr. President, if crime is to be controlled, not only must criminals be arrested, prosecuted, jailed and disarmed, but civil society must be armed to protect itself. This is a matter not only of putting more police on the streets, but also of giving the institutions of civil society the resources they need to prevent crime, by confronting a criminal counterculture in which violent crime is believed to be the only effective means to wealth, status, and self-respect. It is self-defeating to lock up one criminal in prison while allowing two more to grow to maturity on the streets.

In those neighborhoods in which the fabric of civil society is most unraveled, research has found that the most effective organizations holding the fort against the culture of the streets are neighborhood-based youth organizations. These organizations are diverse in character—theater groups, tumbling teams, basketball teams, boys and girls clubs, churches that open their basements—but they all share some common characteristics. They are multipurpose organizations.

They are aggressive in seeking out kids to work with. They do not just wait for them to come to the door. They act as shields against the streets. They are decidedly local in their orientation and leadership. They view kids not as problems but as resources to be developed. Kids are not treated as if something is wrong with them but as if something is right with them that needs to be exposed and encouraged. They provide stable and consistent relationships with adults. They develop flexible programs that often fly in the face of bureaucratic conventions, making use of nontraditional settings, nontraditional hours and nontraditional personnel.

Finally, Mr. President, they require deeply committed local leaders who have themselves been through the trials that confront the children that they work with.

Mr. President, in this crime bill one thing we tried to do in the preventive section was strengthen the institutions of civil society. We tried to develop community schools, schools that are open to the neighborhood, to allow kids to come in after school, to be mentored, to provide stimulative educational experiences for these kids, and maybe some chance to interact with an adult over a longer period of time.

Mr. President, midnight basketball has also taken a hit here in the course of the last few days. On one level midnight basketball is important because the people who are playing the game in the gym are not on the street. But it is not just about basketball. A friend of mine, a former pro, a Celtic named Jo Jo White, runs a program in Rochester, NY, and the points in his program are scored not only how many balls go in the basket but on what a student's grades are and what community projects he has been involved with.

Finally, basketball itself, I would have to say, is not without inherent merit in terms of promoting unselfishness, discipline, teamwork, and goal setting.

In closing, Mr. President, I say to those who voted "no" in the House on the crime bill, think of your community without the Little League or the Boy Scouts or the high school football team. Think of your high school without the glee club or the band or the debate team. Think of your parks filled with danger and drugs. Think of your children going to school through a war zone where violence takes another life every day. Ask yourself what you would do if you could not afford to move. Ask how understandable it would be to you to have the crime bill voted down.

What we tried to do in the crime bill was give communities some more resources to fight against the counter culture of violence. What we tried to do is give those three kids in the Bordentown Juvenile Center some hope when they return to Camden or Newark or Jersey City, or countless other cities, that there will be someone to talk to, someone to say, "Do you really want to do that?"—someone to trust, someone maybe in the clergy, maybe a community leader, maybe a politician and, maybe a basketball coach, who will turn one life in the right direction.

Mr. President, that is what we tried to do in the crime bill. I think we succeeded much more than anyone has focused on, and I hope that those Congressmen from the small towns who voted "no" might understand what is at stake and this time vote "yes."

I yield the floor.

HEALTH SECURITY ACT

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BURNS. Mr. President, I want to rise today to thank the Senator.

The PRESIDING OFFICER. The Chair needs to relate to the Senator from Montana that under the previous order the Senator from Texas was to be recognized for up to 5 minutes and then the Senator from South Dakota and then open debate.

Mr. BURNS. I ask unanimous consent that I might be allowed 5 minutes to make my statement.

Mr. BAUCUS. Mr. President, reserving the right to object.

The PRESIDING OFFICER. Is there objection.

Mr. BAUCUS. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The Senator objects.

Mr. BAUCUS. Mr. President, I understand that my colleague, the Senator from Montana, would like to speak on this amendment. I, too, would like to speak on this amendment. I think it is a very important amendment. I understand there is a vote scheduled fairly soon.

I am wondering if we could ask for an additional 10 minutes before the vote occurs so that my colleague and I can address this amendment.

Mr. MOYNIHAN. I am sorry. I did not know anything about this.

The PRESIDING OFFICER. The Senator from Montana asks for an additional 10 minutes.

Is there objection?

Without objection, it is so ordered.

Mr. BURNS. Mr. President, I thank my colleague from Montana. As we move into this area, I just want to state, with these provisions in rural health, and, of course, our State of Montana which is entirely rural—in fact, it is considered one of the frontier States. We are not using wagons in the historical sense, but when it comes to delivering health care services, we might as well be.

I displayed these maps the other night on the floor, but they are certainly worth showing again. Montana has nine counties with no physicians at all. These two counties down in the southeast, Carter and Powder River Counties, are as big as Massachusetts. Sure, they only have 3,600 people who live there, but they have to go a long way for their basic health care. In fact, if you consider the 39 counties in Montana without ob/gyn services—and this will give you an idea what that looks like—I would say I would have to worry about women's health care issues in the middle of Garfield County, which is over here. This red, by the way, in the central part of the State represents an area about the size of Indiana. So we have an access problem. It is not because of high-cost health care, Mr. President. It is because providers are not there. It would not matter how cheap health care was, these folks still would not have access.

And we have to remember when we start talking about the Canadian system or the American system, the two differences are that in Canada you have universal coverage but you do not have universal access, and in this country we have universal access but we do not have universal coverage. It is just the other way around.

Basically, we have a mix of the two in the State of Montana. So they have to travel many, many miles just for their basic health care needs.

Have no doubt, I am all for some of these provisions that expand health care to rural areas. My colleagues here in the Senate, and the folks at home, know well the work I have done to promote telemedicine in the State of Montana. And I appreciate Mr. HARKIN's hard work in this area. He knows the challenges of getting health care delivered to rural areas. And as encouraging as grant money for these projects may be, what is really needed is for the Government to get out of the way, let the private sector move forward, and eliminate the barriers that now exist. Namely, Medicare reimbursement. Telemedicine is ready to explode all across the country. The No. 1 barrier holding it back is not money—though that always helps—it is not doctor resistance, it is not lack of technology, it is the lack of reimbursement by HCFA that is slowing down progress.

But, Mr. President, these amendments expanding access to rural areas would not benefit these underserved areas one bit if the rest of the Clinton-Mitchell bill is left intact. Let me explain.

In rural areas there is a predominance of small businesses and self-employed individuals. Montana is an agricultural State. The eastern part of my State is nearly all agriculture—farming, ranching, and the support that goes along with it. These folks will be so burdened by other provisions, that health care will be the least of their problems.

The mandate, though not triggered for a few years, will no doubt have a profound effect on rural America, and most of Montana. Even if the business was exempt, having fewer than 25 employees, the mandate would fall on the employees. Requiring employees then to pay 100 percent is a hardship. This is an individual mandate on folks whose income doesn't have a lot of wiggle room.

On top of that, the self-employed are not allowed to deduct 100 percent of their health insurance costs. Big business can. We do not have a whole lot of big business in Montana. In fact, of 22,223 businesses in Montana, 21,752 of those are considered small business—that is 98 percent, Mr. President.

The provision we struck last night would have had such an impact on those businesses who already provide comprehensive health care to their employees, I am not sure these small businesses could have survived. And I think that is just one justification for going through this bill with a fine tooth comb—although painstakingly slow, it is necessary, because Americans want to know. As my colleague from Oklahoma, Senator NICKLES, reported last night, this provision would easily have turned for-profit companies into not-for-profit companies.

The taxes on health plans, again, would cut into the operating expenses of small business. Adding a 1.75 percent tax on all health insurance premiums, most of which goes to fund Academic Health Centers—which we don't even have in Montana—simply adds to the cost of health care. This does nothing to make insurance more affordable. If anyone is under the impression that the Clinton-Mitchell plan would not grow Government, why do we need all these new taxes? History clearly shows more taxes grows Government.

Here you are, encouraging and mandating—some now, some later—employers to provide health care insurance. And then you tax them for doing so. I'm not saying the hardships will be felt only in rural areas. They will be felt all across the board. But in rural areas, there is not much room to maneuver. The options are limited. And if we tack on burden after burden, pretty soon, our ability to provide food and fiber for Americans is seriously impeded.

And if we cut Medicare and Medicaid by hundreds of billions, funding that makes up the majority of the payments received by rural hospitals, those facilities will close. We have already experienced hospitals closing and whittling down services in Montana. The Medicare payments don't cover costs as it is. Cut those more and we'll have nowhere to deliver the services. Telemedicine won't even be an issue if there is no facility on the rural end.

Mr. President, my point is this. We can do all sorts of things to expand access to these rural areas—and I think we should—but if we fail to keep these same areas in mind when crafting the rest of the package, then these provisions are useless. Rural America is already on the edge, let's not push them over.

I look forward to working with both sides of the aisle on making sure health care is affordable and accessible in every sector of our fine country. And I am going to fight to make sure that this operation does not include a massive rural-ectomy.

Mr. President, I yield to my colleague from Montana to make a statement on this issue, because I do not think there are two people in this body that better understand the challenge that rural health faces in order to serve the people of the State of Montana.

I appreciate his work in this area. And I yield the floor.

The PRESIDING OFFICER. Under the earlier previous order, the Senator from Texas has reserved 5 minutes.

The Senator is recognized.

Mrs. HUTCHISON. Mr. President, I will be happy to yield to the other Senator from Montana to continue this process, and then take up after he has finished.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BAUCUS. I thank the Senator from Texas.

It is fine with me if the Senator from Texas wishes to proceed.

Mrs. HUTCHISON. I just felt that, since Senator BURNS had started talking about Montana, that you would like to continue talking about the unique problems there, and then I will talk about the unique problems in Texas.

Mr. BAUCUS. I thank the Senator.

Mr. President, I rise in very strong support of the amendment offered by the Senator from South Dakota [Mr. DASCHLE], because it will improve the quality of health care in rural areas and give rural communities more access to the health care system.

One in four Americans today lives in a rural area. Rural areas are going through a health care crisis in many ways even worse than the crisis everyone else faces. Rural areas suffer high rates of uninsurance and underinsurance. Rural counties have chronic and severe shortages of doctors, pharmacists, nurses, and other health professionals.

Rural Americans get very little preventive care. And rural hospitals are closing. One in 10 shut down in the last decade.

In Montana, the statistics are truly alarming. Over 20 percent of Montanans have no health insurance. That is one in every five. Three quarters of our State is a health professional shortage area. Almost half of our 56 counties have no doctor who can deliver a baby. And eight Montana counties have no doctor at all.

As we consider national health reform, rural counties must get the help they need to provide high-quality health care to their people.

The Mitchell bill already contains strong rural health provisions. This amendment has several rural health provisions which will strengthen the bill even further. I intend to speak this morning on just three.

NATIONAL HEALTH SERVICE CORPS

First, this amendment provides more money to the National Health Service Corps. Under this program, physicians and other health professionals agree to work in underserved areas in return for a scholarship or loan repayment.

This program is the only way to get access to hundreds of rural counties. Most young doctors leave medical school hundreds of thousands of dollars in debt. Since salaries in rural areas are so much lower than in urban areas, they simply cannot afford to practice in rural counties.

The National Health Service Corps now provides Montana with nine physicians and four physician assistants. Several Montana communities would have no primary care at all if not for this program.

Take the example of our hospital in Culbertson. Culbertson is a little town, population 796, about 25 miles west of the North Dakota border. Thanks to the loan repayment program, Culbertson has a physician and a physician assistant. Without them, the hospital would close. That would make it impossible for all of Roosevelt County to get emergency room services and basic primary care.

The National Health Service Corps is already making a difference in the lives of thousands of Montanans. With Senator DASCHLE's amendment, the corps can recruit about 40 more doctors to Montana counties that now have shortages. This means the men, women, and children in these counties will be healthier. And because they will get preventive care, Montana will save health care dollars down the line.

TELEMEDICINE

The Daschle amendment would also help end the isolation of rural health care providers, and improve the quality of the care they provide by funding a Rural Telemedicine Grant Program.

Telemedicine allows providers to use modern communications technology to consult with highly trained specialists in distant areas. It lets doctors transfer x rays or lab slides for analysis in top-quality laboratories. And it allows communities to develop innovative health education programs.

This amendment provides for telemedicine critical for rural areas.

This amendment also makes technical changes to the medical assistance facility program, a new hospital program contained in the underlying bill.

The medical assistance facility program is a critical reform for rural areas. It allows small hospitals to operate under more flexible rules. For example, it lets nurse practitioners and physician assistants admit patients even when a doctor is not present. It also gives them higher reimbursement from Medicare.

MAF's provide more than just inpatient care. They make it easier to provide other health services which the community otherwise would never have. An MAF is a base for 1-day-a-week dental service. It offers weekly physical therapy sessions, mobile mamography units, counseling services.

At least six rural towns in the State of Montana would have no hospital services—none—if it were not for this innovative program. Jordan, Ekalaka, Circle, Terry and all the farms and ranches nearby would have no medical service were it not for this very specialized program which makes or breaks rural health care in those parts of the country.

Mr. President, for all these reasons I strongly support the amendment and urge its adoption.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mrs. HUTCHISON. Mr. President, I rise to speak for the amendment. Texas is made up of 254 counties, 196 of those counties are considered rural.

Let me tell you about the Dairy Queen test—On weekends I travel through Texas and walking in and out of coffee shops and Dairy Queens I listen to people in rural Texas. What I hear is that they do not want the bureaucrats in Washington ruining their health care. They ask me, as their Senator, to bring that message back to Washington: They know we have problems for rural health care in our system—but they are concerned about the solution being talked about here. They are concerned that the system has a cold and the solution prescribed is chemotherapy.

The problems of health care delivery in rural America are real. The underlying health care bill encompasses many of the reforms that are necessary to improve the delivery system in rural America. However, there are a number of negative impacts on rural America that are evident throughout the bill. I support and agree with the Senator from South Dakota about his desire to improve the status quo in rural America. Many rural States are heavily dependent on the Federal Government for assistance in maintaining and enhancing rural health care resources. We must continue to be helpful—but we should also be focusing on ways of providing incentives as the Dole bill does and the development of infrastructure into rural America to yield to the States the flexibility to create viable programs.

Every county in rural America is different. Just as I do not believe that the Federal Government should be dictating to every individual what benefits to buy, I do not believe that we, as legislators, have the right to dictate what every county, city, town in rural America needs, wants, and should have. I grew up in LaMarque, a town of 15,000 outside of Galveston. I know our needs are a whole lot different from the needs of Sonora clear across the State. The point is that rural health care needs differ, rural Americans face unique health care situations and we should enable rural communities and States to play a strong role in designing and implementing solutions.

I heard both of my friends from Iowa talking about amendments that can improve this bill and I would like to support their efforts to make health care more accessible to rural Americans.

What are rural Americans concerned with? Rural Americans especially are concerned about the cost of insurance and mandates on employers. They would like to see health care coverage become more affordable and accessible; 100-percent tax deductibility should be available to individuals and the self-employed. This is achieved in the Dole bill, but not in the Mitchell plan. The American Farm Bureau Federation has estimated that for a typical family of four at a 15-percent tax level—$36,900—a full tax deduction could generate over $1,200 in saving per year.

That is an incentive for people to be able to go into the health care system. The self-employed deserve the same tax incentives that large corporations have. Medical savings accounts are another tool that rural Americans could benefit greatly from. Americans, rural, or otherwise, could save money for their health care needs without being penalized by the Tax Code. That option is not allowed in the underlying Mitchell bill. I am going to cosponsor an amendment to put it there. Small businesses in rural Texas oppose mandates. Farmers, ranchers, and small businesses across this country are already burdened with federal mandates. One more mandate is just another tax. I believe we can improve the rural health care delivery system without forcing many of these farmers and ranchers to cut employment or go out of business. Employer mandates will hit rural areas hard and have a devastating impact on fragile rural economies.

TAXES

Taxes will hit rural Americans hard. The Dole proposal provides solutions to many of these concerns without imposing new taxes or mandates. It will provide incentives for primary care practitioners to go to rural areas, it will raise the tax deductibility for the self-insured, it will allow small businesses, farmers, and ranchers to pool together to buy more affordable health care coverage. These reforms are steps in the right direction.

Mr. President, I want to conclude by expressing my support for what the Senator from South Dakota has proposed but also with my concerns that this one improvement, is one small step. We must go much further to address the needs of rural America as we address health care reform.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. DASCHLE. Mr. President, under the unanimous-consent agreement, I have 5 minutes. I will yield that back to accommodate some Senators who must leave Washington.

I have a couple of unanimous-consent requests to make. First, I ask unanimous consent to make some technical changes. They have been approved by the managers.

I send the modification to the desk.

The PRESIDING OFFICER. The amendment will be so modified.

The amendment (No. 2564), as modified, is as follows:

On page 112, line 6, insert "including residents of rural areas" before the period.

On page 215, line 10, strike "(c)" and insert "(d)".

On page 215, between lines 9 and 10, insert the following new subsection:

(c) TRANSFER OF DUTIES.—Effective January 1, 1996, the functions, powers, duties, and authority that were carried out in accordance with Federal law by the Office of Rural Health Policy in the Department of Health and Human Services are transferred to the Office of the Assistant Secretary for Rural Health in the Department of Health and Human Services.

On page 612, line 24, insert before the period the following: ", at least one of whom resides in a rural area".

On page 613, line 9, insert before the period the following: ", at least one of whom resides in a rural area".

On page 647, strike lines 25 and 26, and insert the following:

"For purposes of carrying out section 3341, there are authorized to be appropriated $15,000,000 for each of the fiscal years 1997 through 2001.".

On page 644, line 10, strike "or health professional shortage areas" and insert "area, health professional shortage area, or other rural underserved area (as designated by the Governor)".

On page 651, between lines 9 and 10, add the following new paragraph:

(3) SUBPART F.—For the purpose of providing funds under subpart F, there are authorized to be appropriated $10,000,000 for each of the fiscal years 1996 through 2000.

On page 652, line 18, strike "and".

On page 652, between lines 18 and 19, insert the following new paragraph:

"(7) rural health clinics, except that for-profit rural health clinics shall only be eligible for direct loans and grants under subpart C; and".

On page 652, line 19, strike "(7)" and insert "(8)".

On page 653, after line 23, add the following new subsection:

(f) PURPOSES AND CONDITIONS.—Grants shall be made under this part for the purposes and subject to all of the conditions under which eligible entities otherwise receive funding to provide health services to medically underserved populations under the Public Health Service Act. The Secretary shall prescribe comparable purposes and conditions for eligible entities not receiving funding under the Public Health Service Act, including conditions with respect to the availability of services in the area served (as provided for in section 330(e)(3)(A) of such Act), and conformance of fee and payment schedules with prevailing rates (as provided for in section 330(e)(3)(F) of such Act). With respect to rural health clinics, such comparable purposes and conditions shall include conditions concerning sliding fee scales under section 1128B(b)(3)(D) of the Social Security Act and waivers of deductibles under section 1833(d) of such Act.

On page 672, line 1, strike the subsection heading and insert "FEDERALLY QUALIFIED HEALTH CENTERS AND RURAL HEALTH CLINICS".

On page 675, between lines 16 and 17, add the following new subpart:

Subpart F—Rural-Based Managed Care Grants

SEC. 3467. RURAL-BASED MANAGED CARE GRANTS.

(a) IN GENERAL.—The Secretary shall award grants for the development and operation of rural-based managed care networks.

(b) ELIGIBLE ENTITIES.—To be eligible to receive a grant under subsection (a), an applicant organization shall—

(1) prepare and submit to the Secretary an application, at such time, in such manner and containing such information as the Secretary may require;

(2) be based or provide services in rural or rural underserved areas; and

(3) be currently operating or in the process of establishing a provider network serving the nonmedicare population .

(c) USE OF FUNDS.—Funds provided under a grant under this section may be used—

(1) for the development and implementation of rural-based managed care networks;

(2) for data and information systems, including telecommunications;

(3) for meeting solvency requirements for a risk-bearing entity under the medicare program under title XVIII of the Social Security Act;

(4) for the recruitment of health care providers; or

(5) for enabling services, including transportation and translation.

(d) PRIORITY.—In awarding grants under subsection (a), the Secretary shall give priority to—

(1) applicants that will use amounts received under the grant to develop and operate rural-based managed care networks that would serve at least one underserved rural area; and

(2) applicants that involve local residents and providers in the planning and development of the rural-based managed care network.

(e) DEFINITIONS.—As used in this section

(1) RURAL AREA.—The term "rural area" means a rural area as described in section 1886(d)(2)(D) of the Social Security Act.

(2) UNDERSERVED RURAL AREA.—The term "underserved rural area" means a health professional shortage area under section 332 of the Public Health Service Act (42 U.S.C. 254e) or an area designated as underserved by the Governor of a State taking into account—

(A) financial and geographic access to health plans by residents of such area; and

(B) the availability, adequacy, and quality of qualified providers and health care facilities in such area.

(f) STUDY.—The Secretary shall study different risk-bearing approaches for rural managed care and payment methodologies that differ from or modify the medicare average area per capita cost payment methodology.

Beginning on page 675, strike line 24 and all that follows through line 4 on page 676, and insert the following: "priated $314,000,000 for fiscal year 1996, $285,000,000 for fiscal year 1997, $365,000,000 for fiscal year 1998, $382,000,000 for fiscal year 1999, $386,000,000 for fiscal year 2000, $91,500,000 for fiscal year 2001, $53,350,000 for fiscal year 2002, $38,100,000 for fiscal year 2003, and $38,100,000 for fiscal year 2004, of which $2,000,000 shall be made available in each of the fiscal years 1996 through 2000 to carry out section 338L of the Public Health Service Act.".

On page 676, line 10, strike "NURSES" and insert "ADVANCED PRACTICE NURSES AND PHYSICIAN ASSISTANTS".

On page 676, line 20, strike "nurse anesthetists" and insert "nurse anesthetists or physician assistants".

On page 676, lines 21 and 22, strike "nurse anesthetists" and insert "nurse anesthetists or physician assistants".

On page 677, between lines 13 and 14, add the following new parts:

PART 4—ANTITRUST SAFE HARBORS FOR RURAL HEALTH PROVIDERS

SEC. 3491. ANTITRUST SAFE HARBORS FOR RURAL HEALTH PROVIDERS.

(a) IN GENERAL.—The Attorney General, in consultation with the Commissioner of the Federal Trade Commission, shall clarify existing and future policy guidelines, with respect to safe harbors, by providing additional illustrative examples with respect to the conduct of activities relating to the provision of health care services in rural areas.

(b) DISSEMINATION OF INFORMATION.—The Attorney General, in consultation with the Commissioner of the Federal Trade Commission and the Assistant Secretary for Rural Health, shall develop methods for the dissemination of the guidelines established under subsection (a) to rural health care providers.

PART 5—EMERGENCY MEDICAL SYSTEMS

SEC. 3495. GRANTS TO STATES REGARDING AIRCRAFT FOR TRANSPORTING RURAL VICTIMS OF MEDICAL EMERGENCIES.

Part E of title XII of the Public Health Service Act (42 U.S.C. 300d-51 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 1252. GRANTS FOR SYSTEMS TO TRANSPORT RURAL VICTIMS OF MEDICAL EMERGENCIES.

"(a) IN GENERAL.—The Secretary shall make grants to States to assist such States in the creation or enhancement of air medical transport systems that provide victims of medical emergencies in rural areas with access to treatments for the injuries or other conditions resulting from such emergencies.

"(b) APPLICATION AND PLAN.—

"(1) APPLICATION.—To be eligible to receive a grant under subsection (a), a State shall prepare and submit to the Secretary an application in such form, made in such manner, and containing such agreements, assurances, and information, including a State plan as required in paragraph (2), as the Secretary determines to be necessary to carry out this section.

"(2) STATE PLAN.—An application submitted under paragraph (1) shall contain a State plan that shall—

"(A) describe the intended uses of the grant proceeds and the geographic areas to be served;

"(B) demonstrate that the geographic areas to be served are rural in nature;

"(C) demonstrate that there is a lack of facilities available and equipped to deliver advanced levels of medical care in the geographic areas to be served;

"(D) demonstrate that in utilizing the grant proceeds for the establishment or enhancement of air medical services the State would be making a cost-effective improvement to existing ground-based or air emergency medical service systems;

"(E) demonstrate that the State will not utilize the grant proceeds to duplicate the capabilities of existing air medical systems that are effectively meeting the emergency medical needs of the populations they serve;

"(F) demonstrate that in utilizing the grant proceeds the State is likely to achieve a reduction in the morbidity and mortality rates of the areas to be served, as determined by the Secretary;

"(G) demonstrate that the State, in utilizing the grant proceeds, will—

"(i) maintain the expenditures of the State for air and ground medical transport systems at a level equal to not less than the level of such expenditures maintained by the State for the fiscal year preceding the fiscal year for which the grant is received; and

"(ii) ensure that recipients of direct financial assistance from the State under such grant will maintain expenditures of such recipients for such systems at a level at least equal to the level of such expenditures maintained by such recipients for the fiscal year preceding the fiscal year for which the financial assistance is received;

"(H) demonstrate that persons experienced in the field of air medical service delivery were consulted in the preparation of the State plan; and

"(I) contain such other information as the Secretary may determine appropriate.

"(c) CONSIDERATIONS IN AWARDING GRANTS.—In determining whether to award a grant to a State under this section, the Secretary shall—

"(1) consider the rural nature of the areas to be served with the grant proceeds and the services to be provided with such proceeds, as identified in the State plan submitted under subsection (b); and

"(2) give preference to States with State plans that demonstrate an effective integration of the proposed air medical transport systems into a comprehensive network or plan for regional or statewide emergency medical service delivery.

"(d) STATE ADMINISTRATION AND USE OF GRANT.—

"(1) IN GENERAL.—The Secretary may not make a grant to a State under subsection (a) unless the State agrees that such grant will be administered by the State agency with principal responsibility for carrying out programs regarding the provision of medical services to victims of medical emergencies or trauma.

"(2) PERMITTED USES.—A State may use amounts received under a grant awarded under this section to award subgrants to public and private entities operating within the State.

"(3) OPPORTUNITY FOR PUBLIC COMMENT.—The Secretary may not make a grant to a State under subsection (a) unless that State agrees that, in developing and carrying out the State plan under subsection (b)(2), the State will provide public notice with respect to the plan (including any revisions thereto) and facilitate comments from interested persons.

"(e) NUMBER OF GRANTS.—The Secretary shall award grants under this section to not less than 7 States.

"(f) REPORTS.—

"(1) REQUIREMENT.—A State that receives a grant under this section shall annually (during each year in which the grant proceeds are used) prepare and submit to the Secretary a report that shall contain—

"(A) a description of the manner in which the grant proceeds were utilized;

"(B) a description of the effectiveness of the air medical transport programs assisted with grant proceeds; and

"(C) such other information as the Secretary may require.

"(2) TERMINATION OF FUNDINGS.—In reviewing reports submitted under paragraph (1), if the Secretary determines that a State is not using amounts provided under a grant awarded under this section in accordance with the State plan submitted by the State under subsection (b), the Secretary may terminate the payment of amounts under such grant to the State until such time as the Secretary determines that the State comes into compliance with such plan.

"(g) DEFINITION.—As used in this section, the term 'rural areas' means geographic areas that are located outside of standard metropolitan statistical areas, as identified by the Secretary.

"(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to make grants under this section, $15,000,000 for fiscal year 1995, and such sums as may be necessary for each for fiscal years 1996 and 1997.".

Beginning on page 718, strike line 23 and all that follows through line 5 on page 719, and insert the following new paragraph:

"(8) with respect to the National Health Service Corps program referred to in section 3471, $314,000,000 for fiscal year 1996, $285,000,000 for fiscal year 1997, $365,000,000 for fiscal year 1998, $382,000,000 for fiscal year 1999, $386,000,000 for fiscal year 2000, $91,500,000 for fiscal year 2001, $53,350,000 for fiscal year 2002, $38,100,000 for fiscal year 2003, and $38,100,000 for fiscal year 2004, of which $2,000,000 shall be made available in each of the fiscal years 1996 through 2000 to carry out section 338L of the Public Health Service Act;".

On page 720, line 22, strike "; and" and insert a semicolon.

On page 720, between lines 22 and 23, insert the following new paragraph:

"(14) with respect to the development of rural telemedicine under section 3341, $15,000,000 for each of the fiscal years 1997 through 2001; and".

On page 720, line 23, strike "(14)" and insert "(15)".

On page 725, strike lines 7 through 11, and insert the following:

"(6) in subsection (l), by striking paragraph (1) and inserting the following new paragraph:

"'(1) IN GENERAL.—The Secretary shall use amounts made available under section 3471 of the Health Security Act to carry out this section in each of the fiscal years 1996 through 2000.'".

On page 777, line 18, strike "and medical assistance facilities".

On page 780, line 3, insert "In the case of payment under this subsection to medical assistance facilities, the lesser-of-cost-or charges provisions under subsection (j) are not applicable." after "services.".

Beginning on page 808, strike line 16 and all that follows through page 809, line 4, and insert the following:

(2) by inserting "described in paragraph (2) and services furnished by a physician assistant or nurse practitioner described in such paragraph that would by physicians' services if furnished by a physician" after "physicians' services",

(3) by inserting "physician assistant or nurse practitioner," after "physician",

(4) by striking "10 percent" and inserting "the applicable percent", and

(5) by adding at the end the following new paragraph:

"(2)(A) The applicable percent referred to in paragraph (1) is—

"(i) in the case of primary care services furnished by a physician, a percent determined by the Secretary that may not be less than 10 percent and may not exceed 20 percent,

"(ii) in the case of primary care services furnished by a physician assistant or nurse practitioner, as described in section 1861(a)(2)(k), a percent to be determined by the Secretary that is equal to the percent determined in clause (i) and determined so that the total amount of such payments under this clause and clause (i) is equal to the amount that would have been paid under clause (i) if the applicable percent for such clause was equal to 20 percent, and

"(iii) in the case of physicians' services other than primary care services furnished by physicians in a health professional shortage area located in a rural area (as defined in section 1886(d)(2)(D)), 10 percent.

On page 873, line 20, insert "urban and rural" after "representative of the".

On page 874, line 1, insert ", at least one of whom resides in a rural area" before the first period.

On page 874, line 4, insert ", at least one of whom resides in a rural area" before the first period.

On page 1390, line 22, insert "and that at least one member of the Commission is a resident of a rural area" before the period at the end.

Mr. DASCHLE. I also ask unanimous consent Senator PAUL WELLSTONE be added as a cosponsor.

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

Mr. DASCHLE. Mr. President, as I explained briefly last night, the amendments we are proposing would help rural communities attract and retain doctors, nurse practitioners, and physicians assistants; clarify types of collaborative efforts and joint ventures that are permissible in rural areas; ensure that financial and other assistance is available to help rural facilities adjust to the changing health care environment, and assist rural providers in forming their own health care networks.

I would like to take a bit more time today to explain what each provision in our amendment does.

NATIONAL HEALTH SERVICE CORPS

The centerpiece of this rural health package is increased funding of the National Health Service Corps—one of the most important, respected work force programs in the country.

Why does the NHSC funding need to be increased? Most do not know that the National Health Service Corps Program was nearly eliminated in the 1980's, despite the fact many rural communities are completely dependent upon corps doctors as their only source of physician care.

While the program has been slowly built back up over the last few years, rural America still badly needs more of these doctors.

In my home State of South Dakota there are only 14 National Health Service Corps [NHSC] physicians. However, South Dakota needs 43 physicians in order to eliminate its rural underserved areas. We know that if the corps had better funding, many more physicians would be willing to serve in rural and other underserved areas.

For example, over 4,000 scholarship applications were submitted to the NHSC Program last year, but only 406 awards were made.

The Office of Rural Health in South Dakota tells me that if the NHSC funding was increased, our State would be better able to recruit these critical primary care providers.

This amendment would simply restore funding for the National Health Service Corps [NHSC] to its pre-1980 levels so that those willing to work in rural underserved areas are not denied the opportunities they seek.

ANTITRUST SAFE HARBORS FOR RURAL HEALTH PROVIDERS

This amendment would clarify existing and subsequent antitrust "safe harbors" specifically for rural providers.

A "safe harbor" is merely a statement by the Department of Justice and Federal Trade Commission that if you meet the criteria established in the safe harbor, you don't need to worry about antitrust prosecution by the DOJ, FTC, and private parties.

For example, the DOJ and FTC safe harbor guidelines make it clear that these agencies will not challenge a merger between two hospitals if one of the hospitals has less than 100 beds and has an average caseload of 40 patients. This is an example of safe harbor. All our amendment would do is help rural providers to know how these safe harbors would apply to them.

I know from speaking with rural providers that this type of clarification is badly needed. Rural doctors and hospitals tell me they are hesitant to collaborate, to share equipment, to form joint ventures or to create networks because they fear antitrust prosecution by the Government.

Even though the DOJ and FTC rarely bring antitrust suits against rural providers, the perceived threat of prosecution is inhibiting collaborative ventures and networking among rural providers.

These are exactly the kind of activities we want to be encouraging in rural areas—yet providers are reluctant because they don't have the type of legal counsel that can clarify for them the complicated antitrust guidelines. This provision would provide rural providers with clear, easily understood information about antitrust safe harbors.

I also know that many rural providers are not even aware that these antitrust safe harbor guidelines exist. That is why this provision would have the DOJ, FTC, and the Department of Health and Human Services work together to develop a plan to disseminate this information.

I would like to say one word about what this amendment does not do. The provision would not establish any additional safe harbors for rural providers nor would it give rural providers broad antitrust immunity. I believe as do others that the antitrust safe harbors established by the DOJ and FTC are simply not well understood. They need to be explained more clearly to rural providers.

MEDICARE BONUS PAYMENTS FOR NPPS

This provision would make nonphysician practitioners [NPP's] such as nurse practitioners and physicians assistants practicing in rural underserved areas eligible for the same Medicare bonus payments we already provide to doctors.

As many of you may know, this provision is based on a recommendation from the respected Physician Payment Review Commission [PPRC], which advises Congress on Medicare part B and other issues.

Why does the PPRC think we need bonus payments for NPP's? The answer is simple—we need to do whatever we can to attract primary care providers to rural underserved areas. That's why we already provide bonus payments for doctors providing services in rural areas.

It is also important to remember that many of the same disincentives to relocating to rural underserved areas that exist for physicians exist for NP's and PA's. These include lack of professional peers, lack of health care facilities, and insufficient population base to sustain a practice. Providing stronger economic incentives to locate in rural areas is the one way to overcome these other disincentives.

So, it makes sense to extend the bonus payments to other primary care providers like nurse practitioners and physicians assistants.

Making bonus payments available to them will increase access to primary care services.

Moreover, advanced practice nurses receive only 75 percent to 85 percent of what physicians receive for the same service. These lower payments make it more difficult for NP's to set up independent practices. Extending the Medicare bonus payments to NP's would help to offset this lower payment rate and make it more feasible for them to open up practices in rural underserved areas.

Finally, I want to point out that this provision is budget neutral relative to the Mitchell bill.

The increase in bonus payments for physicians included in the Mitchell bill would be only slightly reduced, and the savings achieved would finance the NPP bonus payment. The NPP's and the physicians would receive the same percentage bonus payments. Our best estimates indicate that both physicians and NPP's would receive 17-percent bonus payments.

RURAL MANAGED CARE DEMONSTRATIONS

We all know that few managed care plans have entered rural areas.

To encourage the creation of these plans in rural areas, this provision would establish a grant program for the development and operation of rural-based managed care networks.

These grant funds could be used for the development of a rural-based managed care networks, for data and information systems including telecommunications, for meeting solvency requirements under Medicare, for the recruitment of health care providers and for enabling services such as transportation and translation services.

The grant program would be authorized at $10 million annually for 1996 through 2000.

Special priority would be given to those plans that would serve rural underserved areas and those that involve rural residents and providers in the planning and development of the managed care network.

RURAL HEALTH CLINIC FUNDING

As Senator ROCKEFELLER clearly explained last night, the Mitchell bill establishes three grant and loan programs to improve access to health care in urban and rural underserved areas.

The first program provides grants for the development of health care networks, sites and services.

The second program provides grants for and loans capital costs such as modernization, renovation, and construction.

The third program provides grants for supplemental and enabling services such as transportation and translation services.

Under the Mitchell bill, rural health clinics could only receive developmental, enabling, and supplemental services funds as part of a consortium of community based providers.

I believe that RHC's, as important providers to the underserved in rural areas, must be given the same opportunities Senator MITCHELL's bill gives other providers to enhance their ability to serve the rural communities that depend on them.

This amendment would allow nonprofit and public rural health clinics to be eligible for the development, capital, supplemental and enabling funds provided under Senator MITCHELL's bill.

I understand the concern that some have raised regarding Federal grants to for-profit rural health clinics. That is why under this provision, for-profit RHCs would only be eligible to receive loans for capital costs.

I cannot overemphasize the importance of rural health clinics in ensuring access to care in rural communities. These clinics serve a disproportionate number of patients that have traditionally lacked access to health care.

A 1994 survey of RHC's revealed that nearly 28 percent of the patients in RHC's are on Medicaid, and 14 percent are uninsured. While 63 percent of the U.S. population has private insurance, only 28 percent of the patients cared for in an average RHC have private insurance.

I would like to tell you about a rural health clinic that I visited in Wall, SD. Wall is a community of about 850 people. The clinic is run by Dave Custis who is a physician's assistant.

Dave has been working in the clinic for the past 10 years. He is a PA practicing alone in the rural health clinic. The physician affiliated with his clinic is in Rapid City, and the physician comes to the clinic only half a day a week.

The clinic was one of the first rural health clinics in the country, opening in the late 1970's. Prior to the clinic opening, no one provider consistently worked in the community.

Physicians had practiced in Wall, but because of hospital closures and other factors, the town was not able to consistently keep a rural health care provider until the clinic opened.

The clinic estimates that between 20 and 30 percent of the population it serves is uninsured. Without Dave and his clinic, these people probably would not receive any health care services, and certainly not preventive care.

Seeking the providers in this and other rural health clinics in my State work tirelessly, often under adverse conditions, has convinced me we need to help these facilities in enhancing their ability to provide care.

In closing, let me emphasize that these amendments build on the strong base Senator MITCHELL's bill provides and they would simply enhance and supplement the rural provisions contained in his bill to ensure that health reform benefits rural and urban areas alike.

I ask unanimous consent the USA Today article that featured Dave's clinic be printed in the RECORD.

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

[From USA Today, Feb. 18, 1994]

IN SOUTH DAKOTA, PROBLEM IS PLAIN—TOO FEW DOCTORS—STATE TYPIFIES THE PROBLEMS OF MEDICAL CARE IN RURAL AREAS

(By Richard Wolf)

Nestled between the Badlands and the Black Hills deep in cattle country, health-care reform is a four-letter word: Dave.

Forget managed competition, employer mandates and a menu of health plans. The ranchers and farmers out here—30 miles from the nearest doctor and hospital—are dependent on physician assistant Dave Custis for their care.

"I do all my own X-rays, I draw all the blood, I give all the shots," Custis says, while juggling his Wall Clinic caseload of colicky infants, frail Medicare patients and occasional emergencies. "We're out here on the front line of medicine, and we don't have the technology to go with it."

The slice of rural America Hillary Rodham Clinton visits today in Lennox, S.D., needs health-care help far more basic than the complex prescriptions now under review in Washington, to solve problems far more life-threatening:

Manpower. Doctors are hard to find and keep, making physician assistants, nurse-practitioners and county nurses a godsend for people in small towns. The nation has one doctor for every 400 people; in South Dakota, it's one for 600.

Distances. When emergencies or illnesses are too much for those front-line medics to handle, it's not unusual for expectant mothers, accident victims or heart-attack patients to travel an hour or two to the nearest hospital.

In the 1940s, South Dakota had doctors in 165 places. Today they're at just 69 locations.

Money. Rising insurance premiums and medical bills take a toll on a population dominated by the elderly, the self-employed and small businesses. Clinics and hospitals struggle to balance books, with lower federal reimbursements.

All those hardships come together in places like Wall, home of Wall Drug Store. Billboards all along Interstate 90 tout the store's 5-cent coffee and buffalo burgers.

Custis sees 6,000 patients annually and sends some an hour away to Rapid City. The clinic, which lost its lone doctor in 1991, turned a $985 profit last year—far short of the mark needed to get Custis some help.

"If we didn't have 'Doc,' we would be lost," says Betty Dunker, 43, who visits Custis for anything from a bad cold to treatment for multiple sclerosis. "He'll make house calls."

That's the kind of care required in rural America:

It's home to one-quarter of the U.S. population, but more than one-half of all Americans living in areas officially designated as short on doctors.

More than 14 percent of rural residents go without insurance for at least a year; 18 percent of farm families lack insurance.

The South Dakota story is like others. About 100,000 residents, one-seventh of the population, go "bare"—without insurance. Two-thirds of the state has a shortage of primary care.

"Health care is tentative. You can't count on it," says Sen. Tom Daschle, D-S.D., as he pilots a plane to Wall to meet with ranchers.

At the Wall Clinic, mammograms are a road show from Rapid City, a dentist stops by once a week, and orthodontia is offered every six weeks.

Thirty miles east in Philip, two doctors staff a clinic, 20-bed hospital and 30-bed nursing home for the area's 3,500 people. They're the only doctors between Pierre and Rapid City, a distance of about 150 miles—and their stories illustrate the manpower problem.

George Mangulis, 71, is a Latvian-born doctor with a medical degree from Germany who has hunkered down in western South Dakota for four decades. Over the years, U.S.-educated doctors recruited to help him have come and gone.

"We are like a transit station," Mangulis says. "We are struggling about how to make the ends meet."

Coenraad Klopper, 46 is a South African doctor recruited in 1991 from Saskatchewan after battles over residency and certification. Unlike his predecessors, he has remained, but, as Mangulis reduces his hours, Klopper is overworked.

"We do anything which comes along," he says. "Out here, you're it. You don't have any off time. You can't go anywhere, you can't do anything."

To these and other rural Americans, health-care reform holds both promise and peril.

Among the promises are incentives aimed at boosting the number of medical school graduates who enter primary care, placing them in rural areas and expanding the roles of non-physician providers.

Among the perils are additional cuts in Medicare, which could further reduce already restrictive rural reimbursement rates, and a system of mandatory consumer purchasing groups that could prove difficult to implement in sparsely populated states.

Those new alliances—plus mandates that employers must provide insurance, and price caps on insurance premiums—are supposed to create President Clinton's vision of "managed competition."

But in Wall, where there's just one physician assistant and few insurance plans, there's no competition to manage.

Says Daschle, a defender of the Clinton plan: "There is a realization that you can't run South Dakota's health care program like New York or Florida would run theirs."

Mr. DURENBERGER. Mr. President, there is no single issue that unites the concern of rural Americans more than

access to quality health care. It is one of the crucial components of rural quality of life, which keeps and attracts people to small towns. A major obstacle is the financial squeeze faced by many rural hospitals and physicians because the reimbursements from Medicaid and Medicare are often much less than the cost of the specific medical procedures. These inequities are what I have been working to resolve during my years in the Senate.

Approximately 27 percent of the Nation's population lives in rural America. However, the rural population is disproportionately poor, experiences significantly higher rates of chronic illness and disability, and is aging at a faster rate than the Nation as a whole. In rural areas, the elderly accounted for 13.8 percent of the population, but 22.5 percent of all physicians visits.

The Medicare payment has had a negative effect on many rural hospitals. A CBO report concluded that payments to rural hospitals have been much lower, relative to their costs, than payment to urban hospitals. And there is a constant threat of closure of rural hospitals, clinics, and other rural health care providers. Since 1986, 14 rural hospitals have closed in Minnesota and another 8 are identified as high financial risk institutions.

The goal of this amendment is laudable. I believe my colleagues look at this as a means to improve access to quality health care in rural America. But it falls far short of addressing the inequities in current law and perpetuated in the Mitchell bill.

RURAL PHYSICIANS

If we want to help rural physicians, we should not burden them with more Medicare cuts and then on top of it mandate that they accept the Medicare rate as payment in full. The Mitchell bill gives physicians two choices: Either accept Medicare payment in full or do not treat Medicare patients at all. It eliminates their ability to help meet their costs by billing those patients who can afford to pay more. Current law, allows physician to balance bill up to 110 percent of the Medicare allowable charge.

The Physician Payment Review Commission [PPRC] reported to Congress that Medicare is now paying physicians only 59 percent of what private insurers pay. And health reform takes another chunk out of Medicare payment rates. What impact will this have on beneficiary access to physicians—especially in rural areas? To date, we have seen a number of physicians already refuse to accept new Medicaid patients because payment rates markedly fell.

RURAL HOSPITALS

If we want to help rural hospitals we should eliminate the need to shift costs to make up for Medicare's underpayment. In rural areas and the poorer areas of our cities, this is a recipe for disaster because they lack a large base of private payers to make up the loss.

My colleagues from States with rural areas will want to take a look at this chart. For United Hospital, which serves a largely middle-class population in St. Paul, we see that 42 percent of the patients are on Medicare or Medicaid. The loss that the hospital suffers on those patients can be passed on to the larger population of patients, nearly 58 percent, who pay themselves or have private insurance.

Fairview Ridges Hospital in Burnsville, which serves a suburban, upper-middle-class population, has a much easier time absorbing Medicare's underpayment since it only accounts for 14.4 percent of patients and private insurance account for nearly 80 percent.

But look at what Medicare cuts do to a rural county hospital in northern Minnesota. The Tri-County Hospital in Wadena has 70 percent of their patients paid for through Medicare and Medicaid. How is this hospital going to make it? They have a mere 27 percent of their patients in private plans and another 3 percent who self pay. Where can Tri-County shift its losses from the Government-run program? Twenty-two percent of the population is below the poverty level.

This rural hospital is not going to make it unless Congress does something about the Medicare Program. Universal coverage will do nothing for them. Reforming the Medicare Program, on the other hand, will give them the chance they need to survive and continue to serve that area.

RURAL MANAGED CARE

Mr. President, this amendment seems to recognize that need on the surface. It provides grants to develop managed care networks in rural areas if they incorporate the Medicare population. But if we want to help rural managed care develop—first, we must address the payment problems. This amendment tells the Secretary to study the payment problems—without even requiring a timetable to report back. It's the long-term instability of payment that is a problem for rural areas.

What good will grants do if we fail to address the way we pay private health plans for accepting Medicare beneficiaries? Even if we help networks develop, why will they want to seek to enroll Medicare beneficiaries? The payment is now tied to the historical cost of fee-for-service care county by county.

Rural areas are plagued by access problems. Yesterday, my colleague from Nevada, Mr. REID told us that some counties in his State do not even have a physician or have only one. Obviously, we can expect some low historical patterns of utilization in these counties. For example, Medicare will pay plans serving residents of White Pine County, NV, $251.10 per month. Yet the national average per capita cost is $378.13 per month. And, the payment rates vary more than 300 percent nationally. This does not leave much question regarding why plans may not be attracted to serve Medicare beneficiaries in this area of Nevada. Providing grant money alone to set up in the area wouldn't do it either. More importantly, paying plans based on the fee-for-service cost of a rural area with little access to quality care will not support the formation of managed care networks.

Today's Medicare managed care plans flock to high-cost areas where they are doing very well—because we pay them based solely on fee-for-service cost—not based on their cost in a more efficient system.

The only way to help rural America is to support rural America. To pay the cost of care—not to discount it and expect rural providers to make it up elsewhere. Inherent cost-shifting will not attract efficient care delivery. The answer is to give every American the opportunity to purchase a private health plan. In the underlying amendment, the Mitchell bill does it for the Medicaid population. But why is Congress choosing to deny seniors and the disabled the very same opportunities as the rest of America? The problems of rural America will be better addressed when all individuals are insured through the private system.

We can do so much more. Both this bill and this amendment fail to send a strong message to rural America. It fails to say "Washington cares about your problems and wants to help ensure access to quality health care."

Only a commitment to reforming all parts of the health care system, the publicly paid and the private, can we give rural America a fair opportunity.

Mr. DORGAN. Mr. President, I rise in strong support of the Daschle amendment on rural health care. America's rural communities have unique health care needs that we must address if we ever hope to achieve truly national health care reforms. The rural health amendments offered by my good friend and colleague TOM DASCHLE will significantly improve health care in rural America.

First, we must make sure our rural communities have the medical professionals necessary to provide high-quality care: 85 percent of North Dakota's counties do not have enough health care providers to provide adequate care for the county's residents; 13 North Dakota counties had no physician residing in them in 1992; and 2 counties had neither a hospital or a clinic.

By increasing funding for the National Health Service Corps [NHSC], this amendment will encourage individuals to join health care professions and work in areas with shortages of health care providers. This amendment will provide scholarships and student-loan repayment programs for more

than 14,000 physicians, nurses, and physicians assistants over the next 10 years.

North Dakota's small communities are spread far apart. People rightfully worry how they are going to get health care in an emergency. So, second, this amendment will establish grant programs to allow States to develop rural emergency medical systems. I have cosponsored similar legislation in the Senate and I am encouraged that States will have these grants available to create or enhance air medical transport systems that effectively will bring rural residents closer to critical lifesaving treatment.

Third, this amendment will provide grants for telemedicine programs to bring sophisticated medicine to small-town health care providers. A physician in Bismarck, or even across the country, literally could read the x ray or analyze the heartbeat of a patient at a clinic 100 miles away. These grants will bring telemedicine hookups to more North Dakota communities.

Fourth, health care reform must expand the role of nonphysician practitioners and I am glad this amendment will help tear down the barriers that advanced practice nurses and physician assistants face when they try to set up practice in rural areas. In some North Dakota communities, these medical professionals provide the only health care available, and we ought to help them.

North Dakota has one of the few successful rural health maintenance organizations [HMO] in the Nation, the Heart of America Health Plan. This health care plan has been extremely successful in delivering high-quality care to the residents of Rugby, ND, in a very cost-effective manner. A fifth provision of this amendment will fund development of more rural managed-care organizations like Heart of America.

Sixth, antitrust provisions in this amendment will encourage partnerships between urban and rural providers to expand medical services available to rural communities. Many collaborative ventures and mergers already have expanded access to health care services in North Dakota. This provision will help clear the way for other projects that expand access in rural communities.

Health care reform must address the needs of rural America. This amendment will go a long way to ensure that rural Americans receive the High-quality health care we all expect. Mr. President, I urge my colleagues to support the amendment.

Mr. CAMPBELL. Mr. President, it is with great pleasure that I cosponsor the rural health amendments offered by Senator DASCHLE. The majority leader's bill includes a substantial set of rural health provisions, and he should be commended for trying to ensure that rural communities are included in health care reform. The Daschle amendments build on the base set in the Mitchell bill to expand much-needed health care services in rural communities.

Rural health care issues are especially important to me and my State. More than 17 percent of Colorado residents live in rural communities. Rural residents, whether they have health insurance coverage or not, are at a particular disadvantage when it comes to receiving health care. The problem for rural residents is primarily one of access.

These amendments would increase access by offering incentives for health care providers to locate in rural areas or expand current services. Managed care programs would be offered developmental and operational grants to encourage rural-based managed care networks. The bonus payments now available to doctors would be extended to advanced practice nurses and physicians assistants, vital providers of health care in rural areas.

The National Health Service Corps scholarship and loan repayment programs would be expanded to encourage more medical students to become primary care physicians. This program carries an obligation to provide 1 year of medical services for each year of educational assistance. Although the National Health Service Corps is an important source of primary health care professionals in underserved areas, this program has been drastically cut back in recent years. The proposed amendments would increase funding for this valuable program and boost the number of much-needed health professionals serving rural areas.

More providers and more clinics mean greater access to care. By providing greater access to health care services to rural residents, we can encourage preventive health care. The resident who has to drive 50 miles to see a doctor most likely will not do so until he or she is very sick.

If a doctor is only 10 to 20 miles away, a mother is more likely to take her child in for a measles shot, a diabetic is more likely to get treatment before going into a diabetic coma. Preventive care saves money by treating a condition before it exists or before it advances to a more serious stage that is more costly to treat.

And so, Mr. President, it is with great pride that I add my support to the Daschle rural health amendments. Rural areas need different things from health care reform than urban and suburban areas. Health care reform presents an opportunity to improve health care in rural areas. These provisions seek to supply greater access to care in underserved rural communities. Americans deserve to have the same access to health care as their Representatives in Congress do, regardless of where they live.

Mr. SIMPSON. Mr. President, rural health care is experiencing a renaissance of interest in Congress. In fact, even frontier health care—a term several of us coined for what we have in Wyoming and other similarly situated States—is even gaining the attention of policymakers. I want to join Senator STEVENS for acknowledging earlier today that the States of Alaska, Montana, and Wyoming have unique needs. Our States have much in common regarding the delivery of health care to our constituent populations. I want Senator STEVENS to know that I will most gladly join his Frontier Health Caucus.

The last few years have witnessed an alarming number of hospital closures in rural areas, the loss of physicians to more sophisticated and profitable urban settings, and a shrinking pool of allied health and community service professionals in virtually every field. At the same time, the population of rural America is growing older and more frail—requiring more and higher levels of service.

Clearly, we in Congress have reason to be seriously concerned about issues of access to health and supportive services in rural and frontier regions. Our challenge is to craft a public policy response that is appropriate to all rural regions, including—and particularly from my perspective—frontier Wyoming.

I am pleased to see the inclusion of many provisions pertaining to rural health care in this bill. As Senator GRASSLEY noted last evening, many of these provisions were recommended previously by the bipartisan rural health care task force. This is one area of health care that has always been bipartisan, and it is important for all of us to work together in furthering our main objective—bringing the highest quality health care to rural and frontier America.

However, I did notice that "frontier" is not mentioned anywhere in Senator MITCHELL'S 1,400 page document. All of us from rural and frontier areas—including both Senators from Alaska—worked very hard in the Republican health care task force to get our message across that rural and frontier States have unique needs. Finally they heard us. Everyone on the task force finally understood that rural health care must be addressed within the context of the health care debate—and, I was very pleased to see that "frontier" health care was given a distinct status and definition in both the Chafee and Dole bills.

Rural America, as we have heard today is quite diverse and complex. Although close in population, Vermont and Wyoming are vastly different in terms of heritage, resources, economic base, and geography. In fact the entire State of Vermont could fit into two of Wyoming's southwestern counties.

Iowa, with its urban centers and small towns sprinkled every 10 or 20 miles in between is considered by Washington, DC regulators to be the very epitome of a rural state. Wyoming clearly does not fit that model. No indeed. Not in the land of high altitude and low multitude—where our major towns are far apart and the people are scarce in between. Yet my colleagues here in Washington seem to believe that if a program or a rule or regulation will work in Iowa, then it will work anywhere rural, including Wyoming. We have been hearing a lot about rural health care today so I wanted to come to the floor and talk about what kind of health care we have in Wyoming.

In Wyoming, we are talking about nearly 98,000 square miles with an average population density of less than five people per square mile. Twenty percent of the population is in either Cheyenne or Casper which each have about 50,000 people. The remainder of the State has a density of less than four persons per square mile.

Wyoming has 26 acute care hospitals or one hospital for every 3,600 square miles—or one hospital for every 18,000 people. The population per hospital is why so many of them are on the ropes financially. The area covered is why they are medically essential.

We need basic providers in Wyoming. With only 26 hospitals, no federally qualified community health centers, and only 5 rural health clinics, we are in desperate need of just basic providers. For example, at the present time, the Basin-Greybull area in northwest Wyoming has been reeling over the past year from the effects of a hospital closing between those two towns. The county hospital district in this area has established a rural clinic located at the closed hospital and has just applied for rural health clinic designation for the clinic. This designation would allow the clinic to receive cost-based reimbursement for each of the Medicare-Medicaid patients seen there.

This rural clinic designation is much easier to obtain than the federally qualified health center designation. Still we only have five rural clinics, but hopefully more of them coming in the future. This type of clinic would go a long way for us in treating people in the basin area and in most areas of Wyoming, especially for emergency services, which are always so desperately needed in rural areas.

What primarily concerns me about the rural provisions contained in the finance bill, and the Mitchell bill is that they do not contain enough flexibility for frontier States. My colleagues here in Congress seem to have this know best approach to rural health which has limited flexibility. This lack of flexibility saps the vitality, creativity, and resourcefulness from the very programs that have been developed to help rural areas, and may drain funds from other areas that local policymakers have identified as more pressing priorities. In a State like Wyoming, with so few resources at its own disposal and so many urgent needs, this lack of flexibility can be devastating. When we look at these bills, we are looking for greater flexibility in obtaining needed Federal grants and loans. For example in the Mitchell bill, under Subtitle E, Health Services for Medically Underserved Populations, there are much needed grants available for the planning and development of networks of providers and plans. These grants can be used for the expansion, development, and ongoing operation of health delivery sites. Direct loans and grants are also available for capital costs including the modernization, conversion, and expansion of facilities. There is a list of entities that are eligible to receive these grants and loans—and lo and behold, most of the eligible entities are located in urban underserved areas. By limiting eligibility, this section has the perverse effect of excluding the very communities that are most in need of capital and infrastructure funds. We need a flexible definition of eligible entities included in this section, if this bill is going to accomplish assisting all underserved areas—not just urban underserved areas.

Finally, I want to briefly discuss telemedicine and the promise it holds for rural and frontier areas. I was particularly heartened to see that demonstration projects for telemedicine are included under the Mitchell bill as they are under the Dole bill. Physicians and nonphysicians in Wyoming could benefit greatly from the use of telemedicine. They could be connected through interactive video for consultations with hospital and medical school staff from across the country. A solo practitioner would not feel as isolated while practicing in a rural area if he or she knew he or she could consult with other physicians on a particular case. In addition, physicians in rural areas would not have to travel to educational seminars and conferences if they could receive continuing education training through computer video. I believe telemedicine is the future for rural areas and that we should do everything we can to promote its use. Rural areas need start-up moneys and capital for planning telemedicine systems and for the purchase of computer hardware, software, and interactive video equipment. The moneys included in both the Mitchell and Dole bills would go toward these types of worthwhile projects.

I wholeheartedly support all of our bipartisan efforts in Congress to implement rural health care policies that are responsive to the very special needs and circumstances of all of the rural, including frontier States, which we represent.

Mr. WELLSTONE. Mr. President, I am delighted to support the amendment of my colleague from South Dakota.

Nearly half the population of Minnesota and nearly half the people in the Nation live outside our major metropolitan areas. Often when we discuss health care reform we focus on urban communities because that is where the high-technology subspecialty care is found. But health care in rural American is an essential link in our health care system. We need a strong rural health care system to have a health care system that works for all Americans.

When we discuss universal care we must remember that access to a health care provider is a necessary component of that universality. In a growing number of rural areas there is shrinking choice of provider and it is increasingly difficult to find a doctor or other health care provider in many rural areas. People in rural Minnesota tell me they really want to keep their doctor in town.

The revival of the National Health Service Corps that this amendment calls for is an important emergency measure while we rebuild the primary care system in rural America.

We must also support the work of health care providers in our rural communities who are working to organize a revitalization of rural health care. There are many rural physicians and health care professionals in Minnesota who are leading the way.

These are real people who have committed their lives to this effort. I think of Dr. Ray Christensen, who lives and practices in the town of Moose Lake, MN. Dr. Christensen is a life long rural resident and a leader in rural health care in Minnesota. And I think of Terry Hill, executive director of the Northern Lakes Health Care Consortium in Duluth, MN. They are both working on recruitment of primary care physicians to rural communities and have had some important successes.

Two important examples of success achieved by the rural health community are Grand Marais, MN, where a few years ago the hospital was in danger of closing and with a lot of work has been turned around. It is now a growing concern. And Silver Bay, MN, where a rural clinic was near closing and has been kept open. Both of these victories for rural health have been enabled by the ongoing support from their local communities and health care providers in the region.

We must also support the work of those medical schools that have taken on the challenge of training rural physicians. Dr. Ron Franks, dean of the Medical School at the University of Minnesota, Duluth has done tremendous work in this area. At UMD they understand the importance of recruiting medical students from rural communities. During their medical education they get these students into

rural clinics to see what rural practice is like. And they help the students develop contacts in the rural health community to support them in their rural practices.

This amendment also gives needed support for nurse practitioners and physician assistants with more adequate reimbursement, by allowing some of them to receive Medicare bonus payments at the same rate as physicians providing primary care in underserved areas.

Another issue that is addressed by this amendment is the important concern of rural residents that they do not want the rural health care system taken over by urban based insurance companies. In Minnesota, there is growing concern that urban based insurance companies are not sensitive to the real needs of the rural population. We have to make sure these rural voices are heard.

In this amendment, steps are taken in this direction by increasing the rural representation on boards created in the Mitchell legislation. We must listen to rural physicians, nurses, physician assistants and nurse practitioners, and rural consumers. They are in the trenches every day making our rural health care system work and they have a lot to teach us.

This amendment does not solve all the health care problems facing rural America but it makes a start. I hope we will all pledge that as we continue our efforts to reform the health care system we will set the same standards for rural health care that we do for ourselves here in the Senate—all rural Americans should be covered with a decent benefits package, all should be ensured accessibility of care not just insurance, people should be guaranteed that needed care is affordable and they should have a choice of health care provider.

I urge my colleagues to support the Daschle amendment.

Mr. MOYNIHAN. Mr. President, I believe the time has come to vote.

VOTE ON AMENDMENT NO. 2564, AS MODIFIED

The PRESIDING OFFICER. Under the previous order, the question is on amendment No. 2564, as modified, by the Senator from South Dakota [Mr. DASCHLE].

Mr. MOYNIHAN. Mr. President, have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Maryland [Ms. MIKULSKI] is necessarily absent.

Mr. SIMPSON. I announce that the Senator from Maine [Mr. COHEN] is necessarily absent.

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

The result was announced—yeas 94, nays 4, as follows:

[Rollcall Vote No. 290 Leg.]

YEAS—94

Akaka	Feinstein	McConnell
Baucus	Ford	Metzenbaum
Bennett	Glenn	Mitchell
Biden	Gorton	Moseley-Braun
Bingaman	Graham	Moynihan
Bond	Gramm	Murkowski
Boren	Grassley	Murray
Boxer	Harkin	Nickles
Bradley	Hatch	Nunn
Breaux	Hatfield	Packwood
Brown	Heflin	Pell
Bryan	Helms	Pressler
Bumpers	Hollings	Pryor
Burns	Hutchison	Reid
Byrd	Inouye	Riegle
Campbell	Jeffords	Robb
Chafee	Johnston	Rockefeller
Coats	Kassebaum	Sarbanes
Cochran	Kempthorne	Sasser
Conrad	Kennedy	Shelby
Coverdell	Kerrey	Simon
Craig	Kerry	Simpson
D'Amato	Kohl	Smith
Daschle	Lautenberg	Specter
DeConcini	Leahy	Stevens
Dodd	Levin	Thurmond
Dole	Lieberman	Wallop
Domenici	Lott	Warner
Dorgan	Lugar	Wellstone
Exon	Mack	Wofford
Faircloth	Mathews	
Feingold	McCain	

NAYS—4

Danforth	Gregg
Durenberger	Roth

NOT VOTING—2

Cohen	Mikulski

So the amendment (No. 2564), as modified, was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Republican leader.

Mr. DOLE. As I understand now, the Republicans will offer an amendment.

Mr. MOYNIHAN. Yes.

Mr. DOLE. Mr. President, I just wanted to clarify, it is my understanding under our sort of loose arrangement here the Democrats offered the rural amendment. Some of us may still want to speak on that amendment, because we tried to accommodate a couple of colleagues who had to catch a plane, so there may be some speeches after the fact. I think Senators MACK and COATS are prepared to offer their amendment. I wonder, if they wanted to lay their amendment down, if I might be permitted to speak for 5 minutes on the amendment we just passed.

AMENDMENT NO. 2568

(Purpose: To assure that decisions critical to the health and well-being of all Americans be made with public knowledge and not in secret)

Mr. MACK addressed the Chair.

The PRESIDING OFFICER (Mr. DORGAN). The Chair recognizes the Senator from Florida.

Mr. MACK. I have an amendment to send to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Florida [Mr. MACK] for himself and Mr. COATS, proposes an amendment numbered 2568.

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

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

The amendment is as follows:

On page 129, strike line 13 and all that follows through line 16.

On page 263, insert between lines 15 and 16 the following new section:

SEC. 1604. APPLICATION OF THE FEDERAL ADVISORY COMMITTEE ACT AND THE PROVISIONS OF TITLE 5, UNITED STATES CODE.

(a) FEDERAL ADVISORY COMMITTEE ACT.—

(1) IN GENERAL.—Subject to paragraph (2) of this subsection, the provisions of the Federal Advisory Committee Act (5 U.S.C. App.) shall apply to any entity that—

(A) is established by or pursuant to this Act or is established or required to be established by an entity created under this Act; and

(B) is an advisory committee as defined under section 3(2) of the Federal Advisory Committee Act.

(2) EXCEPTION.—A provision of the Federal Advisory Committee Act shall not apply to an entity described under paragraph (1) only if a provision of this Act expressly provides that such specified provision (or all provisions) of the Federal Advisory Committee Act shall not apply to such entity.

(b) TITLE 5, UNITED STATES CODE.—

(1) IN GENERAL.—Subject to paragraph (2) of this subsection, the provisions of title 5, United States Code, shall apply to any board or other similar entity that—

(A) is established by or pursuant to this Act; and

(B) is not an advisory committee as defined under section 3(2) of the Federal Advisory Committee Act.

(2) EXCEPTION.—A provision of title 5, United States Code, shall not apply to an entity described under paragraph (1) only if a provision of this Act expressly provides that such provision (or all provisions) of title 5, United States Code, shall not apply to such entity.

On page 605, strike line 3 and all that follows through line 13.

On page 1409, strike line 1 and all that follows through line 3.

Mr. MACK. Mr. President, I know that there will be quite a discussion on this amendment which really has to do with the issue of secrecy and the number of commissions. The Mitchell proposal, in fact, exempted certain of the commissions from public scrutiny. This amendment goes to the heart of that issue, and will strike that exemption.

I yield the floor.

Mr. MOYNIHAN. Mr. President, may I just say briefly to my friend from Florida that I am sure he will find a good deal of support on this side of the aisle for his amendment, and look forward to the debate.

Mr. DOLE. Mr. President, we have just adopted, I guess by an overwhelming vote, an amendment dealing with rural health care. Some of us did not have an opportunity to speak because

we were accommodating a couple of our colleagues who had to catch a 12 o'clock plane.

Mr. President, I commend my colleague, Senator DASCHLE from South Dakota, for bringing the issue before the Senate because health care for rural Americans is a very important issue.

Mr. President, on January 21, 1993, I was in this Chamber and I laid out the initiatives that I hoped Congress would accomplish in the 103d Congress. On that day I said I was going to introduce a comprehensive health care reform proposal because of my strong belief that responsible health care reform was going to have to be drafted on a bipartisan basis with the support of at least 80 or 90 percent of the Senate. I have not given up on that effort either. However, I did say January 21 that there was one area I was concerned about that I would be working on that we could not afford to delay, and that was health care reform for rural America.

So I on that day, Mr. President, I introduced the rural health care bill to improve access to health care in rural America, and that bill received broad bipartisan support.

The point I would make is that I am happy to see that we have the groundswell for support for rural health care. Rural Americans make up about 20 percent of the population. Contrary to what some may believe, rural Americans are as much of a diverse group of Americans as any living in other parts of the country. That is why, when proposing health care reforms, rural Americans are no more likely to adopt a one-size-fits-all model than are Americans living in any other part of the country.

Many of these provisions we have now put in the Mitchell bill, if adopted, are in the so-called Dole-Packwood bill which was sponsored by 38 Republicans along with myself and Senator PACKWOOD.

Again, I say it is not a partisan bill. It is called The American Option. We still have to attract colleagues on the other side of the aisle to this bill. Many of these provisions are quite technical, but I think they follow along. In fact, probably the amendment that we just passed would supplement some of the things we have done in our bill.

So, while we do have our fair share of disagreements in this Chamber on the issue of health care reform, I am happy to see the groundswell of support to make rural health care better and more accessible.

Rural Americans make up about 20 percent of the population. And, contrary to what some may believe, rural Americans are as diverse a group as Americans living in any other part of the country. That's why when proposing health care reforms, rural Americans are no more likely to adapt to a one-size-fits-all model than are Americans living in any other part of the country.

Mr. President, Senator PACKWOOD and I, along with 38 of our colleagues have incorporated many of these provisions in the American option plan that we introduced on August 9. In that bill, we give special consideration to rural Americans.

Mr. President, as rural Americans know all too well, access to health care providers can be just as much of a challenge in rural America as is cost. That is why in our bill we have special provisions to improve access to health care in rural America.

Many of these provisions are quite technical, but let me just summarize what they would accomplish.

More primary care: The way Medicare reimburses medical education would be changed so that young physicians can be trained in places like community health centers, or other out-patient settings, where more primary care providers are likely to be trained.

Improved reimbursement for nurse practitioners and other nonphysician providers to encourage more of these providers to practice in rural areas.

Better access to rural hospital by extending payments for Medicare dependent hospitals through 1998. The Dole-Packwood proposal recognizes that these payments may make the difference between keeping a hospital's doors open or not.

Establishment of telecommunication grants in rural areas, so that providers practicing in these areas have better information and the ability to communicate with providers in distant areas.

Mr. President, take for example a case involving a doctor in Hays, KS. He was stumped by a young boy experiencing paralysis of the right side. Unlike stroke victims, the paralysis was sporadic and difficult to diagnose. During one such episode, the doctor and patient used a new telemedicine link-up site. Two hours later, a specialist 266 miles away in Kansas City diagnosed the condition and prescribed the proper medication. The boy is now back on his feet again, all without leaving his hometown.

No doubt about it, two-way interactive video, through telemedicine provisions in this amendment, as well as in the Dole-Packwood bill, improves health care and can save lives.

Mr. President, I support this amendment because of provisions such as this. The Dole-Packwood bill would also help rural Americans through many of its insurance market reforms.

For example, rural Americans are more likely to be self-employed or work for a small business that does not provide health insurance. In fact, over 90 percent of the businesses in my home State of Kansas have fewer than 10 employees.

Under current law, individuals who purchase their own insurance are not able to deduct the cost of that insurance. The Dole-Packwood bill would phase in full deductibility of health insurance so that those who are self-employed or who buy their own insurance are treated the same as those employed by large businesses.

I would note that the bill introduced by the majority leader would only allow for a 50-percent deductibility of insurance premiums by the self-employed. For those buying their own insurance, the difference between 50-percent deductibility and 100-percent deductibility may greatly influence the decision to purchase insurance or not.

Mr. President, I ask unanimous consent that a list of provisions in the Dole-Packwood bill that specifically target rural areas be printed in the RECORD.

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

PROVISIONS IN DOLE-PACKWOOD PROPOSAL SPECIFICALLY TARGETED TO RURAL AREAS

1. Extend Essential Access Community Hospital program and Rural Primary Care Hospital program (E.A.C.H./R.P.C.H.) to all states. Currently only seven seven states have these grants available to them. The purpose is to enable these smaller hospitals to continue in their mission to provide primary care services to the residents of rural areas.

2. Better access to rural hospitals by extending payments for Medicare dependent hospitals through 1998. The Dole-Packwood proposal recognizes that these payments may make the difference between a hospital keeping its doors open or not.

3. Expand the Medical Assistance Program to all states. Currently, this program is limited only to the state of Montana—a state which has had a lot of success assisting small rural communities to establish medical facilities.

4. Non-refundable tax credits for health care personnel who establish practices in medically underserved communities.

5. Improved reimbursement for nurse practitioners and other non-physician providers to encourage more of these providers to practice in rural areas.

6. Federal funds available for the development of health care networks in underserved rural communities. Grants and low interest loans would assist with resources needed to develop rural health care facilities.

7. States may designate medically underserved areas which will then receive special considerations, including service from health plans in adjoining geographic areas, increased compensation for health services, and federal assistance for development of health care services.

8. Establishment of telecommunication grants in rural areas, so that providers practicing in these areas have better information and the ability to communicate with providers in distant areas.

9. Provides resources for medical transportation for rural and frontier areas.

10. Upgrades the federal office of rural health to increase the attention to rural health care needs in the federal establishment.

11. More primary care: the way Medicare reimburses medical education would be

changed so that residents can learn in places like community health centers, or other outpatient settings, where more primary care providers are likely to be trained.

12. Increased federal support for primary care services for groups most likely to be uninsured or high risk: childhood immunization, maternal and child health, breast and cervical cancer prevention, HIV early detection, tuberculosis prevention, and health care for the homeless.

13. Increase support for public health service programs, including community health centers, migrant health centers, and federally qualified health centers.

14. Prospective payment assessment commission (PROPAC) will conduct studies and make recommendations on ways to improve access to health care for vulnerable populations in rural areas.

Mr. DOLE. I thank my colleague from Florida, Senator MACK, for letting me intervene during his debate.

The PRESIDING OFFICER. Who seeks recognition?

Mr. GREGG addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes Senator GREGG.

Mr. GREGG. Thank you, Mr. President.

Mr. President, I wanted to address the Senate generally on the issue of health care reform. We heard a tremendous amount of discussion about the issue of health care reform over the last few days. I think it has been extremely informative and worthwhile as we have tried to digest and understand this incredibly complex document called the Clinton-Mitchell bill.

The implications of that bill for not only health care delivery in this country, but actually for the country itself as it moves into the next century, are overwhelming and very pervasive.

I want to talk a little bit about the philosophy of the health care reform effort as represented by the Clinton-Mitchell bill, and by the attempts put forward by Senator DOLE, and Congressman ROWLAND, and then talk a little bit about the specifics of what this bill does in the area of impacting States' rights and State's obligations because it is overwhelming in its effect on States and how they are going to function as we go into this next decade, should it be passed.

We started out here as a Congress and as a people with the leadership of the President and the First Lady, which I certainly commend, in the area of saying to the American public that the health care system of this country needs some repair.

There was set out a series of goals, and amongst those goals I think there was general agreement; an agreement that we should extend coverage, an agreement that we should increase quality, and an agreement that we should control costs. I think we also understood that in trying to reach those goals, they were inherently in conflict to some degree.

It is difficult, for example, to control costs while expanding coverage and to control costs while increasing quality. But still, these were very substantive, very appropriate goals for our Nation to pursue, and for this Congress to try to address as we look at the health care delivery system.

The President and his people sat down, the First Lady leading the exercise, and it was sort of an exercise. And 500 or so people met in secret for an extended period of time. They came forward with this large opus called "The Clinton health care bill." It was a bill which put forward a certain philosophy, not only of how health care should be delivered in this country, but actually how Government should function in this country.

When you look at this health care debate, you have to recognize that it goes beyond the issue of health because when you are dealing with 14 percent of the American economy, you are talking about impacting not only everybody's life as they pursue it, as to whether or not it is a healthy lifestyle or a non-health lifestyle or how they are cared for; but we are talking about a large percentage of Americans' financial well-being, and the manner in which the economy of the country reacts to that financial well-being, especially the relationship of the Government to the financial well-being of individuals, and the size of the Government specifically as it relates to the individuals, as it relates to the Nation as a whole and its percentage of absorption of the gross national product.

So we had in this whole debate from the beginning, not only a desire to reach these goals of coverage, quality, and cost control, but we had an underlying philosophical debate in trying to reach these goals which involved the question of how we govern ourselves as a society.

There is no question in my mind but that in the President's proposal, which has basically borne these additional proposals which we see today in the area of the Clinton-Mitchell plan or in the Gephardt proposal, but in these proposals we see a philosophy of government which subscribes to one set of values. Whereas, in proposals set forth by Senator DOLE, we see here, having been presented in this House with 39 sponsors, Senator NICKLES or Senator GRAMM, we have a different philosophy, and a different approach.

I think it is important to analyze or talk at least a little bit about these philosophies before we make a decision on this bill, because which philosophy we decide to ascribe to is going to clearly impact not only the delivery of health care and the quality of health care in America for the foreseeable future and for generations to come, but it is going to dominate the quality of lifestyle in the area of the relationship of individuals to Government, in the area of tax policy, in the area of the size of Government, and in the area of employment and who employs who, for decades to come.

Obviously, the philosophy put forth by the administration, by President Clinton and by Mrs. Clinton, is one that basically arises from the belief that Government knows best and that Government can be a dominant force in our life and should be the dominant force in our lives in determining public policy and how public policy is pursued.

That has been a philosophy that has been, obviously, not only strong but, to a significant degree, successful in our country for an extended period of time. I remember sitting on the floor of the House one time and expressing some frustration about a very important piece of legislation coming through, and the size of the legislation, and the effect it was going to have on the capacity of us to remain a productive society, because it was going to take so much in the way of Government activity to take over the private sector by such a large degree. At the time, a very thoughtful and knowledgeable Member of Congress, who had served many more years than I, came up to me, and he knew of my frustration, and he said to me, JUDD, just remember this: All government moves to the left." There is certainly no question about that, all government does move to the left. It is the question of how fast and how far it goes to the left.

In this case, what the Clinton administration has proposed and what the Mitchell bill carries forward is a giant leap forward to the left, a giant expansion in our Government activity as it intrudes into the private sector, as it intrudes into individual lifestyles and into, specifically, the health care delivery of the American people. And this is not something that is unique to this time. This is a continuum of events that has occurred. If you look at it in a historical perspective, in my opinion, it is a logical continuum of events, and it really represents one of the key strains between different philosophies and within different cultures, especially democratic cultures, throughout this century and the prior century.

If you trace it back, I suppose you would go back to the French Revolution and our own Revolution being the two defining events which set the course of action where you had basically the philosophy of the politics of the state versus the politics of the individual.

You had Marxism being the ultimate expression of the politics of the state, which arose in the 19th century, and in the 20th century was totally discredited. But as the concept of the politics of the state evolved from decade to decade—or devolved, as the case was, certainly in the area of Marxist philosophy—you ended up in the late 20th century coming to something in democracies which is basically the politics of dependency. Essentially, the

politics of dependency says that you structure a government around a philosophy that says you can get elected to a position if you create enough people that are dependent on the Government so that they are inclined to vote for you because their dependence is tied to getting their support through the government, either direct or indirect.

That got sort of coupled with a politics of Populism, as we went through this century—Populism being defined in a lot of different manners, but essentially it says you can get a free lunch. That is essentially what Populist politics is about. It says that somebody else will pay for a benefit, do not worry about it; we will promise you the benefit. Somebody else will pay for it, and that is usually someone who represents an easy target, either an ethnic or financial, group, that is, either a rich person or an ethnic group. We are going to take from them, and we justly have a right to take from them, because they have abused the system, and we are going to transfer it to you, the individual, who will be the recipient of the Populist politics.

Populist politics has always had a strong stream in American political thought throughout our time. When you couple Populist politics with dependency politics, you have a very effective force for political success and political elections—Huey Long being probably one of the best examples of that in our history, and one of the most egregious examples, also. That is not to say that all of it is Huey Long-type politics, but clearly that is the ultimate caricature of where those politics go.

On the other side of the coin, you have the politics of the individual as expressed, obviously, by John Locke, but carried forth through our own Constitution through our Founding Fathers who believe very strongly that it was the individual who carried the force within the society, and there was a responsibility that individual took on and pursued, and the government had a role, but the role was prescribed to very defined areas. And the more freedom and rights we gave the individual, the more success the individual would be and, as a result, the more successful and the more prosperous society would become. That could also be carried to its extreme. But in the essence of this debate are those two core philosophical approaches: the politics of dependency versus the politics of the individual, and the politics of the State versus the politics of the entrepreneur.

Granted, that may be too philosophical a tag to put on this whole debate, in many of its images that have occurred around here, but it is not too philosophical a tag to put on the outcome of this debate, because when you are dealing with 14 percent of the American economy, when you are dealing with everyone's lifestyle, you are obviously undertaking an act which is going to have catastrophic effect on the future course of this country.

So there is a great deal more at risk here, or at issue here—"risk" may be the wrong term—than simply health care reform. At issue here is whether that continuum that came out of the politics of the State and politics of dependency, which is too large to have been discredited throughout this century, is going to be the course America follows.

So whether we are going to say we do not need to take that course—to put it in its most obvious example, the question is whether or not we as a Nation wish to pursue a course which takes us down the path that a country like Sweden has taken, or many other European nations have taken, where essentially the Government becomes such an overbearing and major part of the entire lifestyle of everybody's existence that you have a cradle-to-grave society, where Government tells you how to do things, when to do things, where to do things and, in effect, ends up becoming a force of such dominance that it undermines the four characteristics of individuality, aggressiveness, entrepreneurship, and productivity, most importantly, that are the essence of producing prosperity.

That is I think the key issue in this because what we are talking about is the prosperity of America, whether or not the culture that has produced a greater opportunity for prosperity and economic well-being and individual freedoms than any other culture that has ever been seen on this Earth, certainly any multiethnic culture seen on this Earth—I presume some narrow ethnic cultures, very small, that maybe have been competitive with us in economics and prosperity and maybe even in individual rights, but no multiethnic culture has ever accomplished what America has accomplished. And we have accomplished it because we have put great reliance on and confidence in entrepreneurship and the individual and the capacity of people other than the Government in Washington to resolve problems, whether it is in education or whether it is in just day-to-day life activities.

Yet today we confront, I honestly believe, a philosophical choice of such significant proportions or maybe I should say a political choice of such significant proportions that the outcome philosophically will be to dramatically adjust our course as a nation down the road of being a government that is a dependency-politics-driven government. And I recognize that that is good politics if you want to get reelected and if you want to maintain power, as has been shown for years by the House of Representatives. The best thing to do is vote programs, vote benefits, vote for something for someone, and then create an atmosphere where that individual or that group or that philosophically identified organization finds itself dependent on you, the elected official, for some percentage of either their financial well-being or their political placement.

That has always worked throughout time, and it works very well today, and you find yourself admiring those who within our institutions are so successful at promoting that as a way of maintaining power. And that is what it is about when you get right down to it—maintaining power.

But as you look at these documents you have to say to yourself, where do we draw the line? At what point do we as a nation say we just cannot take that extra step because that step puts us on a slippery slope that moves us so quickly into a society dominated from the center without the freedom of the individual initiative, without the capacity of the entrepreneur to be successful, that we will undermine the inherent engines of prosperity that make us work as a society. You can only succeed in this concept of the politics of dependency and the politics of the State as long as you have producers who can carry the burden.

Mark Twain wrote a nice little short story on this topic where he talked about it in very simple terms. But essentially the success or capacity to survive in the politics of dependency requires that you still have a productive sector that you can raid every so often in order to fund the free lunch and the guarantee of something-for-nothing government. Yet at some point you cross a line as nations like Sweden have found that they have and New Zealand, and you find their productivity has dropped so far and your sectors that your individuals who were aggressive initiators and inventors are no longer that and no are longer productive, and the quality of life and standard of living for everyone starts to drop. It is a bell curve basically of what happens in this area.

But this administration understands that. I suspect if Huey Long had gone to Wellesley he would have produced this document. It is an excellent piece of populist politics, and it is a true exercise in dependency politics. Therefore, I think and I feel very strongly that it must be defeated.

The complexity of it, which has been talked about at some length, is only one example of its natural elitism. You know there is an attitude—it is almost an utopian attitude of elitism that says essentially anyone who drafts something like this is saying: "Hey, listen; I know a lot more than you know." The 500 people who gathered in this room of intellectuals and academics and congressional staff, if there were any of any significance—there was not a provider person. "We actually know better than you do how to run your lifestyle."

The essential theme of this bill and the original Clinton bill was: "Listen. We can fix the health care system because we are smart, smarter than you, and if you do not understand that we will. We regret it. It means you are probably not bright enough to understand it."

That is the theory behind this. Or "You are just not compassionate enough to understand it. So, therefore, just stand back and let us manage your life for you and everything will be fine."

It is utopian elitism that runs through all of this that creates these types of documents with these huge imaginations of structure in their attempt to address problems that are humorous. Sometimes they are so complex, and yet when passed they have immediate and personal impacts on people, and affects their life and how their life is going to proceed.

The original goals of health care do not require this sort of action to be accomplished. They do not require the results of the folks sitting in the room and thinking up all the answers to all the problems in order to address them.

The original goals of health care were to improve quality, to control costs, and to expand coverage. And it does not take this opus to do that. In fact, I would argue and shall argue as I proceed in this discussion that this proposal has substantially reduced the quality of health care in this country and well-expanded coverage—I will give it not dramatically—but a well-expanded coverage and every expansion is helpful. It certainly will not control cost and will aggravate the Federal deficit dramatically.

So, if we wish to address these goals, I think we can do a much better job than this, and we can do it without the officiousness and huge bureaucracy and top-down approach that is designed in this bill.

Let us talk about a few specifics, a few of the areas that this bill, this 1,400-plus page bill creates problems in. Right off the top there are 10 major problems with this bill.

First, it creates 17 new taxes, some fairly substantial new taxes, and these are taxes that are going to have to fall basically on the middle class. You are talking about raising $300 billion of new taxes in this bill over the 1995 to the year 2004 period. That is a huge amount of revenue to come out of the American sector, and it means that funds that might have been used for education, funds that might have been used for infrastructure, funds that might have been used just to create a new job here or there, will be going into this bill.

And what will they be going for? They will be going for a subsidy program which involves subsidizing one out of every two Americans. Under this bill, one out of every two Americans end up getting subsidized. That is a staggering figure. Somewhere between 115 million and 120 million people are going to end up being subsidized. That is good politics of dependency. I have to argue that is the ultimate.

One out every two Americans coming to depend on the Government for a benefit inevitably puts in power a lot of people for a long time who are going to guarantee that benefit. It also means you have inherently undermined the capacity of the rest of society to be productive when you get to that level of subsidy, with $1.5 trillion in new entitlements over the period of time, just a huge expansion in spending and entitlement action activity.

Here we have this President appointing an entitlement commission and asking that entitlements be brought under control. We have here speech after speech on the floor of this Senate about bringing entitlements under control so we can balance the budget and start to do something about the huge debt passing on to the children and the next generation making their capacity for survival dramatically reduced because we are giving them so much debt they have to bear.

We are going to take this piece of legislation here and create, I lost count because nobody ever seems to be able to figure it out, it seems like five major new entitlements costing well over $1 trillion, and we are not going to raise $350 billion in taxes to pay for them, but we are not going to pay for them all. So we are going to aggravate the deficit, in my opinion, dramatically under this bill.

That is unconscionable. We have put a mandate in place in this bill on the employer and the individuals mandates across the board, not just on the idea that what they must pay in insurance premiums, which is a payroll tax, which is in this bill, and you know it is called the trigger. There is this argument there is a trigger. The payroll tax is really never going to occur or may not occur. It may occur in some States and may not occur in other States. The trigger event is 95 percent coverage, which is an interesting number. I am not sure how it was picked, but I suspect it was picked because even Hawaii, which has had allegedly universal coverage for years does not have 95 percent coverage.

It has somewhere in the vicinity of 93 or 94 percent coverage. So every State is going to get triggered in, and there will be a mandate. It is just that it is structured politically very intelligently. Nobody in this Presidency is going to be in office when the trigger hits, so nobody is going to have to pay the political price for it. And, obviously, a lot of people who are involved in this bill will not be around, so they will not have to pay the political price for it. But it is there and it is going to occur.

It is a mandate of significant proportions on small and medium-sized business men and women running a business that is trying to be fairly productive or just barely making it or maybe not even making it. This type of a new payroll tax is going to just have a horrendous impact on them.

Take New Hampshire, my State, for example, which has its largest employment in the sector of hospitality activity, which is hotels, restaurants, and tourism activity. They are our largest employers.

Most of these folks offer their people insurance, but they have a large percentage of people, usually, who are part-time people. They are spouses of somebody who has a full-time job and they do this to supplement their income, or they are college students supplementing their income, or somebody in transition in lifestyle supplementing their income, or maybe they are just ski bums. They come up and work for a few months and take a few months off, and that is the lifestyle they pursue.

But, in that industry, for example, a mandate is devastating.

I recall very vividly somebody who runs a small motel up in Conway, NH, testifying before one of the many health care forums which I have held, and I have held a tremendous number throughout the State. He said, simply, "Listen, I have pushed the numbers. I have taken a pencil to the paper on this. For me to be able to pay for the mandate in this bill"—it was the Clinton bill at that time, but the mandate in this bill is only 30 percent less than that—"I am going to have to sell another thousand rooms a year. I can't sell another thousand rooms a year." He said, "If I could sell another thousand rooms a year, I would sell another thousand rooms a year."

Like President Clinton telling a pizza seller, "Well, just raise your prices to cover this." He cannot do it.

And his reaction was, "I am going to have to lay people off. I am not going to be able to maintain the number of people."

A little later, I want to get into how this actual mandate works if one State should, by chance, end up out from underneath it. It is an overwhelming implication for the States in their activities as to how they would ever comply with it.

Another major problem with the bill is price controls. How many times have we, as a society, and has this world proven in a democratic society that price controls do not work; that price controls inherently constrict an economy in a way that undermines not only the goal, which is to contain costs, but also, more significantly, undermines initiative and incentive and creativity.

Take the drug industry, for example. The drug industry has been one of the popular whipping boys for this administration as it has gone down the road

in pursuing health care. And, of course, populism demands an enemy list, and drug companies have been excellent to put on that list. That list has been sort of a rotating list. It was once doctors and then Congressmen with their health plans, and then it is drugs. But they make a good target, let us face it. They make a lot of money.

But if you take the biotechnology industry, which does not make a lot of money—it costs $300 million to bring a new drug on the market and it takes 10 years to bring that drug on the market. What is the effect of price controls on a industry like that? Well, the effect of price controls on an industry like that is they are not going to get anybody to invest $300 million and wait 10 years for them to bring a new drug on the market.

It does not work that way. If you are an investor or group of investors and you have that type of money to invest and you get to the end of the line after it has been out for 10 years, looking to see if this experimental drug is going to work, and you find that drug is going to be subject, when it does work, which a long shot, is going to be subject to a price controlled event of some nature—granted, the Mitchell bill is not as restrictive as the Clinton bill on this, but the concept is still there. And you can see it, the gleam is still in the back of somebody's mind, that somebody is going to figure out how to take this Clinton price language and upgrade it to some sort of control.

But the practical effect is the investment, instead of going into research on a drug or new drugs that might cure some sort of neurological disease, is going to go into developing some software or developing a new widget or gadget in some other sector of the economy.

And we saw this almost instantaneously. After the Clinton bill was initially introduced, there was a dramatic drop in investment in initial offerings for biotech companies. There has been some abatement of that now, because there is less fear of it, but still the philosophy of price control has that impact on the marketplace. It retards research and it does not in the end ever control costs in any significant way.

Then the bill imposes new taxes that will raise the cost of coverage for families for health care. There is a 1.75 premium tax in this bill, plus, because of all the obligations they put on the States, which they do not pay the States to execute so the States are going to have to probably go out and raise revenue to pay for the administration cost, which they are required to do under this Federal bill. And under the Federal bill, in our graciousness, the Clinton-Mitchell bill has said, well, the States can go out and tax premiums. So they are going to get hit, on top of this 1.75 percent, with probably an additional State tax to pay for the costs which are generated by this bureaucracy which the States are going to have to put in place in order to comply with the Federal bill.

And, of course, the bill does have massive bureaucracies. And I am going to talk at length about that and especially as it affects States. And the bill really takes health choices away from us as American people and puts them in the hands of the bureaucracy.

Those are just some of the problems with this which basically underlie this huge piece of legislation that has been brought forward here by Senator MITCHELL and which is basically the Clinton-Mitchell bill.

It is a massive document. We have not had the time, even though we have been at it now for a few days, to really analyze the whole thing. We keep finding these little problems within it, fairly significant problems, and we bring them forward, but I do not think we have seen all the problems that exist in this bill. And so, I do think we need to go forward and continue to air the issues which this bill raises.

What I want to talk about in specifics relative to this bill today is its impact on the States, because I used to serve as the executive of a State. I looked at this bill and I was stunned at the burden which this bill is going to put on State governments.

There are 177 new responsibilities in this piece of legislation that States are going to have to comply with—177. Now, I have to tell you, as a former Governor and as a State administrator, one or two Federal responsibilities can ruin your day, can make your life miserable.

Take, for example, some of the Federal responsibilities that are put on States through the EPA.

I recall in New Hampshire, it took us 16 years—16 years—to build a 17-mile section of road in New Hampshire. We had four lanes going in and four lanes going out and it narrowed down to two lanes. For 16 years, we had to deal with Federal regulations coming out of the EPA to try to get those two lanes up to four lanes. That was the only major east-west highway in the State. And during that time, approximately 20 people died in that two-lane piece of road. That was the most dangerous piece of road certainly in the State and probably in New England.

But we could not get the Federal Government to change its regulations, to modify its regulations, to allow us to go forward in a timely manner and to build a road. Even though all the major groups had signed off on it in the State, even though Federal Highway signed off on it, and Fish and Wildlife had signed off on it, the Corps of Engineers had signed off on it, we still could not get it built.

That was just one group of responsibilities that were put on us by the Federal Government. Now we are going to have 177 new responsibilities put on the State governments, none of which, by the way, are paid for under this bill. So the Federal Government is telling the State government to pursue all these new actions, but it is not saying to the State governments we are going to help you pay for these costs.

I want to run through some of these because they are significant. Even though they are only a small section within the bill, they are very significant responsibilities. And somebody has thought these up, that is what amazes you. Somebody in some room somewhere in this building, one of these buildings, thought up all these little ideas—well, not little ideas—these grandiose ideas and said, "Let us stick that in the legislation." It is like dropping a very huge rock in a small pond, because the waves this is going to create out in the States are going to be overwhelming. The unintended consequences cannot even be conceived. Obviously they are unintended, but the unintended consequences will be massive and the effects will be dramatic.

In many cases the effects will be to significantly diminish the quality of life and the health care of various people throughout our country. I will give specific examples of why I think so, why specifically in New Hampshire it is going to significantly diminish the quality of health care. But first let me go into some of these 177 new responsibilities, because they are really overwhelming in their impact on the States. You have to feel sorry for the State legislatures and Governors and bureaucracies within the States that are going to get stuck with these.

They start right off with one that sort of sums it all up in some ways. "Satisfy all its responsibilities." This is section 1412, "Satisfy all its [the State's] responsibilities under the Act," including the development of a health care system that can obtain Health and Human Services approval, or face a variety of sanctions including having the Health and Human Services Secretary assume the State's responsibility under the act and having a 15-percent premium tax imposed on its citizens.

In simple language what that says is, if you do not do it our way, States, we are going to come in and we are going to tax your people into oblivion. This is true Federal bureaucratic elitism.

Yesterday we had an amendment to knock out the $10,000 fine, which was the penalty fine against any employer who decided they wanted to offer more of a benefit than the standard care benefit, or less of a benefit. It applied to every employee. So that was an example, another example of this type of attitude.

But this one says, essentially, every citizen in the State will be subject to a 15-percent premium tax if the State government does not meet the arbitrary, capricious, officious attitudes or

views of the Health and Human Services Department here in Washington, developing these health delivery services. I find that insulting. I thought we are a federal system. We are obviously not a federal system—not as far as President Clinton is concerned, or the Mitchell-Clinton bill is concerned. We are a system where you put a gun to the head of the folks out there in the States and say either you do it my way or we are going to come in and tax you into oblivion.

Mr. COATS. Will the Senator yield at that point for a question?

Mr. GREGG. I will certainly yield to the Senator.

Mr. COATS. I would just note the Senator from New Hampshire is a former Governor. Of course we have heard the rhetoric here all week: No, this is not the Federal Government takeover of the health care system. Much of it is going to be administered by the States.

I think the point the Senator from New Hampshire is making is that a great deal of the responsibility of the State is being dictated by the Federal Government.

I wonder, as a former Governor of New Hampshire, if the Senator could give us his perspective on just what a State like New Hampshire would be faced with in terms of putting together the kind of agencies and governmental functions in order to carry out some of the responsibilities that are now going to be laid on the States through the Mitchell bill?

Mr. GREGG. I thank the Senator from Indiana for his question. I think it is a good point. Essentially, the States have no flexibility in this bill. The States are told how to structure their health care system and then they are told how they are going to administer the system. And then the Federal Government does not even have the courtesy of paying for it after they tell them they have to do all these things.

The practical implications for a State like New Hampshire, which is a small State, are, we would literally probably have to add more bureaucracy and more new State employees to administer this plan than we presently have in our largest department, which would be Health and Human Services or our Highway Department. We would probably have to create literally a brand new government simply to administer this plan.

I said sort of off-the-cuff, and half seriously, we would have to pick a new place to have a State capital in order to handle the number of people we would have to add to administer what is requested of us in this proposal.

Let me go through some of these additional things. You can understand that fairly quickly—well, not fairly quickly, because it takes a long time to go through 177, and I plan to go through maybe them all or at least a high percentage of them. But I think it is important to go down them because we cannot take this bill up until we understand what we are doing to our States. So let us talk about it.

The first was, if you do not do it our way we fine you 15 percent. Unbelievable; everybody in the State gets fined 15 percent. They are not comfortable just going out and fining the Governor. As Governor I used to get sued all the time. No, they are going to fine everybody in the State 15 percent.

Second:

Require that each health plan (whether insured or self-insured) or long-term care policy issued, sold, offered for sale, or operated in the State be certified by the appropriate certifying authority as a certified standard health plan, a certified supplemental health benefits plan, or a certified long-term care policy.

That means the insurance—I presume in most States it is going to be the insurance commission who is given the obligation of checking every plan offered in the State to see it meets, not a State definition of what is a standard plan, supplemental health plan or long-term care plan, but a Federal definition. And, for anyone who has ever tried to figure out what a Federal definition is of anything, it is a very difficult process because of the complexity of the situation. I suspect these will be moving targets which will be very hard for any insurance commissioner to confirm. So it is going to be a huge regulatory burden.

Third, "Establish rules for the event a capacity limitation applies to a plan."

That is section 1111. I do not know what it is. I do not know what the rules would be, but obviously they have to put some rules in place.

Fourth:

Establish procedures and methods to assure equal opportunity of enrollment for all families, regardless of when during the open enrollment period, or the method by which, the enrollment has been sought, in accordance with rules established by the HHS Secretary.

Again, what we are saying to the States is you shall set up a bureaucracy to basically monitor everyone in the State on the issue of open enrollment, on the issue of equal opportunity. But you shall do it under a set of standards set up by the Health and Human Services Secretary.

The burden there is, just statistically, probably beyond the capacity of most States to do.

Fifth:

Implement procedure by which individuals enrolled in a standard health plan may disenroll from such plans for good cause (as defined [guess who] by the Health and Human Services Secretary) at any time during a year and enroll in another standard health plan, in a manner that ensures continuity of coverage for standard benefits package or the alternate standard benefits package for such individual during the year.

Again, what you are saying to the States is that basically they have to be the mother, here, of all these different individual plans and all the different enrollment activities within these plans. Not within the context of what they deem to be appropriate, what the State regulatory authority deems to be appropriate, but within the context of what is given to them from on high, from the mount, the Health and Human Services Secretary.

Again, I am not sure how you would set up a computer system to handle that one, but you would have to probably have every State in this country purchase a supercomputer, not just a regular computer system. I suspect just to administer that one section, you would require some sort of supercomputer capabilities, because I do not think your standard computer systems that most States have in place can handle it.

Sixth:

In accordance with HHS standards—

Once again Health and Human Services standards.

ensure the broad availability and processing of enrollment forms, including direct enrollment through the mail, and other such processes as the HHS Secretary may designate.

I think the important point to note here is that everything—everything—the State has to do, comes from a directive from the Health and Human Services or the Labor Department in each one of these. There is no flexibility. The States are not given any flexibility. What we are setting up here is a massive bureaucracy of disproportionate impact in a small State like New Hampshire where you will, basically, have the Government from Washington telling the government of the States exactly what they will do and, basically, telling every individual through the States exactly how they shall act as it comes to their health care structure. It is Orwellian in the extreme, to say the least.

Seventh:

With respect to a child-State supervised care, consider the child as a family of one and enroll the child with State agency who has been awarded temporary or permanent custody of the child in a high-cost sharing plan, unless the State agency has established a special health service delivery system designated to customize and more efficiently provide health services to children in a State-supervised care, in which case the State agency will enroll the child in the plan appropriate to ensure access to such a special health service delivery system.

That sounds fairly benign, but what it means is, that for every child who is in the State of New Hampshire's DCYS system, we are going to have to get a Federal waiver for each child and the process of getting a waiver is not simple. You are talking about a huge number of people having to fill out a tremendous number of forms and then do it again and again and again for each child who we want to move into a system that is something other than what is the high-cost plan which the State presently has.

Believe me, in New Hampshire, we do an excellent job of taking care of our children. We are rated No. 1 in the country for caring for disadvantaged children. We are No. 1 in the country in the area of immunization. We are No. 1 in the country for mental health care, both for children and for adults. We have a very strong commitment in this area, and we have unique services which I suspect would not fall into this category that is being set out as a high-cost plan.

Therefore, we are going to find ourselves having to waiver each one of these children in order to have them take advantage of a service which we have been delivering and which has been doing good things for that child for years.

Eighth:

Establish fair marketing practice laws standards, including to prevent selective marketing, to govern the marketing of standard health plans through use of direct marketing, agency, or other arrangements to distribute health plan information.

That is, the Federal Government is telling the States that they are going to have to become the marketers of the health care plan. So States not only are going to have to manage the health care plans, they are going to have to market the health care plans. That means a whole new agency.

The State of New Hampshire will now have, I guess, a State of New Hampshire agency for the purposes of advertising health care plans and will have to go out and buy TV time, radio time, and newspapers, and put out press releases and do all that sort of stuff. Not something that really a public entity is all that good at usually, especially on a complex issue like health care.

Ninth:

Impose no limit on the ability of any plan to contract with a provider of health services located outside the geographic boundaries of a community rating area or the State.

If you are going to go to this concept of community rating and you are going to go to this concept of managed care, you basically have punched a huge hole in cost control when you start saying, "But there shall be no limits on who a provider can contract with." You are essentially saying a New Hampshire community-rated HMO will have to contract with, let us say, somebody on Cape Cod who has a service in alcohol treatment, or something like that. It is a huge hole in the cost containment elements of health care if you are going to go to managed care promotion programs.

I do notice there are other people who want to speak. So let me move along to some of the other issues I think are significant in this bill.

I appreciate the President's attention.

The PRESIDING OFFICER. The Chair inquires, did the Senator indicate there were 177 points?

Mr. GREGG. That is correct. There are 177 of these obligations that the States undertake. I was on No. 9. So I am going to give you a break and move ahead a little bit to some of the more egregious ones and their impact on the States.

No. 19—but believe me, the ones in between are pretty egregious.

Nineteenth:

Have a program of reinsurance and risk adjustment that governs how a purchasing cooperative that requires direct payment of premiums shall forward to the standard health plan the amounts collected on behalf of the enrollees in such plan.

It is just staggering to imagine how you are going to do that.

Twentieth:

Develop rules under which each purchasing cooperative in a community rating area shall provide the State with information on its membership and marketing fees.

Again, this gets the State into the business of being the public relations agency on health care within the State.

Twenty-second:

Use the actuarial data to make a determination that each plan's marketing fees are based on a legitimate variation in marketing and distribution costs across alternative distribution sources.

Again, very complex to do that.

Twenty-third:

Have a program of reinsurance and risk adjustment that governs how the purchasing cooperative selected by the employer shall be responsible for forwarding premium payments to the appropriate plan or cooperative for each community-rated employee.

They are talking about setting up a system in New Hampshire under that little section there that will affect 1.1 million people. How you do that without creating a massive new bureaucracy is beyond me. You have to add literally hundreds of employees to the State payrolls to track that one item right there. That does not account for all these other items we have put in here that are just beyond comprehension in the level of new management burden put on the States.

Twenty-eighth: "Manage premium and cost-sharing discounts and reductions."

Thirty-eighth:

Consult with the HHS Secretary in its establishment of standards for guaranty funds to be established by States for community-rated health plans.

So the State becomes the insurer and has to set up the insurance accounts to make sure that these community-rated plans, if they do go under, are properly indemnified. And to do that, we have to go to Health and Human Services for direction.

Thirty-fourth:

In order to obtain start-up grants, provide assurances, satisfactory to the HHS Secretary, that amounts of State funds (at least equal to the amount made available) will be expended for start-up purposes.

That is pure blackmail, that is what that section is. That is blackmail. First, they are going to dump all these new programs on the States, and then they say to the States, "We're not even going to give you the start-up funds; we are not even going to give you the start-up funds unless you put forward a certain amount of money."

It is hard to believe that the people who drafted this amendment have ever gone back to their States—that section right there. If they have, they would be tarred and feathered if they ever admitted to having put that amendment together.

Forty-third:

Enter into agreements with the Secretary of Labor in order to enforce responsibilities of employers and large employer purchasing groups and requirements for employer-sponsored health care plans.

This is an interesting one. Now we have the Secretary of Labor, that we have to negotiate with on the issue of enforcement, and before we can do anything on enforcement, it looks like we are going to have to follow the directives of the Secretary of Labor for the same sort of precision and officiousness that we are seeing here in the area of Health and Human Services.

Seventieth:

Designate public access sites within each community rating area through which residents of such areas can obtain consumer information concerning health plans and purchasing cooperatives offered in such areas, in a manner that ensures access to such information by the health care consumers.

That means, once again, that the State is in the PR business, and I presume it also means that the State is essentially going to have to set up kiosks which they are going to have to man, where they are going to talk about health care. It does not say how we are going to pay for that. It just says States have to do it; they will probably have to have a kiosk in every mall in the State. Every mall will have its own New Hampshire health insurance State government information center. How much is that going to cost? How confusing is that going to be to the public?

Seventy-second:

Provide such public access materials to employers located within the State.

That is the effect of what I was mentioning.

Moving on to 86, which I find to be one of the most egregious in the entire group. There are so many egregious ones it is hard to differentiate standards of level of aggravation they are going to create to States.

But this one certainly is one of the worst. This is classic special interest politics.

Eighty-sixth:

Before initiating the process of implementing its home and community-based care program—

Before it can do that, the State must:

Commence negotiations with labor unions representing the employees of affected hospitals or facilities, to address the impact of

the implementation of the program upon the work force, and methods to redeploy workers to positions in the proposed system, in the case of workers affected by the program.

(Ms. MOSELEY-BRAUN assumed the chair.)

Mr. GREGG. Well, I am glad to see that this bill has not been affected by special interests. States must under this language negotiate with the labor unions before they can set up the home- and community-based programs. They are told what they have to negotiate, what the outcome of the negotiations have to be, for all intents and purposes.

Talk about special interest politics. When did State governments get into the business of labor negotiations dealing with health care centers? What expertise, to begin with, and what right does the State government have to go in and be the negotiator of this issue? Clearly none.

But they are demanded. It is a demand in here. Why? Because some labor union said it is important, probably for support of this bill. I do not know. But clearly it was put in there to take care of the special interests known as the health care labor unions.

Seventy-eighth:

Enact or adopt long-term care standards that conform with the Federal standards to be promulgated by the Health and Human Services Secretary, at the risk of having the HHS Secretary assume responsibility over long-term care policies in the State.

Now we were back at this other page where the State—that is, that other authority where the State—remember this one—must satisfy all responsibilities under the act and if it does not satisfy all responsibilities as approved by HHS, the State gets hit with a 15-percent premium on every consumer in the State. Every consumer gets hit with a 15-percent premium if we do not do it exactly the way HHS wants us to do it.

Now we have a section that says not only that, but we are not happy with hitting you with a 15-percent premium, State governments. We are going to take over your system on long-term health care if you do not do it exactly as the Secretary of HHS promulgates.

By the way, HHS has promulgated nothing in this area. And I presume when you look at the length of this act and number of initiatives—I think there are 800 initiatives that the Secretary of Health and Human Services is required to pursue under this act; there are 50 new bureaucracies also, but at the time they got around to promulgate this, the States would obviously have had to go forward, and then the States would find that they were not in compliance and the Secretary of Health and Human Services would come in and take over their plan.

That is clearly an aggressive use of the Federal power to dominate the States, and it delivers a blow to the States from which they would not be able to recover.

The theme of this bill is either you do it our way or we put a gun to your head and we shoot you. And our way is this huge bureaucratic entity called the Mitchell-Clinton bill, which creates all this in cost for the States.

Ninety-third:

Not later than January 1, 2001, achieve the integration of the mental illness and substance abuse services of the State and its political subdivisions with the mental illness and substance abuse services offered by the health plans pursuant to title I of this act.

I do not know how that works, but I do know that when you start talking mental health and start talking about, in New Hampshire at least, having the Federal Government come in and tell us how to do mental health, we get very upset. Why? Because we deliver the best mental health care in the country. We have spent a lot of resources and effort on our mental health delivery in New Hampshire, and we are very proud of it. It has been rated the best, not by us—obviously, we would rate it the best—but by such diverse groups as Ralph Nader and his organization. We are very sensitive when we start seeing the Federal Government coming in and telling us how to manage our mental health system. But this bill tells us exactly how to manage it, every part of it.

Ninety-seventh:

Report annually to the Health and Human Services Secretary on the incidence and prevalence of mental illness and substance abuse disorders in prison population, changes in such incidence and prevalence in prison population, and the potential causative factors with respect to such changes, including an estimate of the extent to which the denial of treatment—

Now catch that one.

to which the denial of treatment, or the provision of inadequate treatment, to the individuals with mental illness and substance abuse disorders is contributing to criminal activity of such individuals.

I get the feeling here that we are setting up for something, some special agenda. We are not treating those prisoners nicely enough. We do not have enough TV's, not enough basketball courts. We are very concerned about that. And we are setting up here for a nice little lawsuit brought by some organization which is interested in pursuing prisoners' rights. States are going to have to comply with this language or they lose, or they get hit with a 15-percent surtax on all their individuals because this is a part of the bill and if you do not comply with this language, if the States did not supply this information on denial of treatment, then they get sued, then they get hit with a 15-percent premium, and the HHS Secretary has the right to come in and take over the plan.

Ninety-eighth:

Receive grant assistance for the State's development and operation of comprehensive managed mental health and substance abuse programs that are integrated with the health delivery systems established under this act, provided such programs promote the development of integrated delivery systems for the management of the mental health and substance abuse services provided under the comprehensive benefits package, give priority to providing services to low-income adults with serious mental illness or substance abuse disorders and children with serious emotional disturbance or substance abuse disorders and provide for the phase-in of such services for all eligible persons within 5 years, ensure that individuals participating in the program have access to all medically necessary mental and substance abuse services—

Remember, "medically necessary" is now a term defined not by the doctor but by a bureaucracy here in Washington. A group of seven people will be defining what is medically necessary and appropriate under this bill, not your doctor.

promote the linkage of mental health and substance abuse services through primary and preventive health services, and meet such other requirements—

Such other requirements. My goodness, how many other requirements can they think of?

as the Secretary may impose; and provided the State has a detailed plan that is approved by the Secretary.

Now, of course, if you do not do that, they come in and they take over your mental health system. They are not content with taking over your health care system generally. They are not content with taking over your long-term care system generally. They want to take over your mental health system, too, because they know best. They know best. The people who wrote this bill, who sit down here in Washington, know best for you how your health care system should be delivered in your State and how you, as an individual, should interface with your doctor and your hospital. It is the ultimate in utopian elitism and arrogance.

One hundred third:

Establish a limited service hospital program that includes a rural primary care hospital program and/or medical assistance facility program.

I think most States have already done that. And they have worked hard at it. I do not think we need the Federal Government to come in and tell us we should do it again. If we do not do it, I guess they come in and they take over our rural delivery systems.

It will make the States make the maintenance of efforts payments. Maintenance of efforts payments are a tax on States, and a fairly significant tax. In many instances under this bill it is going to be rather large. Essentially, it says that the States shall pay the Federal Government for the right to participate in this new health care consortium which basically tells the States exactly what to do, when to do it. It does not reimburse the States. But we do have maintenance of efforts payments in here to make sure the States send tribute to Washington.

Then there is a requirement to make available through a consumer information advocacy center to all individuals a summary of the State health plan reports in the consumer report cards. That is an interesting authority required of the States. Remember, if we do not comply with that, we will end up once again with the HHS Secretary having the right to come in and take over the system, and assess a 15 percent premium tax on all consumers in the State.

What this essentially says is that there is going to be an advocacy group set up, another new Federal advocacy agency I presume with all of new advocates in it. And those advocates are under this. What they produce as their report card the State are going to have to distribute throughout the States. Maybe it will work. Advocacy is always good. But you know what you are saying here is that essentially we basically have nationalized the system. So in order to replace what is usually a market force event which would have businesses going out and talking to the employer, or yourself, or your labor union going out and talking to different insurance companies, trying to offer a plan, who has the best plan, and who offers what, we will have to have a group of advocates do it now because essentially we set up a structure which has eliminated the market face and the forces of exercise of the delivery of health care.

The list goes on and on. I skipped over an awful lot to get to No. 116. But I want to talk about a few more of them in specifics also because some of the ones I just laid out I think are reasonably egregious. In fact, they are dramatically egregious. But in addition, there are some that are even in my opinion more significant.

Mr. ROCKEFELLER. Will the Senator yield?

Mr. GREGG. While I am searching through my papers, I yield to the Senator from West Virginia for the purposes of a question.

Mr. ROCKEFELLER. I am just interested in terms of the time, my own schedule, and perhaps others. The Senator has taken about hour and a half. I wonder how long the Senator plans to continue to talk for the purpose of convenience of Senators, including the Senator from West Virginia?

Mr. GREGG. I would expect that I will be speaking on this subject for an additional half an hour, I inform the Senator from West Virginia.

Mr. ROCKEFELLER. I thank the Senator.

Mr. GREGG. Mr. President, we have gone through some of the highlights of some of the 177 additional requirements put on the States remembering that the basic schematic goal of this whole exercise is to have the Federal Government take over the health care system of America, and specifically to put the States in the position of being a functionary of the Federal HHS Secretary, making them essentially the carriers of the water of the bad news of the bureaucracy to the people in their States, with very little flexibility. It is not going to work obviously. Common sense tells you it is not going to work. But I recognize that common sense does not necessarily hold the day.

So let us talk in specifics, beyond the items that I mentioned about some of the more major events that this bill puts on the States, and how they will impact the States. Probably the most significant one, from the standpoint of how people's lives are affected is this whole issue of subsidies, the integration of subsidies, and how the States integrate subsidies, because how States take care of their medically needy people today, Medicaid people and people who are not on Medicaid but are low-income individuals, is obviously important.

In New Hampshire I think we have done a fairly good job. There is more we can do, and we are trying to do. In fact, in the last legislative session, many initiatives were passed. But under this bill, I think people need to understand the complexity of the new premium subsidy program and how it impacts the States.

Under this bill, there is a full subsidy for low-income individuals from 100 percent of poverty phased out as they get up to 200 percent poverty. There is a full subsidy for children under 19, and pregnant women 3 months after their pregnancy up to 185 percent of poverty. It phases out to 300 percent poverty. There is a subsidy for unemployed people up to wages of 75 percent of poverty for a period of 6 months.

What does that do to States? Remember that the States already have Medicaid. So they must continue to comply with the Medicaid Programs, and administer their Medicaid Programs under this bill. But under the Mitchell-Clinton plan, the States must offer wraparound coverage; that is, to continue to offer Medicaid services that are not offered in the Medicaid recipients standard plan. In other words, the Medicaid recipient falls under the standard plan. But, to the extent that Medicaid services exceed the quality that you would get from the standard plan, the States must offer a wraparound so that the Medicaid recipient will actually receive a higher benefit package—this is the welfare recipient—than the average American would receive under the standard plan. The States have to pay for this.

This would be extremely complex to undertake. The plans would have to have an incentive to limit coverage. They would have no incentive to limit coverage, and you would end up with an increased Medicaid wraparound. The coverage and the costs would shift directly to the State. It would be a dramatic cost shifting event.

Further, States set Medicaid income eligibility thresholds within the Federal parameters. But the Clinton-Mitchell subsidy thresholds do not correspondence to the State threshold. This will make for an administrative nightmare.

Also, the subsidy programs would be a tremendous undertaking because you would have problems confirming involuntary determinations as to unemployment subsidies, and determining pregnancy. You have to go in now and you have to determine when someone is pregnant, and when they are not pregnant. Can you imagine the personal information we are going to have to take from someone on that issue? Then you have the issue of when someone is working and when someone is not working. You have to verity State residency claims and income claims.

The complexity is huge. I am not saying it cannot be done. I suspect those complex things can be done. But what they are going to require is a dramatic increase in costs.

CBO has questioned this implementation of this system. In fact, they have estimated it would cost the States $50 billion over 10 years just to institute the subsidy. Where do they get that $50 billion? And $50 billion I know in Washington does not sound like much money for some reason.

I was stunned when I went to one of my first committee markups. They knocked all the zeros off, and all they were talking about was 50. I said, "What is 50?" They said, "That is $50 billion." Well, $50 billion would run the State of New Hampshire, actually run the entire State government, for 50 years-plus. So $50 billion is a lot of money when you are talking about passing the health care costs on to the States. All is not going to fall to New Hampshire. I hope not. But a significant number of dollars are going to fall on New Hampshire and all the other States, $50 billion among our States. And $50 billion per State over 10 years, that is $100 million if you were to spread it evenly. Obviously, you cannot spread it per capita. But that is a huge sum put on our State governments.

You also have a new program called the outreach enrollment system. Under this provision, States would have to establish a system under which individuals would be presumptively eligible for a subsidy and enroll in the plan at the point of service by the provider.

So what you have is when somebody walks into the doctor's office, they are presumed to be a subsidized individual. I can understand why the Clinton-Mitchell plan takes that view, because they are subsidizing to 115 to 120 million people—1 out of every 2 people. If you do not happen to be a subsidized person and you are walking down the street, you could probably be safe to say the person walking beside you is subsidized and be accurate. The point

is that there is a presumption of eligibility when the person walks into the provider's office, and the enrollment and subsidies are valid for 60 days.

In other words, people can declare themselves eligible for subsidies at the doctor office and have a plan pay for. Then the actual eligibility is determined later. If mistakes are made, who bears the cost? Well, the taxpayers bear the cost. This type of enrollment works in increasing coverage only if significant followup occurs to determine actual eligibility and to permanently enroll the individuals in the plan. States are thus required to undertake significant outreach efforts of this type, including the provision of an enrollment package to each provider in the State;

However, given the significant burdens, even standard enrollment and reconciliation would impose the followup outreach efforts and would be likely to fall by the wayside. This could lead to a significant drain on the Treasury. It is a payment taxpayers would have to make. Over 30 States now have provider enrollment already through contracting through private vendors. New Hampshire is one of them. If you do not, you are going to have to set up a system, and it will be extremely expensive. The Clinton plan authorized a 1-percent tax on States. I mentioned that earlier. States can assess this tax on premiums in order to pay for the cost. Well, I would hate as a Governor—and I suspect most legislators in the State legislature would not want to —to raise the premium tax in order to comply with a Federal rule which they had an absolute inability to monitor, to adjust, to effect. But that is what is being asked here.

The Health and Human Services Secretary essentially says you shall do this one—there are 177 mandates—and then you are going to have to add probably half again as many new State employees to administer as you presently have, and they say: "We will be nice and let you assess a tax on the premiums that your people pay." That is not something that I think most States want to do. But it is, again, a gun-to-the-head type of legislative action undertaken by the elite few here in Washington.

There is also the 1.75-percent tax, which is assessed against all people's premiums in this country, which is in the bill, and which is already in place if this bill passes. Remember, that is assessed against everybody, so State governments pay it, too, on their employees. That is a big dollar item, a 1.75-percent premium tax on State employees. That is a big number, and where does that come from? Well, in New Hampshire, it will come from the taxpayers to fund that tax on their State employees, and then they will also have to pay that tax on themselves, so they get to pay it twice. Are they not lucky as citizens of our country living in the States?

I have tried to go through this and analyze this bill as it is in a New Hampshire-specific way. I will read through some of the effects of this as it impacts New Hampshire. New Hampshire will have to develop a brand new untested health care system and get HHS approval or face the prospect, as I have mentioned before, of having New Hampshire citizens subject to a 15 percent premium tax. That is for starters. New Hampshire will have to submit—and all States will actually—a complex application to HHS by January 1997, and have it approved and updated every year.

Even if we could do it, I would not want to do it that fast. It is just very hard to take a system like the New Hampshire system, which is working extremely well, and throw it out the window and replace it with this new we-know-best Federal system, and do it in the timeframe that this bill has suggested.

I have mentioned a couple times that the New Hampshire system is doing very well. I want to read some statistics to support that, because if this goal is to improve health care—and I think that should be one of our goals—we ought to acknowledge that there are some places in this country where health care is fairly good, and in those places we are trying to solve the problems we have, but we think we are doing a good job. New Hampshire, for example, in national rankings, was rated No. 3, I guess, in the health of its people. It was rated the third most healthy State in the country. There are a lot of different statistics that went into that. We are rated the second best State in the country in the area of infant mortality. We have one of the lowest rates in the country. We are rated the lowest State in the country in the cost people have to pay for their health care, even though we have the best health care and the healthiest people in the country. We are No. 1 in the country in childhood vaccination. We are right in the top of the country in annual health care payments—we are in the bottom, but the top as far as cost goes. We have one of the lowest costs in the annual health care payments made by families and by individuals, so that we are a very inexpensive place to purchase health care. Yet, we deliver extremely good health care. As I mentioned, we are rated first in the country in mental health care.

We have accomplished this through a lot of work. It has been creating a very integrated system. Yes, we have uninsured people in New Hampshire, about 10 percent. We have tried to address that, most recently in legislation passed this year by the New Hampshire House. We do have a lot of services that are supplied to the State for free by many of our service providers. But we have a system that is working very, very well, for the vast majority of the people who live in the State. They get first class health care, and get it promptly and at a fair price. Before we throw that system out for this huge new bureaucratically-driven health care, I think we ought to expect that we are going to get something better. And we are definitely not.

To continue, under this proposal, if New Hampshire fails to meet the conditions of compliance, HHS can reduce the amount of payments for academic health centers and health research entities. And even if New Hampshire wants to continue to deliver the type of health care we are delivering—and it would probably be significantly different from what is planned under this bill—if we were continue to give the people the best health care in the country at the lowest cost in the country, with the best vaccination rates, mental health care, the best care for children in disadvantaged situations, we would be fined. Then we would start to see that in order to force compliance with this brand new huge bureaucracy, which would create mediocrity, in my opinion, we would start losing some of our payments to critical institutions, such as all academic health centers—and we do have one excellent one in New Hampshire—the acute care portion of the Medicaid program in New Hampshire would retain responsibility for continuing the Medicaid program, which includes the highest cost parts and the long-term care, plus determining eligibility and administering three new subsidy programs, huge cost to the State. New Hampshire would be responsible for implementing at least three new multibillion-dollar subsidy programs for the temporary unemployed, the low-income, pregnant woman and child, and hard to reach low-income groups like the homeless, and again no reimbursement for those costs, and CBO has acknowledged that it would be difficult for States to pursue that.

New Hampshire can expect that this would affect almost 370,000 individual residents in these subsidies programs. New Hampshire must pay the amount of the premium assistance subsidy directly to the health plan in which the individual is enrolled.

New Hampshire must receive review applications once a year and revision of whenever estimates of income change and changes to complement status of family members.

New Hampshire must then revise the amount of premium to reflect the changes. All this is required of the States to do.

New Hampshire must conduct year-end reconciliation to each family income for the year based on each recipient's time with the State.

New Hampshire does not have a State income tax. How are we going to do this one? Reconcile everybody's income

or at least 370,000 citizens' income in the State? What an outrage.

New Hampshire is required to verify the information by cross-checking with the Federal tax returns. I presume we can do that if we ever get a computer big enough. New Hampshire has to determine who underpaid, who overpaid, and how to make adjustments.

New Hampshire would be financially responsible for premium assistance based on eligibility determination error to the extent New Hampshire's error rate exceeds a maximum permissible error rate set by the omnipresent Secretary of HHS.

New Hampshire has to determine which families in the area have adjusted income below 200 percent of the applicable poverty level. New Hampshire would have to assure broad availability and processing of enrollment forms and provide direct enrollment through the mail while remaining in compliance with any other rules established by HHS, the omnipresent Health and Human Services Secretary.

New Hampshire would have to set up an outreach program and require certain health center providers to fill out application forms for new patients declaring they are financially eligible for subsidy.

Enrollee disenrollment from each standard plan must be reviewed to determine whether there is a pattern disenrollment that does not reflect the distribution of such plans reenrolling membership.

New Hampshire will need to establish a new 1 percent premium tax to pay.

New Hampshire is required to set up new insurance regulations. New Hampshire would be required to enforce complex new insurance laws, certify and accredit and enforce health plan standards, charter HIPC's and monitor the transfer of billions of dollars in insurance premiums paid by employers and individuals.

I think that is an important point: the idea that the State governments are essentially going to be conduits for all the cash and payments that are flowing through this system. Most States are not capable of managing those types of cash transactions and certainly not for overseeing them, taking the marketplace entirely out of the exercise. It is now all government, no marketplace.

New Hampshire would need to establish fair marketing practicing laws and standards, prevention of selective market and governance of State health plans through the use of direct marketing, agency and other arrangements to distribute health plan information.

We will probably have to buy a television station and go public 24 hours a day on this issue. Maybe we can get a new license they auction off down there. New standard, data, and other documentation in addition.

New Hampshire would need to comply with the HHS omnipresent standards to be published relating to management of finances, maintenance of records, audit procedures, and financial recording requirements.

New Hampshire would be required to establish a new risk adjustment organization, and using the methodologies developed by the omnipresent Health and Human Services Secretary, apply the per capita adjustment amount to community-rated and experience-rated and the multi-State plans and the health plans offered within each community rating area.

We are smart in New Hampshire, but I do not think smart enough to do that one.

New Hampshire would have to comply with the new community rating requirements.

New Hampshire would have to collect data on patient care, health spending, the functioning and efficiency of health plans, and the omnipresent Health and Human Services Secretary will determine what those reports and audits by New Hampshire were required.

Remember, under this bill your private medical information becomes a very public event. Under this bill researchers have the right to query you on your health care situation even without notice. They can come to your house and say "I want to know how your health care is doing. I want to know what happened here."

You have to theoretically respond to them. I expect in New Hampshire you will run into folks who will not take kindly to that and throw you out the door. As a practical matter under this law you are supposed to respond.

New Hampshire would have to develop and publish annually—in a format designated by the National Quality Council, an agency of the omnipresent Health and Human Services Secretary—the performance of each plan offered in New Hampshire with respect to a set of national standards.

New Hampshire would have a new State health care delivery system. Ours is not good enough. The fact its plans are ranked to be the best in the country with the lowest cost in the country does not matter. Out the door. Get a new one here, something designed in Washington by a group of folks who know best what the people of New Hampshire should have.

A new cap on entitlement replaces the disproportionate share hospital payments. While disproportionate share payments are reduced according to level of insured, New Hampshire has a new national $2.5 billion program which bypasses State government and goes straight to the hospitals serving vulnerable populations.

So you change the playing field fundamentally.

New Hampshire is required to identify all hospitals in which the low-income utilization rate exceeds 25 percent and provide a list to the Secretary. The State must also report the total of inpatient hospital days for hospitals in New Hampshire for the year in accordance with reporting procedures established by the omnipresent Secretary of HHS so the Secretary can calculate low-income days and each hospital receives an allotment directly from the Secretary on a quarterly basis.

New Hampshire must designate medical assistance facilities, rural primary facilities, hospitals that serve the population and essential community providers.

New Hampshire must have planning and have startup funds. New Hampshire must match the planning and startup funds. I talked about that earlier, the fact we get hit with a penalty if we do not match startup funds. New Hampshire would be required to oversee the HIPC's. New Hampshire will have to charter and certify the HIPC's and establish the voting rights of members to select its board of directors.

Maybe New Hampshire does not need a HIPC. We do have the best health care in the country and do it without a HIPC. We probably do not need a HIPC. Under this we have to establish one.

New Hampshire will have to determine the regional boundaries, and community rating areas must contain at least 250,000 individuals and not divide metropolitan areas. That is going to be an interesting statistical event in a State of 1,150,000 people.

New Hampshire would need to coordinate operations in a community rating area when a HIPC has operations in neighboring States, including the adoption of rules, contracting health with plans, enforcement activities and establishment of fee schedules for health providers. So we will end up obviously because we, like most States, have a number of sister States in a very complex operating structure with our sister State of Vermont, or sister State of Maine, or our sister State of Massachusetts.

I am not sure what happens to the people who live along the Canadian border who go over to Sherbrook for an operation. It will be an interesting exercise to say they are treated but the complexity for doing it is extraordinary. They would lose choice under the Clinton-Mitchell plan also, the standard benefit package, and the alternate benefit package will contain the same benefits. Only the costs sharing will vary.

For example, in New Hampshire, Christian Scientists complained forcing them to buy assistance will be a double blow. They will not use the benefits they pay for and will not get the benefits they will use.

New Hampshire opthalomologists have spoken to me about the Clinton plan, the Government funded centers for cataracts. They will not be able to

compete, and a patient will lose the choice of eye doctors.

New Hampshire residents, really I suspect, as they look in depth at this plan are going to find that its massive expansion of obligations on the State create huge new bureaucracies which will fundamentally undermine the quality of care our State has. I do not today, which is excellent.

I do not think I have to rely on my own hypothesis on this. CBO, which has done analysis of this bill, which probably did one of the most devastating statements in this area, it said in addressing State responsibilities it said like several other proposals this one would place significant responsibilities on the States. I am quoting CBO on the States for developing and commending the new system, and it is doubtful that all States would be ready to assume that new responsibility in the timeframe envisioned. In addition, it says many of the States would simply be unable to comply with this language. States would bear the responsibilities for the requirement of the end of the year reconciliation processing which the income of subsidized families was checked to ensure that the families receiving the appropriate premium subsidy, reconciliation would be a major undertaking. Even if Federal income tax information could be used, many of the families receiving the subsidies would not be tax filers. Tracking people who move from one State or another during the year would also be difficult and would require extensive cooperation among the States. Probably be impossible. That is my parenthesis.

And it goes on and on.

It just basically points out that—another language: "It is doubtful that all States could develop the capabilities to perform these functions in the near future," talking there about monitoring the health insurance industries.

The language of the CBO report is just replete with statement after statement of the affects of this plan and its inappropriateness on the impact on the States.

In addition, the National Governors Conference, taking a long look at the Mitchell-Clinton plan, concluded also that large sections of it are going to have extensive negative impacts on the States. In one area, the plan concerns the following four categories.

One, that it does not integrate Medicaid into the new low-income programs.

Two, the adjustment factors to increase the States' main efforts of the contribution over time is higher for most States than the expected Medicaid growth.

What that means is the Federal Government is essentially extorting from the State money that it would not have gotten under the traditional payment process. There is no Federal funds to administer low-income programs, as I pointed out before, which cost almost $50 billion to the States, which is a huge sum.

And most standards, results, and regulations set by the Federal Government are nearly impossible—in the National Governors Association—nearly impossible to administer the plan.

Well, I have gone on for quite awhile here, but I think it was important. I could have gone on for a lot more time. I think it was important to go through in some depth how this plan basically takes control of State governments' function in the area of health care and how it puts onto the States this huge new structure of bureaucracy.

What is the bottom line? Many people sort of tune out and say, "Well, that's just the State government. So what?"

The bottom line is it affects the people who live in those States. The people who live in those States and have to pay new taxes and are put under the auspices of having basically to deal with Washington for their health care rather than their State government, are confronted with this huge new bureaucracy which will be confusing and hard to deal with.

In States like New Hampshire, which have such a strong tradition of delivering quality health care, it essentially undermines everything we have worked so hard to accomplish.

Now, yes, we all recognize that there needs to be reforms, that we need to address things like portability and preexisting conditions, and small-market reform, antitrust reform, and malpractice reform, and make sure that the low-income working person has fast and first insurance.

But this is not the way to do that. We do not need to have a basic national Federal takeover in the name of dependency politics of our health care system in order to accomplish those goals.

And, in fact, this language—I think I have made the case—will significantly diminish the quality of care that is delivered, at least in the State of New Hampshire, because it will create huge bureaucracies and drain off huge amounts of resources to comply with ideas and initiatives which come there from Washington which may either, one, have no bearing on the quality of care in New Hampshire; or, two, which may actually undermine our present quality of care in New Hampshire.

The arrogance of this bill to come forward and say that we know best here in Washington how you in New Hampshire should run your health care system is what I find most frustrating about it. Because there are places in this country—and there are a lot of them—that are working hard to address health care and improve health care. They do not need to have the Health and Human Services Secretary essentially take over the government of the State in order to address that issue.

Rather, what they need is targeted reform, which will improve those functions of the health care system, which should be addressed from the national level. Those targeted reform ideas have been proposed. They have been proposed by Senator PACKWOOD and they have been proposed on the House side by Congressman BILIRAKIS and Congressman ROWLAND, Dr. ROWLAND. They are out there.

The only reason we are going forward with this bill is because of the point I made at the beginning of this discussion. It is this philosophical drive to move to dependency politics, the politics of the State, where you bring everybody under the control of—not under the control, but at least under the obligation; or not everybody, but a large percentage of the population becomes committed to or dependent on the Federal Government. And the Federal Government or the central Government becomes the center of power for the domination of the style and activities and delivery of the service.

That is a mistake. We do not need to step off onto this road with a giant leap. Regrettably, all government is moving to the left. But we do not need to assist it by taking this giant handspring in that direction through the passage of this bill.

I yield back my time.

I thank the Chair for her courtesy and I thank the Senator from West Virginia for his patience.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. I thank the Senator from New Hampshire and others.

I wish to speak, Madam President, on health care reform. But it just seemed to me that, almost without exception, those who have come to speak on the other side about health care reform have, in almost identical words, disparaged the Mitchell plan.

What I keep looking for is something that they say they are for, and I just never hear it.

If we are discussing health care plans, we ought to be looking at the Mitchell plan and at the Dole plan. So that is a little bit of what I propose to do today. If the majority leader comes in, he may want to do a unanimous-consent request and I will yield to that.

Madam President, in the very simplest of terms, our debate on health care reform has come down to defining objectives. I have been working on health care—as has the Senator from Oregon, who is on the floor, and the Senator from Iowa, who is also on the floor, and others—for a long time. It has been a major concern, taking up a lot of my time for many years. I have looked at and I have studied more proposals, more plans, more analyses,

more bills than I can count or that I wish to think about counting. And today I support Senator MITCHELL's bill.

But I also see, happily, some areas of agreement with those on the other side of the aisle. It might be nice to mention that. I understand it might be hard to tell from watching all of this, but it is true; I think there are areas of agreement.

For example, Democrats are as committed as Republicans to ensuring that every American will be able to keep the health care plans that they now have if they want to. Both parties are in agreement on that.

If you have Blue Cross and if you like Blue Cross, you should be able to keep Blue Cross. If you have health coverage with Aetna and you are satisfied with that health coverage with Aetna, you should keep Aetna, by all means.

The Mitchell bill lets Americans do just that, stick with the insurer that they have if they like that insurer. So we do agree on some key health care issues.

But behind this agreement there are some important differences, and it is important to talk about both plans and some of these differences. Let me try to explain why the Mitchell bill stands out to this Senator as the proper course for reform and why the Dole plan worries me.

In simplest terms, the Mitchell bill is intent on providing health care security for the American people. That is what we have said from the beginning. But the Dole plan tips the balance in favor of insurance companies. This difference is, obviously, very critical and I believe it is what makes the Dole bill dangerous and the Mitchell bill a far safer course for all of us.

With the Mitchell bill, we can see the progress that this Nation will make toward ensuring health insurance. Ensuring the insurance is always worth the premiums that people pay, always affordable and always secure; always there when you need it.

With the Dole bill, every American will still be at risk of paying premiums month after month, year after year—but finding their claims rejected just at the time that they need to use the coverage. The Mitchell plan offers reforms that will mean something to American families, real substance for real people in my home State of West Virginia, in the Presiding Officer's home State of Illinois. As we think of real families, working families, people we know, we want them to have health insurance that they can count on. The Mitchell bill does that for them and it will mean a great deal to them. It eliminates loopholes.

I refer to this chart. The Mitchell bill eliminates loopholes, limits on coverage, fine print, and deceptive practices. Too often fine print is used to deny people care when they need it most, or to let insurance companies cut and run from people just when medical bills get too high.

That bit of common sense in the Mitchell bill is long past due. Is that not exactly why people purchase insurance? So they have this kind of protection? That is what they pay their money for, to help them in the event their medical expenses get too costly. That is what insurance is for.

Today, insurance for senior citizens has a large hole in it. A visit to the doctor to find out that you need medicine is covered, but the medicine that the doctor may say that you need is not. That is a very large hole. The Mitchell plan plugs that hole by covering prescription drugs.

For senior citizens, the Mitchell plan has prescription drugs and long-term coverage.

Consumers will never have to fear losing their coverage under any circumstances. No more being dropped arbitrarily or canceled. The Mitchell bill stops those practices, and it provides help with premiums if you are between jobs.

We are told that in the course of a lifetime, young people will have 5, 7, 8, even 10 different jobs. There are a lot of people "between jobs" in my State, and I want them to have insurance between jobs while they are looking for other jobs.

So, the Mitchell bill is about getting and helping people keep good, reliable health insurance.

The Dole bill, however, is another story.

I refer to this second chart. Those insurance company loopholes and fine print that today can be used to deny or cancel insurance, stay in place in the Dole bill. Promises made in the Dole bill are meaningless because they apply to coverage that people cannot afford to buy or keep. Insurance does not mean anything unless you can keep it. Insurance companies' costs are completely uncontrolled in the Dole bill, and insurance bureaucrats can continue to dictate to doctors what care they give.

The story I love to tell in West Virginia is of a two-physician practice. In the two-physician practice in one of our cities there are 18 people working, 9 of those people practice medicine, 9 of those people do paperwork. Four of the nine people who do paperwork spend all day on the telephone to the insurance companies asking permission to do what the doctor in that office knows perfectly must be done, but they have to get permission from the insurance company to do that. That is outrageous. That is anachronistic, but that is our current system and that system is preserved under the Dole bill.

For those fortunate enough to get and keep coverage, there is not much to gain. The Dole bill offers no protection against sudden premium hikes. Even the most fortunate will be constantly at the mercy of insurance companies' radical rate hikes.

Under the Dole plan, Medicare gets cut. Yes, it does under the Mitchell plan as well, but under the Mitchell plan there is prescription drug and long-term care covreage in return for those cuts. Under the Dole plan, no prescription drug or long-term care coverage is offered. So that is a very substantial difference: The Dole plan cuts Medicare and offers no long-term care, no prescription drugs; the Mitchell bill cuts Medicare but provides prescription drug and long-term care coverage. Major, major differences. The Dole bill not exactly the reform people want and need.

People who lose jobs, people changing jobs are simply out of luck with the Dole plan. Perhaps it boils down to a different understanding of what the word "insurance" means. I have with me Webster's Dictionary. I want to read what the word "insurance" means in the Webster's Standard Dictionary: "To guarantee protection and safety."

To guarantee protection and safety. To guarantee protection and safety. I repeat that because I fear that if we keep going the way that we are, or if we choose the Republican route, insurance will no longer mean a guarantee of protection and safety. Instead the word "insurance" will, more and more often, be linked with the words "abuse," "fraud," "loopholes."

Democrats want to restore the value of having health insurance.

Today, too many policies are downright dangerous—in fact, even hazardous to people's health care. Filled with loopholes and fine print that can leave you financially and physically ruined when the medicine or the care that you need is denied because your coverage is incomplete.

Remember those employees in the doctor's office spending their days on the phone to insurance offices trying to get permission for treatment? Well, they do not always get the answer yes. And when the answer from the insurance company is no, the American people are the losers.

Americans should not need a magnifying glass to understand what they are buying in a health insurance policy. We do not have to be auto mechanics to go out and buy a car and know that it will not blow up when we step on the gas pedal. We do not need to be chemists to buy pajamas for our kids and know that they are fire retardant. We should not have to be lawyers or insurance experts to be sure our health care coverage is worth the premiums we will pay.

Democrats want Americans to choose among a wide variety of good insurance plans. The Mitchell bill guarantees a choice of plans, and it also guarantees that the plans are sound.

Let me read to you some clauses from a couple of health insurance

plans. These are real health insurance policies—not from fly-by-night companies or tiny companies run out of the trunk of a car, but mainstream companies with well-known services that have limits and exclusions.

(The PRESIDENT pro tempore assumed the chair.)

Mr. ROCKEFELLER. Here is one example. I urge those listening to try to keep up with this as best they can. This is on page 6 under "Sickness," and it says:

Sickness means illness or disease of any insured which first manifests itself 30 days after the effective date of this policy and while this policy is in force. All sickness due to the same or related cause or causes which continues or recurs shall be considered one and the same sickness or "any one sickness" unless periods of confinement to a hospital or service, treatment or expenses incurred resulting from such Sickness are separated by an interval of at least 90 consecutive days—

At the beginning in the same paragraph, we had 30 consecutive days.

between the end of one such period and the beginning of a subsequent such period.

And then it says:

Any loss which results from hernia, disease or disorders of the reproductive organs, hemorrhoids, varicose veins, tonsils and/or adenoids, or ottis media shall be covered only if such loss occurs after this policy has been in force for a period of 6 months —

This is 30 days, 90 days and now 6 months, all within two sentences of one paragraph.

from the Effective Date of This Policy provided these Sicknesses are not excluded by rider and endorsement and these Sicknesses are not preexisting conditions.

Mr. President, this is absurd. The people of West Virginia are highly intelligent. But when you get something like this, it is impossible to understand what it means. This is what would be allowed to continue under the Dole plan and would not be allowed to continue under the Mitchell plan.

Just one more. On page 10—and there is a lot more reading here—there is something called "Exclusions, Exceptions and Limitations." And then it says: "Coverage is not provided under this policy for loss due to"

And then a list of things which goes on for 15 different exclusions. Number 6 excludes "childbirth or pregnancy." Childbirth or pregnancy cannot be covered.

It is just incredible to me that in America, if a woman gets married, then gets pregnant, does not have health insurance, and she and her husband go out and try to buy health insurance so they can have good prenatal care, they cannot buy it because they have—here it is—pregnancy is a preexisting condition. I do not think they would necessarily know that with this insurance policy unless they read it very, very carefully.

There is another exclusion here, number 5, which amazes me:

Participation in aviation except as a fare-paying passenger traveling on a regularly scheduled airline flight.

I can draw no conclusion from that except it means if you are in one of those cost-saving or frequent-flier plans, it may be that if you get sick, you are not covered. I do not know what that means, though I am trying my best to make sense of it.

I will read exclusion number 14:

The correction of a congenital anomaly or abnormality after an insured is age 19.

Congenital anomaly means that you had something all your life. It is congenital. Your insurance coverage is clearly, on this last issue, wiped out.

This should be very distressing to us all. This is a major company's insurance policy, and it is something that most people, would put faith in and surely accept. But indeed there is the work of the devil in the details. This is just outrageous.

I will just use one more example from another health insurance policy written by a major company. And on page 11, under "Limitations and Exclusions," it reads:

This certificate does not cover any charges for any services, treatment, or supplies: furnished as a result of, or in any way related to a Pre-Existing condition.

Mr. President, that is what the Mitchell bill eliminates and what the Dole bill allows to continue. And once again, here in another health care policy it excludes "for pregnancy or childbirth, except for Complications of Pregnancy."

Well, that means no prenatal care. And since it says "childbirth" is not covered, I assume it means no well-baby checkups.

Insurance policies are major forces in people's lives. And within this handful of insurance policies are some extraordinary exclusions and limitations which are stopped in the Mitchell bill yet which will continue in the Dole bill.

Some have argued for years against requiring seat belts in cars. They called seat belts expensive and unnecessary. Some still argue against helmets for motorcycle riders because they want the freedom to take risks with their physical safety, not necessarily understanding that their physical safety could coincide with the physical safety of another person.

The truth is that the costs for victims of accidents without seatbelts or without helmets are not borne by the individual who takes the risk—too often we all pay the cost for those reckless decisions. That is wrong

Those who argue today that we should allow dangerous and hazardous insurance policies to be sold using the rhetoric of freedom and choice are simply protecting insurance companies' power and profit. Nothing more.

We do not want any bureaucrat—no Government bureaucrat and certainly no insurance company bureaucrat—to decide what illnesses or accidents qualify for care.

If you buy insurance, and you go to your doctor and your doctor tells you that you have cancer or that you are suffering from depression or you have some other ailment, your doctor should not have to call any insurance company to ask for permission to treat you. It will not happen under the Mitchell bill and it will continue under the Dole bill.

Increasingly, that is the system that we have in this country. Insurance company bureaucrats blocking coverage for whole categories of services. I am not talking about legitimate arguments against questionable or experimental treatments. I am talking about the wholesale exclusion of whole categories of necessary care: Preventive care, prenatal care, pregnancy-related services, preexisting conditions, prescription drugs—all legitimate and necessary services, all denied today by health insurance companies.

Republicans want to protect insurance companies' prerogatives, speeding us on a path to insurance company dictatorship.

This is not just a fear for the future—it is a reality that many Americans are now living with.

I have visited with them in West Virginia. Whenever possible, I visit families that have some kind of health care problem so I can better understand their concerns and better represent them.

Let me just share a letter from a constituent who has been frustrated and exhausted by insurance company rules and insurance company control. In a letter written just 3 weeks ago, Clarence Wickline, of Peterstown, WV, wrote:

I have Blue Cross and Blue Shield insurance. They take it out of my check every week.

My daughter was scheduled for surgery last week. She had all of her blood work and everything done and was going to check in the hospital the next day. The insurance company called the surgeon and refused to pay for it. So she couldn't have surgery.

Clarence Wickline concludes with:

I really don't think it's fair. Thanks for listening.

That a straightforward letter from a straightforward West Virginian who pays his insurance premiums and gets left out in the cold the one time his family needs their insurance.

Now, there has been plenty of technical talk about reform over the past year—mandates, triggers, alliances, cost shifting, redlining. It is hard to keep track of all of it, there is so much of it. And for the American people watching us and following the debate, it must be pretty confusing.

I am trying to put reform in simple terms. In real-life terms that tell people how the different health care reform plans will affect them, because we

have two different plans—the Dole plan and the Mitchell plan.

If you are a middle-class, hard-working American consumer, the Mitchell plan looks out for you and delivers a real measure of reform that you will see. You can keep your plan or choose a new option, but no matter what, your insurance will always be worth the premiums that you pay for it.

If you are an insurance company, the Dole plan looks out for you. Business as usual. Loopholes for preexisting condition exclusions, limits on portability, higher premiums, no guarantee of choice—as full of holes as swiss cheese. In short, allowing this kind of insurance represents a reckless disregard, in this Senator's judgment, for public safety.

With those objectives, it is pretty clear that the Mitchell plan, in this Senator's judgment, is a moderate, thoughtful, and sensible approach that seeks to be effective but not intrusive. It makes sure insurance will be, for you and your kids, "a guarantee of protection and safety." And you and your doctor will always know that your insurance will provide the care that you need. Insurance company bureaucrats will not be able to cut you off.

That is meaningful reform. That is real reform for real people who I represent. It is not enough to say, as Republicans do, that we want you to keep your insurance. Getting to keep something labeled insurance that is gutted and loophole-ridden and weakened is not worth much. But that is what the Republican plan will do.

For all of those people whose letters that I read earlier, and the millions of others whose letters and phone calls we get, we must pass reform that makes health insurance a dependable, sure thing, not a gamble left to the whim of insurance companies.

I thank the Presiding Officer. I yield the floor.

Mr. MITCHELL. Mr. President, I hope in a few moments to be able to announce or propound a unanimous-consent agreement with respect to further proceedings on the pending amendment.

I know the Senator from Indiana was going to seek recognition. I merely request that we are ready to proceed, if he would permit us to go ahead and propound the agreement.

Mr. COATS. Mr. President, I would be happy to accommodate the majority leader's request in that regard.

Mr. COATS addressed the Chair.

The PRESIDENT pro tempore. The Senator from Indiana [Mr. COATS].

Mr. COATS. Mr. President, Senator MACK and I have an amendment at the desk which I think would most appropriately be entitled "Let the sunshine in."

In 1972, the Congress enacted an important act which has greatly contributed to openness and accountability in the executive branch. It is called the Federal Advisory Committee Act.

That act requires that any Presidential or executive task force, which includes private citizens, conduct its meetings in public. Let me restate that. The Federal Advisory Committee Act requires that any Presidential or executive task force, which includes private citizens, conduct its meetings in public.

The requirements of the Federal Advisory Committee Act, I think, are reasonable—Congress has determined that—and are there to ensure that the public, not included in those meetings, have access to Government activities which will directly affect their lives.

The Congress now has for over 20 some years upheld that particular statute. I think it is important. What it means is that all meetings will be open to the public. This is a Government of, by, and for the people. We can only assure that right, if the people are given access to what this Government is saying and doing.

The act requires that there be advanced notice of meetings. The act requires that the public be informed of the agenda of the meetings.

That means in this case that decisions made relative to medical care for 250 million-some Americans, whether it be the benefits that they will be entitled to, whether it will be medical services that are deemed appropriate and necessary, whether it be the cost of certain procedures, that those decisions, some affecting the most personal of all matters that affect our daily lives, be decided in a forum whereby the public is aware of the agenda up for discussion, where it has an opportunity to comment, where it has an opportunity to respond, testify, and to file statements; that those meetings be open to the general public. Records would have to be kept as mandated under FACA. The minutes, working papers, drafts, subsidies, et cetera, would be made available to the public.

I note that the majority leader is seeking recognition. I would be happy to suspend at this particular point.

The PRESIDENT pro tempore. Without objection, the Senator will retain his right to the floor.

The majority leader.

Mr. MITCHELL. Mr. President, I thank my colleague.

ORDER OF PROCEDURE

Mr. President, I have discussed with the distinguished manager of the bill, Senator MOYNIHAN, and the minority manager, Senator PACKWOOD, and others how best to proceed.

The pending amendment is amendment No. 2568 offered by Senator MACK. The amendment is not disputed. We are prepared to accept the amendment without further debate and by voice vote.

I inquire of my colleague from Oregon whether that would be agreeable for our colleagues, or whether they wish a vote on it, and further amendments?

Mr. PACKWOOD. No. We would like to vote on it. When I talked to the majority leader earlier he was saying 6 o'clock or so. I ran it by our side. We would like to vote at 6:45, if we could.

Mr. MITCHELL. Accordingly, then, Mr. President, I ask unanimous consent that the Senate vote on the Mack amendment at 6:45 p.m. today; that the time between now and then be equally divided, and under the control of Senators MOYNIHAN and PACKWOOD, or their designees; that no second-degree amendments to the amendment be in order, or amendment language may be stricken by the amendment; further, that following the vote on the Mack amendment I be recognized to offer the next amendment.

Mr. COATS. Reserving the right to object, just for a matter of clarification, I do not know if Senator MACK asked for the yeas and nays on the vote. My understanding is that there will be a recorded vote at 6:45 p.m.

Mr. PACKWOOD. We will ask for the yeas and nays. There will be a recorded vote.

I might say to the majority leader, the amendment is perfectly acceptable. It is one that I think will have good support, and is not a surprise amendment.

Mr. MITCHELL. Mr. President, I want to make clear that this vote at 6:45 will not be the last vote. We will continue.

Mr. PACKWOOD. As the majority leader indicated, he is hoping we will accept his amendment. I indicated there might be some people who would want to talk it, and would want to vote on it tonight.

The PRESIDENT pro tempore. Is there objection to the request? The Chair hearing no objection, it is so ordered.

Mr. MITCHELL. Mr. President, I thank my colleague. I thank the Senator from Indiana.

The PRESIDENT pro tempore. As the Chair understands the request, the time beginning now is equally divided, which includes the time which will now be used by the Senator from Indiana.

Mr. MITCHELL. That is correct.

Mr. PACKWOOD. It does not include the time used today, but equally divided from 2:30 on.

I yield further time as the Senator may require.

The PRESIDENT pro tempore. Is it the Chair's understanding that the time that will be used by Mr. COATS will be charged against the time under the control of Mr. PACKWOOD?

Mr. PACKWOOD. No. The time that he has used to date is not charged, and it starts running right now.

The PRESIDENT pro tempore. The Chair thanks the Senator.

The Senator from Indiana [Mr. COATS] is recognized.

Mr. COATS. Mr. President, I thank both the majority leader and the managers of this bill.

Mr. President, to pick up where I was, we were discussing the Federal Advisory Committee Act.

I noted that it was an important act that was enacted by the Congress in 1972. The purpose was solely to give the right of the American people the opportunity to know what was being debated by members of the executive branch that affected their interests. They would have the right to know what the agenda of the meeting was, and they would have the right to receive minutes of the record. They would have the right to insist that such meetings be held in public.

It is important, particularly in the context of the legislation that we are talking about now because, while most Federal meetings obviously have an effect on some Americans, when and if the legislation here regarding health care is passed, particularly if the Mitchell bill is passed, the decisions will be made that are among the most, if not the most sensitive, and the most intimate, regarding not just a few but all Americans. It is important that our Government continue to allow each of us who are affected by these decisions the opportunity to comment and respond.

We have heard, time and time again, that the bill before us is not a Government-run bill. As I have pointed out on this floor, there are 55 new Government agencies created by the bill that is before us—55. I have detailed and outlined those by section. There are 815 new duties that flow to the Secretary of Health and Human Services and 83 that flow to the Secretary of Labor. But I am especially troubled by the fact that in the creation of two of these agencies—perhaps the two most powerful agencies—perhaps the two new agencies that have the most influence over the personal lives of more than 250 million Americans, those agencies being the National Health Benefits Board and the National Health Care Cost and Coverage Commission. Those two agencies will be exempt from the provisions of the Federal Advisory Committee Act. That means that the decisions of those agencies will not be available to the public for scrutiny until those decisions have already been made. It will be a fait accompli. What is deemed medically necessary and appropriate, what prices, what price controls, what cost controls may be placed on the development of new technology, new innovations, and the diagnosis and treatment of disease, those decisions will not be available to the public under the provisions of the Mitchell bill.

I think that is wrong.

So the purpose of the amendment Senator MACK and I are offering is to strike those two sections—actually, we are striking three sections, and I will explain the third in a moment—because that opens up the decisionmaking process to the public.

Let me describe what the National Health Benefits Board does. Under the Mitchell bill, the National Health Benefits Board is given the authority to decide what benefits will be contained in the standard benefits package that every American will be required to purchase. Everyone offering a health care plan in America will be required to incorporate the decisions of the National Health Benefits Board as to what those benefits shall be. There will be no opportunity for discretion.

Fortunately, yesterday we removed a provision which would have fined any provider of health care $10,000—or any individual who purchased health care would have been fined $10,000—if that provider or that individual had a health care policy that deviated in terms of benefits provided, deviated one iota from the decision of the National Health Benefits Board as to what the package should be. It is a one-size-fits-all mentality. If you are an 18-year-old single individual, just out of school, on your first job, earning perhaps a lower wage than you would like, but the going rate for a new hire, you are going to be mandated to have coverage for a package designed by the National Health Benefits Board. That package is the same package that will be available to a married couple with two children, and it is the same package that will be mandated to individuals whose children are grown, who might be in their retirement years. Every American will have to have exactly the same package, regardless of your health care needs.

Obviously, we know that the insurance industry today and the health care coverage today is designed with a whole cafeteria of benefits that you can select and choose based on your own particular health needs or the health needs of your family. Obviously, there are those who do not choose certain lifestyle behaviors, who would like to have the opportunity to purchase health care at perhaps a discount by not engaging in those behaviors. So there are policies today that are available to those who do not smoke. We know that that lowers their health risk, the risk of lung cancer, and so they are able to reduce their premiums somewhat.

Obviously, an individual or a couple, where the female of that marriage is past childbearing age, does not need to have a policy covering childbirth and does not need to have a policy providing maternity benefits, and, therefore, they can purchase policies that exclude that particular type of coverage. It is that selection, that wide array of benefits and opportunities for different benefit packages, that is an important competitive component of our health care system today. Yet, the Mitchell bill would require that we all obtain exactly the same benefit package.

Those decisions are going to be made by the National Health Benefits Board, and the public ought to have input as to what those decisions are. Yet, there is a specific exclusion for that board's actions, based in the Mitchell bill. On page 129, section 1216 is "Applicability of Federal Advisory Committee Act." It says on line 15: "The Federal Advisory Committee Act shall not apply to the Board"—the board being the National Health Benefits Board. The Federal Advisory Committee Act is specifically exempted, and all its provisions, from actions by the board. We do not think that is right, and that is why we attempt to strike it.

The National Health Care Cost and Coverage Commission is the Government-appointed rationing agent which is authorized to monitor all health care expenditures in the United States and propose premium caps and other mechanisms to control prices and limit health care spending. This Government bureaucracy will be making hundreds of health care decisions which affect the health care of every American. Decisions which are currently made by patients and their families and their doctors will be made by bureaucrats in Washington.

That particular board is also exempted from the provisions of the sunshine law, the law that I have been referring to. The Federal Advisory Committee Act does not allow these practices to take place. I might note that it is in section 10001, page 1390.

Mr. President, one of the reasons why we insisted on some time to understand this bill—and just now we are able to delve into the minutia of the bill and expose provisions which we do not think are in the best interest of Americans—is because it is so complicated. When we are talking about section 10001, we are talking about a lot of words between the first section and that section. That section also specifically exempts a new Government agency, the National Health Care Cost and Coverage Commission, from the FACA. That language reads on page 1409, specifically: "FACA Not Applicable. The Federal Advisory Committee Act shall not apply to the Commission."

There is another somewhat more obscure agency, called the Agency for Health Care Policy and Research, created in this bill. That panel is also exempted from portions of the sunshine law. It is somewhat different, but we strike that also, because it says that that particular agency is covered by this provision. It says:

> Panels convened for the purpose of carrying out paragraphs (1) and (2)—

Which refers to the actions of the Health Care Policy and Research Agency.

> shall not be considered advisory committees within the meaning of section 3(2) of the

Federal Advisory Committee Act, and prior to publication by the Administrator, clinical practice guide, performance measures, and review criteria as described in section 912(a) are not subject to the requirements of section 552 of Title 5, United States Code.

They are exempted from the provisions of the act. So the amendment before us is designed solely for the purpose of giving the public access to decisions made by Federal boards created under the Mitchell bill which will affect every living American.

I am pleased to join my colleague, Senator MACK, in offering this amendment. We think it is important. We have reason to believe that Senator MITCHELL and his proponents have had an opportunity now to review the bill and apparently will agree with us that this amendment is necessary to correct provisions that are incorporated now in the Mitchell bill.

Senator GLENN, the distinguished chairman of the Senate Committee on Governmental Affairs stated:

I do know that openness in Government spawns confidence. Secretiveness in Government begets suspicion, and that is what I think we have a surplus of in Washington right now.

Mr. President, openness does spawn confidence. Secretiveness does beget suspicion. And we do have a surplus of suspicion in Washington right now. It is almost paralyzing our efforts.

We keep hearing several of our colleagues talk about the numerous public hearings held in the Labor Committee and Finance Committee on health care reform. But yet we are presented with a bill that is not the Labor Committee bill nor the Finance Committee bill, but a new bill written behind a closed door, written in secret—true, incorporating provisions of the Labor Committee bill and the Finance Committee bill—but with many new provisions.

So when it is presented to us, first in volume 1, then in the corrected volume 2, and then in the corrected volume 3, I think it is perfectly appropriate to ask for time to study this mammoth volume and understand the provisions, as we have done in the last 2 or 3 days.

We are now beginning to shed light on the Mitchell bill and as light is shed on the Mitchell bill, we find provisions that not even the majority can support or defend, and they are coming to the floor saying either, "Yes, that is there inadvertently," or "We now recognize it should not be there, and we will join with you, almost unanimously join with you, in removing that section."

We have removed the $10,000 fine for an employer offering an additional benefit to an employee. Perhaps an employer says, "I do not agree with the National Health Benefits Board. I would like to offer two mammograms per year to my female employees over 50 years of age." That would have been subject until yesterday to a $10,000 fine for offering an additional benefit. Perhaps there is something unique about the business of that particular employer and they want to provide a benefit that the board has overlooked or excluded for whatever reason. That employer would have been subject to a $10,000 fine. Fortunately, we have been able to eliminate that.

This now goes to the heart of the secret matter, the meetings in secret. This whole row started, of course, back last year with the meetings with the First Lady and Mr. Magaziner. There is now a Federal lawsuit on the matter. That was attempted to be settled. But I think there is interest in receiving the documents that were part of all that discussion. That is now in Federal court. I will not delve much into that.

But what we are after here is openness. If we are going to define the benefits, if we are going to define the costs, if we are going to define the procedures, if we are going to make the decisions that go to the personal, intimate details of individuals' lives or loved ones' lives, it ought to be done in the open.

Mr. President, I will close by quoting from Justice Brandeis, who said, "Sunshine is the best disinfectant." We are now in the process of letting the sun shine on the Mitchell bill, and we are finding that it is a great disinfectant. There is a lot of infection in here that needs to be disinfected.

Mr. President, let the sun shine in.

With that, I yield the floor.

The PRESIDENT pro tempore. The Senator from Arkansas.

Mr. PRYOR. Mr. President, I enjoyed my colleague's statement.

The PRESIDENT pro tempore. Who yields time?

Mr. PRYOR. Mr. President, I think I am managing for the moment. So, I yield myself as much time as I need. I just have a question.

The PRESIDENT pro tempore. The Senator is recognized for as much time as he needs.

Mr. PRYOR. Mr. President, I enjoyed the statement of the Senator from Indiana. He is talking about letting the sun shine in, letting all Government decisions be made out in the public in the sunshine, in meetings, et cetera; meetings with the First Lady.

I wonder if the Senator from Indiana would state his position on how much sunshine there should be present when two U.S. Senators meet with a Federal judge. Should that meeting be in the sunshine? Should that meeting be in public, I ask the Senator from Indiana?

Mr. COATS. Mr. President, if that is a question propounded to the Senator from Indiana, I will be happy to respond to the Senator.

First of all, it is a question that we are not deciding here today. Obviously, it would be nice to shift the focus from what the amendment says and what we are attempting to do with the Mitchell bill. On that, however, a vote has been ordered so Members of Congress all have the opportunity to comment on that.

Mr. President, I have no idea what two Members of Congress discussed with a member of the Federal judiciary over lunch. I was not at that meeting. I was not invited to that meeting.

If the question is, does a U.S. Senator have the right to have lunch with a member of the judiciary to discuss the baseball strike, to discuss family—perhaps they are from the same State and they are personal friends: How is the family doing; how is your wife; how are the kids since we have seen them last—I think they should have every opportunity and right to do that.

I have no idea what was discussed in the meeting that the Senator from Arkansas is raising. And so whether or not his question is even applicable to the situation which we are discussing now, I have no idea.

Mr. PRYOR. Mr. President, I do not have any reference, when I asked the question through the Presiding Officer, I have no specific reference to a particular meeting between a Federal judge and two U.S. Senators.

What I would like to assure the Senator from Indiana is that I strongly support the amendment giving this additional sunshine into these particular boards and these meetings. I support that position. I am going to vote for it.

But I just wondered how far the Senator from Indiana wanted to carry this, and how much sunshine the Senator from Indiana wanted to actually penetrate some of these decisions and some of these so-called meetings that affect people's lives.

Mr. COATS. Mr. President, if I could respond to the Senator from Arkansas, clearly when Congress has established an agency or a function of Government that comes within a law that Congress has passed, and that agency is making decisions relative to things which affect Americans, I think we want to uphold the law and not exempt that agency from discussion and debate that affects their lives.

But it is impossible for this Senator to say, well, every meeting between a U.S. Senator and some other representative of Government—for instance, we have a new special prosecutor in the Whitewater case, Kenneth Starr. We go to church together. Now, sometimes after church, we happen to run into each other leaving church.

Is the Senator from Arkansas saying that if I say hello to Mr. Starr on the way out of church, that should be a public meeting, or if he says "How is the family?"—our two sons play Little League baseball together, so we have gotten to know each other on an informal, personal basis—is that meeting supposed to be subject to the open sunshine law?

What if Mr. Starr said, "How about breakfast in the morning?" We both live out in the same area. "How about

getting together for bacon and eggs at McDonald's, or a cup of coffee?'' Am I supposed to give notice that we are meeting, that the public is invited, and that minutes should be taken of our discussion?

I am not sure what the Senator is referring to.

Mr. PRYOR. Mr. President, I am not sure this argument is really going anywhere, and I will conclude and yield to my friend from Pennsylvania.

But I do think serious questions arise when Members of this body meet with a U.S. Federal District Judge or a member of the court of appeals, or what have you, relative to a matter which might or might not be pending at the moment.

If I might ask the Senator from Indiana one final question along this line; that if the Senator might support maybe an amendment or maybe a clarification of his amendment to include such meetings between U.S. Senators and a Federal judge?

Mr. COATS. Well, Mr. President, I think a good question has been propounded to the Senator from Indiana. I think if the Senator from Arkansas has a concern about meetings between Senators and other Federal officials, that Senator should offer an amendment addressing that concern.

Right now we are dealing with an amendment to the Mitchell health care bill which specifically goes to two agencies, three agencies, actually, that are created in the bill. It is a written provision in this bill that states that those agencies will be exempt from the law.

I think Congress wants to uphold that law in regard to the meetings with Federal agencies that involve the public, particularly when they meet to decide questions that are so personal and go directly to their health. That is the issue before us.

If the Senator from Arkansas wants to address a separate issue relative to whom Senators can meet, when they can meet, under what conditions they can meet, I think that is a subject for lengthy debate. We are going to have to understand what it is exactly the Senator is propounding. Does it include lunch in the Senate dining room? Does it include a casual greeting at church? Does it include a conversation in the dugout at the little league field? Does it include riding on the same plane where you happen to sit next to each other in the seats in the plane?

I am not sure what the Senator is getting at. I do not have any idea why two Senators in the U.S. Senate, what the purpose of meeting with the Federal judge was in the Senate dining room, what they discussed. And so, I guess I am at a loss to respond to the Senator from Arkansas, because I do not know what it is he is asking us to do.

Mr. PRYOR. Mr. President, I would just like to conclude by saying that we will probably never know what was discussed, because it was not in the sunshine, it was not in a public forum, the particular meeting that the Senator brings up.

But with that in mind, Mr. President, I just want to reassure the Senator from Indiana that I support his amendment. I think it is a good amendment. I think there will be a lot of votes for that amendment. I assume it will prevail.

Mr. President, I yield as much time to the Senator from Pennsylvania as the Senator from Pennsylvania so desires.

The PRESIDENT pro tempore. The Senator from Pennsylvania [Mr. WOFFORD], is recognized for as much time as he may consume under the control of the Senator from New York [Mr. MOYNIHAN], or his designee.

Mr. WOFFORD. Mr. President, I, too, am happy to support the amendment of the Senator from Indiana and the Senator from Florida. I think the amendments so far presented and adopted in this body have thrown light on the problem—the preventive care for children and pregnant women amendment; the amendment ending the fine proposed, instead allowing my preference of letting State insurance regulations prevail as the main method for compliance; major steps forward in building on the rural health delivery provisions in the Mitchell bill. These were all good steps.

And I am happy to see that we will have a sunshine provision applying to the agencies in the bill.

It seems to me, Mr. President, that indeed our duty right here in this body is to throw light—I hope it is sunshine—on the problem and on the issues. Because the people certainly have been enduring a fog of confusion that, outside this body, if not within it, has spread over this vital problem of guaranteeing for all Americans the kind of health insurance options in the private health insurance system that we Members of Congress enjoy and benefit from and have arranged for ourselves.

That duty of ours to throw light is made heavier because on this issue, which is so vital to one-seventh of our economy, a study of the whole lobbying and advertising effort by the Annenberg School of Communications at the University of Pennsylvania, has concluded that more money has been spent on the onslaught related to this bill and the President's bill than in the whole Presidential campaign of 1992 for Bush and Clinton combined.

So, indeed, we have a duty to throw light and to cut through the fog of confusion.

And we will need to throw that light on the issues that the Senator from Indiana also moved into about why we need a standard benefits package, not to create one size fits all. It is not to limit people from going beyond what the minimum standard benefits package is. People can do that. No one is proposing taking that away in any form. But it is necessary, among other reasons, to give consumers the kind of protection from lemon policies and dishonest insurance companies, the kind of proper protection that Members of Congress have.

We need basic standard benefits and consumer safety in lots of fields in our life. You can get any size or flavor of baby food, but not baby food that has glass in it. Cars; we can choose any make of car, but it must include safety belts. Kid's pajamas, any size or color. They cannot be a pajama that is going to burst into flames.

And, as to health insurance, we need to see that fee-for-service, HMO, or preferred provider choices are available. But that we do not have the fine print and loopholes that can cut you off just when you need it, which is as bad a crisis to any individual or family as any of the examples I just gave.

So, let us cut through the fog of confusion. Part of the need for sunshine, I believed, when I came to this body 3 years ago, was on what the benefits are that the Congress had arranged for itself. I found, through a friendly letter from the attending physician, that we had free health care through the attending physician, while working families certainly have no such free medical care.

Well, we fixed that. We got rid of the free health care Members used to get from the very fine office of the attending physician that we have. Now we pay an annual fee for that extra service, along with our contribution to the health insurance plan of our choice.

But, apparently, some of our colleagues still do not understand what working families go through; that, in this very period of talk, it is estimated that some 700,000 Americans have lost their health insurance in less than a week and a half, but no Member of Congress has lost his or her health insurance during that period.

Up in Pennsylvania, I have been pressing a very simple proposition, that our duty in this great debate is to see that we extend to all Americans the kind of affordable coverage and choice of private health insurance plan that Members of Congress have arranged for themselves.

Mr. President, I find that that proposition does more to cut through the fog of confusion than all of the complexity that is being used as an excuse for doing nothing. It reminds me of a proposition I put forth in 1991 that the people of Pennsylvania responded to. If under our Constitution you have a right to a lawyer when you are charged with a crime, it is even more important to have a right to see a doctor if you are sick. People exploded with recognition of this self-evident truth. And I

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am finding today up and down Pennsylvania there is that same kind of igniting of people's reason, leading them to say yes. Leading them to say "Yes, that's right," when I say that it is self-evident that the kind of choice of private health insurance that Members of Congress have should be the model for the kind of choice the American people deserve to have.

Mr. REID. Will the Senator from Pennsylvania yield for a question?

Mr. WOFFORD. I will happily yield to the Senator from Nevada.

Mr. REID. The Senator from Pennsylvania has raised an interesting point.

I ask the Senator if he believes that one reason our health care package has hit such a hard note with the American public is because under our plan, our employer, the taxpayers of the country, pay 72 percent of our premiums? Is that true?

Mr. WOFFORD. That is true. That is the average. That is the average portion, depending on which plan you choose. It is not a one-size-fits-all plan. You may choose a fee-for-service plan that might be a little higher, an HMO plan that might be less, and the proportion of the Federal Government's contribution varies according to that. But the average contribution is 72 percent. For the standard option Blue Cross & Blue Shield, the most popular choice, it is a 75-percent contribution from our employer.

Mr. REID. That is what this Senator has. Would the Senator agree that one reason the American public likes our plan is because it prohibits preexisting condition exclusions?

Mr. WOFFORD. It does.

Mr. REID. Would the Senator agree that is a reason the American public likes our plan?

Mr. WOFFORD. It does.

Mr. REID. Probably——

Mr. WOFFORD. May I read from the plan? This is what I would like the American people to hear because I think they would like it: Coverage without medical examination or restrictions because of age, current health or preexisting medical conditions.

Mr. REID. In fact, would the Senator agree that millions of Americans are envious of our health care plan? Would the Senator agree with that?

Mr. WOFFORD. As they learn about it, as we put some sunshine on the kind of system that we have arranged for ourselves.

Mr. REID. Would the Senator also acknowledge that one reason our plan is so important to us—and I would assume the American public would like it also—is because, as the Senator has so well stated, there is a choice of plans?

Mr. WOFFORD. There is a choice of a whole menu of plans. Do you recall how many you had to choose from?

Mr. REID. So many I could hardly keep track of all of them.

Mr. WOFFORD. My wife tells me it was 25 or 30 different plans, Blue Cross & Blue Shield, Aetna, a whole variety of HMO's.

Mr. REID. Is the Senator also aware that one of the things in Senator MITCHELL's bill that is patterned after what we have, and that is that when people are provided the choice, if this legislation passes, like the Federal plan, there would be comparative information on price and coverage?

Mr. WOFFORD. That is what we all need in order to choose well. And we are given it. In fact, I think the Federal employees plan could do a little better job, but as we begin to think through how to make our system better, and once we have a standard benefits package in this country, I think any agency that is helping to provide choices—whether they are new, voluntary purchasing cooperatives or the Federal Employees Health Benefit Plan open to people—will give more consumer information, therefore more real choice to people, to know how to choose well.

(Mrs. MURRAY assumed the chair.)

Mr. REID. Would the Senator also acknowledge one reason our plan—and I ask the Senator if he would agree—works so well is because it is a community-rated system? That is, no one is discriminated against because they are of childbearing age or they are senior citizens. There is no discrimination as to age or gender. Is that true in the plan that we have?

Mr. WOFFORD. Yes.

Mr. REID. I also ask the Senator—in our plan, it is my understanding that the overhead costs are extremely low. In fact, our plan, which has, including all the rest of the employees, about 9 million employees——

Mr. WOFFORD. And their families; including their families.

Mr. REID. And their families. It is my understanding that plan is administered by fewer than 200 people; is that true?

Mr. WOFFORD. I think the last I heard it was something like 170 employees.

Mr. REID. Yes. So would the Senator agree that for these and many other reasons, the American public is beginning to focus on what we have and what they do not have?

Mr. WOFFORD. As they should be, it seems to me, Senator.

Mr. REID. I would just close by rhetorically stating to the Senator, there has been no Senator in the U.S. Senate who has raised this issue earlier or more loudly than the Senator from Pennsylvania. The Senator from Nevada applauds the outstanding work the Senator has done in trying to bring this out into the open and put some sunshine on it.

Mr. WOFFORD. I appreciate the kind words. In addition to being loud and early, I hope the proposition is clear. And this is the way I would put the question to our colleagues who are saying there should be no such system made available to the American people; that it should not be guaranteed, the kind of guaranteed health insurance we have for the American people, with the employer contributing about three-quarters.

I say to my colleagues on the other side of the aisle, support the plan you live under or live under the plan that you seem to support.

Mr. LEVIN. Will the Senator yield for an additional question?

Mr. WOFFORD. I will yield to the Senator from Michigan.

Mr. LEVIN. Among the many points which have just been made in the conversation between the Senator from Pennsylvania and the Senator from Nevada, there was a reference to a number of private insurance companies. I think that is an important point. I want to make sure we are correct, that the Government plan that was made reference to, the so-called Government plan that we have, is a private insurance plan. We have a whole menu of private insurance that we are offered through a Government plan. But it is not Government-run insurance. Is that correct?

Mr. WOFFORD. The Senator has made a crucial point for people to understand.

Mr. LEVIN. We hear over and over again, Government-run insurance, Government-run health insurance. That is the attack on the Mitchell bill, despite the fact that the Democratic leader has over and over again gotten up and said this is not Government-run insurance. This is private insurance which, hopefully, will be made available to every American the way private insurance is made available to Members of Congress, our families, and all Federal employees.

So I wanted to be sure that point is clear, that the so-called Government insurance that is made available to us is not Government-run insurance. It is made available to us by the Government—mostly at taxpayers' expense—but it is private insurance. All those companies with all those plans that are offered to us on that menu are private insurance.

Mr. WOFFORD. One reason our premiums are reasonable is that, with that big purchasing power of a pool of 9 million people, Madam President, with that big purchasing power, those insurance companies are competing for our business and we have the choice, an opportunity within 31 days from the date of your appointment, to enroll in the health benefits plan with group-rated premiums and benefits, a choice of plans and options so you can get the kind and amount of protection best suited to your personal and family and health needs and finances; guaranteed protection that cannot be canceled by the plan.

Mr. LEVIN. One final question I could perhaps ask and that is the reference in the first paragraph, "An opportunity within 31 days from the date of your appointment to enroll in a health benefits plan." That is a private insurance health benefits plan; is that correct?

Mr. WOFFORD. Yes. The most popular one chosen, as chosen by the Senator from Nevada, is the standard option Blue Cross & Blue Shield plan.

Mr. LEVIN. I thank the Senator.

Mr. WOFFORD. That is what Congress gets. Yet our Republican colleagues are getting hoarse talking about the dangers socialized medicine and a Government bureaucrat telling them what doctor to go to. They do not have Government-run health care that tells them what doctor to go to. They have this range of private health insurance options. Not only the year they enroll, but they have it every year. They can vote with their feet. They can choose and they can make these plans compete for our business, which is one reason, I think, we like this.

Some may have heard that I, myself, as a sign of how serious I am about winning this battle that Harry Truman started for private health insurance, a little while ago sent my first check back to the Treasury of the United States for $306.41, the Government's, my employer's, the taxpayers' contribution to my health insurance. I sent it back and said I am going to continue doing so until we win this battle and the American people have that kind of choice of private health insurance.

I have not seen any volunteers. I challenged my colleagues who will not even discuss, will not consider a rule, even in the year 2001, by which employers are asked to contribute—the way most people with private health insurance in this country today get it. They get it with the help of their employer. I challenge them to practice what they preach. If they do not believe that the American people should have that kind of choice of private health insurance plan, then give it back. Give it back to their employer, the American taxpayer. I will renew that challenge from time to time. So far there are no takers.

I went a little beyond that the other day, and I am serious about this, too. If in this battle—is this the battle of Gettysburg? I come from the State that saw the Civil War battle surge right into our State. I do not know whether this is the battle of Gettysburg. I do not know how far we are in the war. I thought we were further along than we seem to be at this moment and this hour, in that long battle Harry Truman started.

But if we should get blocked this year and this Congress by the naysayers, if we get blocked, I will offer an amendment to disqualify every Member of Congress from participating in the Federal employees benefits plan until we take action so that the American people have that kind of protection and guarantee.

Let me tell you, if we are going to end up having more study, then let us study it while we are on the same playing field as the American people. When they go to sleep at night, they are afraid if there is great restructuring—we had two great corporations announced thousands of new jobs that are being lost in Pennsylvania just this very week. All of those families now have had the fear come to them as a reality that they are one pink slip away from losing their health insurance.

If we are going to study more, if we get blocked in taking action, let us study with that kind of fear over ourselves and that kind of heat below us. Let us be on a level field with the American people. That is why the Mitchell bill, I think, among the many other ways, is reasonable, moderate, good, has responded to the concerns that people have had, has disposed of some of the problems that many of us had, for example, took the mandatory alliances off the field—that horse was taken off the field, even though it continues to be flogged.

What we have is voluntary purchasing groups that give the American people the kind of purchasing power that we, Members of Congress, enjoy. And we have opened up the Federal employees benefits plan to small business and individuals so they can actually buy into the Federal plan if they want to have that as one of their choices.

That is why I say we have it within reach to get private health insurance for the American people, private health insurance the way Congress has arranged for itself.

Mr. PRYOR addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. PRYOR. Madam President, I wonder if the Senator will yield for a question?

Mr. WOFFORD. I yield to the Senator from Arkansas.

Mr. PRYOR. Madam President, I would like to compliment the distinguished Senator from Pennsylvania on his statement. I hope I have not interrupted him at a bad time. But I first ask the Senator from Pennsylvania if he had the opportunity to hear a speech yesterday by the distinguished majority leader. In my opinion, it was the best political analysis of where we are at this moment on this particular issue. I wonder if the Senator had the opportunity to hear his very fine statement.

Mr. WOFFORD. I did, and I agree with the Senator from Arkansas. As one who has lived, breathed, eaten, stayed up at night on this issue for now 3 years in this body, I think it was the most important, perhaps, single speech in this debate, and I urge every one of my colleagues who missed it to read the majority leader's talk yesterday.

Mr. PRYOR. Madam President, if I might have a few more moments of the Senator's time, I think it is worthy to quote a paragraph or two from Senator MITCHELL's speech of yesterday, if I may have the liberty to do that. And I do quote from Senator MITCHELL's speech as follows:

> So I hope the American people will not be fooled by the rhetoric they are hearing here today. And I hope the American people will also think about the irony of these Republican Senators getting up here day after day after day and denouncing Government health insurance and Government health care as bad for their constituents, even as they benefit from it themselves . . . participates in the Government-run health insurance system that is available to all Federal employees, and the Government pays 72 percent of the cost of that health insurance for these Republican Senators who are standing here and telling their constituents that it is bad for their constituents, even as they participate in it for themselves and for their families.

I am wondering, because the Senator from Pennsylvania had great experience in this whole issue of health care from the time of many years ago—especially highlighted in his campaign, his brilliant campaign, I might say, when he was elected to the Senate—I am wondering if the Senator from Pennsylvania has heard of any of our colleagues on the Republican side, or even the Democratic side of the aisle, canceling their particular Federal Employees Health Benefits Program?

Mr. WOFFORD. Not yet, but let the heat go higher.

Mr. PRYOR. I want to say I think what the Senator from Pennsylvania has done has been very unique in, basically, saying that until we pass something, the Senator from Pennsylvania is not going to participate in it. I admire the Senator from Pennsylvania very much in doing that.

I think yesterday Senator MITCHELL, in his statement, also talked about Walter Reed Hospital, and the Bethesda Naval Hospital. I quote again from Senator MITCHELL's speech:

> If Government health care is so bad, why do these Republican Senators insist on having it for themselves? And then if they get sick, if the doctor says, "You've got to go to the hospital," they go to Bethesda Naval Hospital or the Walter Reed Army Hospital—Government hospitals.
>
> Well, my gosh, ask yourself, Mr. and Mrs. America—

So spake the majority leader yesterday—

> if these Government facilities are so bad, why do these Republican Senators want to go there themselves?

Madam President, I think Senator MITCHELL's speech was a timely speech. It was certainly one, I think, that was timely to the extent it sort of set the record very clear on what we are doing here at this moment on the health care issue. I did not want to take all the

time of the distinguished Senator from Pennsylvania. I, at this time, relinquish the floor back to him.

Mrs. BOXER. Will the Senator yield to me for a question?

Mr. WOFFORD. I yield to the Senator from California.

Mrs. BOXER. I just want to thank the Senator for raising this issue. It makes a lot of people uncomfortable around here because they have something for themselves and their families, but they are standing here and basically saying they do not think the American people should have what they have.

It reminds me, when I was growing up—that was a long time ago, I say to my friend—we used to have an expression, a shuck and a jive, and that meant you are kidding somebody. It was like somebody would come over to you, I say to my friend from Pennsylvania, and say, "I live in a beautiful home. It's a large home. It has six bedrooms. It has a swimming pool. It's fully air conditioned. It's fabulous."

And the person says, "Gee, I'd just love to have a place like that."

And the person looks at you and says, "Oh, but there's so much maintenance. It's really rough. If I were you, I'd just stay where you are. You don't really need to live like me because, you know, it may look good on the outside, but on closer inspection it's not so good."

That is a shuck and a jive, because the American dream is to have a home and to have health care and to have a reasonable job, a good education for our kids. When someone tells you, "It's good for me but not for you," you have to start worrying about it.

I think yesterday when the majority leader made that statement which was quoted by my friend from Arkansas, it hit to the nub of it. It hit to the nub of it.

So I ask my friend this question, and I do not like to use the word "hypocrisy" because it is not a nice word, so I will not. But I would say to my friend, does he believe that when a Member of the U.S. Senate stands up here and says that that Senator does not believe the American people deserve to have health care that can never be taken away, health care that is basically a benefits package that is reasonable, one in which the responsibility is shared by the employer, and the irony of it is, these Republican Senators see nothing wrong with the taxpayers paying for their insurance because our boss—our boss—the people of America—they are the taxpayers—and they pay that share, they see nothing wrong with it? I do not know whether they have given it up. I do not think so. Outside of the Senator from Pennsylvania, I have not heard of anyone else.

Does the Senator think that is—not to use the word hypocritical—shall we say, a little suspect? Would the Senator say that a person's motives might be a little suspect or a little bit—I do not want to characterize it in a way that will hurt my friend because that is not the point here—a little disingenuous, perhaps a little disingenuous, when he has good health care for himself and his family, he sees nothing wrong with taking it, his employer pays for it, and yet he does not want to have that for the people in his State? Does the Senator see something a little disingenuous with that?

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

Mrs. BOXER. I ask that question to my friend from Pennsylvania, who has raised this issue.

Mr. WOFFORD. May I respond first, if the Senator from Alaska will wait for a moment.

I agree with the Senator's characterization. I also appreciate how she told me that she was uncomfortable, she told us how she was uncomfortable having this guaranteed health insurance even more so since her spouse also has health insurance.

Madam President, that is one of the facts of life at this very moment that all of us should ponder. Those spouses of employees in Pennsylvania who just lost their jobs this week, they are going into the job centers that I used to run, the unemployment offices, they are going into those offices and I know what will happen if I visit them in those offices. I have been doing it the last 6, 7 years.

I ask people in the front row of the unemployment office waiting to apply for unemployment compensation, "Do you have health insurance?" And usually 7 or 8 out of 10 say "No." And they are scared. The other two or three have spouses working somewhere else where their employer contributes to their health insurance. And that is the roll of the dice—7 or 8 out of 10 when they lose their job lose their health insurance.

I think, as we move forward in this debate, we should remember that every day as we talk, more Americans fall into that gap, into that hole.

I see my frequent TV debating partner, Senator GRAMM, is on the floor, and I know he now or soon in these days will tell us more about the horrors of Government-run medicine. But he looks well to me. He is fine on the stump, in our debates, without any noticeable ill effects of his Government-provided plan with Blue Cross/Blue Shield through the Federal Employees Health Benefits Plan.

Mr. STEVENS. Will the Senator yield?

Mr. WOFFORD. The Senator from Alaska.

Mr. STEVENS. Madam President, I hear the Senator say quite often that Members of Congress have something different from other people. I am sure he is aware of the massive plans that are out there for employees living in Pennsylvania, for instance, of United States Steel, the major industries. Their plans are much better than that for the Federal employees. As a matter of fact, they are much better than that for Members of Congress.

I wonder if the Senator knows that Members of Congress pay an additional premium for their health insurance. Right down here at the Capitol Physician's Office, we pay an additional premium of almost $1,000, I think it is between $600 and $1,000—it depends on how it is established each year—in addition to the premiums we pay for Federal Employees Health Benefits. We pay more than any other Federal employee. Does the Senator know that? We pay more than any other Federal employee for health insurance coverage. Does the Senator know that?

Mr. WOFFORD. Does the Senator from Alaska recall that before this Senator came into this body, the Senators and Members of Congress got that service from the attending physician free? I put a motion before this body to see that we paid the fair market price of that extra service, and action was taken on that after I had about 30 cosponsors of my amendment.

So I do, indeed, recall that, one, Congress for decades had that additional free health care; and, second, that now Congress pays that extra fee. But I am talking about now——

Mr. STEVENS. Madam President, I wonder if the Senator will yield again. Even before the Senator's initiative, the health insurance coverage that we had as Government employees paid a portion of the cost at the Capitol Physician's Office, at Walter Reed, and at Bethesda. Those were not free. They were paid for as employees of the Federal Government.

The Senator is correct that we now pay an additional amount for the special emergency services down here. But if the Senator goes down and has a blood test, if he goes down and has an x ray, those are repaid by the health insurance and have been for many years.

I keep hearing the Senator say that somehow or other, Members of Congress are different from other people in this country. We have a plan that is quite similar to the larger employers' plans. It is less beneficial than the employees of United States Steel, the big union companies of the automobile industry; the massive plans of this country are not as beneficial to the employees of the Federal Government as this plan is, and Members of Congress are treated no differently from any other employee in the Federal Government.

Why does the Senator from Pennsylvania mix that with Members of Congress? Why does the Senator not put up the benefits of all Federal employees?

Mr. WOFFORD. If the Senator will yield——

Mr. KENNEDY. Regular order.

Mr. STEVENS. Postal employees go beyond that, far beyond that.

The PRESIDING OFFICER. The Senator from Pennsylvania has the floor.

Mr. WOFFORD. The Senator is, in my humble opinion, taking my points both too personally and falsely. I am in no way saying that the Federal Employees Benefits Health Plan is a bad plan. I am in no way saying it is the best plan. The State employees plan in Pennsylvania, of which I once was part, is somewhat better than the Federal employees plan.

That is not my point at all. I am very pleased that there are 9 million Americans, Federal employees and their families, who have these benefits, who have a guaranteed private health insurance choice that cannot be taken away, with their employer contributing approximately three-fourths.

The point is, let us do it for the American people. And my point to the Senator is, if he supports this kind of plan, then make it available to the American people. And if the Senator opposes making this available to the American people, making this a model of what the American people can have, then live under the system he supports, which is not making it available to the American people. Do not ask our taxpayers, our employer, to pay for our health insurance unless we establish this principle for the American people.

Mr. STEVENS. Madam President, I hope that the Senator was listening to me this morning. I tried to point out in conversation with the Senator from Massachusetts that the system we have is a model system. There is no question about that. I am sure the public knows that this is a model system. It is a plan that ought to be followed for other people in the country. We ought to find a way to extend it.

I invite the Senator's attention to the Heritage Foundation proposal of 2 years ago. It would have done just that. I do not see any Member on the other side of the aisle endorsing the Heritage Foundation plan. Instead, they are trying to tell the American people to come join this plan that we have for Federal employees. But Senators do not take the time to tell the American people that by 2005, you will destroy that plan. You have enlarged it out to the point where it is no longer a plan. But you have offered the Federal employees supplemental benefits beyond this plan after 2005.

There is a promise in the Mitchell bill to negotiate supplemental benefits. Why do you not tell the American people that as soon as they join this plan, you are going to give Federal employees supplemental benefits beyond the plan? That is what the Mitchell bill says. It is duplicitous for us to try to present to the American people the health benefits of Congress, what Congress gets. Congress does not get any benefits. We get benefits as Federal employees. There is no congressional plan. There is no congressional plan.

Mr. WOFFORD addressed the Chair.

Mr. STEVENS. I belong to the Treasury Department plan.

The PRESIDING OFFICER. The Senator from Pennsylvania has the floor.

Mr. WOFFORD. Madam President, me thinks the Senator protests too much.

Mr. STEVENS. Not if he answers the questions, I will not.

Mr. WOFFORD. I—and more importantly, the majority leader, in his bill—am not saying this is the cure-all that every American will be part of. We do open it to a lot of Americans as a choice. But the main choice that is new, in my opinion, is the voluntary purchasing cooperative, not the mandatory alliance but the purchasing groups that on smaller scales in communities will be one of the choices people will have through which they can get private health insurance at reasonable rates the way we have arranged for ourselves.

Mrs. BOXER. Will the Senator yield? Madam President, will the Senator yield to me?

The PRESIDING OFFICER. Will the Senator from Pennsylvania yield?

Mr. WOFFORD. I yield to the Senator from California.

Mrs. BOXER. I thank the Senator for yielding to me. I want to really thank the Senator. We have hit a sore spot today—I think that is good—because what it really comes down to is a very simple point.

People get up here on the floor, and they talk about sunshine and opening up the commissions. I am with you on that. I am for sunshine. But what I am really for in addition to the sunshine, what is to the main point, is that the American people have a chance to have what every single Member of Congress has—health care that can never be taken away; a nice package, so nice, that not one Republican who opposes giving that to the people of America has ever given it up, according to the Senator from Pennsylvania and according to the Senator from Arkansas.

My question to the Senator is this, and my last question to the Senator, so that this debate will be understood. That question to the Senator is this: Is it not so that under the Mitchell plan we are amending and debating, the Federal Employees Health Benefits Program will be opened up on a voluntary basis to all Americans who at this time have no access to such a good plan? Am I correct on that?

Mr. WOFFORD. The Senator is correct.

Madam President, I know that Senator MACK from the Sunshine State of Florida has been wanting to talk about his amendment for some time, or Senator GRAMM, whoever it may be. But I appreciate Senator MACK a little earlier saying he is agreeable to my going forward on this.

I just want to say a last word about sunshine; for the moment, just a last word. When I think of sunshine, I think of something that is warm, and constructive, that is trying to make things grow. It is not just harsh light. It is the warmth that you get from the sun. I realize there is a certain heat, a sore point that the Senator from California said we were touching that produced the heat from the Senator from Alaska.

But what I recommend, I beg of ourselves, is that we recall the first great Republican, Abraham Lincoln, who asked us and who did everything in his power to show how you tap the better angels of our nature.

As we talk about sunshine, let us somehow recognize that the spirit of destruction of saying no, the negative case is, of course, the easy case. The hard thing to do is to build and to come together, and reach beyond party lines. We have a historic chance to do that in these next days. Let us raise our sights to that standard.

Mr. PACKWOOD. Madam President, I listened to the debates on amendments and how the amendments changed the bill all the time, and that when we offer amendments there are mistakes. I am reminded of little kids with a dead body where the kids kept changing the clothes, but the body was still dead. The Clinton-Mitchell bill is that body. It is dead. We can change the clothes on it all we want. It is still dead.

I yield 10 minutes to the Senator from Texas.

Mr. GRAMM. Mr. President, I thank our colleague from Oregon.

I want to remind my colleagues, especially those on the Democratic side of the aisle, that we do not have health insurance that is always there. After the votes are counted in November and many of your colleagues are back in their State working for a living, they could lose their Government health insurance. They do not automatically get to take it with them.

Let me also say I am going to take my Democratic colleagues seriously on this issue when they offer an amendment stripping away these insurance benefits. When they offer an amendment taking these benefits away from Government employees, including Members of Congress, I am going to view this tactic as something other than a PR stunt that was discovered after spending $2 million on focus groups. The pollsters posed the question, when the American people disagree with us on the total substance of the President's health care proposal, what can we say that they would agree with? That is where this element of the debate came from.

I am not going to spend my 10 minutes trying to convince the American

people that everything they just heard about choice is not true. The American people already know it is not true. One of the wonderful things about the health care debate is that the President and our dear Democratic colleagues have grossly underestimated the ability of the American people to understand.

Let me just say in simple English in about a minute why everything that I have heard about these great choices and about this so-called freedom of choice is simply not true.

The Mitchell bill by law tells you what your health insurance has to cover. If you are a widow in Arkansas, 64 years of age, you are going to have to pay for prenatal care and for immunization benefits for children who you do not have. If you do not drink, and if you are a teetotaler and you had never touched drugs, nonetheless you are going to have to pay for alcohol and drug rehabilitation services that will drive up your premium by 12 percent, and you are going to have to do that because the Government is going to make you have it.

But on the other hand, if you now have a particular benefit that you like, say a pharmaceutical benefit, or perhaps coverage for orthodontist services in your policy that you and your employees picked because you wanted it for your families, there could be as much as a 66-percent tax placed by the Mitchell bill on that benefit.

The Mitchell bill's proponents will say, "Well, you can keep it. You just have to pay the 66-percent tax." Well, other than my family and my dog, I do not have an asset that is valuable enough to me that I could afford to pay a 66-percent tax to keep. On either my family or my dog, I would pay that tax to keep them. But I would not do it for my truck. And most Americans would not be able to afford it.

If that is freedom of choice, you have it under their plan. There is only one problem that our colleagues on the left hand side of the aisle have, and that is that the American people have broken this code. Where are we in this debate? Basically where we are is that the Mitchell bill is deader than Elvis. If we had a vote on the Mitchell bill today, it probably would not get 35 votes.

The House is getting ready to adjourn on Saturday, and they are not coming back until after Labor Day. The question is what should we do?

I want to make a proposal. First of all, I want to let my colleagues know something that I assume most of them already know. But I would suggest they go back to their office and check on it.

First, we all get a lot of mail. Senator KENNEDY and I go back and forth as to who gets the most mail in the Senate from one month to another. Maybe all the right-thinking people write me and the wrong-thinking people write him. I do not know what kind of message he is getting. But we get a lot of mail. Yesterday, I got over 3,500 letters, and that is a new record for me.

Yesterday, 1,005 people called my office in calls that were completed, and they said to me, "Kill the Mitchell-Clinton bill." Most of them said it in a more emphatic way, the way we talk in Texas. But I am not going to say that here. And 133 said pass the Mitchell bill.

I also got calls about this so-called crime bill that will let 10,000 drug felons out of jail early. Seven-hundred and sixty-two people said do not pass that bill, and 68 people said pass it.

The House is getting ready to go home, and here is what the chairman of the Health Subcommittee of the Ways and Means Committee in the House said about that. He said, "I have said repeatedly the one thing leadership does not have to give away is time," said Representative PETE STARK of California, chairman of the Ways and Means Subcommittee on Health. "Members go home for 2 weeks. It gives people a lot of time to complain," he said.

Obviously, there are a lot of people around here who are scared to death that, if they go back home to the source of political power in America, if they listen to the people who do the work, pay the taxes, and pull the wagon in the country, that this health bill is dead.

I submit that come Saturday when the House leaves, it is only a matter of a day or two until we too are going to go back home.

When we go back home, all these people who are calling your offices are going to be able to tell you how they feel. I believe that it is time to go back and listen to the voice of America. We have a so-called mainstream group of Democrats and Republicans who have been working on a health care reform plan. I do not know the details of their plan. But I know two things about it that tell me that when they are talking about mainstream, they are talking about mainstream Washington. They are not talking about mainstream America.

Their first idea is to have the Government tell us what kind of insurance we have to have and what it has to include. Their second idea is to impose a 25-percent tax on those who dare to buy insurance that is beyond what the Government says they ought to have.

I submit that this so-called mainstream group is out of touch with mainstream America. We can fix that by having Congress admit that the Mitchell-Clinton bill is dead. We can do it by stopping carrying around this corpse, changing its clothes, putting more powder on its face, and, instead, admit that the American people have rejected this bill.

Let us go back home, listen to the people, come back in September and see if we can sit down and write a bill that has broad, bipartisan support.

Mr. DASCHLE. Will the Senator yield for a question?

Mr. GRAMM. I have only 10 minutes, and I have listened for hours as my colleagues have gone on.

Let me tell you why I believe the Mitchell bill is dead. Listen to these numbers and see if this does not stun you—even for Washington, DC.

The purpose of the Clinton health care plan was to do something about the fact that 14.1 percent of the GNP of the United States is spent on health care. The President, the First Lady, everybody at the White House, and most Democratic Members of Congress have said: My goodness, this has to be stopped, it is killing the country, bankrupting the Nation.

So CBO looks at the Mitchell-Clinton bill and what does CBO say? They say, sure enough, you have done something. Within 10 years, under your bill, we will not be spending 14.1 percent of GNP on health care; we will be spending 21 percent of GNP on health care. Is that a solution? Is that solving the problem?

Listen to this as an example of Government work. There is a great problem in that 37.3 million people last year, on at least one day, did not have private health insurance. About 75 percent of those people changed jobs. So if we made insurance portable, we would solve a big problem. How does the Clinton-Mitchell bill fix this problem? To try to help 37.3 million people get insurance, the Clinton-Mitchell bill provides subsidies to 100.3 million people to try to help the 37.3 million people who do not have insurance. Their bill provides subsidies to over 100 million people. But guess what? The subsidies are so poorly targeted, that they still leave 13.3 million people uninsured. So you begin with a problem of 37 million people without insurance. You subsidize 100 million people, and yet you do not solve the problem of 13.3 million. Does this bill deserve to be saved? Should we not put this bill out of its misery and let it die a quiet death, in dignity and privacy?

Mr. PRYOR. Will the Senator yield? I would like to yield the distinguished Senator 3 additional minutes so that he might have the opportunity to answer some questions from our side.

Mr. GRAMM. If I may have the 3½ minutes, I would be happy to yield.

Mr. PRYOR. I will yield if you will answer some questions.

Mr. GRAMM. I will certainly yield for a question.

Mr. PRYOR. I yield 3 minutes more to the Senator.

Mr. DASCHLE. I thank the Senator. The Senator said it is imperative that this body support the will of the people. A poll came out this morning that indicated 77 percent of the American people support an assault weapons ban.

I would ask the Senator from Texas whether he supports an assault weapons ban using the criteria he laid out, the criteria by which he maintained we should determine our support for legislation.

Mr. GRAMM. I am looking for the same poll. Let me say that when you ask the American people if they would rather have the anticrime alternative I offered, which was 10 years in prison without parole for possessing a firearm during the commission of a violent crime or a drug felony, 20 years for discharging it, life imprisonment for killing somebody, and the death penalty in aggravated cases, by a substantial margin the American people prefer that option over gun control.

Mr. DASCHLE. The Senator did not answer the question. The question was: Do you support what 77 percent of the people said in this morning's poll that they support? Is the Senator prepared to vote according to the will of the people?

Mr. GRAMM. If I can reclaim my time, I control the floor.

Mr. DASCHLE. It is my time.

Mr. GRAMM. If I might reclaim my time, my response is that I offered an alternative that is more strongly supported by the American people, that is a better, more effective alternative. I do not believe gun control works.

If you do not give the American people criminal control, out of frustration they say, "Let us blame guns." But if you are willing to grab violent criminals by the throat and not let them go, to get a better grip, something I am eager and willing to do, then the American people respond very strongly to it.

I would have to say, Madam President, that the American people get very frustrated when they are told they have a tough crime bill, and it turns out that it has $8 billion of unadulterated pork in it, and it has a provision that overturns mandatory minimum sentencing, so that possibly 10,000 drug felons, who are in prison today for drug trafficking, will end up being let out of prison by this bill.

So my response is that there is a better alternative that is more strongly supported by the American people. I say to my colleague, also, that if he will look at the poll this morning in the newspaper U.S.A. Today—and I hope they will note I mentioned their name—they will see the American people do not support this bill.

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

Mr. PRYOR. I yield Senator LEVIN 5 minutes.

Mr. LEVIN. Madam President, I think we have hit a sensitive nerve this afternoon on this Federal employees insurance. I noticed that sensitive nerve ending both by the response of the Senator from Alaska and the nonresponse from the Senator from Texas.

It is not just us, it is 9 million Federal employees and their families who have this insurance. If it is good enough for us, why is it not good enough for the rest of the people of America? Is it the best plan in America? No, there are some better. Yes, there are some companies that offer even better plans than this. That is not the issue.

We voted this for ourselves and 9 million Federal employees. The American people are entitled to an answer. If we voted it in for ourselves and the 9 million Federal employees and their families, why will we not provide them the same protection? That is the question they are asking.

There can be a lot of give and take as to what is good and what is bad. But one thing is real clear, and that is this green booklet. This is available to every American. Ask your Member of Congress for a copy. Call up the office of your Member of Congress and say, "I would like to take a look at that plan that you folks have provided for Federal employees and yourselves." It is a green book, called Supplement 890–1. In that book, on page 4, it says that we are guaranteed "protection that can't be canceled by the plan." Listen to this one.

Mr. DASCHLE. If the Senator will yield. You mentioned a point raised by the Senator from Texas about what happens when a Senator retires or is defeated in an election. I believe the Senator misspoke.

The fact of the matter is that if you serve in the body for 5 years and are eligible for Federal retirement benefits, you are entitled to maintain your FEHBP coverage. That coverage can never be taken away. Does that not make it similar to what the majority leader is proposing in his bill?

Mr. LEVIN. It is not only true for current Federal employees; it also provides it for former Members of Congress, which is the point of my friend. This is obviously now a very sensitive question with the opponents of health care. They are not about to answer this question. Why, if we provide it to 9 million Federal employees, including ourselves, should we not take the steps within our power to make it available to the people who pay our salary, the taxpayers of this country, the ones who pay three-quarters of our premium?

There is another provision in here, too. This is page 4. This green book is available to everybody. Go into your Member of Congress' office. Give him a call. Ask him to read the booklet. Page 4:

> Coverage without restrictions because of age, current health or preexisting medical condition. No Federal employee can be denied health care because of a preexisting medical condition.

It is right here in the book. If we hire someone on our staff back in our home State or here in Washington, that person could have diabetes, could have a heart condition, could have skin cancer. That person is entitled to health coverage.

Some of us are trying to provide that kind of assurance to every American. Hey, we provide it to ourselves and 9 million Federal employees and their families. Why is it not good enough for every American family? The answer is it is. They are paying our salaries. They are paying three-quarters of our health care. They ought to have the same opportunity as every Federal employee has.

Mrs. BOXER. Madam President, will the Senator yield for a question?

Mr. LEVIN. I am happy to yield for a question.

Mrs. BOXER. I thank the Senator.

I want to just underscore the point that was made by the Senator from South Dakota. The distinguished Senator from Texas, who has been a real critic of the Mitchell bill, said it was as dead as Elvis, although you never know with Elvis. Elvis does pop up now and then. To make that kind of remark about a bill that we are amending on the floor, and then to make a misstatement that if the voters knock us out of here we do not have insurance, let me say to make sure that——

The PRESIDING OFFICER. The time yielded to the Senator from Michigan has expired.

Mrs. BOXER. Madam President, I ask unanimous consent that the Senator be given an additional 2 minutes.

Mr. PACKWOOD. On whose time?

The PRESIDING OFFICER. Does the Senator from Arkansas yield?

Mr. PRYOR. If the Senator from Oregon will allow this, we yield 2 additional minutes from this time.

Mr. PACKWOOD. That is fine.

Mrs. BOXER. I thank the Senator from Oregon for his generosity.

I say to the Senator from Michigan we had a Senator on the other side who has been a leading critic of the Mitchell bill. He declared it dead and he said on the floor of this Senate that if the voters kick us out we lose our health insurance.

The Senator from Texas, who made that statement, has been around a long time in Congress. As a matter of fact, I remember when he used to be a Democrat, and I served over on the House side.

He has his health insurance. If the voters were to knock him out or knock me out—they have that chance—the truth is we would have health insurance that could not be taken away because we have been here in excess of 5 years.

So I say to my friend from Michigan, just by way of underscoring his point, if it is good enough for us, should it not be good enough for Mr. and Mrs. America.

Mr. LEVIN. I thank my friend from California.

Mr. KENNEDY. Madam President, will the Senator yield for one final question?

Mr. LEVIN. Could I quickly respond to that question, first?

The PRESIDING OFFICER. The Senator has 50 seconds.

Mr. LEVIN. I have 50 seconds to respond.

The quick answer to that question is all Americans should have the same opportunity that we do for health care. That is what some of us are trying to achieve. It is not right that we have access to health care which is not available to all Americans, that we can obtain health insurance despite any preexisting condition, but other Americans do not have that opportunity.

I would be happy to yield to my friend from Massachusetts.

Mr. KENNEDY. Just a final question, and I ask the Senator from South Dakota the same question.

Does he know of any job in America where after you have worked for that period of time, up to 5 years, and then you retire that you are guaranteed health insurance for the rest of your life effectively? Do you not think that ought to be of interest to some Americans as well?

The PRESIDING OFFICER. The time has expired.

Mr. KENNEDY. Could I have a minute to let him respond?

Mr. PRYOR. I yield one additional minute to the Senator.

Mr. DASCHLE. Madam President, the answer to the question from the Senator from Massachusetts is "no." In fact, it is often just the reverse. I know so many occasions where people lose their health benefits when they are laid off or retire from their factory or their office job. They are no longer insured. They have limited access to care. They have no confidence that their insurance will be continued. It does not matter whether they are sick, whether they are healthy, whether they are rich or poor. They may lose their coverage.

It is really ironic, Madam President, that this body on so many occasions exempts itself from laws that we insist the rest of America comply with, but on health care it is just the reverse. We are prepared to accept benefits that we are not willing to share with the rest of the country. That ironic twist is something we do not talk enough about.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from Oregon.

Mr. PACKWOOD. Madam President, I yield such time as the Senator from Florida requires.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. MACK. Madam President, I can understand why the discussion is not on the issue of my amendment. Frankly, I would suggest that this is probably somewhat embarrassing to those who have endorsed the Clinton-Mitchell proposal. There might be those who feel that the discussion of meetings in secrecy somehow might be a silly idea. But I believe there is something very significant about a health care proposal which we claim is basically Government dominated, and Government controlled. We think the point that a couple of the major commissions that have been established under this bill will be able to carry out their work in secrecy is wrong.

There may be those who want to say they did not know this was in the bill. Or they might say I certainly would not have supported that concept if I knew it was in there.

But the reality is these boards, and two I am going to specifically talk about are exempt from having their meetings held in public. One of the demands we place on Government because of the freedoms we enjoy is the right to participate in actions taken by the Government which affect our daily lives. Our constituents can write us. They can call our offices, they can meet with us. They can attend hearings. They can read proceedings of the Senate in the CONGRESSIONAL RECORD. They are watching us in this historic Chamber today.

But when it comes to health care, these freedoms are slowly being eroded by the Clinton-Mitchell legislation. This bill expressly grants secrecy to boards and commissions which will be making life or death decisions affecting ourselves and our families.

The amendment we offer today restores some of the freedoms which have been taken away from the American people in the Clinton-Mitchell bill.

Our amendment requires that all boards and commissions established under this bill must operate in the sunshine. It is not surprising, however, that secrecy has made its way into this bill. It began in secrecy at the White House with minutes and notes of meetings pried out only through court action.

This bill has also been crafted in secrecy. Secrecy in Government is not the American way. Secrecy in Government has led to all sorts of abuses and denial of freedom in other lands. We must keep our system of Government open and accountable to the citizens of our country for public inspection and scrutiny.

It is simply wrong that this legislation has in it so many elements of secrecy.

The Clinton-Mitchell bill states that the Federal Advisory Committee Act shall not apply to the national health benefits board, the national health care cost and coverage commission, and the agency for health care policy and research. In addition, panels created by the agency for health care policy and research are exempted from the Government in the Sunshine Act.

Let me try to put this into some perspective. This chart shows the requirements under the Federal Advisory Committee Act. It says that these meetings should be meetings in public, published notice of meetings in the Federal Register, let public know of the agenda for those meetings. The act requires boards to permit persons to obtain transcripts, appear and testify or file statements, make a record, minutes, working papers, drafts, et cetera, available, keep detailed minutes, permit citizens to purchase manuscripts and transcripts, keep adequate financial records. The act also requires there should be a 2-year time period for the boards and commissions.

That is the requirement for most Federal agency meetings. But for one reason or another, these two boards, the national health benefits board and the national health care cost and coverage commission, are exempted from those requirements.

I want people to think about that for a moment because these two boards have a potentially significant impact on the lives of our friends, families and loved ones.

The national health benefits board will meet at least four times per year. It define benefits. It will develop cost sharing schedules, address parity of mental illness and substance abuse service, decide what is medically appropriate and necessary, promulgate regulations or guidelines to clarify items and services covered, and submit to Congress an implementing bill with fast-track authority.

Keep in mind that it is going to go on behind closed doors in secrecy, with no way for the public to have input on probably what is the most significant piece of this legislation, the determination of the benefits that will be in policies.

Let me once again put this on a personal basis.

Several years ago, my wife Priscilla told me she had discovered a lump in her breast. It was cancer. But, fortunately for her, it was discovered early. She is alive today, frankly, because of that early discovery.

This benefit board is going to make the determination as to whether women are going to receive mammograms at the age of 50 and above, or whether it will be 40 and above.

Mr. President, I have been active on this issue with respect to breast cancer. I have attended meetings where there were discussions as to whether the scientific data really does question whether it should be 50 or whether it should be 40. And there is one tremendous debate that is going on.

But the thought occurs to me that allowing this board, behind closed doors and without input, is, in fact, a tragedy. It is an outrage.

Now, my friends on the other side of the aisle do not want to focus on this, and I can understand why. But this is a significant issue. The key term is

"medically appropriate and necessary." How that board comes to a conclusion on almost every single medical procedure available to us in this country will affect each one of us personally, our moms and dads, our brothers and sisters, our grandchildren. And it is going to be done behind closed doors?

Let me make another point. This same board, under "medically appropriate and necessary," will promulgate regulations and/or guidelines to clarify items and services covered.

A couple of days ago, I talked about a British citizen that had gone to a generalist and was referred to a specialist in England, and received a letter from the governing board indicating to him that it would be 2 years before he would be able to get an appointment with that specialist. My point is, in that same country, under these kinds of terms and with a similar board, they have decided—at least it used to be—they have decided if you are 55 years of age or older, kidney dialysis is not available to you.

I do not think those kinds of decisions should be made by a seven-member board behind closed doors. I think it is fundamentally wrong. I think people want to have confidence in their Government, confidence in their health care system. They want to have the ability to have input. It is that straightforward and that simple.

Now, let me address this other commission, the National Health Care Cost and Coverage Commission. I know some people might say, "Well, gee, I do not know, that is really one that is too important to focus on. After all, is the National Health Benefits Board not the key concern?"

It is the key concern. There is no question about that.

But I think it is important, as well. Because there are several things that this coverage commission is empowered to do. "Determine if our Nation and each State has achieved 95 percent coverage." And then, "Develop legislation to achieve 95 percent coverage."

That legislation comes to us under fast track, and we lose our ability to effect that legislation. I do not think that a board of this kind, dealing with that kind of significant legislation, should do it behind closed doors.

Mr. President, I suggest that when this does come to a vote, I imagine that most of my colleagues will agree with me. And I am happy that they will, because a health care plan, whatever kind of health care plan makes it through the Senate, the House, and eventually becomes law, should not have as one of its basic tenets, secrecy. The people of America demand that they have a right to express their concerns. They want to be able to say more specifically what kind of health care coverage and what kind of medical procedures may be available to them.

I was driven to offer this amendment because of personal reasons.

I go back to the point I made a minute ago. I think it is important that the people of our country have confidence, not only in the process, but in the people who make these kinds of delicate decisions. And I suspect that every Member of the Senate and most people who are hearing this debate have found themselves in positions where they have had to make some very difficult and tough decisions about the kind of health care for their loved ones to receive.

Those decisions are being taken away from them. Those decisions are going to be made by these kinds of boards. These boards are going to determine what is "medically appropriate and necessary."

No longer will that precious relationship that exists between the doctor and patient be the same if legislation like this is passed. Boards, acting behind closed doors, in the darkness of night, will decide what benefits you and your family will receive.

Again, it is much more than just benefits. What we are talking about is specific medical procedures. They are going to decide what drug, for example, might be available. They are going to decide what kind of operating procedure might be available. And, under this legislation, you and I, as average Americans, will not have one opportunity to input the outcome of that decision.

That is wrong and I think the American people reject it out of hand.

I yield the floor.

The PRESIDING OFFICER (Mr. FEINGOLD). Who yields time?

Mr. PRYOR. Mr. President, I yield such time as the Senator from South Dakota may desire.

Mr. DASCHLE. I thank the Senator for yielding.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. DASCHLE. Mr. President, I had the opportunity to clarify the statement made by the Senator from Texas a couple of minutes ago with regard to what happens when a Member of the Senate exits the Senate. The answer is that a Senator is entitled to the same benefits beyond the time he or she may serve in the Senate, for 18 months, and then he or she may convert their group policy to an individual policy, through the same insurance company. This is an important point.

Can we be consistent? Can we say, if it is good enough for us, it ought to be good enough for them? The question is not whether we have a government program or a private program. We can argue about the merits of either, and no one has done that more eloquently, as the Senator from Arkansas has stated, than Senator MITCHELL. The majority leader has said over and over again, we can call this a horse if we want to, and we can continue to refer to it as a horse, but it is a desk, regardless of how many times we say it is a horse. We can call the health system under Senator MITCHELL's bill a government program, but the bottom line is what we are trying to do for the American people is what we have already done for ourselves. We are simply trying to extend the Federal employees health benefits plan, a plan that 9 million Americans use as employees of the Federal Government, to all Americans. Is that a government plan or is it a private plan?

We have made reference several times today to a speech made by the majority leader. I had the good fortune to hear another speech Monday evening, August 15, given by one of the real students of health care in the Senate, our colleague from Minnesota, Senator DURENBERGER. I doubt that he would mind if I read what he said that night:

> If we cannot understand the difference between the Federal Employee Health Benefit Plan and a Government-run program like Medicare and Medicaid, I, for one, am going to spend a lot of time here educating my colleagues, and I do not want to have anyone call it a filibuster. The Federal Employee Health Benefit Plan or plans, if you will, are a series of health plans which all of us have the opportunity to buy. But they are all private plans everybody in this community can buy, if they have an employer who provides it to them, or they can buy it in the open market. There are Blue Cross-Blue Shield plans in that, and I think there is a Kaiser plan in this community. But they are private plans.
>
> What they do is ensure all of us access to the doctors, hospitals and so forth that we need in this area, Washington, DC, northern Virginia, Maryland, and so forth. But it is basically a private plan.

That is what our colleague from Minnesota said about what we have as Members of the Senate. It has been described on so many occasions as a government plan, but as he, the majority leader and so many others have so ably stated again this afternoon, what we want to do is simply provide the American people with the opportunity to have what we have; to give them the same access we have; to give them the confidence we have that when you lose your job or when you retire, you have the ability to cover yourself and your family. We have the confidence in knowing that if we get sick, we are still going to have the same coverage we have right now.

I do not know that we can do any better than that. We have the luxury of knowing that we have a standardized plan that precludes preexisting condition exclusions or limitations, that precludes the fine print, that precludes a lot of the surprises that one finds in so many of the plans most Americans have today. We have an ability to go about our work, to do the best job we can as U.S. Senators, knowing we are well covered. There are no surprises in

our policies. When we most rely upon the FEHB, we know it is there for us.

I hope we can recognize that there is a substantial degree of misinformation in this debate. It is crucial that we recognize the importance of portability, the elimination of preexisting condition exclusions and fine print, and the extension of benefits regardless of one's employment status—that is all we are saying we want. We can categorize that as a government plan if we want to, but that does not change the facts. The fact is, very simply, that Members of Congress have a good system. If it is good enough for us, it ought to be good enough for all Americans.

I do not know how many speeches I have heard on the floor over the last many years about why it is we ought to exempt ourselves from this or that law. Some of us are now arguing just the reverse. We have something many Americans do not have, and the question is, should we extend what we have to them? I believe that really is the essence of this debate.

Mr. WELLSTONE. Will the Senator yield?

Mr. DASCHLE. I will be happy to yield to the Senator from Minnesota.

Mr. WELLSTONE. I will ask the Senator a question. I followed the debate from my office. This point came up some yesterday. I know we are going to come back to this in the debate.

In the Federal employees benefit package there are a variety of different, if you will, benefit packages but in each and every one of them, you have a list of what is covered. In other words, you have a standard basic benefit package, and there are a number of them that you choose from.

But would the Senator agree with me that the differences have to do with copays or deductibles, but it is not a situation where people can say, "Listen, I am not a woman expecting a child." We went through this with the amendment of the Senator from Connecticut, Senator DODD. Or, "I am not a spouse or woman expecting a child or I do not struggle with mental illness or I do not know anybody who does; I do not come from an underserved community, I am not interested in public health."—and therefore you can say, "I want nothing to do with that."

Is it not true that in each one of these plans you have a standard package, the idea being we are all in this together? Is that not a part of what makes this insurance work?

Mr. DASCHLE. The Senator is absolutely right. He was a participant in the debate yesterday when we discussed that issue. What we do not want to do is protect the fine print. What we do not want to do is allow practices utilized by some insurance companies, in which they surprise policyholders at the moment when they are most vulnerable. We do not have to worry about that as Federal employees. One ought not to have to worry about that under any circumstances in this country. But people do worry. There are so many tricks, there are so many gimmicks, there are so many ways insurance companies are able to get around their responsibilities even if someone has paid tens of thousands of dollars over the years to ensure protection for themselves and their families. They may not know their policy has a lifetime limit. They may not know their policy has a preexisting condition clause. They may not know their policy has many different categories of exceptions that sometimes get buried in the fine print on page 77 of their insurance plan.

That is really what we are trying to address here. We are trying to standardize plans to keep the surprises out of insurance. We have that security. All Americans ought to have that same confidence. I appreciate the point the Senator from Minnesota made.

Mr. WELLSTONE. If the Senator will yield? Let me just ask a couple of other questions because this will go to an amendment I will introduce on the floor soon.

Is it not true—we have had this debate about universal coverage—each Senator or Representative is covered and in a sense it is universal coverage? We do not have 90 or 95 percent; all of us are covered?

Mr. DASCHLE. All of us are covered, all our families are covered, everyone who serves in the U.S. Senate is completely covered.

Mr. WELLSTONE. Then, finally, is it not also true that there are no preexisting condition?

Mr. DASCHLE. The Senator is correct. There are no "preexisting condition exclusions or restrictions allowed." In fact, these kinds of exclusions are specifically prohibited under FEHBP.

Every insurance plan that contracts with the FEHBP has to meet certain conditions. It has to be willing to accept certain criteria if it is sold through FEHBP. That is exactly what we are trying do here. We are trying to require insurers to say, "We are not going to have preexisting condition exclusions, we are not going to have lifetime limits, we are not going to write into a plan the kind of fine print that is so often found in non-FEHBP private plans. FEHB plans are willing to accept this criteria. Why? Because FEHBP has access to 9 million well-paid American people and their families. That is why these plans are willing to agree to go into that pool. That is why the plans are willing to leave out preexisting condition restrictions and the fine print they put in other policies.

Mr. WELLSTONE. Because everybody is in this together.

Mr. DASCHLE. Everybody is in this together. The universal coverage we get gives us the ability not only to have the confidence that we are not going to be surprised by what is in our policy, but it gives us the power to purchase. It gives us the ability to choose among plans that compete along with all the other plans for 9 million Americans. Through this system we get the cheapest, most accessible health care you can find in America today.

Mr. WELLSTONE. I see my colleague on the floor. If I may make just the final point, if the Senator will let me ask a question and make a comment. The other thing that makes this work is that our employer contributes what, about 72 percent? Is that correct?

Mr. DASCHLE. Our employer contributes 72 percent today, we contribute 28 percent. Which is approximately the average in the country today. Employers in large corporations generally provide that kind of contribution to their workers' coverage. The Senator from Alaska was a little sensitive about that earlier, when he was trying to make the point we do not have anything unique. To a certain extent he is right, but there are truly unique aspects about what we have.

The luxury of knowing that we cannot be dropped from our policy, the luxury of knowing that we have a significant purchasing power that gives us a good price for our policy. So we have some benefits that a lot of people do not have today.

Mr. WELLSTONE. To conclude, let me ask the Senator's reaction to this. The point we are trying to make, which seems to be maybe the standard, almost 100 percent of the people in the country—is, "Look, when you do your work representing us, we would like for you in your reform bill to make sure what is available to you and your loved ones"—and they do not say that in the spirit of angry people—"is a available to us." That is really the goal.

Would the Senator think it would be a good idea, since this is the yardstick by which we measure our work, for an amendment to be offered? I am going to work out an amendment that essentially captures the spirit of that—what it is that you have and what you consider to be a plan that is good for you and your loved ones. This is what we want in the reform effort, this is what we want the final bill to live up to, to move toward, to capture.

Mr. DASCHLE. I commend the Senator for his interest in this issue. I think that sends the right message. We want for you what we have for ourselves. We want to be sure that you have the same opportunities, the same confidence, the same stability that this provides all of our families and ourselves. As we go about our daily business, as we try to do the best job we can here in the U.S. Senate, we do not have to worry. We are protected. Why? Because we, over the years, decided it is in our best interest to have this kind of insurance. We have had the luxury to do that. A lot of Americans do not have that luxury or that power.

Mr. WELLSTONE. I thank the Senator. I think what I will do, I am going to, the first chance I get, offer an amendment where we can have a vote and have everybody on record to this proposition that really, in this final reform bill and what we are working for, what we are working for is to make sure the people we represent have health care like we have: High-quality health care available to themselves and their loved ones. I will make sure we have a vote on the amendment and everybody can be on record, and then we can measure the different proposals in what we finally do by that standard.

Mr. DASCHLE. I hope the Senator from Minnesota will share that with all of us.

Mr. WELLSTONE. I will share that.

Mr. DODD. Will the Senator yield?

Mr. DASCHLE. I will be happy to yield to the Senator.

Mr. DODD. I would like to address two questions to my distinguished colleague. The first picks up on the comment of Senator WELLSTONE. Yesterday, during some of the debate regarding the amendment that we adopted dealing with the accelerated benefits for pregnant women and children in the area of prevention, I heard one of my colleagues express the notion that we are all sort of islands unto ourselves and that there is a need to have so-called cafeteria plans where individuals, based on their family circumstances, their age and the like would tailor their health care plans according to their own specific needs. There is, I think, a genuine appeal to that approach.

But I ask my colleague, whether there is not also a sense of community in this country that also should inform this debate. I see my colleague from Iowa on the floor, and his description of the barn-raising effort is a good example. It was a great notion of community there. It was not possible for one family to put up the barn. We have all heard those stories over the years.

In the educational system, I suppose in an ideal world, maybe each person or family would educate their own child, but we appreciate the value of the community coming together to provide education.

There are certain issues that transcend the individual's needs, and it struck me that in a number of these areas, that is where the sense of community comes into play. A younger generation pays for the Social Security of a retired population. There are some younger people who argue, "Why should I be paying for some retiree?" And yet because there is this notion of community, we have accepted the idea that one generation contributes to the retiring generation's financial security, and it makes sense for all of us.

I just wanted to emphasize that particular point. My colleague from Minnesota has raised it and I think it has value, the notion of community. It does not apply in every situation, but I think in a number of areas it clearly does. I just ask him for his particular comments on that.

Additionally, I think it is important to expand on an issue raised by my colleagues from Michigan, Minnesota, and South Dakota—the idea of a Government plan. No one here that I know of is advocating a Government plan. Now some have argued for a single payer system, and I have great respect for those who do.

But what is before us and what we are discussing is really an expansion of the private insurance industry. I am from Connecticut. No State has a greater interest in this issue. In my State of Connecticut, I have 55,000 constituents that work directly in the private insurance industry. Despite some of the comments that are made around in this Chamber from time to time, we think it is a good industry and has contributed significantly to the health and well-being of this country.

One of the reasons why I am supportive of the general notions put forward by the distinguished majority leader, is because it takes the industry in my State, the private insurance industry, and it builds upon that industry. It does not try to set up a competing operation within the Federal Government or State governments, but it takes the private insurance industry, principally located in my home State of Connecticut, and says we are going to utilize that system and see to it that we can try to reach the other 40 million Americans, who have no insurance. Is that not, in fact, what we are doing?

Mr. DASCHLE. The Senator from Connecticut is absolutely right on both points. Let me talk about the first one for just a minute, because I think he makes a point we do not talk about often enough on the floor: The sense of community. That really has been one of the most pervasive values that I think this country was based upon, all the way through the history, the development of this country. When my State was being discovered by the early pioneers, it was really the pioneers coming together as neighbors, as people in a very desolate part of the country helping each other so that they could survive first and flourish second.

The interesting thing is that sense of community comes up the most when it is a time of peril or personal difficulty, as the Senator from Connecticut has indicated. It is at a time when a barn burns, or it is at a time of a flood, or a time when a community has been ravaged by a disaster of some kind. That is when we really see the value of that community spirit that built this country in the first place.

What greater peril is there than for a family to experience a life crisis in health—a cancer, a serious illness of any kind, a death? That is the time when we really rely upon the community to help each other, to try to get through that difficult time financially and emotionally and in every other way. That is really the essence of insurance. That is really what we are trying to do here.

Frankly, whether it is Government or private, that ought not matter. Let us get out of the semantics for a minute and just recognize that insurance is insurance regardless of what source that insurance may come from.

As the Senator said—and that leads to a second point—we can call this desk a horse, as the majority leader has said, and if it is repeated often enough, somebody soon enough will call this a horse, but the fact is it is a desk.

Someone can continue to insist what we are trying to do is provide Government insurance, but as Senator DURENBERGER said on Monday night, as the majority leader said often, as we continue to insist here, let us get the facts straight. Let us get rid of the misinformation. Let us quit the miscategorization here. Let us get down to the real essence of what it is we are trying to do. We are simply trying to provide the same coverage, the same insurance in that same community spirit to all the American people that we have felt to be so important for ourselves.

Mr. DODD. I thank my colleague for yielding. I see our friend and colleague from Oregon here, Senator PACKWOOD. He was my best and strongest supporter, I point out to my colleagues, on family and medical leave. I recall a day here during that debate when he was eloquent in describing the evolution of the concept of family and medical leave when people worked on farms. And if something happened to a child, there was always someone there. There was a sense of community on those farms.

The world has changed, our Nation has changed and, unfortunately, when a child gets sick or a family member, there is not always someone there to be with them. Arguably, not everybody has a family in this country. Some people are single, some people are retired and family and medical leave is of marginal significance to them.

But when we passed that legislation by almost 70 votes in the Senate—Democrats and Republicans coming together for the final version of that bill—no one made the argument that because it only benefited a certain percentage of the population, that it was not worth doing, because we understood, I believe, the sense of community and the sense that from time to time we need to pull together, and even though someone else may be paying some small amount for that benefit, it is in everyone's interest to make that benefit available.

I thank my colleague for yielding.

Mr. DASCHLE. The Senator from Connecticut makes a very good point.

There are others waiting to speak, and I will conclude with this.

We talk about preexisting conditions and the fine print, Mr. President. I have something here that was offered to us by a representative of the insurance industry recently as an example of the fine print that is so often found in insurance policies today. References in these policies are made frequently to "sickness." Here is what a standard policy includes as its definition of sickness. This is not an FEHBP policy, because we do not have this type of fine print. But you can find this type of language in other plans that are available across the country. And I quote from the insurance policy:

Sickness means illness or disease of any insured which first manifests itself 30 days after the effective date of this policy and while this policy is in force. All sickness due to the same or related cause or causes which continues or recurs shall be considered one and the same sickness or any one sickness unless periods of confinement to a hospital or service treatment or expense incurred resulting from such sickness are separated by an interval of at least 90 consecutive days between the end of one such period and the beginning of a subsequent such period. Any loss which results from hernia, disease, or disorder of the reproductive organs, hemorrhoids, varicose veins, tonsils, or adenoids shall be covered only if such loss occurs after this policy has been in force for a period of 6 months from the effective date of this policy, provided these sicknesses are not excluded by rider or endorsement and these sicknesses are not preexisting conditions.

This is what the American people are up against, Mr. President. It takes not one lawyer but a bank of lawyers to interpret this. If I had this policy today, I would not have the slightest idea whether or not I was covered for my medical condition. That is the surprise method used by some insurance companies to avoid responsibility, to avoid having to own up to the expectations of their policyholders when that moment comes and they need care the most.

So I am hopeful that we can end the surprises; that we can ensure that this piece of legislation does not become the "Fine Print Prevention Act." We want to be sure that we can, of all the things we do, take out the fine print, put in the confidence, and do what is right not only for ourselves but the rest of the country.

I yield the floor.

Mr. PACKWOOD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. I yield 15 minutes to the Senator from Idaho.

The PRESIDING OFFICER. The Senator from Idaho is recognized for 15 minutes.

Mr. CRAIG. I thank my colleague from Oregon for yielding.

I have been enthralled by the discussion that has gone on on the other side over the last few minutes in their use of the word "community," and the discussion of my colleague from Connecticut of the barn raising.

I come from a rural State. I come from a State that is just 100 and a few years old. The reason we had barn raisings in our State was because there was not a government. The reason we developed a sense of community is because there was not a government. Governments do not create communities. They destroy communities. They destroy voluntarism. They destroy individuals coming together to provide for themselves and their community. We all know that.

The reason there was a barn raising and the community gathered was because there was no FHA loan. There was no Federal program. No, the Government did not pay for the barn. The individual paid for the barn. He called up his neighbors and he said, "Would you come and help me raise the barn?" That is community action. That is in the absence of government.

My colleague also mentioned he had 55,000 insurance employees in his State. My guess is that after the Clinton-Mitchell bill passes, within 10 years, he will probably have 150,000 insurance employees in his State.

One of the reasons that more than likely will occur is because of the phenomenal complication, the phenomenal intricacy that is involved in little terms like "community ratings" and "geographic areas that result in 250,000 or more," that establish certain levels of costs and the kinds of necessary threadings and the loopholes or absence thereof that the insurance industries of this country will have to begin to comply with and the paperwork that will be required.

Now, is that going to happen? Well, let me suggest that in any other, not federally run but federally controlled, federally monitored, federally designed health care system around the world, that is all true. I have to believe that in the Clinton-Mitchell approach that, too, will be the case—not tomorrow, or 2 or 3 years from now, but progressively over time as a National Health Benefits Board begins its approach put upon it by the pressure of the politics of America to say add this benefit and add this benefit and add more. There will be no Government program, or should I say Federal employees insurance program, after that.

I thought that was a fascinating debate this afternoon. It will be the standardized approach that will be designed by this board. So let me at this moment then talk about the Mack-Coats amendment that is very important if we are going to march down the very dangerous path that this huge bill that none of us have really yet had the opportunity to detail may send us.

If I as a Senator am going to be subject to the National Health Benefits Board, then I wish to know publicly what they are doing. I do not agree with Senator MITCHELL that they ought to meet in private. I do not agree that their decisions ought to be secret. And the reason I do not agree with that is because it will affect me. But it will also affect every other American citizen.

In 1974, I was a freshman State senator in Idaho, and one of the first pieces of legislation that I ever voted on was a bill called the Idaho Sunshine Act. That was a bill that came out of the State of Florida. We all know about it. It was the beginning of a period in time starting in the mid-1970's when we moved toward openness in government like never before, when we believed as legislators, whether it was at the State or the Federal level, that, doggone it, we were making decisions that were important enough that the public ought to be allowed to participate. And, thank goodness, we had a free press that said: You are darned right; it ought to be open. And we are going to continue to push you, public legislators, until you open government. And we opened it. We opened it aggressively through the 1970's and into the early 1980's, and we all are better off for it.

Now, we are talking about probably the largest piece of legislation that in my 14 years of service to the State of Idaho I have ever had the responsibility of analyzing and voting for or against, the largest entitlement program in the history of the world, potentially the largest economic program ever in the history of this country. And yet, embodied within it, are boards and commissions that are to meet in secrecy.

Why in the heck would anybody on that side of the aisle or this side of the aisle ever bring a bill to the floor of the Senate that had that kind of provision in it?

The reason is simple. They did not know what was in it. They had not read what was in it. It had not been written in a committee. There were no committee hearings. It was a cobbled up piece of legislative trivia that now is falling apart. The reason I use those terms is because it is time we became very, very serious about what we do here. And that seriousness says that if we are going to redirect through a Government program one-seventh of the U.S. economy, we deserve to have open, public hearings, open committee hearings and subcommittee hearings, and bring about all the details and all of the tests that we normally afford any given piece of legislation.

Why? Why, in the last minutes of this Congress before we go out on recess, were we asked to vote now on a 1,400-page piece of legislation?

Well, there are a lot of reasons, I suspect. None of them are pressure from the American people. The American people are not saying we have to have

this now. They are saying go carefully and go cautiously, because what you will do to us will be greater than anything you have done to us or for us since the Social Security Act of the 1930's. And so you must go carefully and you must go cautiously.

As you go, why in the heck are you suggesting that any of those deliberations, any of those decisions that will provide or examine or determine or lay out, and therefore proscribe, all of the benefits that would be in a package, why should they be done secretly?

Now we have a quasi-governmental body known as the Federal Reserve. They are allowed to operate in secrecy even though, after they have made their decision and implemented it, they can then announce it. Here is the reason: Because it is possible, if it were done in an open public forum, that an individual could move rapidly to profit by it. The Congress of the United States said that ought not be allowed. We ought not allow an individual to personally profit by an act of the Federal Reserve Board because they were in the right place at the right time, tied to the right institution, and could move rapidly to cause that to happen.

But the Senate knows that a National Health Benefits Board is an entirely different creature. Because what they do, and their determinations, and as they send them to the U.S. Congress, they are going to tell the American people for what they will be covered, how their health care will respond as it relates to their needs. So it is time that we work the process, but a great deal more diligently than we have been allowed to on this most important piece of legislation.

It is time that the meetings be public. It is time that we do everything that the Federal Advisory Committee asked us to do. And, by the way, we all know that the Federal Advisory Committee Act is a creature of this Senate, of this Congress. When we say to the executive branch of Government, here is how you will operate, here is how, or here is the forum in which you will make these decisions, and you know the litany as I know the litany—public meetings, published notice of meetings in the Federal Register except for reasons of national security, making meeting agendas public, permit interested persons to attend, to testify, to file written statements, make records, meetings of minutes, graphs, and other documents available to the public, keep detailed minutes or transcripts, and allow the public to buy them, make records of funds received and disclose them to the public.

This is a simple summary of what that law requires. Why would possibly the most important piece of legislation in a quarter century be exempt from that process? Why would the boards and the commissions that are embodied and, therefore, created by this piece of legislation allowed to do that or to do differently than that?

I will tell you why I think it is so. Because this was a badly thought up and quickly cobbled together piece of legislation, and therein lies the great tragedy. That is why we now day by day, hour by hour have to go through it section by section. And, yes, we are reading the fine print. We are finding out that there is a lot in it that we do not like. We are bringing those amendments to the floor, and our colleagues on the other side are agreeing with us. Neither they nor us want to be embarrassed by a final product that might leave this Senate.

So I hope we would stay here and continue the process, and that the public is allowed to listen, as they are—this is an open forum and what we say and do here is public, and it is observed by the public—and that we would work our way through this page by page, section by section until such time as it is either determined that this vehicle cannot pass, nor can it stand on its own, or we have simply been able to correct it.

I am one who believes you cannot correct that much. I am also one who believes in health care reform in a substantially different approach than is embodied in this legislation. But everything that I believe in that relates to health care reform is open, is public, allows the citizens who will most be affected by the law to watch the determination of how that law will be administered and the effects it might have based on the policies that are created by it.

So I hope that the Senate will support the Mack-Coats amendment. I thank my colleagues for bringing that issue to the floor as we work. I hope we will continue to try to make a very bad piece of legislation a slightly better piece of legislation.

I yield.

The PRESIDING OFFICER. Who yields time?

Mr. DASCHLE. I yield such time as he may consume to the Senator from Connecticut.

Mr. DODD. Thank you, Mr. President. I will not take much time here. I intend to digress from the subject matter of health care briefly to talk about the pending crime legislation.

But before I do, I want to respond to my colleague from Idaho. Sometimes, in debate we engage in a little hyperbole. I know I have. But I do not want to let stand the notion that Government has destroyed voluntarism in this country. Quite the contrary. I served as a Peace Corps volunteer for 2½ years representing my country. That program was created by Government.

There are thousands of others who serve as VISTA volunteers all across this Nation—another program set up by Government. The National Service Program, which in a bipartisan fashion we passed in this Congress, will ask thousands of young Americans to make a contribution to their communities. The United Ways across this country receive substantial support and backing from State, local, and the National Government. Teach America asks young Americans who finish college to go out and work in some of our toughest schools in this Nation. The Points of Light Program, which George Bush championed, encouraged and expanded voluntarism and has been strongly backed by Congress over the years.

And the list goes on—Big Brothers, Big Sisters, police athletic leagues, and Boys Clubs—all rely on volunteers. In fact, I would argue that today there is a greater sense of voluntarism in America than maybe at any other point in our history.

So the notion that Government destroys voluntarism or a sense of community I just cannot let stand without challenging——

Mr. CRAIG. Will the Senator yield?

Mr. DODD. I will be glad to yield briefly.

Mr. CRAIG. I believe when the Senator served on the Peace Corps as a volunteer he was provided with the cost of living, to some extent. I do not dispute the fact that there are some Government programs that provide certain things that allow people to do something they otherwise would not. I doubt that the Senator could have personally volunteered on his own time without his own money to serve in the Peace Corps. I am not disputing that. What I am suggesting to the Senator is that while there are a good number of Government-sponsored programs that are called volunteer programs, the true definition of a volunteer is when you do something for someone else and you are not paid for doing it. That is the true sense of voluntarism.

Mr. DODD. Mr. President, if I can reclaim my time. Let me reclaim the time.

Mr. CRAIG. I do not dispute that.

The PRESIDING OFFICER. The Senator will withhold.

The Senator from Connecticut has the floor.

Mr. DODD. I say to my friend that at $100 a month I considered my service in the Peace Corps to be volunteering, as do most of the people who have been through that program and similar programs.

I just do not want to let stand here the notion somehow that is destructive. Over the years, many good people have served or volunteered and contributed to our country and our communities. The notion that Government programs destroy voluntarism just does not stand up in the light of day when you consider the thousands of people who have served and who continue to serve as a result of programs sponsored by the Government.

Mr. LOTT. Mr. President, parliamentary inquiry.

Mr. DODD. I would like to proceed, if I could, Mr. President.

The PRESIDING OFFICER. The Senator from Connecticut has the floor.

Mr. DODD. Mr. President, we are talking here about health care. Obviously, that is a critically important issue, critical to every working family in the country; in fact, to every American citizen regardless of age or geography. And it is vitally important that we continue this debate, in my view, and hopefully complete it with a product that we can all be proud of and return to our respective States and districts at the end of this process having done something that has defied 7 American Presidents and 30 Congresses over the past 60 years.

However, Mr. President, that is not the only issue which presently occupies the minds and attention of the American public.

THE CRIME BILL

Mr. DODD. Mr. President, it is very clear that one issue is a source of even greater concern to most of our citizens than even health care, and that issue is crime.

In many of our communities our children are being slaughtered before our very eyes. People in communities that used to be secure from even the prospect of any violence are no longer immune. We all know that, whether you live in rural America, suburban America, or urban areas, crime is a complex, disturbing, frightening issue that defies any immediate solution. And we are all striving to find some answers so that we can begin to turn the tide.

But the answer to these problems is not simply more police officers, more jails, and more prosecutors.

I do not know of anybody who believes that. Obviously, we need more police officers, jails, and prosecutors because of the wave of crime that is affecting our Nation. But anyone who believes that merely providing more resources, more manpower in those areas, is going to ultimately solve the problem, must be living on another planet. We are going to have to address the underlying causes that turn some of these young people to a life of crime, that causes them to engage in violent behavior.

A lot has been said about the crime bill in a last few days, and a lot has been made of the so-called pork in the crime bill. I want to take a minute and talk about one of those areas that has been so designated as pork, or unnecessary, or unrelated to the issue of dealing with crime in our country.

There was a proposal that was authored here in this body in a bipartisan way by the Senator from New Mexico [Mr. DOMENICI], the Senator from Missouri, [Mr. DANFORTH], the Senator from New Jersey, [Mr. BRADLEY], myself, and others—an ounce-of-prevention program to take resources and make them available to community-based organizations that are trying to find alternatives for the youth of this Nation.

Many of these organizations, such as the Boys Clubs, Girls Clubs, Big Brothers, Big Sisters, Police Athletic Leagues, and church groups, are out there every single day in the trenches trying to make a difference in the lives of young people. They do not have all the answers. But they offer these young people activities to be involved in, and role models, and the hope that there is a better way of life than the life of crime. With additional support for these programs, we can make a significant difference in their lives.

If you believe these young people are inherently evil, I suppose the idea of Senator DOMENICI, Senator DANFORTH, Senator BRADLEY, and Senator DODD does not make any sense. But if you believe that these young people are not born evil, are not born cruel, are not born determined to engage in a life of crime and thievery and the like, then you ought to at least listen to the people out there every day who are trying to make a difference in these people's lives.

I will cite one example if I can, Mr. President. I have visited and spoken in every single public high school in my State in the last 10 years, sometimes on several occasions. I have tried to attend as many after-school programs in my State as possible. I spent a few hours recently in Stowe Village in Hartford, CT. It is arguably one of the toughest neighborhoods in my State. It is a classic example of what has gone bad in housing in urban areas, where there are older brick buildings with not a blade of grass, graffiti everywhere, and not much to offer anyone.

There are thousands of people who live in that development, and many of them are children. In fact, it is estimated that some 2,000 to 4,000 young people live in these housing complexes. Mr. President, there is an after school program at Stowe Village. It can serve only 125 kids. There are no athletic facilities, no playgrounds with organized sports activities. What they can look forward to after school and on summers nights are gangs, corridors that are crime-infested, and drug problems running rampant. The 125 people who work with those young people every day are struggling to try to offer them a better, different path.

Senator DOMENICI, principally, along with Senator DANFORTH, Senator BRADLEY, myself, and others, came up with the idea of trying to take some of these crime dollars to support these community-based organizations. The dollars would go directly to them. Not through your State, not through your local mayor's office, but directly back to the community-based organization. They could apply to one place, not to seven Federal agencies. One-stop shopping. So the dollars would go directly back to these community-based organizations and give them a chance to expand the enrollment for these young people in after-school, night, and summer programs. That is now called pork in this bill.

This idea did not come just from a bunch of Senators and staffers sitting around here. It came from our police officers, our streets, from the people out there who do not give speeches, who do not issue press releases, but who run these programs every day. They see the value of it. They have seen examples, day after day, of turning a young life around.

I think it is deplorable and shameful that as we consider this crime bill today we have people in ads on television and people standing up and saying that is not what a crime bill ought to be about.

I accept and strongly support, Mr. President, additional police officers, prosecutors, and jails. But do not tell me that trying to turn a kid away from having to face that police officer, or to stand before that judge, or having to get in a cell in a jail, is not a better piece of investment than the alternate path. But investment in our youth is now called pork. That is one of the reasons the rule was defeated in the House, because programs like the Domenici-Danforth-Bradley-Dodd proposal have been indicted.

I think we did a good job here on incorporating that provision in the crime bill. I would hope that as the President searches for votes to try to get the rule passed, he would not placate those elements who are ripping the heart out of some of these good programs that would make a difference in our cities and towns across America.

Mr. President, I hope that those who felt so strongly here in the Senate when we fought for those provisions will stand up and defend these so-called pork programs in the crime bill. That will, I think, make a difference.

I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

HEALTH SECURITY ACT

The Senate continued with the consideration of the bill.

Mr. PACKWOOD. Mr. President, I yield 10 minutes to the Senator from Iowa.

The PRESIDING OFFICER. The Senator from Iowa [Mr. GRASSLEY], is recognized.

Mr. GRASSLEY. Mr. President, I rise in support of the amendment that is pending. But we are not hearing anything from the other side of the aisle about the pending amendment because I think it is very difficult for people on

the other side of the aisle, or even anybody on this side of the aisle, to defend secrecy in Government. So you are hearing debates on everything else other than the Mack amendment from the other side of the aisle.

But since they have raised some issues unrelated to the pending amendment, I would like to take just a little bit of my time to respond to some of those points that have been made, because we have spent a lot of time this afternoon on other subjects of health care. That has been the point of departure expressed on the other side of the aisle, because in talking about other issues, they can avoid the issue of whether or not we ought to have secrecy in Government, which this legislation provides for.

It is kind of like a graduate seminar on how to reshuffle one-seventh of the gross national product. The other side of the aisle—those who have great faith that Government always does well, always does good—do not really want us to focus on the fact that a 1,400-page bill would do that.

So instead they want to talk about the health care that Members of Congress have. They do not even want to talk about it factually, as they should. I think that is demonstrated by the points that my good friend from Alaska, Senator STEVENS, made a couple hours ago.

They are making a point about having health care like we in Congress have. But what the American people are sending from the grassroots is a very clear message, that they are very scared of what Congress is going to do to their, our people's, our constituents' health care plans, when Congress acts.

There is a message coming up from the grassroots, that if you in Washington have a problem like people who are uninsured, then take care of that problem. But do not screw up our health care plans.

The 1,400 page bill before us will screw up a lot of the good health care plans that Americans have already.

I would like to refer to the cafeteria plan of the employees of the Pella Corp., Pella, IA, a Dutch community that every spring has a famous festival of the tulips. This Pella Corp. manufactures outstanding Pella windows, windows for homes, windows generally, an outstanding product, a very good company, I believe a very profitable company, with a very good plan of health care for their employees, a cafeteria plan that can be tailored to the needs of each individual employee.

This 1,400 page bill that we have before us will do away with cafeteria plans in America, so that those employees at Pella who are so satisfied with their programs will have to go into some plan that cannot be tailored to individual family needs.

What does this bill do with the plans for the self-insured? Remember this, that there are 22 million employees in America covered by self-insured plans and for all of those who are working at a place with less than 500 employees, the legislation before us does away with the health coverage of those people.

Twenty-two million Americans if this was over 1,000 employees would be deprived of this option. And so you talk about the health care, on the other side of the aisle, that we have in the Congress of the United States because you want to avoid what this 1,400 page bill does to the health care plans of a lot of American workers.

What these American workers are sending in their message to Congress is that they just want to be left alone. That is a plea that we ought to hear as we try to take care of the problems of those who are not insured. We ought to be able to do it in a way that we do not foul up other people's health plans.

Now, to the issue before us, the issue of secrecy, the people who back this bill want this National Health Board to be able to meet in secrecy. They have great faith in Government. So, consequently, they have greater faith if that Government can act in secret.

The New York Times had this to say about the First Lady's task force when it was meeting in secret. The New York Times reported: "It is easier to find out who is in charge of military intelligence for the Joint Chiefs of Staff than to find out who is designing cost controls for President's Clinton's health care plan."

This spirit of secrecy has permeated the deliberations of the executive branch, their plan presented to Congress last fall, and it has found its way into a supposedly whole new approach in the Clinton-Mitchell bill.

To exempt, then, the deliberations of these boards from the FACA now in spite of the plain meaning of this statute, the proponents of this legislation do not want to conduct the business of these policymaking boards in the sunshine. The position of the authors of this legislation is very disappointing, particularly because they represent the party of a President who rode into Washington on a horse called "Change." Some of the arguments that are put forward in support of secrecy by the national board or even by the lawyers who are trying to defend the secrecy of the First Lady's task force stretch credulity.

You might be able to argue, on the one hand, as the Justice Department did, that Mrs. Clinton's position as First Lady was a very unique status and might exempt her from the Federal Advisory Committee Act, the act that the national board is exempted from here. But it seems quite a different thing to say that actual determination of the national board ought to be exempted.

Obviously, complying with the Federal Advisory Committee Act is not as efficient or as pleasant for the executive branch as meeting in secret and cooking up a health care plan or making policy decisions on whatever we pass in the basement of some Government bureaucracy, kind of a shadow Government-type approach to policymaking.

Our Government, does not always make efficiency the highest value.

The court chided the administration for seeking "the judicial rewriting of an inconvenient statute." Judge Lamberth regretted, as I do, that one of the first actions taken by a new President is in direct violation of a statute enacted by Congress.

But the decision was not a complete victory on behalf of open government. Because in addition to the task force itself, 300 to 400 experts have formed working groups to devise a health care plan. Their identity, according to the New York Times, is treated as a White House secret, and they have been told not to discuss their work. In fact, few have been identified and their status in the Government is murky at best.

The court held that the Federal Advisory Committee Act is unconstitutional as applied to these cluster groups. It found that requiring openings at the meetings of these groups would violate the President's power under article II, section 3 to make legislative recommendations to Congress.

But it is within these cluster groups that the detailed work of devising a national health care system is being done. These cluster group meetings are closed to the public. The specific issues being addressed by particular cluster groups are not even fully known to the public. These cluster groups compose the health care task force, and as such should be subject to the same laws as the task force itself. It is simply fiction to suggest that the cluster groups are somehow distinct from the task force itself.

The President stated before the court decision that opening task force deliberations:

> Would be like opening the White House at every staff meeting we have. We can't do that.

Unfortunately, this statement misses the point of the statute. Opening task force working group meetings to the public is not at all like opening White House staff meetings. The President has every right to keep private the meetings of his staff at which policy is developed. His staff also can certainly meet privately with individuals. But the formal cluster groups include many individuals from the private sector whose identities have not been publicly announced. Who are these people? What interests do they represent? What interests are gaining access to the making of very important public policy unbeknownst to the public?

Reports indicate that many of the outside advisors are academics. The assumption, I suppose, is that they are

neutral experts without interests to advance and protect, or without ideological axes to grind. Unfortunately, that is not the way the world works. The fact that they might be academics certainly does not provide sufficient assurances that they are without real-world commitments. If the President is not going to have his own advisers develop health care policy, then the public has every right to know who is developing it.

Could I have 5 additional minutes, please? If you do not have it, I can understand.

Mr. PACKWOOD. I do not have it. I have six more people coming, and I have less than an hour and a half.

Mr. GRASSLEY. I ask my colleagues to adopt the Mack amendment because we ought to be doing everything in the sunshine. If we do, the mold will not grow there.

Mr. PACKWOOD. I like that for the closing.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. PACKWOOD. Mr. President, I yield 10 minutes to the Senator from Mississippi.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. LOTT. Mr. President, I thank the distinguished Senator from Oregon for yielding me some time and for the outstanding job he is doing as one of the managers of the bill, along with, of course, the distinguished chairman of the Finance Committee.

Mr. President, earlier I tried to make a point of order to inquire about what we were debating. We have talked baseball, crime, health care, just about everything has been discussed on the other side of the aisle but the issue and the amendment before us.

The issue is secrecy. I just wanted to remind the Members what the amendment that is actually pending here, because it would be very difficult to figure it out if you were actually listening to the debate as we go back and forth.

But I think it is very appropriate that it has been offered by the Senator from Florida—the Sunshine State. This is a sunshine amendment. Let us let the Sun shine in. Let us find out exactly what these boards and commissions are going to be doing if, in fact, they are created, which I certainly hope they will not be.

I think we have found with this amendment another bullet in the Lethal Weapon 3, which is what we have called the latest rendition of the Clinton-Mitchell bill. The bullet here is secrecy. And it is not just an accident.

We heard yesterday on the $10,000 penalty, "Oh, gee, surprise. We really did not know that was in there."

We all knew it was there, though, the truth be known.

And now, we have another surprise, another bullet.

Secrecy? Oh, you mean this bill? This monstrous bill allows for boards and commissions that will determine the future health of the American people to be determined in secret? How could that be?

Well, let us talk about that. And that is what this amendment is all about.

On the other side of the aisle, you cannot say that "This is once again something we did not know was in there, so we will accept your amendment. We embrace it. We love it to death. No, we did not want secrecy."

It is in here repeatedly and it is a very fundamental point that is involved. This amendment would require that all boards, commissions, and advisory committees established under the Clinton-Mitchell bill operate in sunshine. The Clinton bill exempts the National Health Benefits Board in section 1216 of the bill. It also exempts the National Health Care Cost and Coverage Commission in section 10005, and the Agency for Health Care Policy and Research in section 3202(c) from Federal Advisory Committee Act and the Government and Sunshine Act.

Under these acts, it says that a Federal board, panel, and committee must meet in public. Let the public know the agenda, permit interested persons to attend and testify, make records of what happened, keep detailed minutes; basically just to keep it open and let everybody see what is going on within their government. These are Federal employees.

So that is what the amendment would do. It would strike out the secrecy in this bill and say they must all be public hearings.

Now, I think the reason why we are in trouble here is because this whole process began in secret. We had the task force put together by the First Lady, Hillary Clinton, and Ira Magaziner a year and a half or so ago. They met in secret. Then we found that those recommendations were sent to Congress. And eventually the bill that is before us, the Clinton-Mitchell bill, was compiled in secret. The Finance Committee had a meeting in the public. They had debate, they had votes on into the night, and something came out, an outline came out. And then there was a bill developed behind that.

But this one was something that has been merged together, again in some meetings back here in the back corridors. So, again, secrecy was involved.

Now we are saying, let us air it out, let us find out what is in the bill. But the bill, as a matter of fact, has in it the requirement that these boards and commissions could or would also meet in secrecy. I do not think the American people want that with their health care.

Next month, the Clinton administration must go to trial. The First Lady, Hillary Rodham Clinton, and her health care aide, Ira Magaziner will have to testify about the so-called health care task force that created the original Clinton health plan.

Three groups, including the Association of American Physicians and Surgeons Inc., sued the Clinton task force in February 1993, saying that the task force violated the Federal Advisory Committee Act. This act says that if a task force is not made up totally of Federal employees, then the panel must meet in public.

Mr. President, the secret Clinton health care task force worked in secret. The inner workings of this task force were kept away from the American people. You would think that an issue which affects all Americans would be discussed openly, and decisions made by a health care task force would have public input.

The First Lady and Mr. Magaziner, though, refused to open their meetings to the public—they refused to tell the American people what they were doing. Mr. Magaziner testified under oath in March 1993 that only Federal employees were on the secret task force—so the Federal Advisory Committee Act didn't apply to them.

Now the Clinton administration has changed its tune. Mr. Lloyd Cutler, the White House counsel, says today that the White House will release all documents related to the task force—in 3 weeks. How convenient. Let's wait until we're done here on Capitol Hill, then spill the beans. Thank you, Mr. Cutler.

When lawyers for the groups who brought suit found about 357 people on the task force who were not Federal employees, the First Lady and Mr. Magaziner say now the task force had nothing to do with President Clinton or his health plan. The way Mr. Magaziner put it, all those 500 to 1,000 people were in the Old Executive Building chatting about health care over tea and cookies on Government expense.

Why on January 25 of this year, during his State of the Union Address, did the President thank the task force and his wife for work on health care? Why did Mr. Magaziner, in a letter to the court, say that the task force's goal was to "prepare comprehensive health care reform legislation." Let's be honest here—the Clinton-Magaziner secret task force was charged by the President to create a plan for the gargantuan Government takeover of health care, the remnants of which—the Clinton-Mitchell bill—we are considering today.

If the administration loses next month, the White House will have to repay the almost $20 million spent on the task force, mostly made up of special interest representatives.

The reason why we have the Federal Advisory Committee Act and the Government in the Sunshine Act is to stop things like what happened with the secret health care task force. The Clinton-Magaziner task force was mostly

made up of people who had an interest in heavily-regulated, Government-directed health care. Representatives from two managed care proponents—the Kaiser Family Foundation and the Robert Wood Johnson Foundation were on the panel. Legislation dealing with one-seventh of the economy and all Americans should not be made in the dark by special interests.

It's comical that the excuse the First Lady and Mr. Magaziner used for the task force's secrecy was that they didn't want "special interests" to pressure the task force participants. There was no pressure, alright—the special interests were the task force representatives.

So we have an administration that came to town and said there would be no more business as usual. They were right—they now do their business in the dark, away from the American people. We have an administration that said it wanted to get rid of special interest influence. We see, though, that the Clintons have turned the White House into a Romper Room for special interests.

The Clinton-Mitchell bill continues to hold up this veil of secrecy. The bill exempts several bureaucracies it created from the Federal Advisory Committee Act, including the National Health Board, which sets the standards benefits package; the National Health Care Cost and Coverage Commission; and the Agency for Health Care Policy and Research. Clinton-Mitchell also exempts certain panels it creates from the Government in the Sunshine Act.

The Mack-Coats amendment, which should be passed, makes all of these bodies open to the public. These bodies would have to meet in public, publish notices of meetings in the Federal Register, allow interested people to attend the meetings, and keep minutes of proceedings.

The Mack-Coats amendment makes sense to me. The boards that would tell Americans what health benefits are "medically appropriate," the commissions that would put heavy mandates on businesses, the panels that would determine the direction of a Clinton-Mitchell health care system—shouldn't all of these bodies be open to the American people?

This amendment would stop callous social engineers like Mr. Magaziner, who care nothing for ordinary Americans. The arrogance of power can only be curtailed by letting the American people participate in debates. How many Magaziners would, without this amendment, try to foist harmful policies on this country through Clinton-Mitchell's boards, commissions and panels? I urge my colleagues to support Mack-Coats—vote to stop Mr. Magaziner from meeting again. Vote for the American people's right to know.

THE CRIME BILL

Mr. LOTT. Mr. President, since I have some time remaining, I would like to join the fun and talk about some other issues; not baseball at this time, but I have been wanting to comment a little bit on the crime legislation we hear so much about.

Never have I seen more—I do not know how to describe it because I do not want to impugn anybody's integrity, but—misstatements about what is in the crime bill. It has continued to be reported in the press, first of all, that it is paid for: Do not worry about it; we are going to pay for it by savings, cutting back the size of the Federal Government.

But remember, this bill went from $5 billion when it was originally proposed to $22 billion when it passed the Senate last year to $26 billion when it passed the House to $33 billion. I am sure that probably at least $13 billion of this bill will be added to the deficit. It is not paid for.

Second, you continue to hear assertions that this is going to put 100,000 new law enforcement people on the streets. Nobody in the Senate believes that. It will not even put 20,000 there.

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

Mr. LOTT. I know we have limited time, so at this point I will yield the floor.

HEALTH SECURITY ACT

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. I will yield 10 minutes to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. D'AMATO. Mr. President, let me say I join my colleagues, Senator MACK and Senator COATS, in strongly endorsing and cosponsoring their amendment that probably goes to the essence of this ludicrous excuse of a health care program for this Nation. I use those words, and they are strong words, because it is a ludicrous excuse. And the reason we find ourselves in such an untenable position is because of the manner in which this document was produced.

Most of it comes from the great task force. Most of this was done in private. Most of this was done in a manner such that, as we now read this bill, we find glaring, glaring deficiencies—deficiencies that, if there had been public hearings, would never have existed.

I understand at some point in time the majority leader is going to move to rectify this monster. Some time ago, we had "taxasaurus." I said kill the "taxasaurus." That goes for this. We should kill it. We should kill it because it is a danger to the health and welfare and well-being of America and America's families. That is this monster, the Clinton-Mitchell proposal.

Let me say, this is really, for all intents and purposes, the Clinton bill. As a result of the manner in which this bill came to life, we find ourselves in this terrible predicament where even its strongest supporters must admit that it is replete with errors, with substantial deficiencies. And then we hear "We will correct it."

Let me cite just one of them. Behind closed doors, a group of people got together and came up with this wonderful idea: We want insurance for all—not a bad idea—and they went so far as to say that because we want to guarantee universal coverage and coverage for all, if a person were not to pay his premiums or her premiums, that family would not lose coverage. Can you imagine that? I think it is page 1432—I want to read this incredible provision. In other words, you enroll in a program and you pay for a month, 2 months. And if you read this literally, just by your enrolling and paying a premium for 1 month, in the second month when your premium comes due, if you do not pay, guess what—you cannot be canceled.

What a terrific plan. Everyone in America should run and sign up for this plan. This is the plan that will not cost you a penny. It will not cost you a penny. All right, it will cost you the first month's premium. You sign up for this great plan; you pay 1 month, and then forget it. You do not have to pay. You do not have to pay because you cannot be canceled. What a terrific plan. How could the geniuses who put this forth have come to this point? Was it in error? Was it a mistake? Did they somehow make a mistake? The language is, "In no case shall the failure to pay amounts owed under this Act result in an individual's or family's loss of coverage."

I am wondering if the Senator from Oregon had an opportunity to take a look at that. I ask, does it mean what I think it means? In no case? Listen to this: "In no case shall the failure to pay amounts owed under this act result in an individual's or family's loss of coverage."

It does not say if the person forgets the premium for 60 days or 30 days, or if there is a terrible accident and they are inconvenienced somehow. It says "in no case." Is that an accident? Was that thoughtful legislation? Who is going to pay?

What happens if you have a million people in this one plan and one person says they are not going to pay because it says "in no case." And then 10 others find out. And then 100 find out. And then 10,000 find out and do not pay. And then people begin to wonder what is going on? And the cost goes up and up and up for the rest remaining in the pool.

If the cost goes up for the rest remaining in the pool, what takes place?

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

Mr. D'AMATO. For a question?

Mr. DASCHLE. Well, for a question or clarification. A question.

Mr. D'AMATO. I would like to make my point. When I finish I will be happy to yield. I do not intend to speak long, but I want to make the point. The point is that this thing was put together behind closed doors. That is why you have error after error. Penalties: $10,000 penalty if a person gives a benefit that is too high. How did that get in there? And then the whole Senate votes to change it.

I will tell you how. It got in because you had people who may have been well meaning, but they have their own intentions, their own program; they are going to put this through come hell or high water. So here we are. Now someone will offer an amendment and they will drop that provision. But this was the great legislation. How did it come to pass?

If you had open hearings, open meetings, do you not think that people who provide coverage, insurance companies—of course, all insurance companies are bad now, according to the proponents of this legislation; they would have you think insurance companies are some evil monster—do you not think maybe they would come and contribute something to the debate?

And they might say, "Look, if you do this, why, you will discourage people from paying; you will have large numbers of people who will not pay; you will have premium costs shooting up for the balance of people who pay. You create a lack of incentive for people to be responsible. You tell them, 'Don't pay because you can't lose your coverage.'"

That is ridiculous. And here we have—in this very same grotesque monster of a bill that would cripple health care in this country if enacted into law—we have this board that is going to operate outside of current law. It is a board that will make some of the most important and crucial decisions as it deals with the health care needs of our country.

This board is going to determine the actuarial value of the standard and alternative benefits packages. If the health task force could put together a bill that is so deficient and secret, imagine giving this board, under the color of law, the ability to go ahead and make these kinds of determinations. They are going to determine for us the kind of medical programs that can and should be undertaken and utilized. They will be determining for us the future of medicine—the future of medicine—in terms of defining the kind of care considered medically necessary and appropriate.

My colleagues have spoken before me and have enumerated the incredible powers that this board will have. I suggest, No. 1, that today if we look at a board that operates almost entirely in the light of day in determining coverage under the Medicare program, we find incredible problems. When new devices and medical procedures are going to come into being, even that board has open, public hearings where people can present their case, where people on both sides can be heard, with certain exceptions, and that is only when there is written notice and reason posted.

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

Mr. D'AMATO. It is inconceivable we would allow this provision to stand and, therefore, I strongly support the Mack-Coats amendment.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. Mr. President, just to ask a question of the chairman and, I think, to explain an arrangement we hope we have worked out. After we vote on the Coats-Mack amendment at a quarter of seven, the majority leader has an amendment—and we have worked out a pretty good system of comity of going back and forth —we would have an amendment then for tomorrow morning. I assume that is when we would go.

Then, as I understand, we will go on an amendment from Senator MOYNIHAN relating to the number of residents, interns, whatnot.

Mr. MOYNIHAN. Mr. President, that is our understanding. It is informal, but we have had no difficulty at any time and are not going to. I believe the distinguished Republican manager is going to join me in the amendment I will offer.

Mr. PACKWOOD. Absolutely.

Mr. MOYNIHAN. Mr. President, I have the great pleasure to yield the remainder of our time, which I believe to be about 25 minutes?

The PRESIDING OFFICER. The Senator has about 27 minutes.

Mr. MOYNIHAN. Twenty-seven minutes. I yield the full 27 minutes, if he should so wish, to our revered President pro tempore, the Senator from West Virginia.

The Senator has been thinking about this matter for some length. He, of course, is the master of legislative procedure and detail in this body, and he is going to give us the benefit of his judgment as to where we stand in terms of deliberating this particular issue and, I think, the Senate calendar.

We do have to acknowledge that the calendar is implacable in its forward movement, and there is other work yet to be done before we can close out the appropriations bills, which have to be enacted, and that whole range of things.

In this setting, I think we very much need the mature judgment and the deep, deep learning of the former majority leader, the President pro tempore.

I know that we have felt that there is still good time in which to enact a good bill. We have seen a great deal of comity as we go back and forth on amendments, and we have seen near unanimity on last evening, and we shall see it again this evening as we debate the measure laid down earlier today by the Senator from Florida [Mr. MACK]. I hope we might find the same degree of accommodation to the majority leader's amendment when that vote comes later in the evening.

The point, Mr. President, is that we are here, and this is the first week of the typically normal recess. The calendar is running, and we need the counsel of the great wisdom—I took the liberty of saying—and the profound learning of the President pro tempore.

Mr. President, I yield the remainder of our time to the President pro tempore.

The PRESIDING OFFICER. The Senator from West Virginia has 24 minutes.

Mr. BYRD. Mr. President, I certainly am grateful to the very distinguished manager of the bill, the senior Senator from New York [Mr. MOYNIHAN], of whom I shall say—not in the past tense—as Shakespeare said it:

> He [is] a scholar, and a ripe, and good one, exceeding wise, fair-spoken, and persuading.

I thank Senator MOYNIHAN for yielding me this time. I hope I will not have to take all the time he has yielded me.

Mr. President, this debate, in many respects, has been for me one of the most discouraging of my political career.

Like many other Americans who are watching and listening to this debate, I feel a sense of confusion and apprehension after listening to the claims and counterclaims that have been conjured up by the lobbying groups on all sides of the issue and by the charges which have been hurled from both sides of the aisle on this floor.

Compounding my sense of frustration is my belief that the health care issue is one of the most fundamental problems facing our Nation.

I know that our present health care system is inefficient and costly and that these costs are not equally distributed. I know that in the Federal budget, health care costs are one of the primary causes of our continuing deficits.

I also know that our present system of health care amounts to a cost equal to 14 percent of our gross domestic product and that the experts claim that, by the year 2004, if we do not change our course, those same costs will rise to 20 percent of our gross domestic product.

The last, best hope of real deficit reduction lies in getting these spiraling costs under control. Spending in every other category of the budget known as discretionary, which is simply everything which is not automatic spending

mandated by law, has been cut to dangerously low levels. We cannot look to this area of the budget for much more in the way of further cuts.

Therefore, other than raising taxes dramatically in coming years, we must look to reductions in entitlement spending and to health costs, in particular, if we are to achieve further meaningful deficit reduction.

I am concerned when I note the CBO projections of the total deficit reduction in the bill that has been introduced by the distinguished majority leader, Mr. MITCHELL.

By the year 2004, the projection by CBO estimates that only $13.8 billion in total deficit reduction will have occurred.

It is essential that we not enact a plan that squanders our last real remaining chance for significant deficit reduction. We have an opportunity to address rising entitlement costs in this health care bill, and we must not let that important goal be forgotten as we consider and write massive health care reform.

I believe the word "reform" is the operative word in this debate. What constitutes reform is central to much of the discussion we have heard.

There is vast agreement, it seems to me, on the goals of fairness, universal coverage, cost containment, minimization of cost shifting, and maintaining a quality standard for health care. Those, to me, are the central pillars of reform. The disagreements arise when we venture into areas which are more indirectly related—rather than directly related—to health care reform, and I believe that the costs rise as we go beyond trying to address much more than those generally agreed-upon central goals.

There is much in the Mitchell bill that I can support. I compliment the majority leader for his extraordinary contribution to the cause of health care reform. He has devoted many days and months and years to this effort. He is one of the Senate's most knowledgeable and dedicated experts in this area, and he has moved the debate forward by the introduction of the pending measure.

Mr. President, I have stated my concerns to the distinguished majority leader, and he has said to me that he will respond to my concerns. He knows, and I know, that this bill is going to be changed, and I am going to look at his responses to my concerns with great interest. It will be then that I will be better able to judge as to just where I will stand on this legislation at the end of the day.

Beyond the sheer budgetary folly of not trying to get our health care costs under control, the basic human tragedies that unfold daily as a result of no coverage or less-than-adequate coverage compel us to act.

But what has been obscured in the debate, it seems to me, and what President Clinton emphasized so well in his early statements on health care, is that reform of the health care system means a more economically secure nation better able to compete in the global marketplace.

In the President's 1995 budget document, of particular note is the statement on page 179 under the heading "Why We Must Act Now."

> The costs of doing nothing are enormous. Without reform health care costs will consume an additional $56 billion of our national output in the year 2000—money that could more than double Federal spending on transportation or education and training. Put another way, these savings could also boost productivity and wage growth by increasing the resources available to lift capital invested per worker by roughly half. If current trends continue, real wages will be further eroded by almost $600 per worker by the end of the decade. If we do not curb increasing health costs, we will not be able to continue bringing down the deficit or make the investments in jobs and infrastructure that we need to keep the U.S. economy healthy.

I believe that the President's statement remains correct today. It is in the overall national interest to enact health care reform. However, this bill, as it is written, goes beyond what I believe should be the scope of health care reform. The Clinton bill would reduce health costs in the year 2004 by $150 billion. By contrast, the pending measure would increase health costs in the year 2004 by at least $25 billion and by over $250 billion for the period 1995–2004.

Under the guise of reform, we cannot, we must not, try to address every issue that can be lumped under the loose category of health care. We simply cannot do it. We cannot micromanage every aspect of the social and economic fabric which touches health care in some way.

We must not use health care reform as a vehicle to increase every health-related spending program in the budget. Because, if we go down the road, we will squander most of the economic benefits of enacting health care reform. We must not enact a piece of legislation that eats away at our national productivity potential because we are frustrated over years of too tight budgets and now want to address every health care problem in our land. We just cannot do it. We have to restrain ourselves. That is not to say that there are not health care programs that deserve increased funding in health reform legislation. It is to say, however, that we should only strive to accommodate any justifiable increases in programs that are directly related to the health of our citizens without adding to overall health care spending. That should be doable—President Clinton's bill, as I said, would cut overall health care spending in 2004 by $150 billion.

Our national heart may be large—our national heart is large—but our national pocketbook, sadly, is quite small. I know. In our Appropriations Committee, we fund, as best we can, most of these programs. And I think we have done rather well in meeting the needs.

But the spending in this bill goes beyond reform.

I do not believe that that is what most Americans thought was meant by reform of the health care system. Reform of health care was explained by Mr. Clinton, and it received public support as a cost-saving measure. This was the only way to reduce our budget deficit, we were told. That was one of the primary things that most appealed to me; one of the things. But we seem to be moving away from that goal. We may be breaking faith with the people if our version of reform becomes a cover for more back door spending.

To be specific, we do not have to increase spending for WIC. I support funding for WIC, and I think we have responded fairly generously within our means in the Appropriations Committee from year to year. But we do not have to increase spending for WIC to have sound, effective reform. We do not have to increase funding for the NIH to have sound, effective reform. We do not have to set up a quota for the various medical disciplines in which a medical student may be trained to have sound, effective reform. We do not have to enact $15.4 billion worth of new public health programs to have sound, effective reform. As laudable as it may be, we do not have to add money for the Indian Health Service to have sound, effective reform.

We who claim that we are committed to reform, perhaps unwittingly, are cloaking these spending programs in the guise of reform at our own peril. We risk our credibility, because I do not believe that additional spending is what most people have in mind when they think about health care reform. The American people think we are talking about fairness, cost containment, basic coverage for all, simplicity, and reducing deficits when we advocate health care reform.

This bill, in my view, would be vastly improved if it adhered more closely to the American people's understanding and their expectations of reform. I fear if this bill were to pass in its present form—again, I say Senator MITCHELL has indicated that he will respond to my concerns, and he expects changes in this bill. We all expect changes in it. I am going to look at his responses carefully, together with the future actions of the Senate, and make my final judgment as to my own vote at that time.

But I fear that if this bill were to pass in its present form, this Senate will have destroyed any possible chance for significant deficit reduction, and will have seriously damaged our overall economic future.

On the other hand, we have a significant opportunity to reduce budget deficits, and address the serious need for

health care reform, if we will but streamline this vast piece of legislation. Change is always painful. Massive legislative proposals such as this one always, in my experience around here, always attract too much baggage. And the longer we are on the floor, the more excess baggage it attracts. We have seen some of this just in the last day or so; good programs, but we are spending more money. We are not reducing the deficit. They say "Well, it is within the cushion in the bill." That may be true. But I understood from the President's appeal to the American people and to the Congress for health care reform that it was the one way in which we could get control over these burgeoning deficits. I fear that, as we keep going down the road that we are on with this measure as it is presently written, we are not going to cut the deficit. We are going to add to it. Massive legislative proposals, as I say, always have a way of attracting too much baggage. But this effort, Mr. President, and my colleagues, is too critical for the usual program load-up and interest group wish lists.

This President has the economy growing, and he ought to say so more and more. And he has the deficit headed downward. Let us not tie his hands. If we can get entitlement programs under control, this Nation might be able to continue in these positive directions.

Much of this debate has totally obscured those basic economic considerations. I have elected to sit in the chair often this week. I have sat in the chair 3 or 4 hours a day. Why? I wanted to listen to the debate. I will not read it tomorrow morning in the CONGRESSIONAL RECORD. Instead, I will be signing mail or will be meeting with constituents, or I will be doing this or that, which is very important. But if I sit in that presiding chair up there, I will hear and learn from what is being said.

I do not sit on the Committee on Finance over which the distinguished Senator from New York presides with a degree of dignity and skill that is so rare as a day in June. I do not sit on that committee. I do not sit on Mr. KENNEDY's committee. Both committees have jurisdiction over this bill.

I have to make some decisions here based in part on what my colleagues say. Some of the speeches have been very illuminating, interesting, and informative for me. There have been some, however, that I must confess I had a hard time staying awake in the chair.

I compliment Senators on both sides of the aisle for their enlightened speeches. But there has been a great deal of needless rhetoric—and there has to be some rhetoric, of course. That is all right when one is trying to sway a great audience. But I want some answers, some substantive answers. Nobody has to sell me on the need for health care reform.

But much of the debate has totally obscured those basic economic considerations. I hope that in the coming days we can refocus our attention on those critically important concerns, tone down the rhetoric just a little bit, and try to remember why we began the discussion of health care reform in the first place.

I thought it was the way that we could get control over the entitlement and mandatory programs, which will increase over the next six years by $824 billion. Our little, puny discretionary funds—which include defense spending—are going to be increased over that period by only $6 billion.

So, that is where I thought we were going. Yet, as the days have passed, I have become more and more concerned that we really are not going in that direction, but we are going in the opposite direction.

This Senator, for one, is tired of Harry and Louise, tired of scare tactics, tired of claims that this legislation could represent the undoing of the Republic, or that it is the greatest boon to representative democracy since the writing of the Constitution. It is, of course, the fear and the slick TV ads, and some of the scare tactics emanating from the floor, and from outside the Capitol, that are mostly the products of attempts to win elections and promote political agendas.

Of course, we all like to win elections. But I think we ought to focus our attention on this, one of the most critical problems that we will ever face, on this legislation, on this debate, and keep our eyes on that ball.

Although there have been some thoughtful statements made on this floor, unfortunately, those thoughtful statements have been largely drowned out by the more highly partisan debate that we have been subjected to. Frankly, I do not have any partisan interest in this bill, one way or the other. The American people expect us to act and to act wisely. I am interested in legislation that will promote real healthcare reform, and that, once and for all, will really help to get control over our massive budget deficits.

I am sure that the American people are very sick of it all. I am also sure that all of the noise has succeeded in thoroughly frightening and totally confusing the citizens who will either be the beneficiaries of, or the victims of, what we will do here. I can only hope that we will somehow come to our senses, take a reality check, try to put our political agendas aside, pare down this bill, salvage the essential reform elements in it, and enact sound, effective health care reform. I want to do something about this problem. I see it as a bedrock issue for the good of our economy and for the welfare of our people today and far into the future.

However, I cannot be a party to any legislation, no matter how well-intentioned, that goes far afield from what is needed for solid health care reform. Neither will I be a party to the political circus, the partisan jockeying and interest group tug-of-war which have been too much in evidence on this issue.

It is my hope that in the coming days, the American people—whom we have confused, frightened and manipulated—will urge us to stop the hype and deal with this issue as they would if they served here—forthrightly, honestly, and with an eye toward the worthy goals on which most of us agree.

In closing, Mr. President, I congratulate the Senators who are on the Finance Committee and on the Labor and Public Welfare Committee for the yeoman's work that they have done. Many hearings have been held by both of those committees. There are many Senators in this body who are experts in this field. I salute them. I am sorry to say I am not one who is an expert.

I hope that what I have said will be accepted in the spirit in which I have offered it. I have not offered it as anything other than constructive criticism by which I hope we will benefit. I realize that I can be wrong, and often am wrong, but I view this in my heart as being so serious and as being our only opportunity—maybe—I do not quite agree that it is the only opportunity forever. I think that this is an idea whose time came some time ago. But it is also an idea that is going to take the best of our talents, our patients, and our expertise, if we are going to really develop a product of which the American people can be proud and of which we in the days to come can be justly proud.

Mr. President, I yield the floor.

(Ms. MIKULSKI assumed the chair.)

Mr. PACKWOOD. Madam President, I thank the Senator from West Virginia. That speech, which was only 20 to 25 minutes, has put in better perspective the problem this Senate faces than it could ever be put. We have seen graphs upon graphs upon graphs upon graphs, attempting to illustrate the same thing, but they have not illustrated it as well as you have said it.

What the Senator is saying is simply this: We have some programs in this country that are on automatic pilot. If you look back only 30 years, and took only four programs—Social Security, other Government retirement, civilian retirement, military retirement, Medicare and Medicaid, and then interest, which we have to pay, those four programs, plus interest, 30 years ago were 23 percent of our budget. They are today 56 percent of our budget. And if we do not make any change in the laws, in 10 years they are going to be 69 percent of our budget. They will squeeze out education, highways, water and air pollution, Forest Service, Park

Service, Amtrak, and everything else that we do. What the Senator from West Virginia is saying is that in this bill we are now considering, we vastly expand those programs and add new programs to them. So that the figure is not going to be 69 percent, it will be 75 or 76 percent. I have never heard it better put by anybody on this floor than you have put it. We are indebted to you, and I thank you.

Mr. BYRD. I thank the distinguished Senator.

Mr. PACKWOOD. I yield 10 minutes to my senior colleague from Oregon.

Mr. HATFIELD. Madam President, I want to also commend the Senator from West Virginia for a very excellent and thought-provoking speech. I would also like to say, concerning the Senator's speech, that the remarks I plan to make, I can share with my colleagues—and I am sure the Senator from West Virginia could also assure my colleagues—that we did not engage in any kind of collaboration on these remarks that we intend to share together this afternoon.

Mr. HATFIELD. Madam President, yesterday I came to the floor to explain my position on comprehensive health care reform. As I said, I believe the Mitchell bill is fatally flawed. I also believe that the Dole-Packwood bill leaves too many problems unsolved, and I am realistic enough to know that it cannot pass in what has become a politically charged atmosphere.

For these reasons, I have joined in the search for a middle ground as a participant in the bipartisan mainstream coalition. This group meets almost hourly to work through the difficult and contentious issues that constitute health care reform, including the cost of providing subsidies to those who are unable to afford health care coverage. But as our meetings continue, and the days pass by, it is becoming increasingly clear to this Senator that the window may well have closed on the opportunity for comprehensive bipartisan reform of our health care reform this year.

I want to emphasize my identification of comprehensive health care reform. Incremental legislation may be another issue.

Some may believe that such a result is a lost opportunity. But I believe—and from the calls and letters coming into my office, I can say that the vast majority of Oregonians believe—that it offers a chance to catch our breath, check our bearings, and chart a course for the future.

Am I advocating that Congress do nothing this year? I most assuredly am not.

There are, as we know, a number of concepts for how to reform our health care system on which we can likely find agreement. These provisions include:

Some form of State flexibility and minimal Federal preemption; assistance to rural and underserved areas; small business pools for the purchase of insurance; assurance that Americans with preexisting conditions cannot be denied coverage and that their insurance is portable if they lose their job; and a commitment to the goal of universal coverage.

I believe that the bipartisan congressional leadership should sit down with the President and write a bill that includes these areas of agreement, and then we should pass it into law.

Not everyone will be pleased that the bill will not include every component of an ideal health care reform bill, but millions of Americans in need will be happy when health care insurance is made more affordable and more accessible to them.

Madam President, I truly believe that the procedure I have just outlined is the only road that will lead to a result that is beneficial for our country at this juncture.

Let us look at what results are possible if we continue on our current path. And that means continuing the process of debating and amending—and believe me, it is going to be a long, long process. Mandates. Taxes. Entitlements. Medical malpractice. There will be amendments and debates on all of these issues—and on many more. And this road leads to one of two destinations.

The first is that the Senate and the House eventually pass a bill by the slimmest of partisan majorities. And when the House-Senate conference committee puts the two bills together and comes up with another bill, which again passes by the barest of majorities, amidst a chorus of loud voices and pointed fingers.

Such a bill will be one that nobody in this Chamber—and more important—nobody across the country—truly understands. Nobody will be able to say with any confidence that it will work, or what its consequences will truly be. It will be a bill that clearly will not have the confidence of the American people.

Senator MITCHELL spoke on Wednesday about the disillusionment that the American people have with Government. I guarantee you that this disillusionment will only increase if Congress narrowly passed a bill after a bitter partisan debate.

The second destination of the road we are on at the present will be that somewhere along the way, the bill is defeated, that nothing is done, that no one is helped.

Neither of these destinations, Madam President, is good for my State of Oregon, and neither destination is good for America.

So, perhaps we better listen to what the American people are saying. They have followed this debate, listened to it carefully, and, as I have had communicated to me, the overwhelming majority have concluded that they need more time—and Congress needs more time—to think about this issue, to examine the side effects of legislation, and to come up with a solution that does not create as many problems as it solves.

And, Madam President, there is another reason why I feel we need to revisit the issue of comprehensive reform. And that is because somewhere along the way, we have lost sight of the fact that reducing the deficit must be a goal of health care reform legislation, and that was clearly stated by the President of the United States in the Budget Act that we passed earlier on.

I would recommend to my colleagues an article in the July 25, 1994 Newsweek, by Peter Peterson. Many of us know Mr. Peterson as a former Secretary of Commerce and a member of the President's Commission on Entitlement Reform.

A brief quote from this article, he states:

> Federal health care spending now amounts to roughly $800 billion in direct outlays, much distributed without regard to need, plus an additional $75 billion in tax subsidies for employer health plans. If we do not change course, health spending 10 years from now will consume more than a third of the federal budget, compared to 20 percent today. . . . Further ahead, the outlook is even worse. By 2040, again baby boomers could push the total cost of Medicare past 20 percent of taxable payroll, up from 5 percent today.
>
> In the face of these alarming trends, you might think Congress would be obsessed by controlling health spending . . . Instead, members are busily spelling out new entitlements that will likely exacerbate the cost spiral. To help more Americans gain coverage, most of the bills offer tens of billions of dollars in new subsidies. Thousands of lobbyists are working overtime to make sure that additional goodies, from prescription drugs to long-term care, are included. The major House bill calls its new open-ended entitlement Medicare Part C. The benefit package in the major Senate Bill might as well be called Medicaid for the Middle Class.
>
> Whatever legislation Congress passes will be officially stamped 'deficit-neutral'—meaning, one presumes, that lawmakers now think that they will have done their job if only they do not make an already unsustainable situation more unsustainable. But even here there is a problem.
>
> The history of health entitlements is one of wildly over optimistic projections that always understate the cost of new benefits, while overstating the savings from reforms.

Madam President, no one can doubt that Mr. Peterson is absolutely right in that statement.

In 1965, it was projected that Medicare Hospital Insurance would cost the Government $9 billion in 1990. Well, we missed by about $58 billion, because the actual cost was $67 billion.

In 1987, we projected that Medicaid special hospital subsidies would cost $100 million. By 1992, the actual cost was over 100 times that much—it was $11 billion.

When the Medicare catastrophic legislation was passed in 1988, the cost of the new drug benefit was projected at $5.7 billion over 5 years. Just 1 year after passage, the Government reestimated the cost at $11.8 billion over 5 years—triggering repeal of the legislation.

I could go on and on, Madam President. But my point is clear. The $965 billion in entitlements that Senator MITCHELL's bill would create will cost much, much, more than current estimates.

The true impact of these entitlements is something that must be carefully and thoroughly analyzed. And I do not think that can occur in the current atmosphere.

Madam President, President Clinton and Congress have made great progress on an issue that has challenged us for many years. I commend the President and Mrs. Clinton for moving the Nation forward in its effort to reform our health care delivery system. I also have great respect for the work of JOHN CHAFEE and the mainstream coalition, in which I will continue to work. The Nation owes them their gratitude as they search to build the bridge between the Democrats and Republicans.

We all have learned a great deal about the strengths and weaknesses of America's health care system. And we all have much more to learn. Let us accept the progress we have made, let us help millions of Americans, and let us go home with our heads held high.

And bear in mind as the scripture often said there are those who are called to sow and those who are called to reap. Maybe we see this, as a futile exercise, but I see it as a very rich and fruitful possibility of sowing seed for a future harvest.

Madam President, we are building the foundations for a medical reform act but this is not the moment.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. I yield 10 minutes to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. I thank my colleague from Oregon.

Madam President, I compliment the Senator from West Virginia and the Senator from Oregon, who have spoken for the last 30 minutes or more about the wisdom which they have brought to bear on the pending legislation in suggesting that the legislation has not moved in the direction which was originally intended, and their statements are true.

The original thrust of the legislation had as its purpose coverage and cost containment, coverage for the millions of Americans not now covered, coverage for preexisting conditions, and for change of jobs, but also cost containment. And 50 percent of the job has not been done.

I have been meeting with the task force chaired by Senator CHAFEE going back to 1991 in a little room down the hall every Thursday where a group of Republicans would meet in an effort to craft legislation. That group has now been expanded until today there were some 20 Senators present from 9:30 to noon this morning, with Senators coming and going because of the complications of other schedules, in an effort to find a bipartisan solution to the pending problem.

Our group was joined by Senator NUNN and Senator DOMENICI, who have approached the issue from a slightly different angle with their previous work on trying to hold down entitlements which have risen so tremendously in cost.

Also present in the group were Senator KERREY of Nebraska, and Senator DANFORTH, who have worked on a bipartisan commission to hold down entitlements so we do the best we can within our limited resources without bankrupting the country.

We continue to work on that problem, Madam President. I have had doubts all along as to whether we could succeed, but I think we should make a maximum effort.

I think the business of a filibuster was really beyond the pale on this bill. No filibuster has been attempted. But, similarly, we cannot be rushed to judgment. It is important to have health care reform, but it is equally important, perhaps more important, to do it right.

And when Senator BYRD from West Virginia comes and speaks—for those who do not know, Senator BYRD is chairman of the Senate Appropriations Committee. He has been in the U.S. Senate now finishing his 36th year. For those who do not know, Senator HATFIELD is the ranking Republican on Appropriations. He was for 6 years the chairman of the committee and has been in the U.S. Senate for 28 years.

During all of my 14 years in the Senate, I have been on the Appropriations Committee working with Senator HATFIELD as chairman, and now with Senator BYRD as chairman, and I can say from firsthand experience—having managed most recently the Appropriations Subcommittee report on Labor, Health and Human Services, and Education with $70 billion in discretionary spending—how hard it is to make ends meet. When you talk about a budget of $1.5 trillion, it is a great deal of money, but when you try to meet all the needs of the Federal Government, it does not really stretch far enough.

When Senator BYRD and Senator HATFIELD say that this bill has enormous problems in terms of creating new entitlements, and Senator HATFIELD outlines what has happened when estimates have gone off by 10 times what you figure in 1965 will be the costs in 1990, we have to pause and we have to take note as to what the implications are.

We had an opportunity, back in July 1992, to craft important legislation which would have taken a significant step toward additional coverage, with an amendment to provide full deductibility to the self-employed and an amendment for insurance market reform. Those amendments might have removed a third to one-half of the 37 million to 40 million Americans now not covered. Those amendments were defeated because people in this body said, "Let's not do it piecemeal, because if we do part of it, it will destroy the incentives to do the rest of it." I think that was a mistake and said so on the floor back on July 29, 1992, when that amendment, which I offered, was tabled.

When Senator HATFIELD talks about some piecemeal legislation, Madam President, I think he is on target; not that we will not be committed to comprehensive health care. I share Senator HATFIELD's compliments to President Clinton, who has brought this issue to center stage. I compliment the members of the Finance Committee, under the chairmanship of Senator MOYNIHAN, and Labor and Human Resource, under the chairmanship of Senator KENNEDY, who have brought these bills to the floor, and what Senator MITCHELL has tried to do.

I am not sure at this point that we will be unable to produce a good bill. I am sure, however, that we ought not to be rushed to judgment and there ought not to be any political timetable.

Madam President, I had originally sought recognition to comment about the pending amendment, but wanted to speak about Senator BYRD's comments and Senator HATFIELD's comments because I think they are so important and will have a real sobering effect on this body in having us focus on what we are doing. A reality check. Maybe a sobriety check.

There is an important amendment pending, Madam President, offered by Senator MACK, which would strike lines of secrecy in the pending legislation. I compliment Senator MACK for going through this lengthy bill to find the three provisions which provide an exemption for the National Health Benefits Board, for the National Health Care Cost and Coverage Commission, and for the Agency for Health Care Policy and Research exemptions from the Federal Advisory Committee Act which would allow those boards, commissions, agencies to operate in secret.

Madam President, the requirements of the Federal Advisory Committee Act specify that there must be public meetings, that there must be notice, that there must be an opportunity for the public to comment, and their findings must be made public.

It is indispensable in a free society—especially when you have this kind of a

bill which creates 140 new agencies, boards, and commissions and gives new jobs to 40 existing bureaus—that we at least know what they are doing.

Madam President, I will not display the chart again, in the interest of brevity. We have seen it perhaps enough on the Senate floor.

But sunshine is indispensable in a democracy. This is especially evident, Madam President, when we take a look at what is pending in court today, as reported in today's press, on a lawsuit which has been brought against the Clinton administration for violating the provisions of Federal law which require public disclosure and open meetings.

The Court of Appeals for the District of Columbia ruled last year that the working groups which were put together by President Clinton's administration would be subject to the 1972 Federal Advisory Committee Act if any of the members were non-Government employees.

A very unique thing happened, Madam President.

Finally, after 18 months, the Clinton administration yesterday agreed to release the records from the task force because they were compelled to do so by the litigation. There has been an effort made to settle the litigation because, as Lloyd Cutler, the President's legal counsel, says, they want to focus on health care as opposed to the distractions.

But the opposing groups have refused the settlement. As they characterize it and as reported in the Washington Post, the plaintiffs, the board rejected the settlement partly because it would have allowed Ira Magaziner, President Clinton's health care adviser, to avoid publicly answering a pending contempt of court accusation, where there is a contention that Mr. Magaziner did not tell the truth when he filed an affidavit saying that all members of the working groups were either Government employees or consultants.

So here you have the White House, the administration, working to structure health care reform legislation. They do not comply with the law. They are working with groups who, by all indications—and we are not absolutely sure yet, because the litigation has not been concluded—groups that represent special interests. They violate the provisions of law which requires that they be open. When they are challenged, a ranking Presidential assistant takes an affidavit that they are all Government employees or consultants, which would remove them from the obligation for the public disclosure.

A long, drawn out lawsuit follows, which is taken to the appellate court and says they have to be made public. Now the issue arises where the White House, the administration, finally is willing to make them public, but the plaintiffs who brought the lawsuit refuse to accept that on the ground that there was a lie in an affidavit filed trying to thwart the lawsuit.

Now this, Madam President, is simply unacceptable in a democracy. Where you have public activity, governmental activity, the public is entitled to know. And when it is challenged, to have an affidavit taken, which on its face appears to be untrue, is totally unacceptable.

That is why, Madam President, when these three boards are challenged by the pending Mack amendment, we ought to put the imprimatur of the Senate on it very squarely in saying that these secrecy provisions have to be stricken from the act.

Beyond these expressed provisions, Madam President, I think that it is another indication of the kind of care that has to be undertaken in examining this 1,400-plus page bill to be sure that we know what is in it.

You would have thought, after the experience of this very bitter and painful litigation, that legislation would not be offered to make these kinds of boards a secret.

So I hope we will adopt this amendment—all of the indications are that the amendment will be adopted—and we will pursue the examination of the pending legislation, trying to understand all of its ramifications and, hopefully, we will yet be able to craft legislation which will meet what Senator BYRD and Senator HATFIELD have talked about, an overwhelming majority. That figure has been put generally at 70 Senators, so we will have the confidence of the American people in what we are to do.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Madam President, I yield myself such time as I may take.

The PRESIDING OFFICER. The Senator has 17 minutes.

Mr. ROTH. Madam President, I yield myself 5 minutes.

I rise in support of the pending amendment and I ask that my name be added as a cosponsor.

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

Mr. MCCONNELL. Mr. President, I want to thank Senator MACK and Senator COATS for offering this amendment today and applaud them for their efforts to ensure that the special commissions created by the Mitchell bill are accountable to the American people.

The Mitchell bill is trying to prescribe a new medication for the health care of all Americans, but we know there is one tried and true treatment for the expansion of bureaucracy and government—openness and accountability.

After all, if we left it to this administration, we would have a bunch of F-O-B's and F-O-H's lock themselves in a closed room, and impose their will on the American people.

That is what they tried to do in concocting their health care plan, and luckily a Federal judge is forcing accountability.

The health care task force, Ira Magaziner would have us believe, was all government officials, and that it cost only $100,000.

But the task force was filled with hundreds of people who had direct economic interests in the outcome of health care reform, and the tab to the American people for this exercise was somewhere between $4 and $20 million.

Now, Mr. Magaziner and Mrs. Clinton may find themselves before the Federal judge to tell the whole truth.

So, we want to avoid any repeat of the health care task force debacle. The American people have learned from the experience of Mrs. Clinton's task force: Her scheme was a plan for social engineering that would herd all Americans into a Government-controlled health care system—not an attractive option to the vast majority of Americans.

And that's why it is important that any new boards, councils, or agencies—and there are plenty of them in the Mitchell bill—be accountable to the American people.

One of the intents of Congress when it passed the Federal Advisory Committee Act back in the early 1970's was to ensure that committees established by Congress or the President are truly advisory in nature.

But, the National Health Benefits Board and the National Health Care Cost and Coverage Commission—two powerful committees established by the Mitchell bill—are exempt from FACA. These committees are empowered with determining what health services Americans can and cannot receive, with deciding what forms cost controls should take, and with ordering mandates to be imposed on employers. And, under the Mitchell bill, they will be able to operate behind closed doors and will be totally unaccountable to the public—because the Mitchell bill would exempt them from the sunshine laws.

If the heavy hand of Government regulation is going to fall hard on health care, then the regulators must operate within the bounds of the law. Compliance with the Federal Advisory Committee Act will ensure just that. And, anything less represents the arrogance of power.

The American people have learned that such discussions must be held in public, that the groups who devise reform plans must be accessible by, and accountable to, the American people.

Whether or not one agrees with the premise that we need a national health benefits board, or a national health care cost and coverage commission, we should all be able to agree that these committees must be accountable to the

public, to the very people whose health benefits and lives will be impacted by their decisions.

Mr. ROTH. Madam President, as the ranking Republican at the Senate Committee on Governmental Affairs which has jurisdiction over the Federal Advisory Committee Act, I would like to take this opportunity to explain why I believe this amendment is a good one to support, and critical for the public.

In 1972, the Federal Advisory Committee Act [FACA] was enacted in order to assure that Federal Commissions meet under the scrutiny of the public eye. FACA was enacted in order to build in assurances to the public that all federally appointed Commissions are accountable to the public.

There are several commissions in the pending legislation which are exempted from the requirements of public access and scrutiny assured by FACA. The two most prominent commissions to which I am referring are the National Health Benefits Board, and the National Health Care Cost Coverage Commission. The Benefits Board will be the sole entity responsible for crafting the final product—the final and only standard benefit package that all health insurance plans in this Nation will offer. The Cost and Coverage Commission will report on whether the employer mandate should be triggered or not.

The reports to be issued by both of these Commissions could have immense—I repeat—immense repercussions on the health care of every American in the Nation, and every employer in the country. In fact, if this bill is enacted in its current form, then, I believe, that these two commissions will be the most important and powerful commissions in the United States—yet—the legislation as drafted would exempt them from current law requirements imposed on virtually all Federal advisory committees—the Federal Advisory Committee Act.

As one of the coauthors of FACA in the Senate in the 92d Congress, I said then that, "There is a role for advisory committees to play in our Government. Advisory committees provide an opportunity for citizens to participate and become involved in our Government."

I think it is worth taking a moment to recall the situation that Congress faced in 1971. First, we did not know how many advisory committees there were—or how much they cost—and we could not find out the answer to either of these questions. There were educated guesses that ranged from 1,800 to over 3,000 commissions. No agency had the responsibility to keep track of the creation, operation, or termination of the advisory committees.

Second, there were no guarantees of public access to the deliberations of these advisory committees. Some met in closed sessions. And, there was no requirement that public notice be given of advisory committee meetings that were open to the public. Accordingly, many were concerned that special interests could exercise undue influence on Government decisions without scrutiny. So, we addressed these concerns in FACA.

One of the most important aspects of FACA is its sunshine requirement which sheds light on the activities of commissions. The importance of this requirement was exemplified during a hearing at the Committee on Governmental Affairs on December 3, 1987. At that time, the Governmental Affairs Committee heard testimony from Adm. James D. Watkins, U.S. Navy, ret., who was chairman of the first Presidential Commission on the Human Immunodeficiency Virus Epidemic. Ultimately, the Commission issued a report which received wide bipartisan acclaim for its findings. However, Admiral Watkins was invited to testify because there had been questions regarding the Commission's compliance with FACA prior to the completion of the report. The hearing brought attention to the need for commissions to comply with FACA. Without compliance, the integrity of the first report on AIDS would have been questioned by the public, and undermined the educational efforts made at that time.

Just to point out, that FACA is not an impediment for the functioning of a health care commission, I quote from Admiral Watkins' testimony at the hearing:

> I believe very strongly in the government in the sunshine. I feel that almost all advisory committees or commission meetings should be conducted in public. * * * I think nothing so far that I have seen in the Federal Advisory Committee Act has deterred us or slowed us down from getting this Commission underway, so I do not feel that it has been a major bar.

Clearly, we do not want to set the Commissions in the Clinton-Mitchell bills back to the situation we faced before the 1972 law. The Benefits Board, the Cost and Coverage Commission, and the other Commissions in the bill should be subject to FACA requirements for commissions. Again, Mr. President, I lend my full support for the pending amendment. I yield the floor.

The PRESIDING OFFICER. The Senator from Florida.

Mr. ROTH. I yield such time to the Senator from Florida as he needs.

The PRESIDING OFFICER. The Senator has approximately 9 minutes.

Mr. MACK. Madam President, I only rise, really, for a couple of matters. I ask unanimous consent that the following Senators be added to the amendment as original cosponsors: Senator PACKWOOD, Senator COVERDELL, Senator CRAIG, Senator D'AMATO, Senator NICKLES, Senator MCCONNELL, Senator LOTT, Senator HELMS, Senator HUTCHISON, Senator GREGG, Senator KEMPTHORNE, and Senator ROTH.

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

Mr. MACK. Madam President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. MACK. Madam President, at this time I yield the remainder of my time.

Mr. DOLE. Mr. President, there are many reasons why President Clinton's health care plan failed to win the support of the American people. And one of those reasons was the result of how the Clinton plan was created.

As we know, the Clinton plan was not written in the light of day. Rather, it was written in the dark. It was pieced together in the back room of the White House by Mrs. Clinton, Ira Magaziner, and 500 anonymous so-called experts.

The secrecy surrounding the writing of the Clinton plan was not only poor policy, it may well have been illegal. The process may have been a violation of the Federal Advisory Committee Act, and the Clinton administration is now involved in a lawsuit that was filed to find out exactly who, and what, was involved in crafting the bill.

I do not know how the lawsuit will turn out, but I do know that any legislation as important and far-reaching as health care reform legislation cannot succeed if it does not have the trust of the American public.

And plain and simple, the American people did not trust the Clinton plan. They did not trust the secrecy in which it was written. They did not trust the principle that "government knows best." And they did not trust the endless maze of new government boards and bureaucracies that would have been created.

Unfortunately, Senator MITCHELL's legislation is also riddled with provisions creating more bureaucracy, more government control, and more boards and commissions.

And as Republicans carefully read the bill to fully understand the authority and power of these commissions, we discovered that at least 3 of the 55 bureaucracies it creates—the National Health Benefits Board, the National Health Care Cost and Coverage Commission, and the Agency for Health Care Policy and Research, were all exempted from the Government in the Sunshine Act.

Under this act, Federal boards, panels, and committees must, among other things: meet in public, publish notice of their meetings, publish the agenda for their meetings, permit the public to attend and testify at the meetings, and keep detailed minutes of the meetings, and make them available to the public.

Let me take a moment to describe the responsibilities of the commissions and boards that the Mitchell bill would allow to meet in secret.

The Cost and Coverage Commission is charged with determining if America

and the 50 States have achieved 95 percent health insurance coverage. If the Commission determined that 95 percent coverage has not been achieved, it has the authority to draft legislation to achieve 100 percent coverage.

That legislation might include price controls, it might include mandates, it might include taxes, or it could include anything else. We have no way of knowing. And we will have no way of knowing, because under Senator MITCHELL's bill, all decisions can be made in secret—without one word of input from the American public.

And then there's the health benefits board. No doubt about it, this will be a very, very, powerful board. It will have the authority to draft legislation and regulations regarding what benefits are to be included in a standard benefits package.

Included in that authority, is the power to determine what benefits are and are not "medically appropriate and necessary."

I guess I'm a bit confused. I thought doctors and nurses went to professional schools to be able to determine what was medically appropriate and necessary.

But now if the President appoints you to the Health Benefits Board, you can skip to the head of the class. You have been instantly awarded the qualifications to determine what is medically appropriate and necessary.

Let me cut through the Bureaucratese and say that what all this means is that this board can—as a similar board in Great Britain already has—determine that if you're 55 years of age or older, you are no longer eligible to receive kidney dialysis through the Government program. You can use your own money if you have it. But if you do not, you will not receive the lifesaving treatment.

Needless to say, Mr. President, these boards and commission will be making decisions that will affect the financial health of America, and the physical health of our citizens.

There is no reason why these boards should be granted the power to meet in secrecy. Indeed, there is every reason why they must meet in public. It is simply unjustifiable to exclude 260 million Americans from taking part in a decisionmaking process that will have so massive an effect on their lives. And the Mack-Coats amendment will ensure that these boards comply with all provisions of the Federal Advisory Committee Act.

I congratulate Senator MACK and Senator COATS for the leadership on this issue.

And I conclude by saying that this amendment—like the Nickles amendment which was unanimously passed yesterday—are precisely the reason why we need to take our time to thoroughly examine the bill.

The fact is that there are many, many, many more troubling provisions in this 1,400-page bill. Some on the other side of the aisle have sought to justify quick consideration of the Mitchell bill, by holding up bills of similar length that prior Congresses have passed in short time periods.

I believe, however, our duty to the American people requires that we do just as Republicans have been doing: That we take out time. That we read every page of the bill. And that we do all we can to ensure that other wacky provisions do not slip through—which is just what will happen if we are denied the opportunity to carefully study this massive bill.

The PRESIDING OFFICER. All time is yielded back on the amendment.

The question occurs on agreeing to amendment No. 2568 offered by the Senator from Florida [Mr. MACK]. The yeas and nays have been ordered.

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

The PRESIDING OFFICER. The clerk will call the roll to establish if a quorum is present.

The legislative clerk proceeded to call the roll.

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

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

The PRESIDING OFFICER. The question now occurs on agreeing to amendment No. 2568 offered by the Senator from Florida [Mr. MACK]. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

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

The result was announced—yeas 100, nays 0, as follows:

[Rollcall Vote No. 291 Leg.]

YEAS—100

Akaka	Exon	Lugar
Baucus	Faircloth	Mack
Bennett	Feingold	Mathews
Biden	Feinstein	McCain
Bingaman	Ford	McConnell
Bond	Glenn	Metzenbaum
Boren	Gorton	Mikulski
Boxer	Graham	Mitchell
Bradley	Gramm	Moseley-Braun
Breax	Grassley	Moynihan
Brown	Gregg	Murkowski
Bryan	Harkin	Murray
Bumpers	Hatch	Nickles
Burns	Hatfield	Nunn
Byrd	Heflin	Packwood
Campbell	Helms	Pell
Chafee	Hollings	Pressler
Coats	Hutchison	Pryor
Cochran	Inouye	Reid
Cohen	Jeffords	Riegle
Conrad	Johnston	Robb
Coverdell	Kassebaum	Rockefeller
Craig	Kempthorne	Roth
D'Amato	Kennedy	Sarbanes
Danforth	Kerrey	Sasser
Daschle	Kerry	Shelby
DeConcini	Kohl	Simon
Dodd	Lautenberg	Simpson
Dole	Leahy	Smith
Domenici	Levin	Specter
Dorgan	Lieberman	Stevens
Durenberger	Lott	Thurmond
Wallop	Warner	Wellstone
		Wofford

So the amendment (No. 2568) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. MOYNIHAN. Madam President, may I take yet another opportunity to note that we are progressing. We have just had a unanimous vote in the body. Once again, we in a spirit of comity, cogency, and unity prevailed. It ought not to be missed. It should be celebrated, emulated, and continued.

As the majority leader will be addressing us briefly, I respectfully suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. AKAKA). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, pursuant to the previous order, I shortly intend to seek recognition to offer an amendment. I have discussed it with the managers. The amendment has been provided to our colleagues, I believe, last evening or earlier today.

I am advised that the amendment will not require a recorded vote, that it will be accepted. Therefore, there will be no further rollcall votes this evening. We will take up and pass this amendment by voice vote, unless someone now requests a recorded vote. Then, we will proceed to the amendment that I believe will be offered by Senator PACKWOOD or one of his colleagues.

Mr. PACKWOOD. I believe, Mr. President, what the chairman and I worked out earlier is that we were planning to go after the Senator from Maine, and probably start that in the morning. Senator MOYNIHAN has an amendment on residents and interns and numbers. Then we come back to the Republican side again. I did not think we were planning to go tonight. We were hoping when we were finished with the amendment of the Senator from Maine that we would be finished.

Mr. MITCHELL. That is agreeable with me. I was under the impression that the amendment was going to be offered by Senator PACKWOOD as the next Republican amendment.

Mr. PACKWOOD. I think we will have it ready tonight, but we will offer it in the morning.

Mr. MITCHELL. Mr. President, there will be no further rollcall votes this evening. I now suggest the absence of a quorum.

Mr. COCHRAN. Mr. President, will the Senator withhold the request for a unanimous-consent request to put something in the RECORD?

Mr. MITCHELL. Certainly.

THE SENIOR SENATOR FROM ALASKA, TED STEVENS

Mr. COCHRAN. Mr. President, the Anchorage Daily News has published a series of articles on our good friend from Alaska, the senior Senator.

The first article was entitled "Senior Senator, Big Voice for Alaska." It has a fine, flattering photograph of TED STEVENS on the front page.

I hope that Senators will have an opportunity to read the entire series. The articles talk about the life and career of our good friend, the senior Senator from Alaska, TED STEVENS. There are seven in all, beginning on Sunday, August 7, and continuing through August 13.

They confirm for all of us what we all have known, and that is that TED STEVENS is a very effective, influential Member of the U.S. Senate and makes sure that the interests of Alaska are always taken into account whenever legislation is pending here.

All of us who know TED STEVENS respect him. Most of us who know him, including this Senator, have a great feeling of affection for him and consider him a valuable friend.

I personally congratulate him on the flattering content of these articles and invite the attention of all Senators to the series.

These articles add to our knowledge of his early years and confirm that our respect and affection for him are well placed.

Senator STEVENS is one of the most influential Members of this body, and he has been for many years. His tireless and effective efforts to insure that the interests of Alaska are taken into account by the Congress are well known by all of us in the Senate, and these articles remind us of some of the most important legislative battles he has won for his State over the years.

I urge all Senators to read this series on our good friend and colleague, knowing that when you do you will understand more fully why he is so deeply appreciated by the citizens of his State.

Mr. President, I ask unanimous consent that all of the articles in the series entitled "Senior Senator" be printed in the RECORD.

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

[From the Anchorage Daily News, Aug. 7, 1994]

BIG VOICE FOR ALASKA

(By David Whitney)

(The milestone in Sen. Ted Stevens' career this season is his 25th year in the U.S. Senate, but his impact on Alaska extends much further. From his earliest days of public service, he's demonstrated a remarkably single-minded vision: Get more for Alaska. Though sometimes criticized for pork barrel politics, for a famous temper and for his atypical stands on traditional party issues, he has more often been celebrated as an effective champion for his vision of the state. Repeatedly, he emerges an overwhelming victor at election time. By nearly any yardstick, Ted Stevens belongs in the front rank of Alaska statesmen. From his little-known private history through his role shaping state history, this is the story of Alaska's senior senator.)

WASHINGTON.—When Ted Stevens rose earlier this year to oppose a balanced-budget amendment on the floor of the U.S. Senate, he was also standing against the main political currents of his party and his state.

The Alaska Legislature has supported such an amendment. So have Rep. Don Young and Sen. Frank Murkowski, Stevens' partners in the state's all-Republican congressional delegation. So did virtually all other Republicans in Washington.

But not Stevens. Stevens was doing the same thing he has done for more than two decades in Washington: ignoring party pressure and political currents to fight anything that might threaten the flow of federal dollars to Alaska.

It's a drive that dates back to the 1950's, when the battle for Alaska statehood was being fought and Stevens was a junior bureaucrat in the U.S. Interior Department. There, he helped write the federal law that let Alaska become a state, and he helped overcome President Dwight D. Eisenhower's fears that Alaska was too large in size and too small in population to sustain itself as a state.

Nearly 40 years later, Stevens' 70th birthday is behind him and his body is aging, but the fight hasn't left him.

"We have worked and worked and worked to get out from under the yoke of Uncle Sam and we cannot do it," Stevens said during the debate on the balanced-budget amendment. "We are economically dependent on the federal government."

Only three other Republicans joined Democrats in Congress to kill the amendment.

"How will I ever get a waiver of the balanced budget amendment to try and get special money to meet special problems in Alaska?" Stevens asked plaintively.

In the Senate, seniority is power and only seven senators have served longer than Stevens. During 25 years in Washington, his clout has shaped legislation on a series of defining Alaska issues, from North Slope oil to Native land claims to preservation-vs.-development battles.

That clout has also brought home everything from defense installations and logging subsidies to tax favors for Native corporations—billions of dollars in federal largesse.

This has made him a favorite target of congressional watchdogs, such as Citizens Against Government Waste. The group regularly criticizes him in its annual "pig book" for slipping Alaska projects into the federal budget.

"He certainly stands high in the pantheon of pork," said the group's spokesman, Sean Paige.

Stevens bristles at these criticisms.

"If I leave in what the president has requested, it's not controversial," Stevens said. "But if I take that money out and put another item, of higher priority for Alaskans, in, then it's very controversial. Everyone says Stevens is increasing the deficit. It's not true."

THE STATE BUILDER

When Stevens joined the Senate in 1968, the State of Alaska was only a decade old. Over the next few years, his hand was in a stack of major bills that determined the final shape of the 49th member of the union:

The 1971 Alaska Native Claims Settlement Act, which created profit-making Native corporations and seeded them with 44 million acres and nearly $1 billion in cash. Stevens fought for a provision requiring about half the money to come from state funds.

The 1973 Trans-Alaska Pipeline Authorization Act, which permitted the development of Prudhoe Bay, the state's cash cow for nearly two decades. Stevens worked on a key amendment to bar court review of environmental questions about the project, but it took the tie-breaking vote of Vice President Spiro Agnew to get the measure out of the Senate. Stevens also voted for an amendment restricting oil exports. The amendment was considered crucial to win passage of the act, but it since has come to be viewed in Alaska as an unfair abridgement of the state's rights.

The 1976 Magnuson Fishery Conservation and Management Act, which gave the state a majority voice in managing the $1 billion annual fishery in federal waters off the Alaska coast. Stevens was a leading architect of the bill and lobbied a reluctant President Ford to sign it.

The 1980 Alaska National Interest Lands Conservation Act, which set aside more than 104 million acres of federal lands as national parks and refuges. Though Stevens voted against the final measure, he tried to negotiate the smallest possible set-aside and he obtained an annual $40 million federal subsidy for logging in the Tongass National Forest.

"Ted Stevens has been instrumental in shaping the state with his seat in the Senate," said Claus-M. Naske, a history professor at the University of Alaska Fairbanks and author of several books on Alaska.

In many of the battles to pass major acts affecting Alaska, Stevens had to fight the state's business establishment, ordinarily a Republican lawmaker's best friend.

When he helped work out a compromise on the Native claims bill with Sen. Mike Gravel—it was one of the few times they worked together—the Alaska business community screamed.

Many business leaders didn't think Natives should get any land or property. Stevens argued that any legislation that would take lands away from the federal government and give them to Alaskans was good for the state.

But what was most galling back home was that Stevens endorsed a compromise giving Native corporations nearly $1 billion, half of which was to come out of state royalties from Prudhoe Bay.

The Anchorage Times, then the state's leading newspaper, said Alaskans should not have to pay a dime for the settlement and that any money for Natives should come out of federal coffers.

Stevens didn't blink.

He believed the cash settlement was vital if the Native corporations were to succeed. Besides, he said, the money would stimulate the state's economy.

"Given the circumstances at the time, Stevens behaved admirably and maybe even heroically," said Don Mitchell, an Anchorage lawyer who has represented the Alaska Federation of Natives.

Later, as construction of the trans-Alaska pipeline geared up in the early 1970s, Stevens

was hung in effigy in downtown Fairbanks for suggesting that pipeline contractors refurbish Army property at Fort Wainwright to house their offices and equipment rather than build new facilities in town.

But Stevens prevailed. And, when the pipeline construction crews left, the Army took over the modernized facilities and they became a major draw for the 6th Infantry Division (Light), which Stevens had helped steer to the state.

A LEGISLATIVE TACTICIAN

Stevens' long tenure in the Senate has earned him considerable clout.

He is the leading Republican on defense spending and, when Republicans were in charge of the Senate from 1980 to 1986, Stevens helped engineer President Reagan's huge military buildup, which added billions of dollars to the national debt.

"I've certainly always thought of Stevens as quite strong and solid on defense matters," said Baker Spring, senior defense analyst for the conservative Heritage Foundation.

But Stevens also has been a potent force on other national issues, some of which put him at odds with more conservative members of his party.

He is a strong supporter of federal funding for the Corporation for Public Broadcasting, despite Republican complaints that its news programming has a liberal slant.

Stevens is a leading advocate of women's rights, including the right to abortion. He also was an early supporter of increased federal research into the AIDS virus.

Stevens' position on these issues has contributed to an impression that he is a social liberal. But, overall, his record is that of a Republican moderate.

For example, he voted against a bill to let teen-agers get abortions without notifying their parents. And last year Stevens voted against allowing people with the AIDS virus to immigrate to the United States.

On foreign policy, his views are in line with those of Texas Republican Phil Gramm, one of the Senate's most conservative members.

In action on the Senate floor, Stevens uses parliamentary procedures and rules to his advantage. He is not the Senate's most gifted orator, but he is an effective advocate because few have his institutional memory or detailed grasp of the issues.

Stevens works his way most effectively by tagging add-ons to major bills. The bills are usually so long and complex that Stevens' special Alaska provisions are difficult to spot and harder still to decipher.

One example is a huge financial break he arranged for Alaska Native corporations in the mid-1980s. Despite the vast sums of money conferred by the 1971 Native Claims Settlement Act, some of the corporations were on the brink of bankruptcy 15 years later. In 1986, when Congress was working on a sweeping tax-reform bill, Stevens came to their aid again.

Since 1984, federal tax law had allowed unprofitable corporations to "sell" their net operating losses (or NOLs) to corporations that were making money. The money-losing corporation would get a cash infusion to erase some of its red ink, while the profitable corporation would get a reduction in its tax bill. But now Congress was about to end the transactions.

When Stevens learned that the depressed steel industry was trying to get an exemption from the cut-off, he quietly attached a provision to the tax-reform bill giving the same break to Alaska Native corporations. He argued that the Natives had suffered huge losses because congressional actions had delayed the conveyance of all 44 million acres promised by the 1971 settlement act.

The steel industry didn't get its exemption, but the Natives did.

Stevens estimated at the time that the Native exemption would cost federal taxpayers maybe $50 million. But the volume of transactions quickly swamped all projections, and Congress shut down the exemption two years later.

Then-House Ways and Means Committee Chairman Dan Rostenkowski, D-Ill., said in April 1988 that the huge volume of transactions was fueled by profitable corporations approaching Natives with "schemes" to create paper losses that the money-making firms could then buy.

"If Congress does not move to restrict this unintended tax avoidance, it may cost $200 million or more in additional lost revenue that very profitable companies would otherwise pay in federal taxes," Rostenkowski said.

Even Rostenkowski apparently underestimated the money at stake.

Steve Colt, an economist at the Institute of Social and Economic Research at the University of Alaska in Anchorage, said the Natives had sold more than $3 billion in operating losses by the time the exemption was terminated in 1988. He estimated the tax loss to the federal government exceeded $1 billion.

The final cost could turn out to be lower because the Internal Revenue Service is intensely auditing the sales. Stevens has met with Treasury Department officials to promote the best resolutions he can for the Natives.

Stevens said he considered the provision social legislation that helped restore the economic vitality of several Native corporations while pumping hundreds of millions of federal dollars into the state.

"It deserved to be in Alaska," he said.

According to Wally Powers, vice president of finance for Nome-based Bering Strait Native Corp., which sold $35 million of its losses still under IRS audit, the transactions could be a lifesaver.

"We were officially in bankruptcy when the NOLs went through," Powers said. "They give us a second chance to achieve the promise of the Native Claims Settlement Act."

A FIERY TEMPER

Stevens has a reputation as one of the Senate's most incendiary members, and he's proud of it.

He believes his angry outbursts are one of his most effective tools.

"I don't lose my temper," he quips. "I always know where it is."

Shortly after Stevens was appointed to the Senate in 1966, the Nixon White House got a taste of that temper.

The Labor Department wanted to fill a position in Alaska with a Californian. Stevens thought an Alaskan should get the job, but had recently refused to support the White House on one of its issues—he doesn't remember just which one.

A Nixon bureaucrat named Fred Webber called Stevens' office and asked why the administration should bend over backward for Stevens if he wouldn't help the president.

Stevens still remembers the showdown with Webber. So does Ron Birch, who was Stevens' top aide at the time and witnessed the blowup.

Stevens summoned Webber to his office and politely inquired about pending legislation important to the Labor Department. Webber courteously ticked off a list of bills.

"You go back and tell your boss that I am putting a hold on every one of those bills," Birch recalls Stevens telling Webber. Because much of the Senate's routine business depends on unanimous consent, even a rookie like Stevens then was, can keep legislation off the floor. It is an especially potent tool toward the end of a congressional session when a last-minute "hold" can effectively spike a bill.

"Yeah, I got a little exercised," Stevens remembers. "I got up, opened my door, grabbed him by the seat of his pants and his collar and threw him out on the god....d floor."

According to Birch, Stevens was willing to risk offending the White House to make clear that he could not be bought.

"He said that the first time you sell your vote, you're a whore," Birch said. "And once you're marked as a whore, you are marked forever."

Stevens instructed Birch that he would take no more calls from the White House, even from Nixon, until there was an apology for trying to pressure a vote out of him. It was delivered by a delegation from the White House the next day, Birch said.

Neither Webber nor people in the White House delegation could be located for comment.

"I've heard many stories about Ted Stevens' temper," said Bill Van Ness, a former congressional lawyer and now the senior partner in a Washington, D.C., law firm that lobbies on Alaska issues.

"But I've always believed that he is in control, that he always knows what he is doing," Van Ness said. "And I think it has had an intimidating effect. There aren't many in the Congress who will take him on, head to head."

Stevens' prickly independence may have worked well for Alaska, bringing billions of dollars in federal spending, but it has not necessarily served him well personally.

In 1984, Stevens narrowly lost a race against Kansas Sen. Bob Dole for Republican majority leader. The majority leader sets the agenda for the entire Senate and usually serves as one of his party's leading policymakers.

Stevens believed he had enough votes to win the job. He had worked his way up to the position by serving as the chairman of the Republican Senatorial Campaign Committee, which raises money to elect Republicans to the chamber, and later as Republican whip—the party's second-ranking leadership post.

The defeat cost Stevens his job as whip. Among the perks were a suite of offices in the Capitol and a chauffeured car.

Press accounts at the time attributed Stevens' loss to the desire among other senators for the committee chairmanships that would be opened up by Dole's elevation.

But press reports also cited Stevens' fabled temper. He said in a recent interview that he believes he was hurt by the fact that he had angered so many of his colleagues over the years.

"I think I didn't get the votes I should have from some people because I had offended them in some connection or other, but it was something I had to do to get bills passed for Alaska," Stevens said.

Despite his long public career, Stevens' private life has been marked by family hardship, tragedy and regrets.

Stevens, born in Indianapolis, was the third of four children in his family. His parents divorced in 1929 just as the Great Depression was beginning. He lived with his grandparents until he was a teen-ager, helping support a blind father and a mentally retarded cousin by hawking newspapers on the

street and later by working at a soda fountain.

Stevens flew Army cargo planes in China during World War II. After the war, he earned a law degree at Harvard University, then worked for law firms in Washington, D.C., and Fairbanks. But he abandoned the lure of big money to enter public service and then politics.

Roger Ernst, who worked with Stevens at the Interior Department during the Eisenhower administration, recalled Stevens working even on Sundays. It was a habit he kept up when he entered the Senate.

He came to regret those long hours away from his family.

On Dec. 4, 1978, a Learjet carrying the Stevenses and several others hit gusty crosswinds and crashed while attempting to land at Anchorage. The senator was one of two survivors. His wife was not.

In the months of grieving that followed, Stevens seemed to blame Alaska's other senator, Democrat Mike Gravel, for Ann's death. At the time of the crash, the Stevenses were en route to a fund-raiser for a lands act lobbying group. Stevens said at a congressional hearing that the trip was necessary only because Gravel had blocked a compromise on the Senate floor that would have let the lands act pass two months earlier.

It took months for Stevens to work through Ann's death. He read a book by Arthur Freese called "Help for Your Grief." Though the book is now out of print, Stevens sends a photocopy of it to friends when they have a death in the family, inscribed with remarks about how it got him through Ann's death.

Two years later, Stevens married Catherine Bittner Chandler. In 1981, when he was 57, Catherine gave birth to his sixth child, Lily, upon whom he dotes. He reserves time to go to movies with Lily now that she is a young teen-ager, and he drives her and her friends to weekend soccer games. A corner of Stevens' office is filled with Lily's artwork. When Lily was younger, Stevens would hold hot-dog and ice-cream parties for her in a Senate dining room.

By 1980, his nemesis, Gravel, had been defeated and the major pieces of law affecting Alaska had been enacted. Stevens began what amounted to a second life. It was comfortable until financial problems beset his new family.

An untimely investment in a crab boat in 1979, named the Lady Ann after his first wife, saddled him with more debt than his Senate salary could absorb, and Catherine's investment in an Arizona cattle ranch drew an Internal Revenue Service tax claim in the mid-1980s.

The Stevenses settled their debts by selling their Maryland home in December 1986 and moving into a rented house in the District of Columbia.

Stevens' financial situation didn't completely turn around for another three years.

C.W. Snedden, the longtime publisher of the Fairbanks Daily News-Miner who had helped give Stevens his political start three decades earlier, died in August 1989. Snedden bequeathed Stevens an expensive motor yacht. Stevens immediately sold it to pay off his bills and buy the house he and Catherine were renting.

Stevens' failure to accumulate much wealth due to his public service has at times left him sounding somewhat bitter.

In 1988, a year before the bequest from Snedden and when his financial situation seemed bleak, Stevens was beginning to think about his 1990 re-election campaign.

He said in an interview that he could have made millions of dollars as a lawyer and that voters needed to understand the personal sacrifice he had made for a life of public service. He said he viewed the 1990 election as a turning point in his life and for the state.

Stevens' remarks drew letters to the editor attacking him for arrogance, but they didn't dent him at the polls. In the 1990 Republican primary, his conservative rival, Bob Bird, ridiculed Stevens as "his highness"—and got just 30 percent of the vote.

At 70, Stevens' hair is graying and, despite a passion for exercise and healthy foods, he has had serious medical problems—including prostate cancer two years ago and back problems requiring surgery in February. But Stevens has already said he will run again in 1996.

Anything can happen in an election, but at least for now Stevens is looked upon even by many Democrats as the workhorse who can get things done for Alaska.

In May 1993, a group of Alaska Democrats fanned out over Washington. They were trying to figure out if they had any sway with the Clinton administration, coming as they did from a state with a Republican-turned-independent governor and an all-Republican congressional delegation.

Just months before, Stevens had predicted that Clinton's policies would bring economic ruin to Alaska. Now the Democrats courted him as if he were the only person who could hold their own president at bay.

"I remember being asked once what one thing we could do that would be best for the state," said Anchorage lawyer Tony Smith, who ran against Sen. Frank Murkowski in 1992. "I said that the best thing we could do would be to take $20 million out of the state's permanent fund to find a fountain of youth to keep Stevens alive and in office."

Smith—who is now running for Republican Don Young's seat in Congress—says he still stands by that statement.

[From the Anchorage Daily News, Aug. 8, 1994]

STEVENS' LIFE WASN'T EASY GROWING UP IN THE DEPRESSION WITH A DIVIDED FAMILY

(By David Whitney)

WASHINGTON.—A wooden surfboard stands amid the plaques and letters of appreciation in Ted Stevens' office in the marble-walled Hart Senate Office Building.

Polished to a gleam and parked in the corner nearest Stevens' desk, the board is a memento of a rare mellow period in the life of a politician not known for mellowness.

Stevens paid $40 for it when he was a teen-ager in Manhattan Beach, Calif. He lived there with an aunt and uncle who took him in when he was 15.

"In 1940, I bought a surfboard and a gold 1931 Pontiac convertible," he said. "The surfboard cost almost as much as my car."

With the board in the back of his car, Stevens and high school friend Russell Green would head for San Onofre to ride the waves.

"We were beach bums," Stevens said.

Theodore Fulton Stevens was born Nov. 18, 1923, in a small cottage behind his grandparents' home in Indianapolis. His grandfather built the little house after Stevens' father, George, married Gertrude Chancellor.

The couple divorced when Stevens, the third of George and Gertrude's four children, was 6, and the 1929 stock market crash was plunging the nation into the Great Depression.

At the time of their divorce, Stevens' parents lived in Chicago. The Depression cost Stevens' father his job, and the children went back to Indianapolis to live with their grandparents.

They were soon followed by Stevens' father, an accountant who developed severe eye problems and went blind for several years.

Stevens' mother landed in California and, as she could afford it, she moved Stevens' siblings out to be with her. Stevens said he stayed behind to help care for his blind father and a mentally retarded cousin who also lived with his grandparents.

Stevens helped raise money for the household as a newsboy on the streets of Indianapolis.

"I remember selling lots of newspapers on the day of the Lindbergh kidnapping," Stevens said. Charles Lindbergh Jr., the son of the famous aviator, was kidnapped on March 1, 1932. Stevens was 8 years old.

In 1934, Stevens' grandfather, the only one in the house with a job, tumbled down a flight of stairs and punctured a lung. He contracted pneumonia and died.

Stevens stayed in the house until 1938, when his grandmother could no longer afford the bills. Stevens, then 15, moved with his retarded cousin, Patricia Acker, to Manhattan Beach to live with her mother, Gladys Swindells.

Before and after classes at Redondo Union High School, he still had to work. But there also was time for his growing friendship with Russell Green, son of the president of Signal Gas and Oil Co.

For three years, Green and Stevens partied, surfed and studied together. They're still close friends.

Green recalled cutting classes with Stevens to hear Glenn Miller's orchestra, Miller was making a movie at the time and also doing nightly radio broadcasts from a nearby town.

He said they approached Miller and told him they had cut class to see him. "Miller said, 'Just tell your teacher you were up seeing Glenn Miller and they will let you out,'" Green said.

"Ted has a lot of fun in him and a great sense of humor," Green said. "But he was serious enough to get absolutely top grades."

Except when the now-famous Stevens temper surfaced in an English class, Green remembered.

"One of our classmates was an A student but he was always talking," Green said. "So the teacher gave the student a B. Ted got into an argument with the teacher, saying that the grade should be for the work he's done and not his deportment. The teacher got so mad at Stevens that she knocked his grade down to a B, too."

OFF TO WAR

After graduating from high school in 1942, Stevens attended classes at Oregon State University for a semester and then, with World War II raging, tried to enlist in the Navy Air Corps.

He flunked the vision exam.

"I had strained my eyes considerably in an engineering course I was in," Stevens said. Facing the prospect of being drafted, he moved to Los Angeles and took eye exercises six days a week.

There, Stevens met a former military officer and member of the Selective Service board who helped arrange another test for flight training.

This time, Stevens passed. The Army sent him off to study at Montana State University. He said he scored at the top of an aptitude test and immediately was transferred to preflight training in Santa Ana, Calif.

"We went right down to join a group that already had started in preflight," he said. "We got our wings in the early part of 1944. The other group at Montana State got its wings just in time to be discharged. They never went overseas."

From Santa Ana, Stevens went to Bergstrom Field in Texas, where he trained to fly P-38s. Because of an incident during graduation, Stevens never got the chance to fly the fighters in combat.

"Someone in the class booed the godd--n colonel who gave the speech to our graduating class," said Stevens, who recalls that the colonel was supposedly the son of an Army big shot. "Suddenly we were copilots in a troop carrier squad."

Stevens was dispatched to China to fly for the 14th Army Air Corps Transport Section, which supported the Flying Tigers.

Leroy Parramore, who flew with Stevens in China, said they piloted C-46 and C-47 cargo planes, often without escort, throughout the China theater to resupply mostly Chinese units fighting the Japanese.

"We transported everything from bombs to Chinese troops to gasoline," said Parramore, a retired Internal Revenue Service agent in Texas.

Parramore said their worst enemy was the weather.

"I remember one occasion when we were flying and we were running out of gas," Parramore said. "Ted was in one C-46 and I was in another. We hit a strong headwind and we started looking for an alternate landing field. I landed first. And when Ted finally landed, he had run out of gas on the approach."

"If I had anyone I would have trusted my life to, it would have been Ted," Parramore said.

When Stevens left the Army Air Corps in March 1946, he had collected a Distinguished Flying Cross for flying behind enemy lines, an Air Medal and a Yun Hai Medal, awarded by the Chinese Nationalist Government.

After the war, Stevens returned to California, where he received a bachelor's degree in political science at UCLA in 1947.

By then, Stevens had decided to go to law school. He applied at Stanford University and the University of Michigan.

But, when he told Green's father he planned to go to Stanford, he said he was told to "look East."

Stevens did, graduating from Harvard in 1950. He was able to finance part of the cost with money from the GI Bill because of his military service. But, he said, he also had to sell his blood, work several jobs—including one as a Boston bartender—and borrow money from an uncle.

Alaska Supreme Court Justice Jay Rabinowitz praised Stevens' scholarship at Harvard. Rabinowitz said the Alaska Supreme Court issued an opinion recently that cited an article on admiralty law Stevens wrote for the Harvard Law Review 45 years earlier.

After graduation, Stevens headed off to a Washington, D.C., job that put him on the road to Alaska.

[From the Anchorage Daily News, Aug. 9, 1994]

THE ROAD NORTH—NEEDING WORK, STEVENS BORROWS $600, ANSWERS CALL TO ALASKA

(By David Whitney)

WASHINGTON.—For Ted Stevens, the long, unexpected road to Alaska began in the Washington, D.C., law office of Mike "Northcut" Ely.

Ely had been an assistant secretary in the Interior Department during the Hoover administration. Twenty years later, he had a high-profile law firm specializing in natural-resources issues. He recruited Stevens out of Harvard Law School in 1950.

"He was a vigorous chap, highly effective," Ely, now 90, said in a telephone interview from Redlands, Calif., where he still maintains a office, "He was very personable, with a good sense of humor."

Stevens was assigned to handle the legal affairs of Emil Usibelli, an Ely client in Alaska who was trying to sell Healy coal to the military.

Stevens was interested in natural-resources law, but he wanted to pursue that interest in government, not private practice.

So he volunteered for the 1952 presidential campaign of Dwight D. Eisenhower, the World War II hero who would become the first Republican to occupy the White House since the defeat of Herbert Hoover in 1932. Stevens hoped an Eisenhower victory would mean a federal job for him.

Stevens said in an interview that campaign volunteers would meet at a Washington, D.C., hotel to write position papers. Stevens was assigned Western water law and the problems of Western lands.

Eisenhower's election in November 1952 looked like perfect timing for Stevens.

"I had done several papers for them. I had met several people by the time Eisenhower won. They said, "We want you to come over to Interior.'"

Eight months earlier, Stevens had married the former Ann Mary Cherrington, the adopted daughter of the chancellor of the University of Denver. A graduate of Reed College in Portland, Ore., Ann was a Democrat who worked for the State Department in the Truman administration.

Stevens told Ely he was quitting to look for work in the Eisenhower administration.

But the job didn't come through, and suddenly Stevens was out of work, with a new wife and no place to go. About this time, Stevens got a call from Charles Clasby inviting him to join his law firm in Fairbanks. Stevens knew Clasby because Clasby was the Alaska lawyer for Emil Usibelli, the coal miner Stevens had represented in Washington.

ALASKA CALLS

"Ann and I were both from the West," Stevens said. "We liked Clasby and Usibelli. We had done some things together when they were down here. And Clasby was in a hard spot. He had told me he had lost one of his people."

Ely said he was sad to see Stevens go. But he recalls Stevens offering another reason for leaving Washington.

"He said he'd like to settle in the West and get into politics," Ely said. "I told him he should stay in law."

Stevens recalls saying no such thing. According to Stevens, the job in Fairbanks came along at a time when he needed work and he had no idea that he would eventually get into politics.

The Stevenses packed their bags and began the long drive north in the dead of winter, traveling on $600 borrowed from Clasby. They hit Fairbanks in February 1953.

Stevens said he kids Gov. Wally Hickel about the loan from Clasby.

"He likes to say that he came to Alaska with 37 cents in his pocket," Stevens said of Hickel. "I came $600 in debt."

Stevens quickly cultivated the city's Republican establishment. One of his new friends was C.W. "Bill" Snedden, who had recently bought the Fairbanks Daily News-Miner. Helen Snedden, Bill's widow, said her husband and Stevens were "like father and son."

"The only problem Ted had was that he had a temper," Helen Snedden said. "My husband helped and guided him along the way. He kind of steadied him, like you would do with your children. My husband taught him the art of diplomacy."

Helen Snedden became especially close to Ann.

"I don't think you could have found a better person," she said. "She was very smart, very caring. She fit in very easily. The children came along, year after year. It was hard. It was a struggle. But she made a home and she didn't complain."

Stevens lasted six months with Clasby. By September, Fairbanks U.S. Attorney Bob McNealy, a Democrat, had resigned and, Stevens said, U.S. District Judge Harry Pratt asked him if he wanted the job.

"I said, 'Sure, I'd like to do that,'" Stevens said. "Clasby said 'It's not going to pay you as much money, but, if you want to do it, that's your business.' He was very p----d that I decided to go."

Stevens was confirmed for the position by the Senate on March 30, 1954.

"He was a very active D.A.," said Mike Stepovich, a Fairbanks lawyer at the time who a few years later would become territorial governor. "He was a prosecutor all the way through."

Olga Steiger, a former court clerk in Fairbanks, said Stevens' explosive temper often was fixed on Warren A. Taylor, a criminal defense lawyer.

"They didn't get along," she said. "Ted would get red in the face, blow up and stalk out of the courtroom."

GUN TOTIN' D.A.

Jay Rabinowitz, now an Alaska Supreme Court Justice, arrived in Fairbanks not long after Stevens left. He recalls tales of Stevens packing pistols and accompanying U.S. marshals on raids.

In one particular vice raid, Rabinowitz recalled, "U.S. marshals went in with Tommy-guns and Ted led the charge, smoking a stogie and with six guns on his hips."

"It makes me sound like Eliott Ness," Stevens said. He remembers only one such incident. It was in Big Delta, about 75 miles southwest of Fairbanks.

"We decided we'd take a combined force down there because of information we'd received about a lot of different violations of federal and territorial law. There was a prostitution ring, and drugs and violations of liquor laws.

"They wanted to make sure everything was done right, that the evidence would be admissible, the arrests would be legal, so they asked me if I wanted to go along. I said, yeah.

"So one of them suggested I ought to take a gun," he said. "So he checked me out a gun. It was a holster with a gun. It wasn't two guns. I never had two guns. I never walked around town with it.

"But someone did see it," he said. "Someone saw us coming back in or going out of the federal building that day and said, 'Jesus Christ, there's the damn district attorney carrying a gun.'"

The report spread "up and down Fourth Avenue in every bar."

"And, to this day, kids come in and tell me their dads have told them about me and they think a lot about me when they see stories about Eliott Ness and that it must have been the same," he said.

Stevens' most famous trial came at the end of his career as federal prosecutor. The

case managed to link tax evasion to the cause of Alaska statehood—and Stevens lost.

Jack Marler, a former Internal Revenue Service agent, had been accused of failing to file tax returns and there were concerns that other Fairbanks residents were beginning to follow his example.

In Marler's first trial, which Stevens did not handle, the jury deadlocked and a mistrial was declared.

Marler hired Edgar Paul Boyko, a flamboyant young lawyer from Anchorage, to defend him in the second trial.

Stevens and a local judge decided to clean up the mess, Boyko recalls. "They decided that Marler would be a good start.

"Ted, who was young and full of piss and vinegar, decided to take over the retrial," he said. "He assembled an entourage to help him.

"I built a defense around the theory that there should be no taxation without representation," Boyko said.

"I gave a rabble-rousing closing argument to the jury," he said. "I said this man wanted to raise the issue that we had no representation in Congress. I said this case was the jury's chance to move Alaska toward statehood."

Newspapers around the country carried stories on the trial.

In his closing argument to the jury, Boyko called the panel "twelve Alaskans with a rendezvous with destiny."

He appealed to the jury to "strike a blow for Alaskan freedom."

"The shock of acquittal will be felt all the way to Washington," he told the jury.

"Ted had done a hell of a job in the case," Boyko recalled. "The jury's announcement of not guilty dropped like a bomb."

After the acquittal on April 3, 1956, Stevens issued a statement.

"I don't believe the jury's verdict is an expression of resistance to taxes or law enforcement or the start of a Boston Tea Party," he said. "I do believe, however, that the decision will be a blow to the hopes for Alaska statehood."

But it wasn't. The long battle for statehood had only two more years to run. Within two months of the Marler trial, Stevens was on his way back to Washington to help fight it.

[From the Anchorage Daily News, Aug. 10, 1994]

SEEKING STATEHOOD—STEVENS BENT RULES TO BRING ALASKA INTO THE UNION

(By David Whitney)

WASHINGTON.—When a brash young federal prosecutor named Ted Stevens arrived in Washington in June 1956 to take a job as assistant to Interior Secretary Douglas McKay, the prospects for Alaska statehood seemed no brighter than they had for at least a decade.

The battle had been going on since 1943 and had at least once seemed about to pay off. That was in 1950, when the U.S. House passed a bill to bring Alaska into the United States. President Harry Truman, a Democrat, supported the bill but it died in the Senate.

Two years later, Republicans captured Congress and the White House. The Republican Party opposed statehood, partly out of fears that Alaska would elect Democrats to Congress.

The Republican president, Dwight D. Eisenhower, saw Alaska as too large and sparsely populated to be economically self-sufficient as a state. Eisenhower also worried that statehood would hamstring the military's strategy for defending Alaska against an invasion by the Soviet Union.

The U.S. plan was to fight a delaying action in Alaska, gradually abandoning the hinterlands of the territory, if necessary, to an invading Soviet army. Eisenhower thought that strategy would be harder to pull off if Alaska became a state, because more people and politicians would have to be dealt with as abandonment proceeded.

The only idea that had much support in Washington was to divide Alaska, carving out its most populated areas for statehood and keeping the rest as a federal territory. That idea had little support in Alaska, particularly among rural Natives, who complained that they would be disenfranchised.

Within a couple of weeks after Stevens' arrival, however, the statehood movement got a considerable boost. McKay resigned to run for the U.S. Senate in Oregon and his replacement was Fred Seaton, a statehood advocate. McKay was not personally opposed to statehood but had never pushed for it, either, according to Claus M. Naske, a history professor at the University of Alaska Fairbanks.

Seaton was a close friend of Fairbanks Daily News-Miner publisher C.W. Snedden, one of the territory's leading negotiators in that phase of the statehood battle.

"The day after Seaton took office, he asked Snedden if he knew any Alaskan that could come to Washington to work on statehood," Naske said.

"Snedden told him that person was already working for him as his assistant," Naske said. "That person was Ted Stevens."

As a young federal staffer, Stevens was no power broker. But he quickly became an aggressive soldier in the statehood movement, earning the nickname of "Mr. Statehood" at the Interior Department.

"Ted probably spent more time with Secretary Seaton than any of us," said Roger Ernst, who was Seaton's assistant secretary for public land management.

"He did all the work on statehood," Ernst said. "He wrote 90 percent of all the speeches. Statehood was his main project."

FOCUS ON STATEHOOD

Stevens discussed his work on statehood in an interview with a researcher at the Eisenhower library in October 1977, He made clear that he was willing to bend the rules and manipulate the press to keep Alaska statehood on the administration's agenda.

"We set Ike up quite often at press conferences by planting questions about Alaska statehood," Stevens said in the interview. "We never let a press conference go by without getting someone to try to ask him about statehood."

Eisenhower's problem, Stevens said, was the he "took the position that land up there was very sparsely populated and very much an open invitation to invasion."

"I think he honestly believed that we had special vulnerability and also special significance as far as military strategy was concerned," Stevens said.

The Soviet threat to Alaska drew the top echelons of the Pentagon into the statehood debate.

Jack Stempler, who was then a top lawyer at the Defense Department, said Eisenhower relied heavily on the views of Gen. Nathan Twining, the chairman of the Joint Chiefs of Staff who had served in Alaska.

"Eisenhower wanted to make sure that there was adequate military for Alaska to protect itself." said Stempler, who is now retired, "And also, he wanted to assure himself that it would be economically viable. Without a military payroll, he had questions about whether it could be economically viable."

Two years earlier, in March 1954, Eisenhower had drawn a line on a map where he thought the state should end, with the areas north and west of the Porcupine, Yukon and Kuskokwim river remaining in federal hands.

"He said, 'Everything up there has got to be federal because the state can't protect it,'" Stevens said. "'There's a chance we're going to have terrorism; we've got a potential invasion up there. We've got to have federal powers up there.'"

With Seaton actively pressing for statehood, a compromise was fashioned to bring the entire territory into the union but with special federal protections for the sparsely populated northern and western regions that so worried Eisenhower.

Stempler said that he, Stevens and Twining then set about to define where the final version of the line should be drawn. Much of that work occurred in a room at Walter Reed Army Hospital, where Seaton was being treated for back problems.

"I remember sitting in Seaton's hospital room on Sunday mornings with Twining and Stevens talking about this," said Stempler. "Maps were taped to the walls. We discussed what wilderness areas would be hard for a young state to handle. The line was negotiated and after that, statehood moved forward."

The line became known as the PYK Line. From the northeast corner of the territory, it followed the Porcupine, Yukon and Kuskokwim rivers to the Bering Sea, then went south and east to clip off the lower half of the Alaska Peninsula and the Aleutian Islands.

The PYK line became the basis for Section 10 of the statehood act, which Stevens wrote. The land north and west of the line was included in the new state, but Section 10 gave the president emergency powers to take direct federal control of those areas, which include Prudhoe Bay and the Arctic National Wildlife Refuge.

Section 10 was a key to statehood.

"It's still in the law but it's never been exercised," Stevens said. "Now that the problem with Russia is gone, it's surplusage. But it is a special law that only applies to Alaska."

With the PYK Line settled, Stevens worked with Snedden, Anchorage Times publisher Bob Atwood and the Alaska Statehood Committee to lobby for statehood.

BENDING THE RULES

By 1956, Alaskans had held a convention in Fairbanks to adopt a constitution for the state they hoped to become. And they had elected three Democrats to go to Washington as unofficial delegates to Congress. Ernest Gruening and William Egan were Alaska's U.S. "senators," and Ralph Rivers was its U.S. "representative."

Stevens hired Atwood's daughter, Marilyn Atwood, to help him at the Interior Department. Together they drew up cards on members of Congress.

"I had made a study on each member of the Senate and this goes on now into '57, '58—whether they were Rotarians or Kiwanians or Catholics or Baptists and veterans or loggers, the whole thing," Stevens said in the 1977 interview.

"And we'd assigned these Alaskans to go talk to individual members of the Senate and split them down on the basis of people that had something in common with them," he said.

"We were violating the law . . . we were lobbying from the executive branch, and there's been a statute against that for a long

time," Stevens said. "We more or less, I would say, masterminded the House and Senate attack from the executive branch."

The lobbying campaign also targeted newspapers.

"We planted editorials in weeklies and dailies and newspapers in the district of people we thought were opposed to us or states where they were opposed to us so that suddenly they were thinking twice about opposing us," Stevens said.

The long campaign for statehood paid off in 1958, when Congress passed a bill admitting Alaska to the Union. Eisenhower signed the act on July 7, 1958.

The act authorized the new state to select 103.5 million acres of "vacant and unappropriated public domain" to develop an economy.

Three years later, in the last days of the Eisenhower administration, when Stevens was the Interior Department's top lawyer, he wrote the public land order creating what is now the Arctic National Wildlife Refuge. The signing of that order was Seaton's last official act.

ANWR was created in an effort to end a much more sweeping land order that had withdrawn the whole of Alaska's Arctic during World War II, Stevens said.

"It was a great goal of people, particularly at Interior, who were quite interested in a gas field (near Barrow) at the time," Stevens said.

The withdrawal was supported by the state, according to Phil Holdsworth, Alaska's first commissioner of natural resources.

What Alaska got out of the deal was the lifting of the federal ban on state land selections in a large middle section of the North Slope bordered by the 9 million-acre arctic refuge to the east and the Naval Petroleum Reserve to the west.

That midsection contained a then-obscure landmark called Prudhoe Bay. Ten years later, it would become the site of the biggest oil strike in North American history and the foundation of Alaska's economy.

Now, as Prudhoe Bay reserves decline, the oil industry insists that the best hope for keeping up oil production in Alaska is the coastal plain of the refuge that Stevens helped create.

The 1980 Alaska Lands Act requires a vote of Congress to open it to oil drilling and, so far, environmental opposition has prevented that from happening. But Stevens maintains the creation of the refuge was—at the time, at least—a small price to pay for opening Prudhoe Bay and much of the rest of the North Slope to oil exploration. The land order he wrote more than 30 years ago contained no legal barriers to drilling, he insists.

"The order specifically allowed oil and gas exploration in the arctic range subject to stipulations to protect fish and wildlife," Stevens said. "I think it was a very good deal."

[From the Anchorage Daily News, Aug. 11, 1994]

PENCHANT FOR POLITICS—RULE CHANGE ENABLED HICKEL TO APPOINT STEVENS TO SENATE

(By David Whitney)

WASHINGTON.—Ted Stevens says he had no clue he would become Alaska's next U.S. senator when E.L. "Bob" Bartlett died in 1968.

In fact, Stevens may have been the politician least likely to replace the popular Democratic incumbent.

After completing a four-year stint with the Eisenhower administration, where he rose to be top lawyer at the Interior Department, Stevens had packed up his wife, Ann, and their five small children and headed for Anchorage in 1961.

He opened a law practice representing, among other clients, oil companies seeking to drill on state leases. He also did legal work for the state's two largest newspapers—The Anchorage Times and the Anchorage Daily News.

And, less than a year after leaving Washington, Stevens got into politics.

In 1962, he ran against U.S. Sen. Ernest Gruening and lost to the Democrat by a 3-2 margin.

He ran for the state House in 1964, won, and won again in 1966, the same year Wally Hickel was elected to his first term as governor. Stevens served as House majority leader in 1967 and 1968.

Stevens ran again for Gruening's seat in 1968, just months before Bartlett's death, but this time he didn't even make it into the general election. He lost the primary to Anchorage banker Elmer Rasmuson. On the Democratic side of the ballot, Mike Gravel beat Gruening, then did the same thing to Rasmuson in the general election.

What seemed pretty well-established by the time Bartlett died in December 1966 was that the cigar-smoking Stevens didn't have much of a statewide following.

In his book on Bartlett, University of Alaska history professor Claus M. Naske said Bartlett had been having heart trouble long before he was hospitalized in Cleveland in November 1968. Until his heart surgery, however, it appears that Bartlett's declining health was little-known in Alaska.

Nonetheless, Republican leaders in the state legislature were aware that both of the state's U.S. senators—Bartlett and Gruening—were getting along in years and they wanted to make sure Hickel could pick a fellow Republican as successor.

At the time, state law required the governor to appoint someone of the imcumbent's party. Republican lawmakers, who for the first time since statehood held a majority in both houses of the legislature and also had a Republican governor, set out to change the law in early 1967.

The sponsor of the legislation was Senate Majority Leader John Butrovich. He said in a recent interview that he had no idea that the change in the appointments law would be used so soon.

He said he was aware that Bartlett had health problems but he never suspected how serious they were.

"When he passed away, it sure was a surprise to me," Butrovich said.

The legislation quickly moved to the House, where Stevens was in charge of the agenda. But Stevens says he doesn't remember much about it and certainly didn't expect to be its first beneficiary. The new rule took effect in mid-1967.

"I had no inkling that I would be appointed should there be a vacancy," Stevens said. "I had no reason to believe we would have a vacancy. I considered Bartlett's health to be robust."

Anchorage lawyer Joe Josephson, who worked in Bartlett's Senate offices between 1957 and 1960, said he can understand how Alaskans could have been ignorant about Bartlett's health.

"My general impression was that he had a lot of ailments but it never affected his performance," Josephson said. "It's fair to say that I doubt he sent out bulletins on his condition. He would not have been very forthcoming about health problems."

Indeed, an Associated Press report of Bartlett's death at the time made no mention of persistent health problems.

Had the law not been changed, the most likely prospect to fill Bartlett's seat would have been Edgar Paul Boyko, a Democrat whom Hickel had appointed attorney general.

Boyko still thinks about the Republicans' maneuvering.

"I don't think it was aimed at me personally," Boyko said recently, "It was aimed at heading the Democrats off at the pass. But Stevens had no reason to think that he would have been Hicken's first choice, either."

HICKEL'S QUANDARY

Bartlett's death on Dec. 11, 1968, set off an immediate scramble for a replacement. Among the strongest contenders were Elmer Rasmuson and Hickel's longtime friend Carl Brady. Stevens' name, though mentioned, was not prominent on anyone's list—except Hickel's.

Hickel was in Washington at the Shoreham Hotel on Dec. 11, awaiting President-elect Richard Nixon's announcement of a slate of Cabinet nominations—including Hickel's for Secretary of the Interior.

"I was handed a note that Bartlett had died," Hickel recalls. "I went over to (Nixon) and he mentioned that he knew Ted.

"Nixon said 'Wally, what are you going to do?'" Hickel said, "I told him the people I had in mind. There was Rasmuson, Brady and Stevens.

"The president looked at me and said, 'Wally, do you have the courage to appoint Ted?'" Hickel said.

"And I said, 'I want to do what is right,'" Hickel said. "Carl Brady was a close friend of mine. I had known Rasmuson for many, many years. But Ted Stevens was a survivor, in my opinion."

Once the tenacious Stevens was in office, Hickel was convinced, no candidate would be able to unseat him.

Stevens insists he was unaware any of this was going on.

He said he and Ann were in Mazatlan, on the first real vacation they had taken since they were married in 1952.

"We got a collect telegram," he said. "It said 'Call Hickel.'"

Stevens said he telephoned Juneau and learned of Bartlett's death. "Hickel told me that he wanted me to come back and talk to him about taking Bartlett's place."

On the way back from Mexico, Stevens stopped in Seattle for a meeting with Hickel about the Senate seat, setting off speculation that he might be a candidate for the job. But news reports at the time said Stevens was more likely to go to Washington to work with Hickel at the Interior Department than to join the U.S. Senate.

Stevens put that speculation to rest when he flew into Anchorage the next day. Stevens said the only way he would return to Washington would be as U.S. senator.

Stevens' oldest child, Susan Covich, remembers her father and mother gathering the children in their Anchorage home about this time to discuss the possibility of moving to the capital. Covich was 15.

"It was definitely a family discussion as to whether we would go," she said.

Covich, now a computer tutor at a North Kenai elementary school, said the discussion came as a surprise to her because, after her father's primary defeat in August, "there was some talk of him stepping out of politics for a while."

Stevens seemed like a long shot for the Senate job. Interior Republicans were supporting Butrovich for the appointment. And,

when Robert A. Davenny, chairman of the state Republican Party, called a meeting of the state central committee to recommend names for the seat, Stevens at first didn't make the list.

The central committee ultimately sent Hickel a more expansive list of 10 people for the seat. Stevens' name had been added, along with two members of the ultra-conservative John Birch Society.

Within a couple of days, Hickel had narrowed his choice to Brady and Stevens. His problem, he said, was that sometime before he had promised Brady to appoint him to any vacancy.

Hickel summoned both men to his Anchorage home Dec. 23 to talk about the seat. By the time they arrived, Brady had already concluded that Hickel really wanted Stevens and that he should bow out.

"My wife and I decided that, why would we want to be back in Washington if the governor didn't want me there?" Brady said. "I agreed to withdraw if Hickel would appoint Stevens."

"There's no question Hickel did the right thing," said Brady, who went on to make a fortune as operator of Era Aviation. "Ted is more popular with Democrats and Republicans. He is well-loved by everybody. I am more conservative."

Stevens said he was stunned by Brady's decision.

"I was really very humbled," Stevens said. "I told Carl that he had a commitment from Hickel, that he could have held Hickel to it, and I think Hickel would have stayed with it."

Sitting in Hickel's home Dec. 23, just minutes after the governor announced Stevens' appointment, Stevens pulled a dollar bill from his wallet.

Stevens signed his name to one end and handed it to Brady to sign the other. Stevens tore the bill in two, giving Brady the half with Stevens' signature.

"I said, 'If you ever need help, and you really want my help from in or out of the Senate, send that to me.'" Stevens said. "I've never received the other half."

But, in 1978, when Hickel was running in the gubernatorial primary against Republican incumbent Jay Hammond, Brady came close to cashing in his half of the dollar bill.

"I wanted him to support Hickel in the primary," Brady said. "Ted refused. He said he couldn't oppose a Republican incumbent."

By Senate tradition, members don't take sides in contested state primary elections.

"I said that I'd never called in my half of the tab," Brady said. "'What if I did that?' And he said, 'My friend, I'd have to resign from the Senate.'"

Stevens doesn't remember the incident but, whether he was serious or not about leaving the Senate, that was that. Brady dropped the matter. Stevens didn't support anybody in the primary, and Hickel lost.

[From the Anchorage Daily News, Aug. 12, 1994]

BITTER BATTLE—NO LOVE LOST BETWEEN STEVENS, GRAVEL

(By David Whitney)

WASHINGTON.—One of the biggest influences on the Senate career of Ted Stevens was Mike Gravel, and not a moment of their 12-year relationship was pleasant.

Years after Gravel, a maverick Democratic senator, was unseated by Republican newcomer Frank Murkowski in 1980, Stevens still seems haunted by the man.

They fought over just about every Alaska issue that came up before Congress.

They disagreed over extending the U.S. territorial limit 200 miles out to sea—the catalyst for the Magnuson Fishery Conservation and Management Act of 1976, which gave Alaskans a dominant voice in the management of commercial fishing in federal waters off the Alaska coast.

They fought over the 1971 Alaska Native Claims Settlement Act. They feuded over the 1973 Trans-Alaska Pipeline Authorization Act. And—most famously and bitterly—they fought over the Alaska National Interest Lands Conservation Act of 1980.

Gravel thinks the animosity resulted from the 1968 election, which he won by defeating incumbent Ernest Gruening in the Democratic primary and then beating Anchorage banker Elmer Rasmuson in the November general election.

Stevens had lost to Rasmuson in the Republican primary. Gravel, who now lives in California, thinks Stevens blamed him for attracting Democrats who, Stevens felt, would otherwise have crossed over and helped him beat Rasmuson in the primary.

Stevens saw Gravel as a grandstander and himself as the pragmatic workhorse willing to cut the best deals he could for the state—even when the best deal was not popular in Alaska.

Year by year, the feud worsened.

It reached its pinnacle in the congressional battle over ANILCA, finally enacted in August 1980.

President Jimmy Carter had made the lands act his top environmental priority. The final bill placed 104.3 million acres of the state under federal protection, more than doubling the size of the nation's park and refuge system and nearly tripling the amount of land set aside as wilderness in the country.

Gravel wanted to prevent any bill from passing, while Stevens believed stonewalling would only make things worse.

COMPROMISE BATTLE

In October 1978, with the Carter administration threatening to use presidential authority to lock up Alaska lands from state selection until a lands act was law, such a deal seemed at hand. It involved turning about 96 million acres of federal lands in the state into national parks, refuges and preserves.

With environmentalists arguing for protection of even more lands, Stevens warned that the compromise was about as good a deal as the state was likely to get. Under pressure from state interests, Gravel indicated he would not block its passage.

But in the closing hours of the 1978 session, Gravel suddenly made new demands. Among other things, he wanted better access to oil drilling and mining sites and a ban on any future taking of Alaska lands. Gravel's 11th-hour appeal killed the compromise.

"You've got yourself in a big battle now, buddy," Stevens screamed at Gravel on the Senate floor. Stevens said the collapse would delay the transfer of 100 million acres of federal lands still owed to the state and Natives under the 1958 Alaska Statehood Act and the 1971 Alaska Native Claims Settlement Act.

"You carry that burden," Stevens told Gravel.

Stevens wasn't alone in blasting Gravel.

Sen. John Durkin, a New Hampshire Democrat who was one of the Senate's leading environmentalists, attacked Gravel for killing the compromise.

"The people of Alaska should know that this compromise foundered on two words," Durkin said. "Those two words are Mike Gravel."

Later, when reporters asked him about Gravel's action, Stevens said that "my mistake was in trusting him."

Gravel responded by accusing Stevens of "being prepared to sell out too much." He returned to Alaska bent on convincing voters that Stevens should not be returned to office in the 1978 elections.

According to news accounts at the time, Gravel pumped $24,000 of his own campaign money into the coffers of Stevens' 1978 Democratic challenger, Anchorage electrical contractor Don Hobbs. The money supported advertisements telling Alaskans that a vote for Ted Stevens was a vote for compromise. A vote for Hobbs was a vote to fight.

The ads barely dented Stevens, who was easily re-elected.

CRASH KILLS WIFE

But Gravel's action in killing the compromise meant a continued congressional battle over the lands act. And that meant more money was needed for the lobbying activities of Citizens for the Management of Alaska Lands, the state's leading organization battling environmentalists over the bill.

The group scheduled a fund-raiser for Dec. 4, 1978, in Anchorage.

Stevens was in Juneau that day for the second inauguration of Gov. Jay Hammond. To make the fund-raiser after the inauguration, Stevens, his wife, Ann, and five others boarded a private Learjet for the trip to Anchorage.

The plane hit gusty crosswinds and flipped on approach to Anchorage International Airport. Stevens and Tony Motley, the head of the citizen group, were the only survivors of the crash.

Ann's death devastated Stevens.

Testifying before a House panel on the lands act two months later, at the beginning of the 1979 legislative debate, the grieving senator made statements widely interpreted as accusing Gravel of killing his wife.

Stevens said the flight wouldn't have been necessary if Gravel had kept his word and supported the compromise.

"As I am sure you realize," Stevens somberly told the House Interior Committee, "the solution of the issue means more to me than it did before."

"I don't want to get personal about it, but I think, if that bill had passed, I might have a wife sitting at home when I get home tonight, too," Stevens said.

Those remarks appear in newspaper accounts but not in the printed transcript of the House hearing. They were most likely excised by Stevens' aides, although no one interviewed for this story could recall who might have done so. Aides to senators often rewrite parts of hearing transcripts to make their bosses look better.

Stevens now says his remarks were misinterpreted.

"People said I accused him of killing Ann," Stevens said. "I was just stating a fact. We would not have gone on that plane if it were not the fact that we had to raise money. But I don't think he killed her."

Gravel said he interpreted Stevens' remarks as accusing him of Ann's death. He also said he now doesn't think Stevens meant it to come out that way.

"I think when things didn't go well, he focused his anger on me," Gravel said. "It was a ridiculous accusation. It was a product of the trauma of the accident. It had to be the trauma. He is not an unstable person."

By this time, Alaskans were wondering if the intensifying hostilities between Stevens and Gravel would undermine their interests.

Hammond and several other government officials convened a "unity meeting" in 1979

to urge the two senators to present a common front.

The open hostilities subsided. But Gravel, facing re-election in 1980, continued to fight any lands act while Stevens worked with Senate and House leaders to craft the best deal he could.

The final deal that cleared Congress, as Stevens predicted, locked up more land than the 1978 compromise.

The 1978 deal would have protected 96 million acres, putting 50 million acres of that into wilderness off-limits to any form of development. The final bill protected 104.3 million acres, of which nearly 58 million acres was wilderness.

According to Steve Silver, who worked on the lands act for Stevens, the difference between the two versions was more than just the additional 8 million acres of land.

The 1978 compromise, said Silver, "had smaller parks and refuges, more carve-outs for mining and larger preserves where hunting was allowed," he said.

But Gravel said he also objected to the final version of the lands act because it contained an automatic $40 million annual appropriation for logging in the Tongass National Forest. He opposed the subsidy on principle and predicted, correctly as it turned out, that the provision would make subsidized logging in the forest a continuing controversy.

Gravel's objections made no difference, however. The lands act was approved Nov. 12 in a lame-duck congressional session just eight days after Murkowski defeated Gravel's bid for re-election.

Gravel said he has no regrets about trying to stop the bill in the hope that a less restrictive version would be approved in 1981, when Ronald Reagan would be president and the Senate would be controlled by Republicans.

"Had we delayed, I thought we could bring about a more balanced bill," Gravel said.

Stevens also voted no on the bill. Even though he had helped work it into its final form, he thought it was still too restrictive.

Even today, Stevens winces at the mention of Gravel's name. He began a series of interviews for this profile saying that he didn't want to talk about Gravel. Although he reluctantly answered a few questions, he did so in terse responses and never spoke kindly of his old foe.

But incidents recounted by friends and former aides of Stevens indicate his feelings have slowly softened.

Tim McKeever, Stevens' top aide in 1980, said he was at Stevens' home that November watching election returns showing Murkowski defeating Gravel.

"I remember Stevens saying, 'I wonder how his kids must feel,'" McKeever said, "My impression is that Stevens felt genuine concern about what Gravel's family must be feeling."

The second incident was in 1985, at a surprise birthday party for Ron Birch, a former Stevens aide who now is a Washington, D.C., lawyer and lobbyist.

Birch said Gravel was at the party when Stevens arrived.

"Stevens came up to me and said that it is time to stop this," Birch said, "And then he went over and shook Mike's hand."

Stevens remembers that event but said it didn't clear the air.

"It was a gesture on my part that has never been repeated by Gravel," Stevens said.

Gravel is sorry now he didn't reciprocate.

"It's always been a personal regret to me" Gravel said. "It's unfortunate because he is a very good person. We just got off on the wrong foot."

[From the Anchorage Dailey News, Aug. 13, 1994]

STEVENS' PRIORITIES CHANGE AFTER MARRIAGE, BIRTH OF DAUGHTER

(By David Whitney)

WASHINGTON.—The death of his first wife, in 1978, began a difficult transition to a new life for Sen. Ted Stevens.

As he grieved, he came to regret all the years he had worked around the clock, leaving Ann at home to take care of their five children.

"I was busy trying to earn a living, working hard no matter where it was and what we did," Stevens said, "And the time when I came to the Senate—my God, what a period.

"We were constantly on the move, plus it was hard to campaign. One year I was away from home 50 weekends * * * going to Alaska, going to make speeches, raising money," he said, "I spent a lot of time away from my family."

In December 1980, Stevens married Catherine Bittner Chandler, the lawyer daughter of a prominent Alaska family. Catherine's roots, like Ann's, were solidly Democratic and liberal. Lily, his sixth child, was born the following summer.

Lily's birth reinvigorated Stevens, who was then 57.

"It was wonderful," Stevens said. "Not many people have the privilege of being a father at that age."

"I've talked to a lot of fathers who have children later in life, who have had two families," Catherine said. "I think Ted is no different than almost any that I have talked to.

"The first time, you really have to be busy going to the office, and you don't really think about it when you're young and making your career," she said. "When they have a child later, it's, 'What's this precious little thing?' It's really exciting for them. It's not that it wasn't exciting in the beginning. It's just that they were dedicated to making a living."

Stevens' children from his first marriage are adults now, most with their own families.

Susan Covich, his oldest daughter, is 40. She's married, has children of her own and is a computer tutor for students at North Star Elementary School in North Kenai. Elizabeth Stevens, 39, works with the U.S. Fish and Wildlife Services in Colorado. Walter Stevens is a multimedia management specialist in Arizona. Ted Stevens, Jr., 37, just completed law school in California, and is awaiting results of the July bar examination. Ben Stevens, 35, is a fishing vessel captain living in Anchorage.

Susan and Ben said in interviews they remember their father being gone a lot when they were children. Many weekends, a baby sitter would move into their house while Stevens and his wife were off in Alaska. But they said they don't have any regrets.

"I remember Dad working hard during the week and playing hard on the weekends," said Covich.

She said her father was especially busy in 1971, her senior year in high school. Stevens was working long hours on the Alaska Native Claims Settlement Act and on trans-Alaska pipeline legislation.

"We didn't get much of a chance to see him," Covich said. But still, she said, her father made time for important family events, including her high school graduation.

Ben was 9 when his parents moved the family to Washington. He said he never felt neglected during his father's frequent absences.

"He was dedicated to his job," Ben said. "As we grow older, we realize this."

He said his father has "mellowed" since Lily's birth, and dotes on his youngest child.

"He is not as strict as he used to be," Ben said. "He ran a regimented family when we were younger."

"It is fortunate that he gets a chance to do what he thinks he should have done (with us)."

Stevens' new family in 1981 came just as he reached the pinnacle of his power in the Senate.

COSTLY DEFEAT

In 1975, Stevens was elected chairman of the Republican Senatorial Campaign Committee, which raised money to elect Republicans to the chamber. Republicans were worried that voters would savage the party in the 1976 elections because of the Watergate scandal and the resignation of President Richard Nixon in August 1974.

But, when all the votes were tabulated, Senate Republicans had held their ground with 38 seats. Two months later, Stevens was unanimously elected Republican whip, or assistant leader—the party's second-highest post in the Senate.

In 1980, Republicans riding on the coattails of Ronald Reagan won control of the Senate for the first time since 1954, and Stevens was elevated from minority whip to majority whip. The job gave him considerable influence over the Senate's agenda, a large office suite in the Capitol and a chauffeured car.

In 1984, Stevens ran for majority leader, the top job in the Senate. He lost to Sen. Bob Dole, R-Kan., by three votes.

Dole was seen as more likely to run the Senate independently from the Reagan White House, according to newspaper reports at the time.

But Stevens thinks power politics was partly to blame for his defeat. He said some Republicans on whom he had counted instead voted for Dole because the Kansan's election meant new committee positions for them.

Stevens was devastated by the loss. He had had to give up the job of whip to run, and the Dole victory ended his 10-year climb up the leadership ladder.

But the defeat improved the personal side of Stevens' life. For the eight years he was whip, he had arrived early to open the Senate and stayed late to close it.

"Now I can take Lily (then 3) to school in the morning and maybe even pick her up at night sometimes," Stevens said after the vote. "It's not all bad."

The aftermath of that defeat has led to some of the best years in Stevens' public life, he said in a recent interview.

In 1985, Dole appointed Stevens chairman of a Senate group created to observe arms-control negotiations in Geneva. With most of the pressing Alaska issues already resolved, the appointment gave Stevens the chance to travel frequently with Catherine and Lily.

"We flew Alaska salmon over to Geneva and had parties for the Russians," he said. "First they came alone, then they came with their wives. Before we were through they were walking around the lake with us and we were talking to them on Sunday afternoon. Those were good days."

FINANCIAL PROBLEMS

But the private side of Stevens' life was anything but comfortable. He was in deep money trouble.

In 1979, three years after helping shepherd the Magnuson Fishery Conservation and Management Act through Congress, Stevens and nine partners invested in the industry

the act was intended to stimulate. They built a $2 million crab boat and christened it the "Lady Ann," in honor of Stevens' first wife.

Stevens said at the time that his work on the Magnuson Act was no ethical bar to investing in the fishery, adding that "I'd like to be accused of being the only senator that owns a fleet of fishing boats."

The investors included Catherine's brother, William Bittner, and Ron Birch, a former Stevens aide who had formed a law partnership with Bittner.

Birch said in a recent interview that each investor put up $20,000 to secure a bank note. Cash calls came later for equipment and supplies, he said.

By the time Lady Ann hit the water, the crab industry was on the rocks, and investors in the vessel were facing payments on a debt with interest rates soaring to 21 percent, Birch said.

Stevens' partners were lawyers and businessmen making more money than he did as a senator. They could handle the strain, but Stevens said he had trouble making his payments.

But the bigger burden, Stevens said, was Catherine's investment in an Arizona cattle ranch.

Neither would go into much detail but Catherine said her investment in the 39,000-acre ranch ran into problems with the Internal Revenue Service.

"We had a big tax bill," Catherine said. "We had been hassling with them over depreciation schedules and various things like that. The problem is that if you owe back taxes, with the interest, it was enough money. I don't even remember how much money it was."

In December 1986 the couple sold their suburban Maryland house to pay off debts and rented a home in Washington, D.C.

"Those were bad days," Stevens said. "Those were the tough times."

Frustrated by his own financial predicament and facing another re-election campaign in 1990, Stevens seemed discouraged.

In an interview in 1988, he complained about how much he had given up for a public-service career. He said he considered the 1990 election "pivotal" for him and the state.

"Politics is a very fickle thing," he said. "I see this election as determining whether the state wants someone with great seniority.

"I just want people to understand the commitment I'm making if I stay on," he said. "This is a period I could go out and make $1 million a year without any question."

Then, in March 1989, it seemed Stevens might not be a candidate for re-election.

President George Bush's nomination of John Tower to be secretary of Defense was rejected by the Senate, and the White House went searching for a less-controversial candidate who would be easy to confirm. Stevens' name was among those floated for the job.

Sean O'Keefe, then Stevens' top military aide, said he thinks Stevens was seriously considered.

According to O'Keefe; who later became Navy secretary under Bush, the White House called the morning of March 10—the day the nomination was to be announced—wondering where Stevens could be reached, if needed.

Less than an hour before the announcement, Stevens was in his office anxiously contemplating his options.

Alaskans had repeatedly elected him to be their senator, Stevens told a reporter that morning. That was not something that could be easily dismissed.

"I have a real feeling about the presidency," Stevens later said. "If the president asks you to do something, if it's within your power, I think you should do it. I never faced that problem."

In the end, he never had to. The Defense Department job went to former Wyoming Rep. Dick Cheney, who had served in the U.S. House with Bush.

Stevens' reaction was to dismiss the episode as a flash in the pan. He said he doesn't think Bush ever seriously considered him because he had backed Bob Dole—not Bush—in the 1988 Republican primary.

"Bush personally asked me for my support. I told him that Dole has been very generous to me and that I intend to support Dole," Stevens said. "Presidents don't forget things like that."

Bush wouldn't comment on how seriously he considered Stevens for the job. The ex-president is writing a book and "he's keeping his powder dry on this one," figures aide Jim McGrath. "I don't think he wants to scoop himself."

FINDING THE BALANCE

Today, at 70, Stevens seems more at peace. He travels to the state about 10 times a year, staying when time allows at his Girdwood chalet—his official residence. Though he still maintains a rigorous schedule in Washington, he takes time to drive Lily and her schoolmates to soccer games.

But he's as political as ever. He's already said he plans to run for re-election in 1996. And, on the Senate floor, he is as tenacious as ever, doing everything he can to keep federal money flowing north.

Thanks to the dying gift of one of his first friends in Alaska, his own money problems seem to be behind him.

That friend was former Fairbanks Daily News-Miner publisher C.W. Snedden, who died in 1989.

Snedden willed Stevens one of his most cherished possessions—a 55-foot motor yacht called the Lorichuck. Unable to afford the vessel's moorage fees in Seattle and in need of cash himself, Stevens put the vessel up for sale at an asking price of $650,000.

It is not clear how much the vessel actually fetched. But a Seattle boat broker said about the time the yacht was sold that he knew of a pending $420,000 offer. Stevens said he and Catherine used the proceeds to pay off bills and buy the house they had been renting.

Stevens described Snedden's bequest as "one of those great testimonials to friendship."

"He had personal knowledge of my personal finances over the years," Stevens said in a 1989 interview. "It was a gesture to help me stay in the Senate."

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

RURAL HEALTH

Mr. MOYNIHAN. Mr. President, New York State is best known for its large metropolitan areas; however, there are nearly 3.1 million rural residents in the State. The rural population in New York is larger than the population of 21 States. In many rural areas of New York, the existing health care delivery system is inadequate, inappropriate, or generally unavailable.

Rural communities of New York State and the Nation are experiencing serious challenges in attracting and retaining health care providers and health care services. Hospitals and primary care facilities continue to close. Communities are concerned about the availability of emergency medical services [EMS]. Physicians are retiring and some are leaving the rural areas which only adds to the health professional shortage problem.

In recognizing the needs of rural areas, the Federal Government has supported initiatives to assist States and local communities in meeting their health care needs. New York State is one of seven States that receive grants under the Essential Access Community Hospital [EACH] and the Rural Primary Care Hospital [RPCH] program. These grants help develop rural health networks by linking at least one full service hospital [EACH] and one or more limited service hospitals [RPCH's]. However, even before the Federal program was initiated in 1989, New York State supported the development of rural health networks.

Currently, New York's rural health network initiative supports four rural health network demonstration sites—Upper Hudson (Adirondack Rural Health Network), Chenango Health Network, Northern New York Rural Health Care Alliance, Southern Tier Healthcare System—and has been working with a number of other rural provider groups to develop additional integrated networks of health care providers. Specifically, the State of New York is helping networks to coordinate and integrate services in three major service categories: (a) hospital services; (b) primary care services; and (c) emergency medical services. These services must be integrated both within each category and among the categories.

The rural health amendments offered by Senator DASCHLE and other members of the rural coalition will certainly assist rural areas in New York. Providers in underserved rural Counties such as Jefferson, Essex, Yates, and Cortland would be eligible to apply for the following: Funding for the development of health care plans and networks; bonus payments under Medicare for primary care physicians and nonphysician practitioners practicing in rural areas; tax incentives for health care providers who locate in rural areas; more generous expensing for medical equipment used to provide primary care services in rural areas; additional funding for the National Health Service Corp.

All rural areas, some 44 counties in New York State, would benefit from the following provision: Grants for the

development of rural telemedicine; rural emergency medical services [EMS] program grants; higher payments for small rural Medicare dependent hospitals; Medicare rural health transition grants for rural hospitals to modify the extent and type of services they provide; the rural based managed care program to increase the number of rural managed care plans.

Indeed, this is a significant step toward expanding our capacity to delivery health care services in rural communities.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

AMENDMENT NO. 2569 TO AMENDMENT NO. 2560

(Purpose: To clarify the grounds for the nonrenewal or termination of a health plan in the event of the nonpayment of premiums)

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

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Maine [Mr. MITCHELL] *proposes an amendment numbered 2569 to amendment No. 2560.

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

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

The amendment is as follows:

On page 1432, strike lines 21 through 24, and insert the following:

SEC. 10135. PROVISIONS REGARDING NONPAYMENT OF PREMIUMS.

(a) IN GENERAL.—A health plan may terminate coverage if amounts owed to the plan for a month with respect to an individual or an individual's family members have not been fully paid for a time period established under State law, or in the absence of such a law, a period of not less than 60 days, and the heath plan has made reasonable attempts to collect such amounts.

(b) NOTICE.—Notwithstanding any other provision of this Act, a health plan may terminate coverage for nonpayment of premiums under subsection (a) only after providing notice of amounts overdue (in a form and manner and at such times as prescribed by the appropriate certifying authority).

Mr. MITCHELL. Mr. President, under the legislation which I introduced, a sponsor of a standard health plan has the authority to terminate an insurance policy for nonpayment of premiums. That is an authority which currently exists and is administered under State law with respect to insurance policies.

Under the legislation, if 95 percent of coverage is obtained by the year 2000, then no employer requirement with respect to participation in the cost of insurance would be required, and the status as I have just described it would be permanent thereafter.

So under the amendment, for at least a period of 7 years, and then depending upon what occurred thereafter, possibly permanently a company would retain existing legal rights to terminate a policy for nonpayment of premiums.

However, under the legislation, in the event that 95 percent of coverage is not achieved by the year 2000, and in the further event that Congress does not act thereafter to remedy that situation, then beginning in the year 2002 an employer requirement is created under which employers having 25 or more employees would be required to participate in the cost of health insurance for employees on a 50-50 cost-sharing basis. Employees of firms with fewer than 25 employees would be exempt from that requirement.

In order to prevent a situation under those circumstances in which an employee of a covered firm paid his or her premium but the employer failed to make the contribution required by law, the legislation is intended to prohibit termination of a policy in that circumstance; that is to say, in the event the employee paid his share of the premium and thought he was covered, but the employer failed to make his required payment, under which circumstance the concern was that the employee's policy would be canceled even though the employee had paid his share and might not even be aware of the employer's lack of contribution.

The language of the proposal which was intended to achieve this narrow result has been interpreted by some in a way which creates an ambiguity and which some have suggested prohibits in all circumstances, at all times, under the legislation, a circumstance in which a policy could never be canceled for nonpayment of premium.

That is clearly not the intent of the legislation, and this amendment is intended to resolve any ambiguity in that regard.

The amendment provides that a health plan may terminate coverage if the premiums are not paid for a time period as established under State law, and if there is no State law, then a period of 60 days.

Now, I emphasize again, this applies only in the period after the year 2002 if the employer requirement is triggered and that employer does not meet the responsibility of the law even though the employee may have paid his premium or, of course, in the event the employee did not pay his premium.

Almost all and perhaps all States have grace periods prior to the cancellation of policies. They generally are in the range of 30 days. They vary somewhat depending upon the type of policy and the State.

So what this says is in that situation, if a premium is not paid either by the individual employee or by the employer, the termination of the policy could occur subject to State law with respect to the grace period.

In the event that the nonpayment of premium by either the individual employee or the employer occurred and the State did not have a law containing a grace period, the grace period would be 60 days.

So, Mr. President, this is an effort to clarify a possible ambiguity in the manner in which the underlying legislation is interpreted and to make clear again, first, that for the period between 1995 and 2002, and perhaps on a permanent basis, depending upon whether the employer requirement is triggered, insurance companies and other health plan providers retain their right to terminate policies for nonpayment of premiums consistent with applicable State law.

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

Mr. MITCHELL. Yes, certainly.

Mrs. FEINSTEIN. If I may, as the majority leader knows, this was a section that troubled me very greatly. I think it is title X, section 10135. It is my understanding of what the majority leader is saying that this section, first of all, does not come in until after the year 2000; and second, it applies only if the mandate is triggered and the employer does not pay his share. Am I correct in this?

Mr. MITCHELL. If the employer does not pay his share or if the employee does not pay his share.

Mrs. FEINSTEIN. My next question is what would happen after the 60 days expired?

Mr. MITCHELL. In the event that the premium remained unpaid and the plan had made a reasonable attempt to collect and had notified the employee, the policy would be terminated.

Mrs. FEINSTEIN. The policy would terminate?

Mr. MITCHELL. Yes.

Mrs. FEINSTEIN. So there would be no need for someone to sue to gain payment; the policy would terminate?

Mr. MITCHELL. That is right. The insurer, the insuring party has the power and authority to terminate the policy as under current law.

Mrs. FEINSTEIN. I thank the majority leader very much. I think that is a substantial improvement, and I am very pleased to see it.

So I thank the majority leader.

Mr. MITCHELL. Mr. President, that completes my explanation of the amendment.

I was earlier advised and announced that no recorded vote would be necessary.

I will be pleased now to yield the floor and permit my colleague from Oregon to make such remarks as he may wish.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. PACKWOOD. Mr. President, there will be no vote on this amendment, and we will be prepared to accept it.

I think a few Members have some things they would like to say, and it is understandable. I appreciate the majority leader's reasonableness on this.

All you have to do is stand here on the floor next to the majority leader, 5 feet away, and listen to the demands on his time: Please vote by 5 o'clock; I want to be home by 5 p.m.; Do not vote before 6 because I will not be back. And 100 voices, majority and minority Members, a cacophony of people talking to him. It is understandable that you cannot know everything that is in your own bill. You cannot go through 1,400 pages and find every possible permutation.

When he says the bill was intended not to cancel employees if the employer did not pay the premiums, I realize that in the hearts and minds of the drafters, that is what they hoped.

It is simply, I think, not unlike the $10,000 penalty we had yesterday. It slipped into the bill somehow unnoticed.

This slipped into the bill somehow unnoticed. And my hunch is there are other things in the bill unnoticed that will be unearthed before we are finished.

I am delighted the majority leader caught the error and was willing at least to remedy this slight mistake in the bill.

But I say again, I can perfectly understand how it is impossible to know everything in a bill even when it is your own bill.

Mr. MITCHELL. Mr. President, I thank my colleague for his kind remarks.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. MITCHELL. I am sure the Senator has had the same experience. In 1986, he managed the Tax Reform Act, which was even longer than the bill that is now before us and which had a lot of arcane provisions that were hard to understand, some deliberately so and some not.

So I thank the Senator.

Mr. PACKWOOD. I had the advantage that I discovered, in taxation, most people concede they do not know and do not bother you. In health, everyone knows what it is about.

Therefore, the majority leader has to put up with a lot more than I had to put up with.

Mr. MITCHELL. Mr. President, we are prepared to proceed to act on the amendment by voice vote at this point.

Mr. D'AMATO. Mr. President, will the majority leader yield for an observation?

Mr. MITCHELL. Yes.

Mr. D'AMATO. Mr. President, first of all, let me say personally that there is no one I respect more than the majority leader, both as a leader and for the way he conducts himself personally. There is no fairer or finer advocate than the majority leader.

I say that because I do not want my remarks to be misinterpreted, because they may be, and they are, somewhat critical of the process we have engaged in. But we do not pick the process. Events, time, and other circumstances have thrust it upon us.

I could not help but pick up on the leader's remarks about 1986 and the tax bill. Probably in my mind the greatest single mistake that I made—and I have made lots of them in terms of legislation I have voted for or against—was my vote for that 1986 tax bill. I remember coming down on the floor with Senator DODD, my colleague, who I see over here. We fought like the dickens to keep the IRA's from being knocked out. We actually had the votes. And then, because of subtle pressure, et cetera, we lost it.

We should have kept those IRA's. We fought in a bipartisan way. Now, years later, I have seen some of the Senators who worked assiduously to defeat us on that became the sponsors and champions of IRA's, working to reclaim them, to bring them back. I remember that.

I remember provision after provision being worked against. I remember it was fashionable to get the real estate buys. It was, "Let's get 'em." And, by the way, we did it in a retroactively manner. We talk about the disaster that we crated with the banks. We helped bring some of that about because people who had contracts all of the sudden found the tax rules had changed retroactively. It did not matter that they had invested their life's savings. It was, after all, these real estate guys.

I have no problem with saying that prospectively, in the future, we will not longer allow people to get these shelters. Some of those shelters were nonproductive.

Now, why do I say that? Because there were provisions after provisions that I worked to change, and we did not change them. And there were some redeeming features in that bill. If you want to knock out tax relief for wealthy people that is not productive, fine. Do it prospectively, but do not reach back. That was wrong. But we did it because we needed the revenue,

And I have to tell you something, we are doing things here in this bill because we are trying to meet goals and revenue targets. We do not come close to understanding the import of what we are doing in this bill.

And in 1986, I am telling you again, I went down in that well, and I went along with the crowd. I was wrong. And I vowed that when I feel strongly on a subject from now on, I am not going to keep quiet and I am not just going to go with the flow.

And, again, there were redeeming aspects to the bill. I remember tax credits for working people. That is the way that I rationalized it in my mind. I think that was a good part of the 1986 bill. That really was good for working poor people.

To my amazement, the leader voted against that tax bill. And I say to him, it is to his credit. I always said to myself, "Yeah, Senator MITCHELL voted the other way, and I applaud him. He stood up and he voted that way. I wish I had."

Mr. MITCHELL. If the Senator would yield, I thank the Senator for giving me credit, but I think I better make clear that I voted for it.

Mr. D'AMATO. I always thought you voted the other way. I always gave you credit for that.

Mr. MITCHELL. I appreciate the fact that for the past 8 years I have gotten credit for something which I did not do.

Mr. D'AMATO. In my mind, you did. I was always amazed.

Mr. MITCHELL. I thought one thing we better do around here now is correct the RECORD as soon as we can.

Mr. D'AMATO. I was upset with myself for not having gone down there and voted that way. I will not tell you why. I try to do it in my diary. I hope the diary does not lie.

But, it is one of the two incidents that I have cited in terms of lack of courage. It was my lack of courage at that time.

Why do I bring this up? Because, it bears upon the leader's amendment to clarify what was done on page 1432, section 10135, lines 21 through 24. And I understand his clarification.

But I must say, when it comes to an issue, that is as important to the health and welfare of every American and every family as health reform, we should not be thrust in a position, any of us, where we are reading through this voluminous document in this manner.

I do not lay blame upon anyone in this Chamber for our finding ourselves in this circumstance. But I do think we do ourselves and the people great harm if we attempt to proceed and enact legislation in this manner.

And I think the reasons come down to, we find that it is important politically. I think we do damage to the political process—the governmental process—if we insist on pursuing this course.

I believe the whole health care issue has been moved forward in a manner which has already resulted in some substantial improvements, which has already focused attention on some important issues.

I give the President credit for that. I give Mrs. Clinton credit for that. We have seen greater cost containment in certain areas. In the private sector, we have seen hospitals, drug manufacturers, and others undertake certain actions that probably never would have

been taken were it not for the seriousness of purpose that has arisen around addressing this important national issue.

But I implore my friends and colleagues in this body, Democrats and Republicans, to take a step back now and let us see if we cannot continue the process of narrowing our differences, and attempting to come up with a bill that will do the job and not one which is driven by time or by elections; one in which we come together and do the business of the people the right way.

That is the nature of the calls which I am getting from my constituents—not lobbyists, but New Yorkers. And by an overwhelming margin, about 3.1 to 1, the calls that come in are saying, "Yes, we know there is a need for health care. Please don't rush to judgment."

I think this is a rush to judgment.

I yield the floor.

And I thank my distinguished friend and colleague for setting me straight on his 1986 vote.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. MITCHELL. Mr. President, we are prepared to proceed to have the amendment adopted.

The PRESIDING OFFICER. Is there further debate?

If not, the question is on agreeing to the amendment offered by the majority leader.

The amendment (No. 2569) was agreed to.

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

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

The motion to lay on the table was agreed to.

POSITION ON VOTE 290

Mr. COHEN. Mr. President, I regret that earlier today a medical appointment prevented me from voting on an amendment offered by Senator DASCHLE which sought to expand access to health care in rural areas. Representing a rural State like Maine, I am well aware of the special problems that rural areas face. In fact, the first comprehensive health care bill I introduced in 1990 included a number of provisions to address the health care needs of rural areas. My efforts with respect to health care have routinely included particular focus on the need to expand quality health care services in Maine and other rural States. Accordingly, had I been able to vote, I would have joined my other colleagues in unanimously supporting the Daschle amendment.

FEDERAL EMPLOYEES HEALTH BENEFIT PLAN

Ms. MIKULSKI. Mr. President, I rise today to speak to the importance of opening up the Federal Employees Health Benefit Plan to all Americans and to explain what this decision will mean to Federal employees. I would also like to respond to comments made by the senior Senator from Alaska who said two things that concern me:

First, that Federal employees get less in the standard benefit package; and

Second, that they get a supplemental benefit package not available to others.

Opening up FEHBP is a wise decision. It allows Americans to have access to the very same choice of health insurance plans that we have, that the President has, that Federal employees have.

FEHBP enrolls over 9 million employees and their families. It is a structure that exists everywhere in the country. You can go to Frederick, MD and there are FEHBP enrollees or you can go to Fairbanks, AK and there will be FEHBP enrollees. It is a system which is in place and it works for its enrollees. I am an FEHBP enrollee. I am a Blue Cross/Blue Shield standard option single only. I like my coverage and I think that it is only right that Americans have access to the same health insurance plans.

But while are are opening up FEHBP, I have worked hard to make sure that we are not taking anything away from the Federal employees. When concerns were raised during the Labor Committee markup, I worked with the Federal employee unions to meet those concerns. They said that the bill treated them differently from other Americans and from what I could see they were right.

Why was that?

First, coverage might be lost for some Federal employees.

Second, unlike workers in the private sector, Federal employees could not get a supplemental benefit package to close the gap between what they get in the standard package. Because the Office of Personnel Management is not required to offer supplemental plans to Federal employees, they could end up with less than they have now.

So, I worked with Senator KENNEDY in the Labor Committee markup to resolve these issues. I offered an amendment that was accepted that achieved the following goals:

First, the Federal employees health benefit program must offer a supplemental benefit package;

Second, it allows Federal employee organizations to meet and confer with O.P.M. for these policies and agree upon a contribution toward the premiums; and

Third, it allows any American covered by a health plan offered by FEHBP to buy the FEHBP supplemental plan.

This provision leveled the playing field. Federal employees would have access to supplemental benefit packages that many private sector employees now have access to and would continue to have access to through negotiations with their employers.

We needed to correct this situation and this amendment allowed that. This is the provision that Senator MITCHELL agreed to include in his bill and this is the understanding of the Federal employee unions.

It doesn't mean that the Federal Government will necessarily pay for the supplemental benefits package for Federal employees. Nor does it mean that there will be a Federal contribution to non-Federal FEHBP enrollees who want to purchase a supplemental package.

It simply means that Federal employees, like workers in private industry, can negotiate with their employers to receive a contribution toward a supplemental benefit. Federal employees are just being treated fairly—just like many other Americans.

I hope this clarifies the record. I believe that we should have a health care system for all Americans—that is accessible, affordable, rewards people who play by the rules, and lets people choose their own providers. That is what this provision does. That is why opening up FEHBP is a good idea.

THE BASEBALL STRIKE

Mr. METZENBAUM. Mr. President, there are a lot of games being played here on the floor of the U.S. Senate, but there are not many games being played on the baseball fields in America. There just "ain't no baseball being played in the major leagues these days."

The strike in major league baseball is now 1 week old. There is no sign that millions of baseball fans are likely to see their favorite teams play any time in the near future.

As a matter of fact, the rest of the season, the playoffs, and the World Series are all in serious jeopardy.

We must bring this strike to a speedy resolution. Last week, Senator HATCH and I introduced legislation to do just that. As you would expect, the owners told the media that the Metzenbaum-Hatch bill would not do any good. But the players said nothing. So I called Don Fehr, head of the players association, and asked him what he thought. Last night I received Fehr's response. The way I read this letter it represents a strong indication that this strike could be brought to an early conclusion, and the season could get underway very shortly after we act.

Here is what he said:

> Had S. 2380, the Metzenbaum-Hatch bill, become law prior to the strike, it would have been a major step forward. Indeed, it might well have had a beneficial effect on the negotiations because the owners would have understood that they could not unilaterally impose the salary cap free from antitrust scrutiny. Moreover, the players would have options to consider other than going on strike.
>
> Although one cannot know for certain, it is my best judgment that had S. 2380 been law, it is much less likely that players now would be on strike.

The same letter, I believe, was sent to Senator HATCH.

The players believe that the Metzenbaum-Hatch bill provides the key elements to end this strike. What the bill lacks is a way to protect the more than 600 major league players who could have their pay cut arbitrarily because they do not have contracts for next season while the players challenge the owners in court. The players have a good point which, I am frank to say, we did not consider when crafting this legislation. I do not see any reason why we could not amend our bill to protect players from these arbitrary salary reductions while their labor dispute is worked out in court. According to the players, if Congress passes the Metzenbaum-Hatch bill with this slight modification they are likely to go back to work. Fehr promised that:

If * * * these critical and fundamental problems can be addressed, we would seriously consider asking the players to return to the field while negotiations continue.

This is clearly good news. The head of the players association is telling us that if we pass a bill that applies the antitrust laws when any unilateral conditions are imposed, and protects against automatic salary reductions during an antitrust lawsuit, he might recommend that the players take the field and complete the season.

Our task is obvious. At the appropriate point in time, the Senate should set aside the health care bill just for a few hours—because certainly the national health care bill has far more importance and priority than this matter—but for a few hours to move a bill that would put an end to the baseball strike. I will continue working with Senator HATCH and any other Senator interested in fine-tuning our bill so that we can move quickly.

Frankly, this is the best hope the fans have to preserve the remainder of the baseball season, the playoffs, and the World Series for America's baseball fans.

Mr. President, I ask unanimous consent that the letter from Mr. Fehr be printed in the RECORD.

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

MAJOR LEAGUE
BASEBALL PLAYERS ASSOCIATION,
New York, NY, August 17, 1994.

Hon. HOWARD METZENBAUM,
U.S. Senate, Washington, DC.

DEAR SENATOR METZENBAUM: It was with great interest that I reviewed the bill, S. 2380, the "Baseball Fans Protection Act of 1994", which was recently introduced by you and Senator Hatch in an effort to bring baseball back to the field, and save this season for the fans. More than anyone, the players regret that the owners left them no choice but to strike, and to interrupt a season as great as this one, disappointing fans everywhere, and, unfortunately, affecting individuals employed at or around major league stadiums during the season. The players understand and appreciate very much the ongoing efforts by you and Senator Hatch to bring this matter to resolution as soon as possible.

You have asked that I give you the views of the Major League Baseball Players Association with respect to S. 2380. Moreover, you have asked what legislation would cause the players to consider ending the strike without reaching a new collective bargaining agreement with the owners.

As you know, there has been a strike or lockout in major league baseball every time the MLBPA has negotiated with the owners over the last 22 years. The strike which began last Friday, 12 August, is the eighth consecutive work stoppage in that period. S. 2380 is significant, because it directly addresses the relationship between the owners' antitrust exemption and their collective bargaining relationship with the players. Without question, the unique exemption from the antitrust laws enjoyed by baseball's owners has been, and in the current dispute continues to be, a major contributing factor to this sorry history. The owners are a legal cartel; it is no surprise that they act like one.

Simply put, the owners' position in this year's talks, as it is in every bargaining round, is to insist that the players accept substantial restraints on the free market for employment of players, designed to limit players' freedom to seek employment and to artificially depress the free market value of players. And the owners so insist because they are secure in the knowledge that, due to their exemption from the antitrust laws, no terms or conditions of employment that they can force upon the players, or unilaterally impose following an impasse in bargaining, may be challenged under the antitrust laws, no matter how unreasonably anticompetitive those terms and conditions may be.

It is this freedom from the antitrust laws—the antitrust laws are in place everywhere else except in highly regulated industries—which gives the owners the incentive to continue to act as they have. They have monopoly power; why should anyone expect them not to use it? In other industries, and in particular in the other professional team sports, this is not the case. Rather, as those owners know, and indeed, as the NFL owners recently learned, sooner or later their actions are subject to antitrust review. Baseball's owners have no such worries.

In the ordinary circumstance under our labor laws, should bargaining fail, management can lock out or, assuming a valid impasse in bargaining, unilaterally impose terms and conditions of employment consistent with its bargaining position. Should that occur, the employees can strike and/or, if the terms would otherwise violate the antitrust laws, seek court review. In the current situation, the owners have made it clear that they intend to impose their salary cap in the off-season. Needless to say, the players can neither strike in November nor challenge the cap under the antitrust laws. Hence, as in past years, the players' only option was to strike.

Had S. 2380 become law prior to the strike, it would have been a major step forward. Indeed, it might well have had a beneficial effect on the negotiations because the owners would have understood that they could not unilaterally impose the salary cap free from antitrust scrutiny. Moreover, the players would have options to consider other than going on strike. Although one cannot know for certain, it is my best judgment that had S. 2380 been law, it is much less likely that players now would be on strike. If the owners had been required to consider the antitrust laws when they formulated their proposal to the union, and if the players had known that they had protection under the antitrust laws, the result might well have been different.

We are, however, not at that point. S. 2380 is not law; the owners are committed to the salary cap, and clearly intend to impose it after the season; and a strike has begun. Even were S. 2380 to be now enacted, it would be very difficult to ask players to end the strike without an agreement. That would permit the owners to impose the salary cap in the off-season, with the players' only remedy being a suit of indefinite duration filed after the cap was imposed, leaving the players stuck with the cap during the pendency of the litigation (unless they determined to go on strike next season). In the interim, all of the new player contracts would be negotiated under the owners' unilaterally imposed rules. (There are more than 600 major league players who do not have contracts for next season.) One cannot expect the players to put themselves in that position. Moreover, S. 2380 would apply only to this current dispute, leaving the players—and the fans—in the same boat next time.

If, however, these critical and fundamental problems can be addressed, we would seriously consider asking the players to return to the field while negotiations continue. Absent the assurance that new contracts will be signed under the provisions of the prior agreement, rather than under any unilaterally imposed terms and conditions, the players will not give up, even temporarily, the only recourse that the Congress has provided for them. And the players are fully prepared to stay on strike as long as is necessary to secure an appropriate new agreement.

Finally, I note that several fan and consumer groups (such as Sports Fans United and the Consumer Federation of America, among others) have today once again indicated their view that the Congress should act to eliminate the owners' antitrust exemption, and that in their view, the exemption is a major contributing cause to the current strike. It is worth remembering that, so far as I am aware, no fan, consumer or public interest group takes a different view.

Needless to say, I would be pleased to answer any further questions you may have, and to work with you and Senator Hatch on the precise details of any such legislation.

Sincerely,

DONALD M. FEHR.

Mr. METZENBAUM. Mr. President, I say to my colleague and friend from New York, I am very grateful for him permitting me to have a few minutes for the interruption of a more important debate on the health care bill.

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

The PRESIDING OFFICER. The majority leader suggests the absence of a quorum.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

MORNING BUSINESS

Mr. FORD. Mr. President, I ask unanimous consent that there now be a period for morning business, with Senators permitted to speak therein for up to 5 minutes.

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

MESSAGES FROM THE HOUSE

At 2:23 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate.

H.R. 4906. An Act to amend the Congressional Budget and Impoundment Control Act of 1974 to limit consideration of nonemergency matters in emergency legislation.

The message also announced that the House insists upon its amendments to the bill (S. 1485), a bill to extend certain satellite carrier compulsory licenses, and for other purposes, and asks a conference with the Senate on the disagreeing votes of the two Houses thereon; and appoints Mr. BROOKS, Mr. HUGHES, Mr. SYNAR, Mr. BOUCHER, Mr. FRANK of Massachusetts, Mr. MOORHEAD, Mr. COBLE, and Mr. FISH as the managers of the conference on the part of the House.

At 3:52 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4603), making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies programs for the fiscal year ending September 30, 1995, and making supplemental appropriations for these departments and agencies for the fiscal year ending September 30, 1994, and for other purposes.

The message also announced, that the Speaker makes the following modification in the appointment of conferees in the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1587) entitled "An Act to revise and streamline the acquisition laws of the Federal Government, and for other purposes":

As additional conferees from the Committee on Energy and Commerce, for consideration of sections 4024(g), 6003 (a)(4) and (b)(4), and 8005(c)(6) of the Senate bill, and modifications committed to conference: Mr. DINGELL, Mr. SWIFT, and Mr. MOORHEAD.

ENROLLED BILLS SIGNED

At 8:09 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

H.R. 2947. An act to extend for an additional two years the authorization of the Black Revolutionary War Patriots Foundation to establish a memorial; and

H.R. 4790. An act to designate the United States courthouse under construction in St. Louis, Missouri, as the "Thomas F. Eagleton United States Courthouse."

MEASURES REFERRED

The following bill was read the first and second times by unanimous consent and referred as indicated:

H.R. 4906. An act to amend the Congressional Budget and Impoundment Control Act of 1974 to limit consideration of nonemergency matters in emergency legislation; referred jointly, pursuant to the order of August 4, 1977, to the Committee on the Budget, and to the Committee on Governmental Affairs.

MEASURES PLACED ON THE CALENDAR

The following bills were read the second time and placed on the calendar:

S. 2380. A bill to encourage serious negotiations between the major league baseball players and the owners of major league baseball in order to prevent a strike by the players or a lockout by the owners so that the fans will be able to enjoy the remainder of the baseball season, the playoffs, and the World Series.

S. 2381. A bill to require the Secretary of Health and Human Services to provide health care fraud and abuse guidance, and for other purposes.

S. 2396. A bill entitled the "Affordable Health Care Now Act."

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3230. A communication from the Acting Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, notice relative to military personnel accounts for fiscal year 1995; referred jointly, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1975, to the Committee on Appropriations, to the Committee on Budget, and to the Committee on Armed Services.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. INOUYE, from the Committee on Indian Affairs, with an amendment in the nature of a substitute:

H.R. 4228. A bill to extend Federal recognition to the United Auburn Indian Community of the Auburn Rancheria of California (Rept. No. 103-340).

By Mr. PELL, from the Committee on Foreign Relations, without amendment and with a preamble:

H. Con. Res. 215. A concurrent resolution honoring James Norman Hall and recognizing his outstanding contributions to the United States and the South Pacific.

By Mr. PELL, from the Committee on Foreign Relations, without amendment:

S. 1329. A bill to provide for an investigation of the whereabouts of the United States citizens and others who have been missing from Cyprus since 1974.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. NUNN, from the Committee on Armed Services:

Judith A. Miller, of Ohio, to be General Counsel of the Department of Defense;

Walter Becker Slocombe, of the District of Columbia, to be Under Secretary of Defense for Policy;

Sandra Kaplan Stuart, of North Carolina, to be an Assistant Secretary of Defense;

Jan Lodal, of Virginia, to be Deputy Under Secretary of Defense for Policy;

Joseph Nye, of Massachusetts, to be an Assistant Secretary of Defense; and

Philip Edward Coyle, III, of the District of Columbia, to be Director of Operational Test and Evaluation, Department of Defense.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. PELL, from the Committee on Foreign Relations:

Neil H. Offen, of the District of Columbia, to be a Member of the Board of Directors of the Inter-American Foundation for a term expiring October 6, 1998;

Ralph Earle, II, of the District of Columbia, to be Deputy Director of the United States Arms Control and Disarmament Agency;

Richard Holbrooke, of New York, to be an Assistant Secretary of State;

Richard L. Greene, of Maryland, to be Chief Financial Officer, Department of State;

Phyllis E. Oakley, of Louisiana, to be an Assistant Secretary of State; and

Brady Anderson, of Arkansas, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the United Republic of Tanzania.

Nominee: Brady Anderson.

Post: Ambassador to Tanzania.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, amount, date, donee:

1. Self, $200, June 1992, Bill Clinton.
2. Spouse, none.
3. Children and spouses: Helen L. Anderson, none (both children are unmarried); Elizabeth H. Anderson, None.
4. Parents: Joe L. Anderson, deceased—1978; Maurine T. Anderson, none.
5. Grandparents: Stonewall Anderson, deceased—1950; Nora B. Anderson, deceased—1982; Harvey Thorn, deceased—1963; Sadie Thorn, deceased—1976.
6. Brothers and spouses: I have no brothers.
7. Sisters and spouses: Jon Anderson Purifoy, $500, Oct. 1991-Apr. 1992, Bill Clinton; Philip B. Purifoy, none.

Robert L. Gallucci, of Virginia, a Career Member of the Senior Executive Service, to be Ambassador at Large.

Nominee: Robert L. Gallucci.

Post: Ambassador at Large.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, amount, date, donee:

1. Self, none.

2. Spouse, Jennifer Sims, none.

3. Children and spouses: Jessica, 13 and Nicholas, 11 (Gallucci), none.

4. Parents: Mae Gallucci, none.

5. Brothers and spouses: Betty and Vincent Gallucci, $50.00 to Democratic Party; $50.00 to Senator McDermott.

Eileenn A. Malloy, of Connecticut, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kyrgyz Republic.

Nominee: Eileen A. Malloy.

Post: Bishkek, Kyrgyzstan.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, amount, date, donee:

1. Self, none.

2. Spouse, Jim McLachlan, none.

3. Children and spouses: Mary Kathryn Paegle, and Christina McLachlan, none.

4. Parents: John and Helen Malloy, $100 a year each, National Republican Party.

5. Grandparents: Joseph E Malloy, deceased—died 1940's; Kathryn Langan, deceased—died 1984.

6. Brothers and spouses: Not available.

7. Sisters and spouses: Kathryn Malloy O'Dell, none; Bo O'Dell, none.

I also have four step-sisters with whom I have no contact.

Curtis Warren Kamman, of the District of Columbia, a Career Member of the Senior Foreign Service, Class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Bolivia.

Nominee: Curtis Warren Kamman.

Post: Ambassador to Bolivia.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, amount, date, donee:

1. Self, none.

2. Spouse, Mary C. Kamman, none.

3. Children and spouses: Edward Kamman and Esta Salmon, none; John Kamman and Nichole Becker, none; W. Stephen Kamman, $55, Aug. 1, 1990, NC, Democratic Party.

4. Parents: Mildred Kamman, none; Glenn Kamman, $25, Jan. 4, 1990 GOP Victory Fund; Glenn Kamman, $35, Jan. 14, 1991, Republican National Committee.

5. Grandparents: Horace Kamman, deceased, none; Warren Merry, deceased, none, Bertha Kamman, none; Ella Merry, deceased, none.

6. Brothers and spouses: Jonathan Kamman and Beverly Medlyn, none; Robert Kamman, none.

7. Sisters and spouses: No sisters.

E. Michael Southwick, of California, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Uganda.

Nominee: Southwick, E. Michael.

Post: Nairobi.

Nominated: Not yet nominated: Advised of possible nomination January 1994.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, amount, date, donee:

1. Self: E. Michael Southwick, none.

2. Spouse: Susan Southwick, none.

3. Children and spouses: Edward M. Southwick, Andrew D. Southwick, Katherine G. Southwick, none married, none.

4. Parents: Gertrude R. Southwick, none.

5. Grandparents: None living.

6. Brothers and spouses: John O. Southwick (Dixie), Monte R. Southwick (Audrey), William Ray Southwick (Linda), Fred Dean Southwick (Jayne), none.

7. Sisters and spouses: Mrs. Kimber Johnson (Diane), and Mr. Kimber Johnson, none.

Dorothy Myers Sampas, of Maryland, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Islamic Republic of Mauritania.

Nominee: Dorothy M. Sampas.

Post: American Embassy Nouakchott, Mauritania.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, amount, date, donee:

1. Self: Dorothy M. Sampas, none.

2. Spouse: James G. Sampas, $50, Apr. 13, 1992, Tsongas Committee; $100, June 1, 1993, Tsongas Committee.

3. Parents: Mrs. Lawrence Myers, none; Mr. Lawrence Myers, deceased.

4. Grandparents: Mr. and Mrs. Otto F. Henkel, deceased; Mr. and Mrs. George Myers, deceased.

5. Brothers and spouses: No brothers.

6. Sisters and spouses: Mr. and Mrs. James Rast, none.

7. Children and spouses: Lawrence Sampas, $50, spring 1992, Tsongas Committee; $50, summer 1992, Clinton Campaign; $450, December 1992, Presidential Inaugural Committee (2 tickets); $24, Jan. 24, 1993, Montgomery County Democratic Action Committee; $40, Sept. 6, 1993, Maryland Democratic Party; $35, Oct. 3, 1993, Maryland Democratic Party; $50, Oct. 3, 1993, Democratic National Committee Federal Account; $49, Nov. 7, 1993, Montgomery County (Maryland), Democratic Central Committee; $50, Dec. 4, 1993, Democratic National Committee Federal Account; $100, Apr. 28, 1993, Montgomery County (Maryland) Democratic Central Committee (2 tickets, spring ball).

Carl Burton Stokes, of Ohio, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Seychelles.

Nominee: Carl B. Stokes.

Post: Seychelles.

Nominated: Dec. 17, 1993.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, amount, date, donee:

1. Self, none.

2. Spouse, none.

3. Children and spouses: Cordell and Laura Stokes, none; Cordi Stokes McBee, (divorced), none; Carl B. Stokes, Jr., none.

4. Parents: Charles and Louise Stokes, deceased.

5. Grandparents: Fannie and Dock Stone, deceased.

6. Brothers and spouses: Congress Louis Stokes,—See Attached

LOUIS STOKES FOR CONGRESS COMMITTEE CONTRIBUTIONS TO FEDERAL CAMPAIGNS, 1990 THRU 1993

Yates for Congress Committee, Sidney R. Yates, U.S. House, 9th District–IL, $500.00, 2/9/90.

Committee to elect Harold E. Ford, U.S. House, 9th District–TN, $1,000.00, 2/9/90; $1,000.00, 3/13/93.

Bonior for Congress Committee, David E. Bonior, U.S. House, 12th District–MI; $500.00, 6/25/90.

Eleanor Holmes Norton for Congress Committee, U.S. House, Delegate–D.C., $500.00, 7/10/90.

Committee to Re-Elect Floyd E. Flake, U.S. House, 6th District–NY, $1,000.00, 8/10/90, $1,000.00, 4/18/91.

Harvey Gantt for U.S. Senate, (NC), $1,000.00, 11/5/90.

Committee to Re-Elect Charles Hays, U.S. House, 1st District–IL, $1,000.00, 2/25/92.

Gus Savage for Congress Committee, U.S. House, 2nd District–IL, $300.00, 2/28/92.

Eva Clayton for Congress Committee, U.S. House, 1st District–NC, $500.00, 5/28/92.

Oakar for Congress Committee, Mary Rose Oakar, U.S. House, 10th District–OH, $1,000.00, 5/19/92.

Friends of David Strand, U.S. House, 6th District–CA, $500.00, 5/29/92.

Carol Moseley-Braun for U.S. Senate, IL, $1,000.00, 8/1/92.

Richard Ray for Congress Committee, U.S. House, 3rd District–GA, $300.00, 12/11/92.

Friends of Bennie Thompson, U.S. House, 2nd District–MS, $500.00, 4/7/93.

7. Sisters and Spouses: No sisters.

James W. Swihart, Jr., of Virginia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Lithuania.

Nominee; James W. Swihart, Jr.

Post: Vilnius, Lithuania.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, amount, date, donee:

1. James W. Swihart, Jr., none.

2. Spouse, Ellen C. Swihart, none.

3. Children and spouses: Jennifer A. Swihart, none; Christopher J. Swihart, none.

4. Parents: James W. Swihart, Sr., deceased; Mary Ruth Inge Swihart, deceased.

5. Grandparents: Homer D. Swihart and Hazel S. Swihart, deceased; John Inge and Ruth Inge, deceased.

6. Sisters and spouses: Susanna Swihart Armstrong and Peter Armstrong, deceased, none; Melinda Cox Swihart, none; Mignon Swihart Gregg and Jerry, Gregg, none.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and

testify before any duly constituted committee of the Senate.)

Mr. PELL. Mr. President, for the Committee on Foreign Relations, I also report favorably a nomination list in the Foreign Service which was printed in full in the CONGRESSIONAL RECORD of July 17, 1994, and ask unanimous consent, to save the expense of reprinting on the Executive Calendar, that these nominations lie at the Secretary's desk for the information of Senators.

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

(The nominations ordered to lie on the secretary's desk were printed in the RECORD of July 27, 1994 at the end of the Senate proceedings.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. RIEGLE (for himself, Mr. FEINGOLD, Mr. SIMON, Mrs. BOXER, Ms. MOSELEY-BRAUN, and Mr. BREAUX):

S. 2402. A bill to provide for public access to information regarding the availability of insurance, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. DANFORTH (for himself, Mr. BOND, Mr. DOLE, and Mrs. KASSEBAUM):

S. 2403. A bill to grant the consent of the Congress to the Kansas and Missouri Metropolitan Culture District Compact; to the Committee on the Judiciary.

By Mr. LOTT:

S. 2404. A bill for the relief of John T. Monk; to the Committee on Veterans Affairs.

By Mr. FEINGOLD:

S. 2405. A bill to amend certain Federal civil rights statutes to prevent the involuntary application of arbitration to claims that arise from unlawful employment discrimination based on race, color, religion, sex, national origin, age, or disability, and for other purposes; to the Committee on Labor and Human Resources.

By Mrs. HUTCHISON (for herself and Mr. HATCH):

S. 2406. A bill to amend title 17, United States Code, relating to the definition of a local service area of a primary transmitter, and for other purposes; considered and passed.

By Mr. HEFLIN (for himself, Mr. BIDEN, Mr. HATCH, Mr. GRASSLEY, and Mr. SPECTER):

S. 2407. A bill to make improvements in the operation and administration of the Federal courts, and for other purposes; considered and passed.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. RIEGLE (for himself, Mr. FEINGOLD, Mr. SIMON, Mrs. BOXER, and Ms. MOSELEY-BRAUN):

S. 2402. A bill to provide for public access to information regarding the availability of insurance, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

THE HOMEOWNERS INSURANCE DISCLOSURE ACT

• Mr. RIEGLE. Mr. President, today I rise to introduce the Homeowners Insurance Disclosure Act of 1994, a bill aimed at making homeowners insurance available, affordable, and accessible to all Americans. This bill will help us determine which insurance companies refuse to provide coverage merely due to location, charge more for insurance coverage, or offer restricted coverage without justification.

Many urban areas have insurance problems because of insurance discrimination based on the racial and socioeconomic characteristics of a geographic area. This phenomenon is known as redlining. As the chairman of the Committee on Banking, Housing, and Urban Affairs, I have come to understand the inextricable link between financial services, like insurance, and housing. As one Federal judge has written: "lenders require their borrowers to secure property insurance. No insurance, no loan; no loan, no house; lack of insurance thus makes housing unavailable."

That is why we have included provisions in virtually every bill the committee has passed during my chairmanship to ensure that credit is available to all communities. The committee included provisions in the Financial Institutions Reform, Recovery, and Enforcement Act, and amended the Home Mortgage Disclosure Act to require regulators to notify the Justice Department about instances of lending discrimination. And we have also held hearings to make sure that fair lending laws are being enforced aggressively and effectively. Since lenders require their borrowers to secure property insurance, addressing homeowners insurance discrimination is a logical progression of the committee's efforts to guarantee not only an adequate flow of capital into distressed communities, but also access to financial services.

The bill that I am introducing today is patterned after the highly successful Home Mortgage Disclosure Act and would require the disclosure by insurance companies of the type, cost, and location of policies by census tract in 100 urban areas and by 5-digit zip code in 25 rural areas across the Nation. The bill would also require the disclosure of loss data, which is critical in determining whether differences in premium costs are due to actual losses or racial and ethnic stereotypes. The bill does not preempt States from imposing more stringent requirements and would exempt companies from Federal reporting standards if those that are prescribed by the State are equivalent or higher. Finally, the bill merely requires insurance companies to provide data similar to what they are already giving to the National Association of Insurance Commissioners, but which is not currently available to the Federal Government.

Although the Fair Housing Act of 1968 banned redlining, this problem has been ongoing for the last 26 years. The issue first gained attention after a series of urban riots in the late 1960's, inducing the Federal Government to create the National Advisory Panel on Insurance. The Panel's reported noted that:

> Insurance is essential to revitalize our cities. It is a cornerstone of credit. Without insurance, banks and other financial institutions cannot make loans. New housing cannot be constructed and existing housing cannot be repaired.
>
> New businesses cannot be opened and existing businesses cannot expand, or even survive. Without insurance, buildings are left to deteriorate; services, goods, and jobs diminish. Efforts to rebuild our nation's inner cities cannot move forward. Communities without insurance are communities without hope.

The Panel concluded that there was a serious lack of property insurance in these inner cities, and that this shortage had been exacerbated by the recent riots. It recommended the creation of State-run Fair Access to Insurance Requirements [FAIR] programs for residents of high risk neighborhoods who are unable to purchase insurance in the voluntary market, and a Federal program to protect against loss due to riots. Numerous States responded and developed FAIR plans.

Unfortunately, problems persisted. In 1974, the Federal Insurance Administration noted that the FAIR plans were being used to "relegate significant numbers of risks to second-class coverage, treatment, and cost on the basis of arbitrary underwriting judgments that ultimately benefited neither the consumer nor the insurer." Similarly, in 1978, HUD issued a report which concluded that redlining was widely practiced by insurers, that it had an "undeniable racial component," and that the practice "was not based on any sound underwriting standards but rather on highly subjective criteria that would appear to result from unfounded generalizations or preconceptions about urban property risks."

Federal efforts to address redlining languished during the Reagan-Bush era, but the issue reemerged in 1992 when the Los Angeles riots revealed potential problems with the availability and affordability of insurance. This committee heard testimony about the tremendous shortage of property insurance in the Los Angeles area, including the California Department of Insurance's finding that 61 percent of the businesses damaged in the riots after the Rodney King verdict were uninsured because coverage was too expensive or not available. An additional 4 percent said the agent that they contacted would not quote rates in their area.

But the problem is not confined to California alone. At a hearing before the Committee on May 11, 1994, we heard testimony about how one insurer drew a line around the entire city of St. Louis and labeled it "ineligible property." In addition, we learned that testers from the National Fair Housing Alliance experienced discrimination while seeking homeowners insurance 47 percent of the time in Louisville, 60 percent of the time in Atlanta and Milwaukee, and an incredible 95 percent of the time in Chicago.

In Milwaukee, a district sales manager of a large insurance company was taped giving the following advice to several subordinates:

> Very honestly, I think you write too many blacks. * * * You gotta sell good, solid, premium paying white people * * *. They own their homes, the white works * * * . Very honestly, black people will buy anything that looks good right now * * * but when it comes to pay for it next time * * * you're not going to get your money out of them * * *. The only way you're going to correct your persistency is to get away from blacks.

Other States have their fair share of problems. In Georgia, insurance regulators are investigating charges of insurance discrimination. Texas recently fined Allstate $850,000 for discriminatory practices, and the Ohio Insurance Department fined Farmers Insurance for determining rates by ZIP Codes instead of by municipality, which led to underpricing insurance in the suburbs. In the Washington metropolitan area, some current and former employees, as well as a local chapter of the NAACP, recently alleged that GEICO, a local insurance company, systematically screens out blacks. In one instance, a supervisor of one of these employees said that the owner of a large house and several luxury cars in southeast Washington, "must be a drug dealer."

Numerous studies have documented this widespread discrimination against low-income minorities. One study performed by the Missouri Department of Insurance indicated that policy holders in certain minority low-income ZIP Codes in St. Louis and Kansas City paid significantly more than policy holders in white low-income ZIP Codes, and that substantially more of the policies sold in the minority low-income ZIP Codes were limited policies compared to those sold in low-income white ZIP Codes. At the same time, insurers paid more in claims in the white low-income neighborhoods than in minority low-income neighborhoods. In other words, residents of minority low-income ZIP Codes paid more for their insurance, but received less comprehensive coverage and were paid fewer claims than residents in white low-income ZIP Codes.

A study released in February 1993 by ACORN, analyzing by ZIP Code St. Louis, Kansas City, Milwaukee, Chicago, and Minneapolis-St. Paul, found that homeowners in inner city neighborhoods were underinsured as compared to those in wealthier areas, and housing units in minority areas were less likely to be insured than those in predominantly white areas of comparable income levels. Moreover, the study showed that insurance agents are five times less likely to offer inner city homeowners a chance to buy insurance than they are residents of high-income areas.

The Texas Office of the Public Insurance Counsel also released its own report on redlining in automobile insurance. It found that Houston drivers in predominantly minority ZIP Codes paid higher premiums for liability insurance, not including theft and vandalism, relative to drivers with the same driving records in predominantly white ZIP Codes. The office also discovered underwriting guidelines that excluded applicants on the basis of marital status and place of birth, as well as those that mandated minimum coverage amounts of $70,000, even though median house value in the State is $42,500.

And finally, the General Accounting Office recently issued a report noting that most currently available data are not useful in determining whether availability, affordability, and accessibility problems in fact exist. The report concluded that:

> Data that are collected for homeowners insurance will be more useful in examining availability and affordability once the data are collected on a ZIP-Code level (beginning in 1994) and analyzed in conjunction with Census Bureau data. However, data on accessibility are not collected. Reducing the size of the reporting unit to census tracts would, in most cases, increase the value of data by enabling more homogeneous units to be analyzed.

The report stated further that "to review affordability-related issues, premium and coverage amounts as well as loss data would be needed." Accessibility determinations would require data "on marketing activities and agents' locations." And availability could be determined with information on "the number of properties insured, by company and by type of policy." The Homeowners Insurance Disclosure Act would provide exactly the type of information that the GAO requests.

This persistant form of discrimination demands immediate congressional action. There are those who have realized this need already, and I commend Representatives COLLINS and KENNEDY and Senators FEINGOLD and BRYAN for their leadership on this very important subject. I urge my colleagues to support this bill so that we can make affordable homeowners insurance a reality for all Americans.

I ask that the text of the legislation be printed in the RECORD.

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

S. 2402

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Homeowners Insurance Disclosure Act of 1994".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Findings and purposes.
Sec. 3. Establishment of general requirements to submit information.
Sec. 4. Reporting of noncommercial insurance information.
Sec. 5. Study of commercial insurance for residential properties and small businesses.
Sec. 6. Reporting of rural insurance information.
Sec. 7. Waiver of reporting requirements.
Sec. 8. Reporting by private mortgage insurers.
Sec. 9. Use of data contractor and statistical agents.
Sec. 10. Submission of information to secretary and maintenance of information.
Sec. 11. Compilation of aggregate information.
Sec. 12. Availability and access system.
Sec. 13. Designations.
Sec. 14. Improved methods and reporting on basis of other areas.
Sec. 15. Annual reporting period.
Sec. 16. Disclosures by insurers to applicants and policyholders.
Sec. 17. Enforcement.
Sec. 18. Reports.
Sec. 19. Task force on agency appointments.
Sec. 20. Studies.
Sec. 21. Exemption and relation to State laws.
Sec. 22. Regulations.
Sec. 23. Definitions.
Sec. 24. Effective date.

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) there are disparities in insurance coverage provided by some insurers between areas of different incomes and racial composition; and

(2) such disparities in affordability and availability of insurance severely limit the ability of qualified consumers to obtain credit for home and business purchases.

(b) PURPOSES.—The purposes of this Act are—

(1) to establish a nationwide database for determining the availability, affordability, and adequacy of insurance coverage for consumers;

(2) to facilitate the enforcement of Federal and State laws that prohibit illegally discriminatory insurance practices; and

(3) to determine whether the extent and characteristics of insurance availability, affordability, and coverage require public officials to take any actions—

(A) to remedy redlining or other illegally or unfairly discriminatory insurance practices; or

(B) to promote insurance availability and affordability in areas underserved by insurers.

(c) CONSTRUCTION.—Nothing in this Act is intended to, nor shall it be construed to, encourage unsound underwriting practices.

SEC. 3. ESTABLISHMENT OF GENERAL REQUIREMENTS TO SUBMIT INFORMATION.

(a) IN GENERAL.—The Secretary shall, by regulation, establish requirements for insurers to compile and submit information to the

Secretary for each annual reporting period, in accordance with this Act.

(b) CONSULTATION.—In establishing the requirements for the submission of information under this Act, the Secretary shall consult with Federal agencies having appropriate expertise, the National Association of Insurance Commissioners, State insurance regulators, statistical agents, representatives of small businesses, representatives of insurance agents (including minority insurance agents), representatives of property and casualty insurers, and community, consumer, and civil rights organizations, as appropriate.

SEC. 4. REPORTING OF NONCOMMERCIAL INSURANCE INFORMATION.

(a) IN GENERAL.—The requirements established pursuant to section 3 to carry out this section shall—

(1) be designed to ensure that information is submitted and compiled under this section as may be necessary to permit analysis and comparison of—

(A) the availability and affordability of insurance coverage and the quality or type of insurance coverage, by MSA and the applicable region, race, and gender of policyholders; and

(B) the location of the principal place of business of insurance agents and the race of such agents, and the location of the principal place of business of insurance agents terminated and the race of such agents, by MSA and applicable region; and

(2) specify the data elements required to be reported under this section and require uniformity in the definitions of the data elements.

(b) DESIGNATED INSURERS.—

(1) AGGREGATE INFORMATION.—The regulations issued under section 3 shall require that each designated insurer for a designated line of insurance under section 13(c)(1) compile and submit to the Secretary, for each annual reporting period—

(A) the total number of policies issued in such line, total exposures covered by such policies, and total amount of premiums for such policies, by designated line and by designated MSA and applicable region in which the insured risk is located;

(B) the total number of cancellations and nonrenewals (expressed in terms of policies or exposures, as determined by the Secretary), by designated line and by designated MSA and applicable region in which the insured risk is located;

(C) the total number and racial characteristics of—

(i) licensed agents of such insurer selling insurance in the designated line, by designated MSA and applicable region in which the agent's principal place of business is located; and

(ii) such agents who were terminated by the insurer, by designated MSA and applicable region in which the agent's principal place of business was located; and

(D) for such designated line of insurance, information that will enable the Secretary to assess the aggregate loss experience for the insurer, by designated MSA and applicable region in which the insured risk is located.

(2) SPECIFICATION OF INFORMATION FOR ITEMIZED DISCLOSURE.—

(A) IN GENERAL.—The regulations issued under section 3 regarding annual reporting requirements for designated insurers for a designated line of insurance under section 13(c)(1) shall, with respect to policies issued under the designated line or exposure units covered by such policies, as determined by the Secretary—

(i) specify the data elements that shall be submitted;

(ii) provide for the submission of information on an individual insurer basis;

(iii) provide for the submission of the information with the least burden on insurers, particularly small insurers, and insurance agents;

(iv) take into account existing statistical reporting systems in the insurance industry;

(v) require reporting by MSA and applicable region in which the insured risk is located;

(vi) provide for the submission of information that identifies the designated line and subline or coverage type;

(vii) provide for the submission of information that distinguishes policies written in a residual market from policies written in the voluntary market;

(viii) specify—

(I) whether information shall be submitted on the basis of policy or exposure unit; and

(II) whether information, when submitted, shall be aggregated by like policyholders with like policies, except that the Secretary shall not permit such aggregation if it will adversely affect the accuracy of the information reported;

(ix) provide for the submission of information regarding the number of cancellations and nonrenewals of policies under the designated line by MSA and applicable region in which the insured risk is located, by race and gender of the policyholder (if known to the insurer), and by whether the policy was issued in a voluntary or residual market; and

(x) provide for the submission of information on the racial characteristics and gender of policyholders at the level of detail comparable to that required by the Home Mortgage Disclosure Act of 1975 (and the regulations issued thereunder).

(B) RULES REGARDING OBTAINING RACIAL INFORMATION.—With respect to the information specified in subparagraph (A)(x), applicants for, and policyholders of, insurance may be asked their racial characteristics only in writing. Any such written question shall clearly indicate that a response to the question is voluntary on the part of the applicant or policyholder, but encouraged, and that the information is being requested by the Federal Government to monitor the availability and affordability of insurance. If an applicant for, or policyholder of, insurance declines to provide such information, the agent or insurer for such insurance may provide such information.

(3) RULE FOR REPORTING BY DESIGNATED INSURERS.—A designated insurer for a designated line shall submit—

(A) information required under subparagraphs (A), (B), and (D) of paragraph (1) and information required pursuant to paragraph (2), for risks insured under such line that are located within each designated MSA, any part of which is located in a State for which the insurer is designated; and

(B) information required under paragraph (1)(C) for agents within such designated MSA's.

(c) NONDESIGNATED INSURERS.—The regulations issued under section 3 shall require each insurer that issues an insurance policy in a designated line of insurance under section 13(c)(1) that covers an insured risk located in a designated MSA and which is not a designated insurer for the line in any State in which any part of such MSA is located, to compile and submit to the Secretary, for each annual reporting period—

(1) the total number of policies issued in such line;

(2) the total exposures covered by such policies; and

(3) the total amount of premiums for such policies;

by designated MSA and applicable region in which the insured risk is located.

SEC. 5. STUDY OF COMMERCIAL INSURANCE FOR RESIDENTIAL PROPERTIES AND SMALL BUSINESSES.

(a) IN GENERAL.—The Secretary shall conduct a study to determine the availability, affordability, and quality or types of commercial insurance coverage for residential properties and small businesses, in urban areas.

(b) SUBMISSION OF INFORMATION.—To acquire information for the study under this section, the Secretary shall, by regulation, establish requirements for insurers providing commercial insurance for residential properties and small businesses to compile and submit to the Secretary on an annual basis information regarding such insurance, as follows:

(1) MSA'S.—The Secretary shall carry out the study only with respect to the 25 MSA's having the largest populations, as determined by the Secretary and specified in the regulations under this section.

(2) INSURERS.—For each of the MSA's specified pursuant to paragraph (1), the Secretary shall designate the insurers required to submit the information. The Secretary shall designate a sufficient number of insurers to provide a representative sample of the insurers providing such insurance in each such MSA.

(3) LINES OF INSURANCE.—The Secretary shall require the submission of information regarding such lines, sublines, or coverage types of commercial insurance as the Secretary determines are necessary or important with respect to establishing, operating, or maintaining residential properties and each type of small business selected under paragraph (4), and shall require submission of such information by such lines, sublines, or coverage types.

(4) SMALL BUSINESSES.—For purposes of paragraph (3), the Secretary shall determine the types of businesses that are typical of small businesses and shall select a representative sample of such types.

(5) DATA ELEMENTS.—The Secretary shall identify the data elements required to be submitted.

(6) SUBMISSION BY LOCATION.—The Secretary shall require the information to be submitted by designated MSA and applicable region in which the insured risk is located.

(7) SUBMISSION BY INSURER.—The Secretary shall require the submission of information on an individual insurer basis and shall specify whether information, when submitted, shall be aggregated by like policies, except that the Secretary shall not permit such aggregation if it will adversely affect the accuracy of the information reported.

(8) SUNSET.—The Secretary shall require the submission of information under this section only for each of the first 5 annual reporting periods beginning more than 3 years after the date of enactment of this Act.

(c) CONSIDERATIONS.—In establishing the requirements for submission of information under this section, the Secretary shall—

(1) take into consideration the administrative, paperwork, and other burdens on insurers and insurance agents involved in complying with the requirements of this section;

(2) minimize the burdens imposed by such requirements with respect to such insurers and agents; and

(3) take into consideration existing statistical reporting systems in the insurance industry.

(d) REPORT.—Not later than 6 months after the expiration of the fifth of the 5 annual reporting periods referred to in subsection (b)(8), the Secretary shall submit a report to the Congress describing the information submitted under the study conducted under this section and any findings of the Secretary from the study regarding disparities in the availability, affordability, and quality or types of commercial insurance coverage for residential properties and small businesses, in urban areas.

SEC. 6. REPORTING OF RURAL INSURANCE INFORMATION.

(a) IN GENERAL.—The Secretary shall, by regulation, establish requirements for insurers to annually compile and submit to the Secretary information concerning the availability, affordability, and quality or type of insurance in designated rural areas in the lines designated under section 13(c)(1).

(b) CONTENT.—The regulations under this section shall provide that—

(1) the information to be compiled and submitted under this section by designated insurers and insurers that are not designated insurers shall be of such types, data elements, and specificity that is as identical as possible to the types, data elements, and specificity of information required under this Act of designated and nondesignated insurers, respectively, for designated MSA's and shall be subject to the provisions of section 4(b)(2)(B); and

(2) the information compiled and submitted under this section shall be compiled and submitted on the basis of each 5-digit zip code in which the insured risks are located, rather than on the basis of designated MSA and applicable region (as otherwise required in this Act).

(c) DESIGNATION OF RURAL AREAS.—For purposes of this section, the term "designated rural area" means the following:

(1) FIRST 5 YEARS.—With respect to the first 5 annual reporting periods to which the reporting requirements under this section apply, any of the 25 rural areas designated by the Secretary and specified in regulations issued pursuant to section 22, which shall not be amended or revised after issuance.

(2) AFTER FIRST 5 YEARS.—With respect to annual reporting periods thereafter, a rural area for which a designation made by the Secretary under this paragraph is in effect, pursuant to the following requirements:

(A) The designations shall be made for each of the successive 5-year periods at the time provided in subparagraph (C), and the first such period shall be the 5-year period beginning upon the commencement of the sixth annual reporting period to which the reporting requirements under this Act apply.

(B) The Secretary shall designate 25 rural areas as designated rural areas for each such 5-year period and shall designate such rural areas based upon the information and recommendations made in the report under section 18(b) relating to the period.

(C) The Secretary shall make the designation of rural areas for an ensuing 5-year period by regulations issued—

(i) not later than 12 months before the commencement of the 5-year period; and

(ii) not later than 6 months after the submission to the Secretary of the report under section 18(b) relating to such period.

(D) The designations of rural areas for a 5-year period shall take effect upon the commencement of the first annual reporting period of the 5-year period beginning not less than 12 months after the issuance of the regulations making such designations, and shall remain in effect until the expiration of the 5-year period.

Notwithstanding any other provision of this section, the designation of a rural area shall remain in effect until a succeeding designation of rural areas under paragraph (2) takes effect.

SEC. 7. WAIVER OF REPORTING REQUIREMENTS.

(a) WAIVER FOR STATES COLLECTING EQUIVALENT INFORMATION.—

(1) AUTHORITY.—Subject to the requirements under this section, the Secretary shall provide, by regulation, for the waiver of the applicability of the provisions of sections 4, 5, and 6 for each insurer transacting business within a State referred to in paragraph (2), but only with respect to information required to be submitted under such sections that relates to agents or insured risks located in the State.

(2) REQUIREMENTS.—The Secretary may make a waiver pursuant to paragraph (1) only with respect to a State that the Secretary determines has in effect a law or other requirement that—

(A) requires insurers to submit to the State information that is the same as or equivalent to the information that is required to be submitted to the Secretary pursuant to sections 4, 5, and 6;

(B) provides for adequate enforcement of such law or other requirements;

(C) provides for the same annual reporting period used by the Secretary under this Act and for submission of the information to the Secretary in a timely fashion, as determined by the Secretary; and

(D) provides that, to the extent statistical agents are permitted to submit information to the State on behalf of insurers, such agents are subject to the same or equivalent requirements as provided under section 9(b).

(3) DURATION.—A waiver pursuant to paragraph (1) may remain in effect only during the period for which the State law or other requirement under paragraph (2) remains in effect.

(b) MULTIPLE-STATE MSA'S.—In the case of any designated MSA that contains area within—

(1) any State for which a waiver has been made pursuant to subsection (a); and

(2) any State for which such a waiver has not been made;

the provisions of this Act requiring submission of information to the Secretary regarding such MSA shall be considered to apply only to the portion of such MSA that is located within the State for which such a waiver has not been made.

(c) AUTHORITY FOR SECRETARY TO OBTAIN INFORMATION DIRECTLY FROM INSURERS.—If the State for which a waiver has been made pursuant to subsection (a) does not submit to the Secretary the information required under subsection (a)(2)(A) or submits information that is not complete, the Secretary shall require the insurers transacting business within the State to submit such information directly to the Secretary.

SEC. 8. REPORTING BY PRIVATE MORTGAGE INSURERS.

(a) HMDA REPORTING.—On an annual basis, the Federal Financial Institutions Examination Council (hereafter in this section referred to as the "Council") shall determine the extent to which each insurer providing private mortgage insurance is making available to the public and submitting to the appropriate agency information regarding such insurance that is equivalent to the information regarding mortgages required to be reported under the Home Mortgage Disclosure Act of 1975.

(b) REPORTING UNDER THIS ACT.—

(1) CERTIFICATION OF NONCOMPLIANCE.—If, for any annual period referred to in subsection (a), the Council determines that any insurer providing private mortgage insurance is not making available to the public or submitting the information referred to in subsection (a) or that the information made available or submitted is not equivalent information as described in subsection (a), then the Council shall notify the insurer of such noncompliance. If, after the expiration of a reasonable period of time, the insurer has not remedied such noncompliance to the satisfaction of the Council, then the Council shall immediately certify such noncompliance to the Secretary.

(2) REQUIREMENT.—Upon the receipt of a certification under paragraph (1), the Secretary shall, by regulation, require such insurer to submit to the Secretary information regarding such insurance that complies with the provisions of section 4 that are applicable to such insurance. Such regulations shall be issued not later than 6 months after receipt of such certification and shall apply to the first succeeding annual reporting period beginning not less than 6 months after issuance of such regulations and to each annual reporting period thereafter.

SEC. 9. USE OF DATA CONTRACTOR AND STATISTICAL AGENTS.

(a) DATA COLLECTION CONTRACTOR.—The Secretary may contract with a data collection contractor to collect the information required to be maintained and submitted under sections 4, 5, 6, 7, and 8(b), if the contractor agrees to collect the information pursuant to the terms and conditions of such sections and this Act and the regulations issued thereunder. Information submitted to such contractor shall be available to the public to the same extent as if the information were submitted directly to the Secretary.

(b) USE OF STATISTICAL AGENTS.—

(1) IN GENERAL.—The Secretary shall provide, by regulation, that insurers may submit any information required under sections 4, 5, 6, and 8(b) through statistical agents acting on behalf of more than one insurer.

(2) PROTECTIONS.—The regulations issued under this subsection shall permit submission of information through a statistical agent only if the Secretary determines that—

(A) the statistical agent has adequate procedures to protect the integrity of the information submitted;

(B) the statistical agent has a statistical plan and format for submitting the information that meets the requirements of this Act;

(C) the statistical agent has procedures in place that ensure that information reported under the statistical plan in connection with reporting under this Act and submitted to the Secretary is not subject to any adjustment by the statistical agent or an insurer for reasons other than technical accuracy and conformance to the statistical plan;

(D) the information of an insurer is not subject to review by any other insurer before being made available to the public; and

(E) acceptance of the information through the statistical agent will not adversely affect the accuracy of the information reported.

(3) DISCONTINUANCE OF ACCEPTANCE OF INFORMATION.—The Secretary may discontinue accepting information reported through a statistical agent pursuant to this subsection if the Secretary determines that the requirements for such reporting are no longer met

or that continued acceptance of such information is contrary to the goal of ensuring the accuracy of the information reported.

(4) GAO AUDITS.—The Comptroller General of the United States shall, at the request of the Secretary, audit information collection and submission performed under this subsection by data collection contractors or statistical agents to ensure that the integrity of the information collected and submitted is protected. In determining whether to request an audit of a statistical agent, the Secretary shall consider the sufficiency (for purposes of this Act) of audits of the statistical agent conducted in connection with State insurance regulation.

(5) LIABILITY.—Notwithstanding any use of a statistical agent as authorized under this subsection, an insurer using such an agent shall be responsible for compliance with the requirements under this Act.

SEC. 10. SUBMISSION OF INFORMATION TO SECRETARY AND MAINTENANCE OF INFORMATION.

(a) PERIOD OF MAINTENANCE.—The Secretary shall maintain any information submitted to the Secretary for such period as the Secretary considers appropriate and feasible to carry out the purposes of this Act and to allow for historical analysis and comparison of the information.

(b) SUBMISSION.—The Secretary shall issue regulations prescribing a standard schedule (taking into consideration the provisions of section 12(a)), format, and method for submitting information under this Act to the Secretary. The format and method of submitting the information shall facilitate and encourage the submission in a form readable by a computer. Any insurer submitting information to the Secretary may submit in writing to the Secretary any additional information or explanations that the insurer considers relevant to the decision by the insurer to sell insurance.

SEC. 11. COMPILATION OF AGGREGATE INFORMATION.

(a) INSURANCE INFORMATION.—For each annual reporting period, the Secretary shall—

(1) compile, for each designated MSA, by designated line (and if such information is submitted, by subline or coverage type)—

(A) information submitted under sections 4, 5, 7, and 8(b) and loss ratios (if the submission of loss information is required), aggregated by applicable region for all insurers submitting such information; and

(B) such information and loss ratios (if the submission of loss information is required), aggregated by applicable region for each such insurer; and

(2) produce tables based on information submitted under sections 4, 5, 7, and 8(b) for each designated MSA, by insurer and for all insurers, by designated line (and if such information is submitted, by subline or coverage type), indicating—

(A) insurance underwriting patterns aggregated for the applicable regions within the MSA, grouped according to location, age of property, income level, and racial characteristics of neighborhoods; and

(B) loss ratios based on the information obtained pursuant to sections 4, 5, 7, and 8(b) (if the submission of loss information is required), aggregated for the applicable regions within the MSA, grouped according to location, age of property, income level, and racial characteristics of neighborhoods.

(b) AGENT INFORMATION.—For each annual reporting period and for each designated MSA, the Secretary shall compile, by designated line, the information submitted under section 4(b)(1)(C)—

(1) by designated insurer by applicable region;

(2) by designated insurer aggregated for the applicable regions within the designated MSA, grouped according to location, age of property, income level, and racial characteristics; and

(3) for all designated insurers that have submitted such information for the designated MSA, aggregated for the applicable regions within the designated MSA, grouped according to location, age of property, income level, and racial characteristics.

(c) RURAL INSURANCE INFORMATION.—For each annual reporting period, the Secretary shall—

(1) compile for each applicable 5-digit zip code, by designated line (and if such information is submitted, by subline or coverage type)—

(A) information regarding insurance in rural areas submitted under sections 6 and 7 and loss ratios, for all insurers for which such information is submitted; and

(B) such information and loss ratios, for each such insurer; and

(2) produce tables for each 5-digit zip code based on information regarding insurance in rural areas submitted under sections 6 and 7, by insurer and for all such insurers for which information is submitted under such sections, by designated line (and if such information is submitted, by subline or coverage type), indicating—

(A) insurance underwriting patterns, aggregated by zip codes, grouped according to location, age of property, income level, and racial characteristics of neighborhoods (where such demographic information is available); and

(B) loss ratios, based on the information obtained pursuant to sections 6 and 7, aggregated by zip codes, grouped according to location, age of property, income level, and racial characteristics of neighborhoods (where such demographic information is available).

SEC. 12. AVAILABILITY AND ACCESS SYSTEM.

(a) AVAILABILITY TO PUBLIC.—

(1) IN GENERAL.—The Secretary shall maintain and make available to the public, in accordance with the requirements of this section, any information submitted to the Secretary under this Act and any information compiled by the Secretary under this Act.

(2) TIMING.—The Secretary shall make such information publicly available on a timetable determined by the Secretary, but not later than 9 months after the conclusion of the annual reporting period to which the information relates, except that such information shall not be made available to the public until it is available in its entirety unless not all the information required to be reported is available by such date.

(b) PUBLIC ACCESS SYSTEM.—

(1) IMPLEMENTATION.—The Secretary shall implement a system to facilitate access to any information required to be made available to the public under this Act.

(2) BASES OF AVAILABILITY.—The system shall provide access in accordance with the following:

(A) ACCESS TO ITEMIZED INFORMATION.—To information submitted under sections 4, 5, 6, 7, and 8(b) on the basis of the insurer submitting the information, on the basis of designated MSA and applicable region (or in the case of rural information submitted under section 6 or 7, on the basis of 5-digit zip code), and on any other basis the Secretary considers feasible and appropriate.

(B) ACCESS TO AGGREGATE INFORMATION.—To aggregate information compiled under section 11, on the basis of—

(i) the insurer submitting the information;

(ii) designated MSA and applicable region (or in the case of rural information submitted under section 6 or 7, on the basis of 5-digit zip code); and

(iii) any other basis the Secretary considers feasible and appropriate.

(3) METHOD.—The access system shall include a telephone number that can be used by the public to request such information and the address at which a written request for such information may be submitted.

(4) FORM.—The Secretary shall, by regulation, establish the forms in which such information may be furnished by the Secretary. Such forms shall include written statements, forms readable by widely used personal computers, and, if feasible, on-line access for personal computers. The Secretary shall provide the information available under this section in any such form requested by the person requesting the information, except that the Secretary shall charge a fee for providing such information, which may not exceed the amount, determined by the Secretary, that is equal to the cost of reproducing the information.

(c) PROTECTIONS REGARDING LOSS INFORMATION.—

(1) PROHIBITION OF DISCLOSURE OF LOSS INFORMATION.—Notwithstanding any other provision of this Act, the Secretary may not make available to the public or otherwise disclose any information submitted under this Act regarding the amount or number of claims paid by any insurer, the amount of losses of any insurer, or the loss experience for any insurer, except—

(A) in the form of a loss ratio (expressing the relationship of claims paid to premiums) made available or disclosed in compliance with the provisions of paragraph (2); or

(B) as provided in paragraph (3).

(2) PROTECTION OF IDENTITY OF INSURER.—In making available to the public or otherwise disclosing a loss ratio for an insurer—

(A) the Secretary may not identify the insurer to which the loss ratio relates; and

(B) the Secretary may disclose the loss ratio only in a manner that does not allow any party to determine the identity of the specific insurer to which the loss ratio relates, except parties having access to information under paragraph (3).

(3) CONFIDENTIALITY OF INFORMATION DISCLOSED TO GOVERNMENTAL AGENCIES.—The Secretary may make information referred to in paragraph (1) and the identity of the specific insurer to which such information relates available to any Federal entity and any State agency responsible for regulating insurance in a State and may otherwise disclose such information to any such entity or agency, but only to the extent such entity or agency agrees not to make any such information available or disclose such information to any other person.

SEC. 13. DESIGNATIONS.

(a) DESIGNATION OF MSA'S.—For purposes of this Act, the term "designated MSA" means the following MSA's:

(1) FIRST 5 YEARS.—With respect to the first 5 annual reporting periods to which the reporting requirements under this Act apply (pursuant to section 24), any of the 100 MSA's selected as follows:

(A) The Secretary shall select the 50 MSA's having the largest populations, as determined by the Secretary and specified in regulations issued pursuant to section 22, which shall not be amended or revised after issuance.

(B) The Secretary shall select 50 additional MSA's, on a basis that provides for—

(i) geographic diversity among the designated MSA's under this paragraph;

(ii) diversity in size of the populations among such MSA's; and

(iii) the inclusion of MSA's with a high concentration of racial minorities.

(2) AFTER FIRST 5 YEARS.—With respect to annual reporting periods thereafter, an MSA for which a designation under this paragraph is in effect, pursuant to the following requirements:

(A) The designations shall be made for each of the successive 5-year periods at the time provided in subparagraph (C), and the first such period shall be the 5-year period beginning upon the commencement of the sixth annual reporting period to which the reporting requirements under this Act apply.

(B) The Secretary shall designate not less than 100 MSA's as designated MSA's for each such 5-year period and shall designate such MSA's based upon the information and recommendations made in the report under section 18(b) relating to the period.

(C) The Secretary shall make the designation of MSA's for an ensuing 5-year period by regulations issued—

(i) not later than 12 months before the commencement of the 5-year period; and

(ii) not later than 6 months after the submission to the Secretary of the report under section 20(b) relating to such period.

(D) The designations of MSA's for a 5-year period shall take effect upon the commencement of the first annual reporting period of the 5-year period beginning not less than 12 months after the issuance of the regulations making such designations, and shall remain in effect until the expiration of the 5-year period.

Notwithstanding any other provision of this section, the designation of an MSA shall remain in effect until a succeeding designation of MSA's under paragraph (2) takes effect.

(b) DESIGNATION OF INSURERS.—The Secretary shall designate, for each designated line and each State, insurers doing business in the lines as designated insurers in the State for purposes of this Act, subject to the following requirements:

(1) HIGHEST AGGREGATE PREMIUM VOLUME.—

(A) GENERAL RULE.—For each State, the Secretary shall designate, for each designated line, each of the insurers and insurer groups included in the class established under this paragraph for the State.

(B) DETERMINATION.—In each State, the Secretary shall rank the insurers and insurer groups in each designated line from the insurer or group having the largest aggregate premium volume in the State for such line to the insurer or group having the smallest such aggregate premium volume and shall include in the class for the State only—

(i) the insurer or group of the highest rank;

(ii) each insurer or group of successively lower rank if the inclusion of such insurer or group in the class does not result in the sum of such aggregate premium volumes for insurers and groups in the class exceeding 80 percent of the total aggregate premium volume in the State for the line; and

(iii) the first such successively lower ranked insurer or insurer group whose inclusion in the class results in such sum exceeding 80 percent of the total aggregate premium volume in the State for the line.

(2) MINIMUM AGGREGATE PREMIUM VOLUME.—For each State, the Secretary shall designate, for each designated line, each insurer and insurer group not designated pursuant to paragraph (1) whose premium volume in the State for the designated line exceeds 1 percent of the total aggregate premium volume in the State for the line.

(3) FAIR PLANS AND JOINT UNDERWRITING ASSOCIATIONS.—For each State, the Secretary shall designate, for each designated line—

(A) each statewide plan under part A of title XII of the National Housing Act to assure fair access to insurance requirements; and

(B) each joint underwriting association;

that provides insurance under such line.

(4) DURATION.—The Secretary shall designate insurers under this subsection once every 5 years. Each insurer designated shall be a designated insurer for each of the first 5 successive annual reporting periods commencing after such designation.

(c) DESIGNATION OF LINES OF INSURANCE.—

(1) IN GENERAL.—The Secretary shall, by regulation, designate homeowners, dwelling fire, and allied lines of insurance as designated lines for purposes of this Act, and shall distinguish the coverage types in such lines by the perils covered and by market or replacement value. For purposes of this Act, homeowners insurance shall not include any renters coverage or coverage for the personal property of a condominium owner.

(2) REPORT.—At any time the Secretary determines that any line of insurance not described in paragraph (1) should be a designated line because disparities in coverage provided under such line exist among geographic areas having different income levels or racial composition, the Secretary shall submit a report recommending designating such line of insurance as a designated line for purposes of this Act to the Committee on Banking, Housing, and Urban Affairs of the Senate and the appropriate committees of the House of Representatives.

(3) DURATION.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the Secretary shall make the designations under this subsection once every 5 years, by regulation, and each line and subline or coverage type designated under such regulations shall be designated for each of the first 5 successive annual reporting periods occurring after issuance of the regulations.

(B) ALTERATION.—During any 5-year period referred to in subparagraph (A) in which designations are in effect, the Secretary may amend or revise the designated lines, sublines, and coverage types only by regulation and only in accordance with the requirements of this subsection. Such regulations amending or revising designations shall apply only to annual reporting periods beginning after the expiration of the 6-month period beginning on the date of issuance of the regulations.

(d) TIMING OF DESIGNATIONS.—The Secretary shall make the designations required by subsections (b)(4) and (c)(3)(A) and notify interested parties during the 6-month period ending 6 months before the commencement of the first annual reporting period to which such designations apply.

(e) OBTAINING INFORMATION.—The Secretary may require insurers to submit to the Secretary such information as the Secretary considers necessary to make designations specifically required under this Act. The Secretary may not require insurers to submit any information under this subsection that relates to any line of insurance not specifically authorized to be designated pursuant to this Act or that is to be used solely for the purpose of a report under subsection (c)(2).

SEC. 14. IMPROVED METHODS AND REPORTING ON BASIS OF OTHER AREAS.

(a) DEVELOPMENT OF IMPROVED METHODS.—The Secretary shall develop, or assist in the improvement of, methods of matching addresses and applicable regions to facilitate compliance by insurers, in as economical a manner as possible, with the requirements of this Act. The Secretary shall allow insurers, or statistical agents acting on behalf of insurers, to match addresses and applicable regions through the use of 9-digit zip codes if the Secretary determines that such use will substantially reduce the cost and burden to insurers of such matching without significant adverse impact on the reliability of the matching.

(b) CONVERTIBILITY.—

(1) AUTHORITY.—The Secretary may, by regulation, provide for insurers to comply with the requirements under sections 4, 5, and 8(b) by reporting the information required under such sections on the basis of geographical location other than MSA and applicable region, but only if the Secretary determines that information reported on such other basis is convertible to the basis of MSA and applicable region and such conversion does not affect the accuracy of the information.

(2) LIMITATION.—With respect to any information submitted on the basis of geographical location other than designated MSA and applicable region pursuant to paragraph (1), the Secretary may disclose the information only on the basis of designated MSA and applicable region.

SEC. 15. ANNUAL REPORTING PERIOD.

(a) IN GENERAL.—For purposes of this Act, the annual reporting periods shall be the 12-month periods commencing in each calendar year on the same day, which shall be selected under subsection (b) by the Secretary.

(b) SELECTION.—Not later than the expiration of the 6-month period beginning on the date of enactment of this Act, the Secretary shall, by regulation, select a day of the year upon which all annual reporting periods shall commence. In determining such day, the Secretary shall consider the reporting periods used for purposes of State and other insurance statistical reporting systems, in order to minimize the burdens on insurers.

SEC. 16. DISCLOSURES BY INSURERS TO APPLICANTS AND POLICYHOLDERS.

(a) IN GENERAL.—The Secretary shall, by regulation, require the following disclosures:

(1) APPLICANTS.—Each insurer that, through the insurer, or an agent or broker, declines a written application or written request to issue an insurance policy under a designated line shall provide to the applicant at the time of such declination, through such insurer, agent, or broker, one of the following:

(A) A written explanation of the specific reasons for the declination.

(B) Written notice that—

(i) the applicant may submit to the insurer, agent, or broker, within 90 days of such notice, a written request for a written explanation of the reasons for the declination; and

(ii) pursuant to such a request, an explanation shall be provided to the applicant within 21 days after receipt of such request.

(2) PROVISION OF EXPLANATION.—If an insurer, agent, or broker making a declination receives a written request referred to in paragraph (1)(B) within such 90-day period, the insurer, agent, or broker shall provide a written explanation referred to in such subparagraph within such 21-day period.

(3) POLICYHOLDERS.—Each insurer that cancels or refuses to renew an insurance policy under a designated line shall provide to the policyholder, in writing and within an appropriate period of time as determined by the

Secretary, the reasons for canceling or refusing to renew the policy.

(b) MODEL ACTS.—In issuing regulations under subsection (a), the Secretary shall consider relevant portions of model acts developed by the National Association of Insurance Commissioners.

(c) PREEMPTION.—Subsection (a) shall not be construed to annul, alter, or effect, or exempt any insurer, agent, or broker subject to the provisions of subsection (a) from complying with any laws or requirements of any State with respect to notifying insurance applicants or policyholders of the reasons for declination or cancellation of, or refusal to renew insurance, except to the extent that such laws or requirements are inconsistent with subsection (a) (or the regulations issued thereunder) and then only to the extent of such inconsistency. The Secretary is authorized to determine whether such inconsistencies exist and to resolve issues regarding such inconsistencies. The Secretary may not provide that any State law or requirement is inconsistent with subsection (a) if it imposes requirements equivalent to the requirements under such subsection or requirements that are more stringent or comprehensive, in the determination of the Secretary.

(d) IMMUNITY.—In issuing regulations under subsection (a), the Secretary shall specifically consider the necessity of providing insurers, agents, and brokers with immunity solely for the act of conveying or communicating the reasons for a declination or cancellation of, or refusal to renew insurance on behalf of a principal making such decision. The Secretary may provide for immunity under the regulations issued under subsection (a) if the Secretary determines that such a provision is necessary and in the public interest, except that the Secretary may not provide immunity for any conduct that is negligent, reckless, or willful.

(e) ENFORCEMENT.—The Secretary may authorize the States to enforce the requirements under regulations issued under subsection (a).

SEC. 17. ENFORCEMENT.

(a) CIVIL PENALTIES.—Any insurer who is determined by the Secretary, after providing opportunity for a hearing on the record, to have violated any requirement pursuant to this Act shall be subject to a civil penalty of not to exceed $5,000 for each day during which such violation continues.

(b) INJUNCTION.—The Secretary may bring an action in an appropriate United States district court for appropriate declaratory and injunctive relief against any insurer who violates the requirements referred to in subsection (a).

(c) INSURER LIABILITY.—An insurer shall be responsible under subsections (a) and (b) for any violation of a statistical agent acting on behalf of the insurer.

SEC. 18. REPORTS.

(a) ANNUAL REPORT.—The Secretary shall annually report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the appropriate committees of the House of Representatives on the implementation of this Act and shall make recommendations to such committees on such additional legislation as the Secretary deems appropriate to carry out this Act. The Secretary shall include in each annual report a description of any complaints or problems resulting from the implementation of this Act, of which the Secretary has knowledge, made by (or on behalf of) insurance policyholders that concern the disclosure of information regarding policyholders and any recommendations for addressing such problems.

(b) GAO REPORTS.—

(1) IN GENERAL.—The Comptroller General of the United States shall submit a report under this subsection to the Secretary and the Congress for each 5-year period referred to in sections 6(c)(2) and 13(a)(2), which contains information to be used by the Secretary in implementing this Act during such period.

(2) TIMING.—The report under this subsection for each such 5-year period shall be submitted not later than 18 months before the commencement of the period to which the report relates.

(3) CONTENTS.—A report under this subsection shall include the following information:

(A) An analysis of the adequacy of the implementation of this Act and any recommendations of the Comptroller General for improving the implementation.

(B) The costs to the Federal Government, insurers, and consumers of implementing and complying with this Act.

(C) Any beneficial or harmful effects resulting from the requirements of this Act.

(D) An analysis of whether, considering the purposes of this Act, insurers are required by this Act (or by implementing regulations) to submit appropriate information.

(E) An analysis of whether sufficient evidence exists of patterns of disparities in the availability, affordability, and quality or type of insurance coverage to warrant continued applicability of the requirements of this Act.

(F) An analysis of whether the group of designated MSA's in effect at the time of the report are appropriate for purposes of this Act.

(G) Specific recommendations, for use by the Secretary in designating MSA's for the 5-year period for which the report is made, with regard to—

(i) the characteristics of MSA's that should be included in the group of designated MSA's;

(ii) the number of MSA's that should be included in the group;

(iii) the number of MSA's having each particular characteristic that should be included in the group; and

(iv) the characteristics of MSA's, and number of MSA's having each such characteristic, that should be removed from the group of designated MSA's in effect at the time of the report.

(H) With respect only to the first report required under this subsection, recommendations of whether the study conducted under section 5 should be continued beyond the date in section 5(b)(8) and, if so, whether the requirements regarding the submission of information under the study should be expanded or changed with respect to insurers, MSA's, lines, sublines or coverage types of insurance, and types of small businesses, or whether the study should be allowed to terminate under law.

(I) An analysis of whether the group of designated rural areas in effect at the time of the report are appropriate for purposes of this Act.

(J) Specific recommendations, for use by the Secretary in designating rural areas for purposes of section 6 for the 5-year period for which the report is made, with regard to—

(i) the characteristics of rural areas that should be included in the group of designated rural areas under such section;

(ii) the number of rural areas having each particular characteristic that should be included in the group; and

(iii) the characteristics of rural areas, and number of rural areas having each such characteristic, that should be removed from the group of designated rural areas in effect at the time of the report.

(K) Any other information or recommendations relating to the requirements or implementation of this Act that the Comptroller General considers appropriate.

(4) CONSULTATION.—In preparing each report under this subsection, the Comptroller General shall consult with Federal agencies having appropriate expertise, the National Association of Insurance Commissioners, State insurance regulators, statistical agents, representatives of small businesses, representatives of insurance agents (including minority insurance agents) and property and casualty insurers, and community, consumer, and civil rights organizations.

SEC. 19. TASK FORCE ON AGENCY APPOINTMENTS.

(a) ESTABLISHMENT.—Not later than 90 days after the date of enactment of this Act, the Secretary shall establish a task force on insurance agency appointments (hereafter in this section referred to as the "Task Force"). The Task Force shall—

(1) consist of representatives of appropriate Federal agencies, property and casualty insurance agents, including specifically minority insurance agents, property and casualty insurers, State insurance regulators, and community, consumer, and civil rights organizations;

(2) have a significant representation from minority insurance agents; and

(3) be chaired by the Secretary or the Secretary's designee.

(b) FUNCTION.—The Task Force shall—

(1) review the problems inner-city and minority agents may have in receiving appointments to represent property and casualty insurers and consider the effects such problems have on the availability, affordability, and quality or type of insurance, especially in underserved areas;

(2) review the practices of insurers in terminating agents and consider the effects such practices have on the availability, affordability, and quality or type of insurance, especially in underserved areas; and

(3) recommend solutions to improve the ability of inner-city and minority insurance agents to market property and casualty insurance products, including steps property and casualty insurers should take to increase their appointments of such agents.

(c) REPORT AND TERMINATION.—The Task Force shall report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the appropriate committees of the House of Representatives its findings under paragraphs (1) and (2) of subsection (b) and its recommendations under paragraph (3) of subsection (b) not later than 2 years after the date of enactment of this Act. The Task Force shall terminate on the date on which the report is submitted to the committees.

SEC. 20. STUDIES.

(a) STUDY OF INSURANCE PRESCREENING.—

(1) IN GENERAL.—The Secretary shall conduct a study to determine the feasibility and utility of requiring insurers to report information with respect to the characteristics of applicants for insurance and reasons for rejection of applicants. The study shall examine the extent to which—

(A) oral applications or representations are used by insurers and agents in making determinations regarding whether or not to insure a prospective insured;

(B) written applications are used by insurers and agents in making determinations regarding whether or not to insure a prospective insured;

(C) written applications are submitted after the insurer or agent has already made a determination to provide insurance to a prospective insured or has determined that the prospective insured is eligible for insurance; and

(D) prospective insured persons are discouraged from submitting applications for insurance based, in whole or in part, on—

(i) the location of the risk to be insured;

(ii) the racial characteristics of the prospective insured;

(iii) the racial composition of the neighborhood in which the risk to be insured is located; and

(iv) in the case of residential property insurance, the age and value of the risk to be insured.

(2) REPORT.—The Secretary shall report the results of the study under paragraph (1) to the Committee on Banking, Housing, and Urban Affairs of the Senate and the appropriate committees of the House of Representatives, not later than 2 years after the date of enactment of this Act. The report shall include recommendations of the Secretary—

(A) with respect to requiring insurers to report on the disposition of oral and written applications for insurance; and

(B) for any legislation that the Secretary considers appropriate regarding the issues described in the report.

(b) STUDY OF INSURER ACTIONS TO MEET INSURANCE NEEDS OF CERTAIN NEIGHBORHOODS.—The Secretary shall conduct a study of various practices, actions, and methods undertaken by insurers to meet the property and casualty insurance needs of residents of low- and moderate-income neighborhoods, minority neighborhoods, and small businesses located in such neighborhoods. The Secretary shall report the results of the study, including any recommendations, to the Committee on Banking, Housing, and Urban Affairs of the Senate and the appropriate committees of the House of Representatives, not later than 2 years after the date of enactment of this Act.

(c) STUDY OF DISPARATE CLAIMS TREATMENT.—

(1) IN GENERAL.—The Secretary shall conduct a study to determine whether, and the extent to which, insurers engage in disparate treatment in handling claims of policyholders under designated lines of insurance based on the race, gender, and income level of the policyholder, and on the racial characteristics and income levels of the area in which the insured risk is located. In conducting the study, the Secretary shall specifically consider whether residents of low-income neighborhoods or areas and minority neighborhoods or areas are more likely than residents of other areas to have their claims contested or their insurance coverage canceled.

(2) REPORT.—The Secretary shall submit a report on the results of the study to the Committee on Banking, Housing, and Urban Affairs of the Senate and the appropriate committees of the House of Representatives, not later than 2 years after the date of enactment of this Act.

(d) STUDY OF RATING TERRITORIES.—The Secretary shall conduct a study to determine whether the practice in the insurance industry of basing insurance premium amounts on the territory in which the insured risk is located has a disparate impact on the availability, affordability, or quality of insurance by race, gender, or type of neighborhood. The Secretary shall submit a report on the results of the study to the Committee on Banking, Housing, and Urban Affairs of the Senate and the appropriate committees of the House of Representatives, not later than 12 months after the date of enactment of this Act.

(e) STUDY OF INSURER REINVESTMENT REQUIREMENTS.—

(1) IN GENERAL.—The Secretary shall conduct a study to determine the feasibility of requiring insurers to reinvest in communities and neighborhoods from which they collect premiums for insurance and whether, and the extent to which, community reinvestment requirements for insurers should be established that are comparable to the community reinvestment requirements applicable to depository institutions. The Secretary shall consult with representatives of insurers and consumer, community, and civil rights organizations regarding the results of the study and any recommendations to be made based on the results of the study.

(2) REPORT.—The Secretary shall report the results of the study, including any such recommendations, to the Committee on Banking, Housing, and Urban Affairs of the Senate and the appropriate committees of the House of Representatives, not later than 6 months after the conclusion of the first annual reporting period to which the reporting requirements under this Act apply (pursuant to section 26).

SEC. 21. EXEMPTION AND RELATION TO STATE LAWS.

(a) EXEMPTION FOR UNITED STATES PROGRAMS.—Reporting shall not be required under this Act with respect to insurance provided by any program underwritten or administered by the United States.

(b) RELATION TO STATE LAWS.—This Act does not annul, alter, or affect, or exempt the obligation of any insurer subject to this Act to comply with the laws of any State or subdivision thereof with respect to public disclosure, submission of information, and recordkeeping.

SEC. 22. REGULATIONS.

(a) IN GENERAL.—The Secretary shall issue any regulations required under this Act and any other regulations that may be necessary to carry out this Act. The regulations shall be issued through rulemaking in accordance with the procedures under section 553 of title 5, United States Code, for substantive rules. Except as otherwise provided in this Act, such final regulations shall be issued not later than the expiration of the 18-month period beginning on the date of enactment of this Act.

(b) BURDENS.—In prescribing such regulations, the Secretary shall take into consideration the administrative, paperwork, and other burdens on insurance agents, including independent insurance agents, involved in complying with the requirements of this Act and shall minimize the burdens imposed by such requirements with respect to such agents.

SEC. 23. DEFINITIONS.

For purposes of this Act, the following definitions shall apply:

(1) AGENT.—The term "agent" means, with respect to an insurer, an agent licensed by a State who sells property and casualty insurance. The term includes agents who are employees of the insurer, agents who are independent contractors working exclusively for the insurer, and agents who are independent contractors appointed to represent the insurer on a nonexclusive basis.

(2) APPLICABLE REGION.—The term "applicable region" means, with respect to a designated MSA—

(A) for any county located within the MSA that has a population of more than 30,000, the applicable census tract within the county; or

(B) for any county located within the MSA that has a population of 30,000 or less, the applicable county.

(3) COMMERCIAL INSURANCE.—The term "commercial insurance" means any line of property and casualty insurance, except homeowner's, dwelling fire, allied lines, and other personal lines of insurance.

(4) DESIGNATED INSURER.—The term "designated insurer" means, with respect to a designated line, an insurer designated for a State by the Secretary under section 13(b) as a designated insurer for such line or any insurer that is part of an insurer group selected under such section.

(5) DESIGNATED LINE.—The term "designated line" means a line of insurance designated by the Secretary under section 13(c).

(6) EXPOSURES.—The term "exposures" means, with respect to an insurance policy, an expression of an exposure unit covered under the policy compared to the duration of the policy (pursuant to standards established by the Secretary for uniform reporting of exposures).

(7) EXPOSURE UNITS.—The term "exposure units" means a dwelling covered under an insurance policy for homeowners, dwelling fire, or allied lines coverage.

(8) INSURANCE.—The term "insurance" means property and casualty insurance. Such term includes primary insurance, surplus lines insurance, and any other arrangement for the shifting and distributing of risks that is determined to be insurance under the law of any State in which the insurer or insurer group engages in an insurance business.

(9) INSURER.—Except with respect to section 8, the term "insurer" means any corporation, association, society, order, firm, company, mutual, partnership, individual, aggregation of individuals, or any other legal entity that is authorized to transact the business of property or casualty insurance in any State or that is engaged in a property or casualty insurance business. The term includes any certified foreign direct insurer, but does not include an individual or entity which represents an insurer as agent solely for the purpose of selling or which represents a consumer as a broker solely for the purpose of buying insurance.

(10) ISSUED.—The term "issued" means, with respect to an insurance policy, newly issued or renewed.

(11) JOINT UNDERWRITING ASSOCIATION.—The term "joint underwriting association" means an unincorporated association of insurers established to provide a particular form of insurance to the public.

(12) MORTGAGE INSURANCE.—The term "mortgage insurance" means insurance against the nonpayment of, or default on, a mortgage or loan for residential or commercial property.

(13) MSA.—The term "MSA" means a Metropolitan Statistical Area or a Primary Metropolitan Statistical Area.

(14) PRIVATE MORTGAGE INSURANCE.—The term "private mortgage insurance" means mortgage insurance other than mortgage insurance made available under the National Housing Act, title 38 of the United States Code, or title V of the Housing Act of 1949.

(15) PROPERTY AND CASUALTY INSURANCE.—The term "property and casualty insurance" means insurance against loss of or damage to property, insurance against loss of income or extra expense incurred because of loss of, or damage to, property, and insurance against third party liability claims caused by negligence or imposed by statute or contract.

Such term does not include workers' compensation, professional liability, or title insurance.

(16) RESIDUAL MARKET.—The term "residual market" means an assigned risk plan, joint underwriting association, or any similar mechanism designed to make insurance available to those unable to obtain it in the voluntary market. The term includes each statewide plan under part A of title XII of the National Housing Act to assure fair access to insurance requirements.

(17) RURAL AREA.—The term "rural area" means any area that—

(A) has a population of 10,000 or more;

(B) has a continuous boundary; and

(C) contains only areas that are rural areas, as such term is defined in section 520 of the Housing Act of 1949 (except that clause (3)(B) of such section 520 shall not apply for purposes of this Act).

(18) SECRETARY.—The term "Secretary" means the Secretary of Housing and Urban Development.

(19) STATE.—The term "State" means any State, the District of Columbia, the Commonwealth of Puerto Rico, the Northern Mariana Islands, the Virgin Islands, American Samoa, and the Trust Territory of the Pacific Islands.

SEC. 24. EFFECTIVE DATE.

The requirements of this Act relating to reporting of information by insurers shall take effect with respect to the first annual reporting period that begins not less than 2 years after the date of enactment of this Act.•

• Mr. FEINGOLD. Mr. President, I am pleased to join with the Senator from Michigan [Mr. RIEGLE], the chairman of the Senate Banking, Housing, and Urban Affairs Committee, in introducing legislation focused on the problem of insurance redlining. Although I will only have had the opportunity to work with Senator RIEGLE for 2 years, it has indeed been an honor, and a privilege to serve with him. His leadership on the Banking Committee, as exemplified in his introduction of this critical piece of legislation, will be sorely missed.

On March 10, 1994, I introduced similar legislation, S. 1917. On May 11, 1994, Senator RIEGLE chaired a hearing on the problem of redlining. Although I do not serve on that committee, Senator RIEGLE graciously invited me to join him at that hearing and to participate in the committee's questioning of the witnesses. Subsequently, my staff worked closely with Senator RIEGLE's staff in preparing the measure being introduced today.

Mr. President, there are few issues of greater importance to millions of Americans. "Communities without insurance are communities without hope." That was the conclusion over 25 years ago by the National Advisory Panel on Insurance. This panel was charged with examining the riot-stricken areas of our Nation in 1968, and they determined that the key to revitalizing our inner cities and bringing economic opportunity to all Americans rested on the ability of these communities to obtain affordable, quality insurance. With proper insurance, you can buy your own home, you can start a small business, and you can purchase an automobile so you can expand your employment opportunities.

Unfortunately, in 1994, too many of our low-income and minority communities have been denied access to the necessary insurance that is required to obtain that home loan or small business loan. The underwriting industry is supposed to be based on economic principles such as loss claims and associated risk. But as decades of research, studies and reports have shown, these economic principles have frequently been replaced by much more reprehensible factors such as the race or income status of the insurance applicant.

This legislation would, among other things, give Federal agencies and affected individuals the ability to effectively detect and address the problem of insurance redlining and enforce the Fair Housing Act. It would accomplish this by requiring insurance companies to disclose and report the number and types of policies made along census tract lines along with the race and income of the applicants and whether the applicants were accepted or rejected. Such information would be invaluable to Federal prosecutors and individuals seeking redress from discriminatory redlining practices. And of course, insurance companies that are in compliance with the law would have nothing to fear from any such disclosures.

I am pleased that the Clinton administration has expressed its support for legislation to address this problem and has urged Congress to act quickly on this important matter. The House of Representatives has recently passed similar legislation by an overwhelming margin. Hearings also already have been held in the Senate Commerce Committee, chaired by my friend from Nevada, Senator BRYAN. As a result of the strong interest in this issue by the Members of the Senate, I am confident we can move forward on this issue in the very near future.

In conclusion, I would like to again thank Senator RIEGLE for his work in this area. I look forward to working with him and others in making sure that we do all that we can to end the practice of insurance discrimination.•

By Mr. FEINGOLD:

S. 2405. A bill to amend certain Federal civil rights statutes to prevent the involuntary application of arbitration to claims that arise from unlawful employment discrimination based on race, color, religion, sex, national origin, age, or disability, and for other purposes; to the Committee on Labor and Human Resources.

THE CIVIL RIGHTS PROCEDURES PROTECTION ACT OF 1994

• Mr. FEINGOLD. Mr. President, I introduce a bill that is related to S. 2012, the Protection From Coercive Employment Agreements Act of 1994, which I introduced on April 13, 1994. This bill mirrors a House bill just introduced by Representatives PATRICIA SCHROEDER, EDWARD MARKEY, and MARJORIE MARGOLIES-MEZVINSKY as companion legislation to S. 2012.

This bill, however, approaches a rapidly growing problem in a slightly different, but equally effective manner. The problem is the practice of requiring employees to submit claims of discrimination or harassment to arbitration as a term or condition of employment or advancement, and prohibiting the employee from resolving their claim in a court of law.

While S. 2012, would proscribe employers from implementing such requirements, this bill amends seven specific civil rights statutes to make clear that the powers and procedures provided under those laws are the exclusive ones that apply when a claim arises. The legislation would invalidate existing agreements between employers and employees that require the employment discrimination claims to be submitted to mandatory arbitration.

The statutes this bill would amend are title VII of the Civil Rights Act of 1964, section 505 of the Rehabilitation Act of 1973, the Americans With Disabilities Act, section 1977 of the revised statutes, the Equal Pay Act, the Family and Medical Leave Act, and the Federal Arbitration Act [FAA]. The amendment to the FAA extends the protections of the bill to claims of unlawful discrimination that arise under State or local law and other Federal laws that prohibit job discrimination.

Mr. President, I want to reiterate that this legislation, as in the case of S. 2012, is in no way intended to bar the use of voluntary arbitration, conciliation, mediation, or other informal quasi-judicial methods of dispute resolution. In fact, I strongly support the use of voluntary dispute resolution methods as a way of reducing the caseloads of civil and criminal courts where appropriate.

This bill closes a widening loophole in the enforcement of civil rights laws in our Nation. An entire industry—Wall Street—and a growing number of companies and firms in many other industries have been able to circumvent formal legal challenges to their unlawful employment practices in court, a right intended to be protected by the statutes this bill amends. Employers can tell current and prospective employees, "If you want to work for us, you'll have to check your rights at the door."

Mr. President, this practice must be stopped now. It is simply unfair to require an employee to waive in advance his or her statutory right to seek remedy in a court of law in exchange for employment or a promotion. This bill will restore integrity in the relations between employees and employers.

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

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

S. 2405

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Civil Rights Procedures Protection Act of 1994".

SEC. 2. AMENDMENT TO TITLE VII OF THE CIVIL RIGHTS ACT OF 1964.

Title VII of the Civil Rights Act of 1964 (42 U.S.C. 2000e et seq.) is amended by adding at the end the following new section:

"EXCLUSIVITY OF POWERS AND PROCEDURES

"SEC. 719. Notwithstanding any Federal statute of general applicability that would modify any of the powers and procedures expressly applicable to a claim arising under this title, such powers and procedures shall be the exclusive powers and procedures applicable to such claim unless after such claim arises the claimant voluntarily enters into an agreement to resolve such claim through arbitration or another procedure.".

SEC. 3. AMENDMENT TO THE AGE DISCRIMINATION IN EMPLOYMENT ACT OF 1967.

The Age Discrimination in Employment Act of 1967 (29 U.S.C. 621 et seq.) is amended—

(1) by redesignating sections 16 and 17 as sections 17 and 18, respectively; and

(2) by inserting after section 15 the following new section 16:

"EXCLUSIVITY OF POWERS AND PROCEDURES

"SEC. 16. Notwithstanding any Federal statute of general applicability that would modify any of the powers and procedures expressly applicable to a right or claim arising under this Act, such powers and procedures shall be the exclusive powers and procedures applicable to such right or such claim unless after such right or such claim arises the claimant voluntarily enters into an agreement to resolve such right or such claim through arbitration or another procedure.".

SEC. 4. AMENDMENT TO THE REHABILITATION ACT OF 1973.

Section 505 of the Rehabilitation Act of 1973 (29 U.S.C. 795) is amended by adding at the end the following new subsection:

"(c) Notwithstanding any Federal statute of general applicability that would modify any of the procedures expressly applicable to a claim based on right under section 501, such procedures shall be the exclusive procedures applicable to such claim unless after such claim arises the claimant voluntarily enters into an agreement to resolve such claim through arbitration or another procedure.".

SEC. 5. AMENDMENT TO THE AMERICANS WITH DISABILITIES ACT OF 1990.

Section 107 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12117) is amended by adding at the end the following new subsection:

"(c) Notwithstanding any Federal statute of general applicability that would modify any of the powers and procedures expressly applicable to a claim based on a violation described in subsection (a), such powers and procedures shall be the exclusive powers and procedures applicable to such claim unless after such claim arises the claimant voluntarily enters into an agreement to resolve such claim through arbitration or another procedure.".

SEC. 6. AMENDMENT TO SECTION 1977 OF THE REVISED STATUTES OF THE UNITED STATES.

Section 1977 of the Revised Statutes (42 U.S.C. 1981) is amended by adding at the end the following new subsection:

"(d) Notwithstanding any Federal statute of general applicability that would modify any of the procedures expressly applicable to a right to make and enforce a contract of employment under this section, such procedures shall be the exclusive procedures applicable to a claim based on such right unless after such claim arises the claimant voluntarily enters into an agreement to resolve such claim through arbitration or another procedure.".

SEC. 7. AMENDMENT TO THE EQUAL PAY REQUIREMENT UNDER THE FAIR LABOR STANDARDS ACT OF 1938-.

Section 6(d) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(d)) is amended by adding at the end the following new paragraph:

"(5) Notwithstanding any Federal statute of general applicability that would modify any of the powers or procedures expressly applicable to a claim based on violation of this subsection, such powers and procedures shall be the exclusive procedures applicable to such claim unless after such claim arises the claimant voluntarily enters into an agreement to resolve such claim through arbitration or another procedure.".

SEC. 8. AMENDMENT TO THE FAMILY AND MEDICAL LEAVE ACT OF 1993.

Title IV of the Family and Medical Leave Act of 1993 (29 U.S.C. 2601 et seq.) is amended by adding at the end the following new section:

"SEC. 406. EXCLUSIVITY OF REMEDIES.

"Notwithstanding any Federal statute of general applicability that would modify any of the procedures expressly applicable to a claim based on a right provided under this Act or under an amendment made by this Act, such procedures shall be the exclusive procedures applicable to such claim unless after such claim arises the claimant voluntarily enters into an agreement to resolve such claim through arbitration or another procedure.".

SEC. 9. AMENDMENT TO TITLE 9 OF THE UNITED STATES CODE.

Section 14 of title 9, United States Code, is amended—

(1) by inserting "(a)" before "This"; and

(2) by adding at the end the following new subsection:

"(b) This chapter shall not apply with respect to a claim of unlawful discrimination in employment if such claim arises from discrimination based on race, color, religion, sex, national origin, age, or disability.".

SEC. 10. APPLICATION OF AMENDMENTS.

The amendments made by this Act shall apply with respect to claims arising on and after the date of the enactment of this Act.●

ADDITIONAL COSPONSORS

S. 359

At the request of Mr. DECONCINI, the name of the Senator from Maryland [Mr. SARBANES] was added as a cosponsor of S. 359, a bill to require the Secretary of the Treasury to mint coins in commemoration of the National Law Enforcement Officers Memorial, and for other purposes.

S. 1917

At the request of Mr. FEINGOLD, the name of the Senator from Louisiana [Mr. BREAUX] was added as a cosponsor of S. 1917, a bill to provide for public access to information regarding the availability of insurance, and for other purposes.

S. 2071

At the request of Mr. LIEBERMAN, the name of the Senator from New Jersey [Mr. LAUTENBERG] was added as a cosponsor of S. 2071, a bill to provide for the application of certain employment protection and information laws to the Congress and for other purposes.

S. 2178

At the request of Mr. DASCHLE, the name of the Senator from Virginia [Mr. ROBB] was added as a cosponsor of S. 2178, a bill to provide a program of compensation and health research for illnesses arising from service in the Armed Forces during the Persian Gulf war.

S. 2247

At the request of Mr. GORTON, the name of the Senator from Colorado [Mr. BROWN] was added as a cosponsor of S. 2247, a bill to amend the Fair Housing Act to modify the exemption from certain familial status discrimination prohibitions granted to housing for older persons, and for other purposes.

S. 2305

At the request of Mr. AKAKA, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 2305, a bill to provide that members of the Board of Veterans' Appeals be referred to as veterans law judges, to provide for the pay of such members, and for other purposes.

S. 2330

At the request of Mr. ROCKEFELLER, the name of the Senator from Kansas [Mrs. KASSEBAUM] was added as a cosponsor of S. 2330, a bill to amend title 38, United States Code, to provide that undiagnosed illnesses constitute diseases for purposes of entitlement of veterans to disability compensation for service-connected diseases, and for other purposes.

S. 2347

At the request of Mr. SASSER, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of S. 2347, a bill to require the Secretary of the Treasury to mint coins in commemoration of the 150th anniversary of the founding of the Smithsonian Institution.

AMENDMENT NO. 2564

At the request of Mr. DASCHLE the name of the Senator from Minnesota [Mr. WELLSTONE] was added as a cosponsor of amendment No. 2564 proposed to S. 2351, an original bill to achieve universal health insurance coverage, and for other purposes.

AMENDMENTS SUBMITTED

THE HEALTH SECURITY ACT

MACK (AND OTHERS) AMENDMENT NO. 2568

Mr. MACK (for himself, Mr. COATS, Mr. PACKWOOD, Mr. COVERDELL, Mr. CRAIG, Mr. D'AMATO, Mr. NICKLES, Mr. MCCONNELL, Mr. LOTT, Mr. HELMS, Mrs. HUTCHISON, Mr. GREGG, Mr. KEMPTHORNE, and Mr. ROTH) proposed an amendment to amendment No. 2560 proposed by Mr. MITCHELL to the bill (S. 2351) to achieve universal health insurance coverage, and for other purposes; as follows:

On page 129, strike line 13 and all that follows through line 16.

On page 263, insert between lines 15 and 16 the following new section:

SEC. 1604. APPLICATION OF THE FEDERAL ADVISORY COMMITTEE ACT AND THE PROVISIONS OF TITLE 5, UNITED STATES CODE.

(a) FEDERAL ADVISORY COMMITTEE ACT.—

(1) IN GENERAL.—Subject to paragraph (2) of this subsection, the provisions of the Federal Advisory Committee Act (5 U.S.C. App.) shall apply to any entity that—

(A) is established by or pursuant to this Act or is established or required to be established by an entity created under this Act; and

(B) is an advisory committee as defined under section 3(2) of the Federal Advisory Committee Act.

(2) EXCEPTION.—A provision of the Federal Advisory Committee Act shall not apply to an entity described under paragraph (1) only if a provision of this Act expressly provides that such specified provision (or all provisions) of the Federal Advisory Committee Act shall not apply to such entity.

(b) TITLE 5, UNITED STATES CODE.—

(1) IN GENERAL.—Subject to paragraph (2) of this subsection, the provisions of title 5, United States Code, shall apply to any board or other similar entity that—

(A) is established by or pursuant to this Act; and

(B) is not an advisory committee as defined under section 3(2) of the Federal Advisory Committee Act.

(2) EXCEPTION.—A provision of title 5, United States Code, shall not apply to an entity described under paragraph (1) only if a provision of this Act expressly provides that such provision (or all provisions) of title 5, United States Code, shall not apply to such entity.

On page 605, strike line 3 and all that follows through line 13.

On page 1409, strike line 1 and all that follows through line 3.

MITCHELL AMENDMENT NO. 2569

Mr. MITCHELL proposed an amendment to amendment No. 2560 proposed by him to the bill S. 2351, supra; as follows:

On page 1432, strike lines 21 through 24, and insert the following:

SEC. 10135. PROVISIONS REGARDING NONPAYMENT OF PREMIUMS.

(a) IN GENERAL.—A health plan may terminate coverage if amounts owed to the plan for a month with respect to an individual or an individual's family members have not been fully paid for a time period established under State law, or in the absence of such a law, a period of not less than 60 days, and the health plan has made reasonable attempts to collect such amounts.

(b) NOTICE.—Notwithstanding any other provision of this Act, a health plan may terminate coverage for nonpayment of premiums under subsection (a) only after providing notice of amounts overdue (in a form and manner and at such times as prescribed by the appropriate certifying authority).

HIGH-SPEED GROUND TRANSPORTATION DEVELOPMENT ACT OF 1994

EXON AMENDMENT NO. 2570

Mr. FORD (for Mr. EXON) proposed an amendment to the bill (S. 839) to establish a program to facilitate development of high-speed rail transportation in the United States, and for other purposes; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "High-Speed Ground Transportation Development Act of 1994".

SEC. 2. FINDINGS; PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) high-speed rail offers safe and transportation in certain densely traveled corridors linking major metropolitan areas in the United States;

(2) high-speed rail may have environmental advantages over certain other forms of intercity transportation;

(3) Amtrak's Metroliner service between Washington, District of Columbia, and New York, New York, the United States premier high-speed rail service, has shown that Americans will use high-speed rail when that transportation option is available;

(4) new high-speed rail service should not receive Federal subsidies for operating and maintenance expenses;

(5) State and local governments should take the prime responsibility for the development and implementation of high-speed rail service;

(6) the private sector should participate in funding the development of high-speed rail systems;

(7) in some intercity corridors, Federal planning assistance may be required to supplement the funding commitments of State and local governments and the private sector to ensure the adequate planning, including reasonable estimates of the costs and benefits, of high-speed rail systems;

(8) improvement of existing technologies can facilitate the development of high-speed rail systems in the United States; and

(9) Federal assistance is required for the improvement, adaptation, and integration of technologies for commercial application in high-speed rail service in the United States.

(b) PURPOSE.—The purpose of this Act is to encourage far-sighted State, local, and private efforts in the analysis and planning for high-speed rail systems in appropriate intercity travel corridors.

SEC. 3. NATIONAL HIGH-SPEED RAIL ASSISTANCE PROGRAM.

(a) IN GENERAL.—Part C of subtitle IV of title 49, United States Code (relating to passenger transportation), is amended by adding at the end the following new chapter:

"CHAPTER 251—HIGH-SPEED RAIL ASSISTANCE

"§ 25101. Corridor planning

"(a) AUTHORITY.—The Secretary may provide financial assistance to an applicant, based upon the criteria set forth in subsection (d) of this section, to fund corridor planning under subsection (b)(1) of this section.

(b) ELIGIBLE ACTIVITIES.—

"(1) A corridor planning activity is eligible for financial assistance under subsection (c) if the Secretary determines that it is necessary to establish appropriate engineering, operational, financial, environmental, or socioeconomic projections for the establishment of high-speed rail service in the corridor and that it leads toward development of a prudent financial and institution plan for implementation of specific high-speed rail improvements. Eligible corridor planning activities include—

"(A) environmental assessments;

"(B) feasibility studies emphasizing commercial technology improvements or applications;

"(C) Economic analyses, including ridership, revenue and operating expense forecasting;

"(D) assessing the impact on rail employment of developing high-speed rail corridors;

"(E) assessing community economic impacts;

"(F) interface with State and metropolitan area transportation planning and corridor planning with other States;

"(G) operational planning;

"(H) route selection analyses;

"(I) preliminary engineering and design;

"(J) identification of specific improvements to a corridor, including electrification, line straightening, grade crossing closings, and other right-of-way improvements, bridge rehabilitation and replacement, use of advanced locomotives and rolling stock, ticketing, interface with other modes of transportation, parking and other means of passenger access, track, signal, station and other capital works, and use of intermodal terminals;

"(K) preparation of financing plans and prospectuses; and

"(L) creation of public/private partnerships.

"(2) No financial assistance shall be provided under this section for corridor planning with respect to the main line of the Northeast Corridor, between Washington, District of Columbia, and Boston, Massachusetts.

"(c) CORRIDOR PLANNING ASSISTANCE.—

"(1) The Secretary may provide under this subsection financial assistance to an applicant for corridor planning for up to 50 per centum of the publicly financed costs associated with eligible activities.

"(2) No less than 20 per centum of publicly financed costs associated with eligible activities shall come from State and local sources, which State and local sources cannot include funds from any Federal program.

"(d) CRITERIA FOR DETERMINING FINANCIAL ASSISTANCE.—Selection by the Secretary of applicants for financial assistance under this section shall be based on such criteria as the Secretary considers appropriate, including—

"(A) the relationship or inclusion of the corridor in the Secretary's national high-speed ground transportation policy;

"(B) the extent to which the proposed planning focuses on systems which will achieve sustained speeds of 125 miles per hour or greater.

"(C) the integration of the corridor into metropolitan area and Statewide transportation planning;

"(D) the potential interconnection of the corridor with other parts of the Nation's transportation system, including the interconnection with other countries;

"(E) the anticipated effect of the corridor on the congestion of other modes of transportation;

"(F) whether the work to be funded will aid the efforts of State and local governments to comply with the Clean Air Act;

"(G) the past and proposed financial commitments and other support of State and local governments and the private sector to the proposed high-speed rail program, including the acquisition of rolling stock;

"(H) the estimated level of ridership;

"(I) the estimated capital cost of corridor improvements, including the cost of closing, improving, or separating highway-rail grade crossing;

"(J) rail transportation employment impacts;

"(K) community economic impacts;

"(L) the extent to which the projected revenues of the high-speed rail service to be planned, along with any financial commitments of State or local governments and the private sector, are expected to cover capital costs and operating and maintenance expenses; and

"(M) whether a route has been selected, specific improvements identified, and capacity studies completed.

"25102. High-speed rail technology improvements

"(a) AUTHORITY.—The Secretary is authorized to undertake activities for the improvement, adaptation, and integration of technologies for commercial application in high-speed rail service in the United States.

"(b) ELIGIBLE RECIPIENTS.—In carrying out activities authorized in subsection (a), the Secretary may provide financial assistance to any United States private business, educational institution located in the United States, State or local government or public authority, or agency or the Federal Government.

"(c) CONSULTATION WITH OTHER AGENCIES.—In carrying out activities authorized in subsection (a), the Secretary shall consult with such other governmental agencies as may be necessary concerning the availability of appropriate technologies for commercial application in high-speed rail service in the United States.

"25103. Definitions.

"For purposes of this chapter—

"(1) the term 'applicant' means a public agency, or a group of such public agencies, seeking financial assistance under this title;

"(2) the term 'financial assistance' includes grants, contracts, and cooperative agreements;

"(3) the term 'high-speed rail' means rail passenger transportation expected to reach and maintain speeds of 125 miles per hour or greater;

"(4) the term 'publicly funded costs' means the costs funded after April 29, 1993, by Federal, State, and local governments;

"(4) the term 'State'' means any of the several States, the District of Columbia, Puerto Rico, the Northern Marian Islands, the Virgin Islands, Guam, American Samoa, and any other territory or possession of the United States;

"(5) the term 'United States private business' means a business entity organized under the laws of the United States, or of a State, and conducting substantial business operations in the United States.".

"§ 25104. Safety regulations

"The Secretary shall promulgate such safety regulations as may be necessary for high-speed rail services.".

SEC. 4. COLUMBUS AND GREENVILLE RAILWAY.

(a) REDEMPTION OF OUTSTANDING OBLIGATIONS AND LIABILITIES.—Notwithstanding any other provision of law, the Secretary of Transportation, or the Secretary of the Treasury, if a holder of any of the obligations, shall allow the Delta Transportation Company, doing business as the Columbus & Greenville Railway, to redeem the obligations and liabilities of such company which remain outstanding under sections 505 and 511 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 825 and 831, respectively).

(b) VALUE.—For purposes of subsection (a), the value of each of the obligations and liabilities shall be an amount equal to the value established under the Federal Credit Reform Act of 1990 (2 U.S.C. 661 et seq.).

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

(a) AUTHORIZATION FOR FISCAL YEAR 1995.—There is authorized to be appropriated to the Secretary of Transportation $29,000,000 for financial assistance authorized under sections 25101 and 25102 of title 49 United States Code.

(b) AUTHORIZATION FOR FISCAL YEAR 1996.—There is authorized to be appropriated to the Secretary—

(1) $40,000,000 for financial assistance authorized under section 25101 of title 49, United States Code; and

(2) $30,000,000 for financial assistance authorized under section 25102 of title 49, United States Code.

(c) AUTHORIZATION FOR FISCAL YEAR 1997.—There is authorized to be appropriated to the Secretary of Transportation—

(1) $40,000,000 for financial assistance authorized under section 25101 of title 49, United States Code; and

(2) $30,000,000 for financial assistance authorized under section 25102 of title 49, United States Code.

(d) ADMINISTRATIVE EXPENSES OF SECRETARY.—Of the amounts authorized to be appropriated under subsections (a), (b) and (c), the Secretary of Transportation may reserve the funds necessary for payment of the administrative expenses incurred by the Secretary in carrying out the Secretary's responsibilities under chapter 251 of title 49 United States Code.

(e) FUNDS TO REMAIN AVAILABLE.—Funds made available under this section shall remain available until expended.

AUTHORITY FOR COMMITTEES TO MEET

ARMED SERVICES

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Thursday, August 18, 1994, at 9:30 a.m. in open session, to receive testimony on the military implications of the chemical weapons convention [CWC].

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

FOREIGN RELATIONS

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations, be authorized to meet during the session of the Senate on Thursday, August 18, 1994, at 10 a.m. to hold a business meeting to vote on pending items.

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. FORD. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee for authority to meet on Thursday, August 18, 1994 at 10 a.m. for a markup on the following item: S. 1697, the Federal Disaster Preparedness and Response Act of 1994.

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

COMMITTEE ON THE JUDICIARY

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Thursday, August 18, 1994, at 9:30 a.m., in room 226, Senate Dirksen office building on the nomination of Lois Jane Schiffer, of the District of Columbia, to be assistant Attorney General.

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

COMMITTEE ON THE JUDICIARY

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Thursday, August 18, 1994, at 10 a.m., in room 628, Senate Dirksen office building on the nominations of Nancy Gist to be Director of the Bureau of Justice Assistance, Laurie Robinson to be assistant attorney general for the Office of Justice programs, Jan Chaiken to be Director of the Bureau of Justice Statistics and Jeremy Travis to be Director of the National Institute of Justice.

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

ADDITIONAL STATEMENTS

S. 784, DIETARY SUPPLEMENT HEALTH AND EDUCATION ACT

Mr. HARKIN. Mr. President, I am very pleased that the Senate on Saturday unanimously passed S. 784, the Dietary Supplement Health and Education Act. This was an important moment for American consumers and for preventive health care. And it has been a long-time coming. My colleague from Utah, Senator HATCH, and I have been working for months to bring about this bipartisan compromise which promotes consumer protection and education and freedom of choice.

The Hatch-Harkin compromise adopted by the Senate is the result of many weeks of discussions and alterations. It guarantees the American people access to supplements to their diets that promote improved health and well-being. It also takes steps to assure that consumers will receive truth and nonmisleading information about these products without excessive, biased regulation by the Federal Government.

Mr. President, there is an overwhelming irony in a government that

subsidizes to the tune of a billion dollars a year the advertising and promotion of tobacco, which kills over 450,000 Americans a year, while running roughshod on the promotion of products that aim to promote health and save lives.

Taxpayers are being asked to subsidize activities that are designed to hook our kids on a habit that we know robs health. At the same time the FDA wants to deny people access to information they can use to take charge of their own health. Something is out of whack here. And the Hatch-Harkin substitute changes that.

Our substitute includes four major modifications to the bill adopted by the Labor Committee in May.

First, health claims will be subject to the pre-approval process and standard established by the Nutrition Labeling and Education Act while a Commission studies what and provides us recommendations on the best way to handle these claims. This is a significant change from the original S. 784 and shows a great willingness to compromise.

Second, it assures that consumers can receive truthful, nonmisleading articles, books or other publications at health food stores and elsewhere in connection with the sale of dietary supplements. This information has to be presented in a manner that ensures that consumers receive a balanced view of the scientific evidence about the health effects of dietary supplements. I believe this will make for more informed consumers and better consumer decision by reducing the great confusion that exist today due to the almost daily reports—often conflicting and confusing—we take in from newspapers and others on the latest new study on the health effects of vitamins, minerals, and other dietary supplements.

Third, the compromise assures that prescription drugs cannot escape appropriate review and oversight by being classified as dietary supplements. This concern was raised by a number of Senators and the legislation before us addresses it in a sensible manner.

Fourth, our compromise assures that so-called structure-function claims can be made while assuring that these claims are not health or disease claims.

Mr. President, this compromise is a critical first step toward final enactment of S. 784. The bill now goes to the House for its consideration. Our staffs have been meeting for months with leaders in the House. They have made significant progress in a number of important areas. I believe that with the unanimous passage of the Hatch-Harkin compromise here in the Senate, and with these ongoing discussions, we can see a good bill signed into law this year. I will continue to do all I can to make sure that happens, and happens as quickly as possible.

As you know, I have been a long-time advocate of preventive health care. And this proposal is an important part of that. We don't have a health care system in this Nation. We have a sick care system. We spend billions patching and mending. But we flunk when it comes to helping people stay healthy in the first place. If all we do is change how we pay the bills, we're just rearranging the deck chairs on the Titanic. We're going down. The only way we'll really get costs under control is to emphasize prevention and giving people the wherewithal to stay healthy.

This bill is an important step in that direction.

ORDER FOR CONSIDERATION OF COMMERCE-STATE-JUSTICE APPROPRIATIONS CONFERENCE REPORT

Mr. FORD. Mr. President, I ask unanimous consent that at 9:30 a.m. Friday, August 19, the Chair lay before the Senate a conference report accompanying H.R. 4603, the Commerce-State-Justice appropriations bill, and that the Senate then proceed to its immediate consideration; that there be a time limit of 1 hour for debate, with the time equally divided and controlled in the usual form; that upon the use or yielding back of the time without intervening action the Senate proceed to vote on the adoption of the conference report.

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

Mr. FORD. Mr. President, I now ask that it be in order to request the yeas and nays on adoption of the conference report.

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

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. FORD. I thank the Chair.

JUDICIAL AMENDMENTS ACT OF 1994

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. 2407, the Judicial Amendments Act of 1994 introduced earlier today by Senators HEFLIN, BIDEN, HATCH, GRASSLEY, and SPECTER; that the bill be read three times, passed, motion to reconsider be laid upon the table, and that any statements relating to this legislation be placed in the record at the appropriate place as if read.

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

Mr. HEFLIN. Mr. President, I am pleased to introduce with several of my colleagues on the Judiciary Committee a bill that will extend several authorities relative to the operation of the U.S. judiciary. I know that I and my colleagues would have liked to have done more, but the Senate schedule precludes a more comprehensive courts bill this year. I would expect that if I continue as chairman of the Courts Subcommittee in the next Congress, I will, in cooperation with all members of my subcommittee, hold hearings early next year to consider legislation on behalf of the administrative office of the U.S. courts as well as the U.S. Court of Federal Claims.

Section 1 of this legislation designates the name of the bill as the Judicial Amendments Act of 1994.

Section 2 extends the authorization of the Judiciary Automation Fund by 3 years to September 30, 1997 and clarifies the purposes for which the fund can be used, authorizing other agencies within the Federal judiciary to contribute to and use the fund if they deem it appropriate.

Congress established the fund, which is administered by the administrative office of the U.S. courts, in 1989 to create a multiyear source of funding to allow the judiciary to develop and implement a long-term plan to automate the Federal courts.

The General Accounting Office in a report to Congress on June 30, 1994 advises that the fund obligations for fiscal years 1990–93 were approximately $351 million for automation services, equipment, and support for the Federal courts.

The GAO report states that the fund has financed the expansion of automation to 190 of 197 courts by March of this year. This has been, however, not without problems—the systems are cumbersome to use and maintain. The GAO report notes that the Federal judiciary has begun to establish life cycle management standards to ensure quality systems design and implementation and to develop greater user involvement in systems development.

The GAO report recommends that Congress should reauthorize the fund for less than 5 years, and this legislation would follow that recommendation by reauthorizing the fund for 3 additional years to September 30, 1997.

Section 2 also incorporates three other recommendations of the GAO report. It will require the judiciary to report annually to Congress on the progress in developing a strategic business plan for the courts, implementing a long-range automation plan based on the strategic business plan, and require effective administrative office oversight of court automation efforts. It is my belief that if Congress follows the recommendation of the GAO report that these actions will, as the report states, "result in more effective use of the judiciary's automation resources."

Section 3 of this legislation is a simple reauthorization of 3 years to December 31, 1997 of 10 pilot programs of

mandatory court-annexed arbitration which are currently operating in selected Federal district courts as well as 10 additional pilot programs of voluntary court-annexed arbitration.

The Judicial Conference has recommended that Congress adopt legislation to continue authorization for court-annexed arbitration in the 20 districts which are operating such programs, and the conference has gone only so far as to recommend authorization for the remaining Federal district courts of voluntary court-annexed arbitration. Thus the conference has not recommended the expansion of mandatory court-annexed arbitration for the remainder of the Federal district courts. This section of the legislation follows the recommendation of the Judicial Conference.

It is my understanding from discussions with Department of Justice officials that the administration expects to present a comprehensive civil justice reform plan to congress early next year and that in this plan the issue of alternative dispute resolution will be addressed. Additionally, later this year I expect to introduce legislation that would address this issue as regards voluntary A.D.R.

Section 4 of this bill extend the Rand Corp's study of civil litigation for 1 additional year. More than 3½ years have passed since the Civil Justice Reform Act [CJRA], the Biden bill, was signed into law. Each of the 94 U.S. district courts has implemented expense and delay reduction plans in accordance with the dictates of the CJRA. The Judicial Conference is required to submit a final report evaluating certain case management principles included in the expense and delay reduction plans in December 1995 28 U.S.C. §471 notes.

The Rand Corp. was designated by the Judicial Conference to conduct the study by examining 5,000 cases selected from 20 courts. Ten of these courts—pilot courts—were required to implement their expense and delay reduction plans on an expedited basis and include the six principles of case management outlines in 28 U.S.C. §473(A). The remaining 10 courts—comparison courts—implemented expense and delay reduction plans but were not required to adopt the six principles. The study will determine whether the six principles contribute to reducing expense and delay in Federal courts.

In May, the Judicial Conference Committee on Court Administration and Case Management sent a letter to Chairman BIDEN outlining Rand's concerns about completion of the study. As a result of unforeseen problems in implementing plans, some of the courts in the study did not implement an expense and delay reduction plan as quickly as expected. Rand estimates that 20 percent of the cases chosen as part of the study will not be closed by the statutory deadline for completion of the study.

While Rand can estimate the results of the remaining cases, concrete results from the open cases are integral to the study and should not be the subject of speculation. Both the Judicial Conference and Rand maintain that the remaining 20 percent of the cases will represent the most complex segment of the caseload—those cases requiring significant amounts of judicial involvement, discovery and court time. One of the primary purposes behind the CJRA was to develop methods to expedite consideration of complex cases. Rand asserts that an additional year for the study would leave less than 8 percent of the cases unresolved.

Again, the provisions of this legislation are designed to address the immediate concerns and needs of the Federal judiciary. I urge my colleagues to support its immediate passage.

Mr. SPECTER. Mr. President, I am pleased to join in introducing this legislation to reauthorize certain important programs for the Federal judiciary that must be reauthorized this year or they will expire. All of the provisions of this bill are vital to the judicial branch and not controversial.

The legislation would reauthorize for 3 years the Judiciary Automation Fund, through which the Federal courts purchase automation equipment and services to improve their efficiency. The bill makes some changes to the Automation Fund in response to a recent study by the General Accounting Office, which was critical of certain aspects of the fund's operation. These changes will improve the management of the Automation Fund, and I thank Senator HEFLIN and Senator GRASSLEY for making them in order to improve the operation of the fund.

The bill will also extend the Rand Corp.'s study of Federal civil litigation that was authorized in the Civil Justice reform Act of 1990 for an additional year. In order to ensure that this study is most useful to Congress and the courts, it must include a review of the most complex cases that can take the longest time to resolve. Permitting a 1-year extension will allow the Rand Corp. to prepare a broader report that will be of greater use to Congress in evaluating the Federal civil justice system.

Finally, and of most interest to me, the bill would reauthorize for 3 years the 20 court-annexed arbitration programs in the Federal courts. Currently, 10 Federal judicial districts are authorized to employ voluntary, nonbinding arbitration programs and another 10 are authorized to employ mandatory, binding arbitration for small civil cases.

The eastern district of Pennsylvania, under the leadership of Judge Raymond Broderick, pioneered the use of mandatory court-annexed arbitration. Today, all segments of the bar of the eastern district of Pennsylvania, plaintiffs' lawyers and defense counsel, strongly support the program. The judges of the court also strongly favor the program, which enables the court to resolve small cases expeditiously and with minimal cost to the litigants. I have heard from many judges of the eastern district and the court of appeals for the third circuit supporting this reauthorization.

While there has been debate over whether to expand mandatory, court-annexed arbitration programs throughout the Federal judiciary, there is no reason to prevent those courts that have been employing it successfully at their own option to continue to do so.

I am grateful to both Senator HEFLIN and Senator GRASSLEY, the chairman and ranking Republican of the Subcommittee on Courts and Administrative Practice, for moving so expeditiously on this bill, which will benefit not simply the judges, lawyers, and litigants of the eastern district of Pennsylvania, but this Nation as a whole. Because the programs reauthorized by this bill will expire this year, it is imperative that Congress act promptly. By introducing and passing the bill on the same day, the Senate is doing its part to ensure the uninterrupted continuation of these programs. I hope that the House will act responsibly and adopt this bill promptly so that this legislation may be signed into law before the programs expire.

I thank the presiding officer and yield the floor.

Mr. GRASSLEY. Mr. President, I am pleased to join Senator HEFLIN in cosponsoring the Judicial Amendments Act of 1994. This bill is designed to address three elements important to the operation of our Federal court system.

First, the bill reauthorizes for 3 years the existing court-annexed arbitration programs. Currently, 10 district courts have mandatory, nonbinding arbitration for cases involving less than $150,000. And another 10 districts have voluntary, nonbinding programs. The authority for these programs would otherwise expire this December without our legislation.

Court-annexed arbitration is designed to let individuals and small businesses obtain speedier and less costly relief from the Federal courts. The Federal Judicial Center studied court-annexed arbitration and concluded that alternative dispute resolution works. I strongly agree. But because limited time remains in this Congress, this bill will only extend the existing programs, despite the overwhelming evidence that all judicial districts should be allowed to create these programs.

The second feature of the bill is to extend the Rand Corp.'s study of civil litigation for another year. In the Civil Justice Reform Act of 1990, the Rand Corp. was tasked with studying various kinds of civil cases in the Federal judicial system. A large number of cases

have been examined. However, the process did not start as early as might have been ideal. As a result, the kinds of cases that have not been fully studied are the largest, most complex cases that take the longest time to proceed to resolution. For the Rand study to be most useful to the subject to civil justice reform, it must examine the largest and most complex cases, because these cases have a disproportionate impact on the quality of civil justice provided by the Federal courts and on resources expended. By extending the study for another year, the Rand study will be more useful when the 104th Congress considers civil justice reform.

The third element of this bill is a reauthorization of the Judiciary Automation Fund. The Federal courts must use this fund for their purchase of automation equipment and services. Automation services are used by Federal courts for case, financial, and personnel management.

The Automation Fund is worthy and should be reauthorized. We have followed a recent General Accounting Office report which recommends a 3-year reauthorization rather than 5 years. During these 3 years, the judiciary will be able to assess the quality of its ongoing automation efforts and demonstrate progress in responding to the criticisms of the GAO report.

The bill conditions reauthorization of the fund on the judiciary's development of an overall strategic business plan to identify the missions, goals, and objectives of judicial automation. The judiciary is required to develop a long-term automation plan based on the strategic business plan and estimated user needs. Moreover, the judiciary needs to establish effective oversight by the Administrative Office to ensure the effectiveness of existing system and control over development of future systems. At the moment, there are multiple systems of automation in various courts, some of which are incompatible with each other. There are a few additional conditions for the Administrative Office, such as auditing and financial systems, contained in the bill that derive as well from the GAO report.

Mr. President, because of the immediate need to reauthorize these functions in light of the short time remaining for the 103d Congress, the bill is limited to these areas. Nonetheless, the importance of civil justice reform remains as important as ever. Although I am pleased to see this effort undertaken to keep existing reforms continue, and I appreciate chairman HEFLIN's efforts, this bill is not enough. I will work in the 104th Congress to ensure that civil justice reform is a top priority of the Judiciary Committee. By then, the administration will have issued its recommendations in this area, and the Rand study will be completed.

So the bill (S. 2407) was passed, as follows:

S. 2407

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Judicial Amendments Act of 1994".

SEC. 2. AMENDMENTS TO THE JUDICIARY AUTOMATION FUND.

Section 612 of title 28, United States Code, is amended—

(1) in subsection (a)—

(A) in the second sentence by inserting after "equipment for" the following: "program activities included in the courts of appeals, district courts, and other judicial services account of"; and

(B) in the third sentence by striking out all after "personal services" and inserting in lieu thereof ", support personnel in the courts and in the Administrative Office of the United States Courts, and other costs, for the effective management, coordination, operation, and use of automatic data processing equipment purchased by the Fund. In addition, all agencies of the judiciary may make deposits into the Fund to meet their automatic data processing needs in accordance with subsections (b) and (c)(2).";

(2) in subsection (b)(1) by striking out "judicial branch" and inserting in lieu thereof "activities funded under subsection (a) and shall include an annual estimate of any fees that may be collected under section 404 of the Judiciary Appropriations Act, 1991 (Public Law 101-515; 104 Stat. 2133)";

(3) in subsection (b)(2) by striking out "judicial branch of the United States" and inserting in lieu thereof "activities funded under subsection (a)";

(4) in subsection (c)(1)(A), by inserting after "surplus property" the following: ", all fees collected after the date of the enactment of the Judicial Amendments Act of 1994 by the judiciary under section 404 of the Judiciary Appropriations Act, 1991 (Public Law 101-515; 104 Stat. 2133)";

(5) in subsection (e)(1)—

(A) by striking out "(A)"; and

(B) by striking out "$75,000,000" and inserting in lieu thereof "amounts estimated to be collected under subsection (c) for that fiscal year";

(6) in subsection (h) by amending the subsection to read as follows:

"(h) ANNUAL REPORT.—

"(1) IN GENERAL.—The Director shall submit to the Congress an annual report on the operation of the Fund, including on the inventory, use, and acquisition of automatic data processing equipment from the Fund and the consistency of such acquisition with the plan prepared under subsection (b). The report shall set forth the amounts deposited into the Fund under subsection (c).

"(2) ADDITIONAL CONTENTS OF REPORT.—The annual report submitted under this subsection shall include—

"(A) the specific actions taken and the progress made to improve the plan developed under subsection (b) and the long range automation plan and strategic business plan developed under subsection (k); and

"(B) a comparison of planned Fund expenditures and accomplishments with actual Fund expenditures and accomplishments, and the reasons for any delays in scheduled systems development, or budget overruns.

"(3) REPORT IN YEAR OF TERMINATION OF AUTHORITY.—The annual report submitted under this subsection for any year in which the authority for this section is to terminate under subsection (m), shall be submitted no later than 9 months before the date of such termination.";

(7) in subsection (i) by striking out all after "Judicial Conference of the United States," and inserting in lieu thereof "may transfer amounts up to $1,000,000 from the Fund into the account to which the funds were originally appropriated. Any amounts transferred from the Fund in excess of $1,000,000 in any fiscal year may only be transferred by following reprogramming procedures in compliance with section 606 of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1989 (Public Law 100-459; 102 Stat. 2227).";

(8) in subsection (j) in the second sentence by inserting "in statute" after "not specified";

(9) by redesignating subsections (k) and (l) as subsections (l) and (m), respectively, and by inserting after subsection (j) the following new subsection:

"(k) LONG RANGE MANAGEMENT AND BUSINESS PLANS.—The Director of the Administrative Office of the United States Court shall—

"(1) develop an overall strategic business plan which would identify the judiciary's missions, goals, and objectives;

"(2) develop a long range automation plan based on the strategic business plan and user needs assessments;

"(3) establish effective Administrative Office oversight of court automation efforts to ensure the effective operation of existing systems and control over developments of future systems;

"(4) expedite efforts to complete the development and implementation of life cycle management standards;

"(5) utilize the standards in developing the next generation of case management and financial systems; and

"(6) assess the current utilization and future user requirements of the data communications network."; and

(10) in subsection (m) (as redesignated under paragraph (9) of this section—

(A) in the first sentence by striking out "1994", and inserting in lieu thereof, "1997"; and

(B) in the second sentence by striking out "'Judicial Services Account'" and inserting in lieu thereof "fund established under section 1931 of this title".

SEC. 3. COURT ARBITRATION AUTHORIZATION.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 905 of the Judicial Improvements and Access to Justice Act (28 U.S.C. 651 note) is amended—

(1) in the first sentence by striking out "for the fiscal year ending September 30, 1989, and for each of the succeeding 7 fiscal years," and inserting in lieu thereof "for each of the fiscal years 1994 through 1997"; and

(2) in the third sentence by striking out all beginning with ", except that" through "this Act".

(b) REMOVAL OF REPEALER.—Section 906 of the Judicial Improvements and Access to Justice Act (28 U.S.C. 651 note), and the item relating to such section in the table of contents contained in section 3 of such Act, are repealed.

SEC. 4. EXTENSION OF CIVIL JUSTICE EXPENSE AND DELAY REDUCTION PILOT PROGRAMS.

Section 105 of the Civil Justice Reform Act of 1990 (28 U.S.C. 471 note; 104 Stat. 5097) is amended—

(1) in subsection (a)(1) by striking out "4-year period" and inserting in lieu thereof "5-year period";

(2) in subsection (b)(3)—

(A) in the first sentence by striking out "3 years" and inserting in lieu thereof "4 years"; and

(B) in the second sentence by striking out "3-year period" and inserting in lieu thereof "4-year period"; and

(3) in subsection (c)(1) by striking out "December 31, 1995," and inserting in lieu thereof "December 31, 1996,".

LOCAL SERVICE AREA OF PRIMARY TRANSMITTER

Mr. SIMPSON. Mr. President, I send a bill to the desk on behalf of Senators HUTCHISON and HATCH and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows.

A bill (S. 2406) to amend title 17, United States Code, relating to the definition of local service area of a primary transmitter, and for other purposes.

There being no objection, the bill (S. 2406) was considered, ordered to a third reading, read the third time, and passed, as follows:

S. 2406

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. LOCAL SERVICE AREA OF A PRIMARY TRANSMITTER.

(a) IN GENERAL.—Section 111(f) of title 17, United States Code, is amended in the paragraph relating to the definition of "local service area of a primary transmitter"—

(1) by striking out "comprises the area" and inserting in lieu thereof "comprises either the area"; and

(2) by inserting after "April 15, 1976," the following: "or such station's television market as defined in section 76.55(e) of title 47, Code of Federal Regulations (as in effect on September 18, 1993), or any subsequent modifications to such television market made pursuant to section 76.55(e) or 76.59 of title 47 of the Code of Federal Regulations,".

(b) EFFECTIVE DATE.—The amendment made under subsection (a), relating to the definition of the local service area of a primary transmitter, shall take effect on July 1, 1994.

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

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

The motion to lay on the table was agreed to.

SMALL BUSINESS ADMINISTRATION REAUTHORIZATION AND AMENDMENT ACT

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of calendar number 561, S. 2060, the Small Business Administration Reauthorization.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Small Business, with an amendment to strike out all after the enacting clause, and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Small Business Administration Reauthorization and Amendment Act of 1994".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—AUTHORIZATIONS

Sec. 101. Authorizations.

TITLE II—FINANCIAL ASSISTANCE PROGRAMS

Sec. 201. Microloan financing pilot.
Sec. 202. Eligibility of Native American tribal governments to be microloan intermediaries.
Sec. 203. Microloan program extension.
Sec. 204. Microloan program funding and State limitations.
Sec. 205. Distribution of intermediaries.
Sec. 206. Microloan intermediary loan limitation.
Sec. 207. Microloan technical assistance to nonborrowers.
Sec. 208. Microloan demonstration program grants.
Sec. 209. Eligibility to participate as a microloan intermediary and a technical assistance provider.
Sec. 210. Loans to exporters.
Sec. 211. Working capital international trade loans.
Sec. 212. Guarantees on international trade loans.
Sec. 213. Accredited lenders program.
Sec. 214. Interest rate on certified development company loans.
Sec. 215. Certifications of eligibility for SBIC and SSBIC financing.
Sec. 216. Participating securities for smaller SBICs.

TITLE III—SIZE STANDARDS AND BOND GUARANTEES

Sec. 301. Size standard criteria.
Sec. 302. Sunset on preferred surety bond guarantee program.
Sec. 303. Manufacturing contracts through manufacturing application and education centers.

TITLE IV—BUSINESS DEVELOPMENT ASSISTANCE

Subtitle A—General Provisions

Sec. 401. Sunset on cosponsored training.
Sec. 402. Small business development center program level.
Sec. 403. Federal contracts with small business development centers.
Sec. 404. Small business development center program examination and certification.
Sec. 405. Service Corps of Retired Executives (SCORE) program.
Sec. 406. Information concerning franchising.

Subtitle B—Development of Woman-Owned Businesses

Sec. 411. Extension of authority for demonstration projects.
Sec. 412. Establishment of Office of Women's Business Ownership.
Sec. 413. National Commission on Women in Business.

TITLE V—RELIEF FROM DEBENTURE PREPAYMENT PENALTIES

Sec. 501. Short title.
Sec. 502. Prepayment of development company debentures.

TITLE VI—MISCELLANEOUS AMENDMENTS

Sec. 601. Consolidation of funding accounts.
Sec. 602. Imposition of fees.
Sec. 603. Job creation and community benefit.
Sec. 604. Microloan program amendments.
Sec. 605. Technical clarification.
Sec. 606. Secondary market study due date.
Sec. 607. Study and data base: Guaranteed Business Loan Program and Development Company Program.
Sec. 608. SBIR vendors.
Sec. 609. Program extension.
Sec. 610. Prohibition on the use of funds for individuals not lawfully within the United States.
Sec. 611. Office of advocacy employees.
Sec. 612. Prohibition on the provision of assistance.
Sec. 613. Certification of compliance with child support obligations.

TITLE I—AUTHORIZATIONS

SEC. 101. AUTHORIZATIONS.

Section 20 of the Small Business Act (15 U.S.C. 631 note) is amended by striking subsections (k) (as added by section 405(3) of the Small Business Credit and Business Opportunity Enhancement Act of 1992) through (p) and inserting the following:

"(*l*) The following program levels are authorized for fiscal year 1995:

"(1) For the programs authorized by this Act, the Administration is authorized to make $110,000,000 in direct and immediate participation loans, and $45,000,000 in technical assistance grants as provided in section 7(m).

"(2) For the programs authorized by this Act, the Administration is authorized to make $13,315,000,000 in deferred participation loans and other financings. Of such sum, the Administration is authorized to make—

"(A) $9,000,000,000 in general business loans as provided in section 7(a);

"(B) $2,300,000,000 in financings as provided in section 7(a)(13) and section 504 of the Small Business Investment Act of 1958;

"(C) $2,000,000,000 in loans as provided in section 7(a)(21); and

"(D) $15,000,000 in loans as provided in section 7(m).

"(3) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make—

"(A) $33,000,000 in purchases of preferred securities;

"(B) $275,000,000 in guarantees of debentures, of which $65,000,000 is authorized in guarantees of debentures from companies operating pursuant to section 301(d) of such Act; and

"(C) $500,000,000 in guarantees of participating securities.

"(4) For the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $1,800,000,000, of which not more than $450,000,000 may be in bonds approved pursuant to the provisions of section 411(a)(3) of such Act.

"(5) The Administration is authorized to make grants or enter into cooperative agreements—

"(A) for the Service Corps of Retired Executives program authorized by section 8(b)(1), $3,500,000;

"(B) for the Small Business Institute program authorized by section 8(b)(1), $3,000,000; and

"(C) for activities of small business development centers pursuant to section 21(c)(3)(G), $25,000,000, to remain available until expended.

"(m) There are authorized to be appropriated to the Administration for fiscal year 1995 such sums as may be necessary to carry out the provisions of this Act, including administrative expenses and necessary loan capital for disaster loans pursuant to section 7(b), and to carry out the provisions of the Small Business Investment Act of 1958, including salaries and expenses of the Administration.

"(n) The following program levels are authorized for fiscal year 1996:

"(1) For the programs authorized by this Act, the Administration is authorized to make $175,000,000 in direct and immediate participation loans, and $65,000,000 in technical assistance grants as provided in section 7(m).

"(2) For the programs authorized by this Act, the Administration is authorized to make $15,320,000,000 in deferred participation loans and other financings. Of such sum, the Administration is authorized to make—

"(A) $10,000,000,000 in general business loans as provided in section 7(a);

"(B) $2,800,000,000 in financings as provided in section 7(a)(13) and section 504 of the Small Business Investment Act of 1958;

"(C) $2,500,000,000 in loans as provided in section 7(a)(21); and

"(D) $20,000,000 in loans as provided in section 7(m).

"(3) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make—

"(A) $39,000,000 in purchases of preferred securities;

"(B) $300,000,000 in guarantees of debentures, of which $70,000,000 is authorized in guarantees of debentures from companies operating pursuant to section 301(d) of such Act; and

"(C) $750,000,000 in guarantees of participating securities.

"(4) For the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $2,000,000,000, of which not more than $500,000,000 may be in bonds approved pursuant to the provisions of section 411(a)(3) of such Act.

"(5) The Administration is authorized to make grants or enter cooperative agreements—

"(A) for the Service Corps of Retired Executives program authorized by section 8(b)(1), $3,750,000;

"(B) for the small business institute program authorized by section 8(b)(1), $3,250,000; and

"(C) for activities of small business development centers pursuant to section 21(c)(3)(G), not to exceed $25,000,000, to remain available until expended.

"(o) There are authorized to be appropriated to the Administration for fiscal year 1996 such sums as may be necessary to carry out the provisions of this Act, including administrative expenses and necessary loan capital for disaster loans pursuant to section 7(b), and to carry out the provisions of the Small Business Investment Act of 1958, including salaries and expenses of the Administration.

"(p) The following program levels are authorized for fiscal year 1997:

"(1) For the programs authorized by this Act, the Administration is authorized to make $250,000,000 in direct and immediate participation loans and $98,000,000 in technical assistance grants as provided in section 7(m), to remain available until expended.

"(2) For the programs authorized by this Act, the Administration is authorized to make $19,020,000,000 in deferred participation loans and other financings. Of such sum, the Administration is authorized to make—

"(A) $12,000,000,000 in general business loans as provided in section 7(a);

"(B) $3,500,000,000 in financings as provided in section 7(a)(13) and section 504 of the Small Business Investment Act of 1958;

"(C) $3,500,000,000 in loans as provided in section 7(a)(21); and

"(D) $20,000,000 in loans as provided in section 7(m).

"(3) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make—

"(A) $45,000,000 in purchases of preferred securities;

"(B) $375,000,000 in guarantees of debentures, of which $75,000,000 is authorized in guarantees of debentures from companies operating pursuant to section 301(d) of such Act; and

"(C) $1,125,000,000 in guarantees of participating securities.

"(4) For the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $2,200,000,000, of which not more than $650,000,000 may be in bonds approved pursuant to the provisions of section 411(a)(3) of such Act.

"(5) The Administration is authorized to make grants or enter cooperative agreements—

"(A) for the Service Corps of Retired Executives program authorized by section 8(b)(1), $4,000,000;

"(B) for the small business institute program authorized by section 8(b)(1), $3,500,000; and

"(C) for activities of small business development centers pursuant to section 21(c)(3)(G), not to exceed $25,000,000, to remain available until expended.

"(q) There are authorized to be appropriated to the Administration for fiscal year 1997 such sums as may be necessary to carry out the provisions of this Act, including administrative expenses and necessary loan capital for disaster loans pursuant to section 7(b), and to carry out the provisions of the Small Business Investment Act of 1958, including salaries and expenses of the Administration.".

TITLE II—FINANCIAL ASSISTANCE PROGRAMS

SEC. 201. MICROLOAN FINANCING PILOT.

Section 7(m) of the Small Business Act (15 U.S.C. 636(m)) is amended by adding at the end the following new paragraph:

"(12) DEFERRED PARTICIPATION LOAN PILOT.—In lieu of making direct loans to intermediaries as authorized in paragraph (1)(B), during fiscal years 1995 through 1997, the Administration may, on a pilot program basis, participate on a deferred basis of not less than 90 percent and not more than 100 percent on loans made to intermediaries by a for-profit or nonprofit entity or by alliances of such entities, subject to the following conditions:

"(A) NUMBER OF LOANS.—In carrying out this paragraph, the Administration shall not participate in providing financing on a deferred basis to more than 10 intermediaries in urban areas or more than 10 intermediaries in rural areas.

"(B) TERM OF LOANS.—The term of each loan shall be 10 years. During the first year of the loan, the intermediary shall not be required to repay any interest or principal. During the second through fifth years of the loan, the intermediary shall be required to pay interest only. During the sixth through tenth years of the loan, the intermediary shall be required to make interest payments and fully amortize the principal.

"(C) INTEREST RATE.—The interest rate on each loan shall be the rate specified by paragraph (3)(F) for direct loans. Subject to the availability of appropriations, the Administration may make payments to lenders on behalf of intermediaries in order to achieve such interest rate.".

SEC. 202. ELIGIBILITY OF NATIVE AMERICAN TRIBAL GOVERNMENTS TO BE MICROLOAN INTERMEDIARIES.

Section 7(m)(11)(A) of the Small Business Act (15 U.S.C. 636(m)(11)(A)) is amended—

(1) in clause (iii), by striking "or" at the end;

(2) in clause (iv), by striking the comma at the end and inserting "; or"; and

(3) by adding at the end the following new clause:

"(v) an agency of or nonprofit entity established by a Native American Tribal Government,".

SEC. 203. MICROLOAN PROGRAM EXTENSION.

Section 609(j) of Public Law 102-140 (105 Stat. 831) is amended by striking "5 years after the date of enactment of this Act", and inserting "on October 1, 1998".

SEC. 204. MICROLOAN PROGRAM FUNDING AND STATE LIMITATIONS.

Section 7(m) of the Small Business Act (15 U.S.C. 636(m)) is amended—

(1) in paragraph (5)(A)—

(A) by striking "25 grants" and inserting "50 grants"; and

(B) by striking "$125,000" and inserting "$150,000"; and

(2) by striking paragraph (7) and inserting the following:

"(7) PROGRAM FUNDING FOR MICROLOANS.—

"(A) NUMBER OF PARTICIPANTS.—In carrying out paragraph (1)(B)(i), the Administration may fund, on a competitive basis, not more than—

"(i) 150 microloan programs in fiscal year 1995; and

"(ii) 200 microloan programs in each succeeding fiscal year.

"(B) STATE LIMITATIONS.—A State shall not receive more than $10,000,000 in loan funds during any year of program participation.".

SEC. 205. DISTRIBUTION OF INTERMEDIARIES.

Section 7(m)(8) of the Small Business Act (15 U.S.C. 636(m)(8)) is amended to read as follows:

"(8) DISTRIBUTION OF INTERMEDIARIES.—In approving microloan program applicants under this subsection, the Administration shall select such intermediaries as will further microloan availability for small businesses in all industries located throughout each State, especially small businesses located in economically distressed urban and rural areas.".

SEC. 206. MICROLOAN INTERMEDIARY LOAN LIMITATION.

Section 7(m)(3)(C) of the Small Business Act (15 U.S.C. 636(m)(3)(C)) is amended by striking "$1,250,000" and inserting "$2,000,000".

SEC. 207. MICROLOAN TECHNICAL ASSISTANCE TO NONBORROWERS.

Section 7(m)(4) of the Small Business Act (15 U.S.C. 636(m)(4)) is amended by adding at the end the following new subparagraph:

"(E) ASSISTANCE TO CERTAIN SMALL BUSINESS CONCERNS.—Each intermediary may expend an amount not to exceed 20 percent of the grant funds authorized under paragraph (1)(B)(ii) to provide marketing, management, and technical assistance to small business concerns that are not borrowers under this subsection.".

SEC. 208. MICROLOAN DEMONSTRATION PROGRAM GRANTS.

Section 7(m)(4) of the Small Business Act (15 U.S.C. 636(m)(4)) is amended—

(1) in subparagraph (B), by inserting "except for a grant made to an intermediary that provides not less than 50 percent of its loans to small business concerns owned by one or more members of a federally recognized Indian tribe," after "under subparagraph (A),"; and

(2) in subparagraph (C), by striking clause (i) and inserting the following:

"(i) IN GENERAL.—In addition to grants made under subparagraph (A), each intermediary shall be eligible to receive a grant equal to 5 percent of the total outstanding balance of loans made to the intermediary under this subsection if—

"(I) the intermediary provides not less than 25 percent of its loans to small business concerns owned by one or more members of a federally recognized Indian tribe; or

"(II) the intermediary has a portfolio of loans made under this subsection that averages not more than $7,500 during the period of the intermediary's participation in the program.".

SEC. 209. ELIGIBILITY TO PARTICIPATE AS A MICROLOAN INTERMEDIARY AND A TECHNICAL ASSISTANCE PROVIDER.

Section 7(m)(2) of the Small Business Act (15 U.S.C. 636(m)(2)) is amended—

(1) by striking "(2) ELIGIBILITY FOR PARTICIPATION.—An" and inserting the following:

"(2) ELIGIBILITY FOR PARTICIPATION.—

"(A) IN GENERAL.—An";

(2) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively, and indenting accordingly; and

(3) by adding at the end the following new subparagraph:

"(B) PARTICIPATION AS INTERMEDIARY AND TECHNICAL ASSISTANCE PROVIDER.—A single entity may simultaneously receive 1 grant as an intermediary pursuant to paragraph (1)(B)(ii) and 1 grant as a nonintermediary technical assistance provider pursuant to paragraph (1)(B)(iii) if the Administration determines that—

"(i) the purposes of the grants are not duplicative;

"(ii) the grants will enable the entity to provide technical assistance to different geographic areas, or to support both guaranteed and direct loans in the same geographic area; and

"(iii) the entity meets all of the requirements of the programs authorized pursuant to clauses (ii) and (iii) of paragraph (1)(B).".

SEC. 210. LOANS TO EXPORTERS.

Section 7(a)(14)(A) of the Small Business Act (15 U.S.C. 636(a)(14)(A)) is amended to read as follows:

"(14)(A) The Administration may provide extensions of credit, standby letters of credit, revolving lines of credit for export purposes, and other financing to enable small business concerns, including small business export trading companies and small business export management companies, to develop foreign markets. A bank or participating lending institution may establish the rate of interest on such financings as may be legal and reasonable.".

SEC. 211. WORKING CAPITAL INTERNATIONAL TRADE LOANS.

Section 7(a)(3)(B) of the Small Business Act (15 U.S.C. 636(a)(3)(B)) is amended to read as follows:

"(B) if the total amount outstanding and committed (on a deferred basis) solely for the purposes provided in paragraph (16) to the borrower from the business loan and investment fund established by this Act would exceed $1,250,000, of which not more than $750,000 may be used for working capital, supplies, or financings under section 7(a)(14) for export purposes; and".

SEC. 212. GUARANTEES ON INTERNATIONAL TRADE LOANS.

Section 7(a)(2)(B)(iv) of the Small Business Act (15 U.S.C. 636(a)(2)(B)(iv)) is amended to read as follows:

"(iv) not less than 85 percent nor more than 90 percent of the financing outstanding at the time of disbursement if such financing is a loan under paragraph (14) or (16).".

SEC. 213. ACCREDITED LENDERS PROGRAM.

(a) ESTABLISHMENT.—Title V of the Small Business Investment Act of 1958 (15 U.S.C. 695 et seq.) is amended by adding at the end the following new section:

"SEC. 507. ACCREDITED LENDERS PROGRAM.

"(a) ESTABLISHMENT.—The Administration is authorized to establish an Accredited Lenders Program for qualified State and local development companies that meet the requirements of subsection (b).

"(b) REQUIREMENTS.—The Administration may designate a qualified State or local development company as an accredited lender if such company—

"(1) has been an active participant in the Development Company Program authorized by sections 502, 503, and 504 for not less than the preceding 12 months;

"(2) has well-trained, qualified personnel who are knowledgeable in the Administration's lending policies and procedures for such Development Company Program;

"(3) has the ability to process, close, and service financing for plant and equipment under such Development Company Program;

"(4) has a reasonable and acceptable loss rate on the company's debentures;

"(5) has a history of submitting to the Administration complete and accurate debenture guaranty application packages; and

"(6) has demonstrated the ability to serve small business credit needs for financing plant and equipment through the Development Company Program authorized by sections 502, 503, and 504.

"(c) EXPEDITED PROCESSING OF LOAN APPLICATIONS.—The Administration shall develop an expedited procedure for processing a loan application or servicing action submitted by a qualified State or local development company that has been designated as an accredited lender in accordance with subsection (b).

"(d) SUSPENSION OR REVOCATION OF DESIGNATION.—

"(1) IN GENERAL.—The designation of a qualified State or local development company as an accredited lender may be suspended or revoked if the Administration determines that—

"(A) the development company has not continued to meet the criteria for eligibility under subsection (b); or

"(B) the development company has failed to adhere to the Administration's rules and regulations or is violating any other applicable provision of law.

"(2) EFFECT.—A suspension or revocation under paragraph (1) shall not affect any outstanding debenture guarantee.

"(e) DEFINITION.—For purposes of this section, the term 'qualified State or local development company' has the same meaning as in section 503(e).".

(b) REGULATIONS.—Not later than 120 days after the date of enactment of this Act, the Administration shall promulgate final regulations to carry out this section.

(c) REPORT.—Not later than 1 year after the effective date of regulations promulgated under subsection (b), the Administration shall report to the Committees on Small Business of the Senate and the House of Representatives on the implementation of this section. Such report shall include data on the number of development companies designated as accredited lenders, their debenture guarantee volume, their loss rates, the average processing time on their guarantee applications, and such other information as the Administration deems appropriate.

SEC. 214. INTEREST RATE ON CERTIFIED DEVELOPMENT COMPANY LOANS.

Section 112(c) of the Small Business Administration Reauthorization and Amendment Act of 1988 (102 Stat. 2996) is amended—

(1) in paragraph (1), by striking "(1) IN GENERAL.—Section 503" and inserting "Section 503"; and

(2) by striking paragraph (2).

SEC. 215. CERTIFICATIONS OF ELIGIBILITY FOR SBIC AND SSBIC FINANCING.

Section 308 of the Small Business Investment Act of 1958 (15 U.S.C. 687) is amended by adding at the end the following new subsection:

"(h) CERTIFICATIONS OF ELIGIBILITY.—

"(1) CERTIFICATION BY SMALL BUSINESS CONCERN.—Prior to receiving financial assistance from a company licensed pursuant to subsection (c) or (d) of section 301, a small business concern shall certify in writing that it meets the eligibility requirements of the Small Business Investment Company Program or the Specialized Small Business Investment Company Program, as applicable.

"(2) CERTIFICATION BY COMPANY.—Prior to providing financial assistance to a small business concern under this Act, a company licensed pursuant to subsection (c) or (d) of section 301 shall certify in writing that it has reviewed the application for assistance of the small business concern and that all documentation and other information supports the eligibility of the applicant.

"(3) RETENTION OF CERTIFICATIONS.—Certificates made pursuant to paragraphs (1) and (2) shall be retained by the company licensed pursuant to subsection (c) or (d) of section 301 for the duration of the financial assistance.".

SEC. 216. PARTICIPATING SECURITIES FOR SMALLER SBICS.

Section 303(g) of the Small Business Investment Act of 1958 (15 U.S.C. 683(g)) is amended by adding at the end the following new paragraph:

"(13) PARTICIPATING SECURITIES FOR SMALLER SMALL BUSINESS INVESTMENT COMPANIES.—

"(A) IN GENERAL.—Subject to the provisions of subparagraph (B), of the amount of the annual program level of participating securities approved in appropriations Acts, 50 percent shall be reserved for funding small business investment companies with private capital of less than $20,000,000.

"(B) EXCEPTION.—During the last quarter of each fiscal year, if the Administrator determines that there is a lack of qualified applicants with private capital of less than $20,000,000, the Administrator may utilize all or any part of the program level for securities reserved under subparagraph (A) for qualified applicants with private capital of $20,000,000 or more.".

TITLE III—SIZE STANDARDS AND BOND GUARANTEES

SEC. 301. SIZE STANDARD CRITERIA.

Section 3(a)(2) of the Small Business Act (15 U.S.C. 632(a)(2)) is amended to read as follows:

"(2) SIZE STANDARD CRITERIA.—

"(A) IN GENERAL.—In addition to the criteria specified in paragraph (1), the Administrator may specify detailed definitions or standards by which a business concern may be determined to be a small business concern for the purposes of this Act or any other Act.

"(B) ADDITIONAL CRITERIA.—The standards described in paragraph (1) may utilize number of employees, dollar volume of business, net worth, net income, or a combination thereof.

"(C) REQUIREMENTS.—Unless specifically authorized by statute, no Federal department or agency may prescribe a size standard for categorizing a business concern as a small business concern, unless such proposed size standard—

"(i) is proposed after an opportunity for public notice and comment;

"(ii) provides for determining—

"(I) the size of a manufacturing concern as measured by the manufacturing concern's average employment based upon employment during each of the manufacturing concern's pay periods for the preceding 12 months;

"(II) the size of a business concern providing services on the basis of the annual average gross receipts of the business concern over a period of not less than 3 years; and

"(III) the size of other business concerns on the basis of data over a period of not less than 3 years; and

"(iii) is approved by the Administrator.".

SEC. 302. SUNSET ON PREFERRED SURETY BOND GUARANTEE PROGRAM.

Section 207 of the Small Business Administration Reauthorization and Amendment Act of 1988 (15 U.S.C. 694b note) is amended by striking "September 30, 1994" and inserting "September 30, 1995".

SEC. 303. MANUFACTURING CONTRACTS THROUGH MANUFACTURING APPLICATION AND EDUCATION CENTERS.

(a) IN GENERAL.—The Small Business Administration shall promote the award of Federal manufacturing contracts to small business concerns that participate in manufacturing application and education centers by working with the Department of Commerce and other agencies to identify components and subsystems that are both critical and currently foreign-sourced.

(b) QUALIFICATIONS.—In order to qualify as a manufacturing application and education center under this section, an entity shall have the capacity to assist small business concerns in a shared-use production environment and to offer the following services:

(1) Technology demonstration.

(2) Technology education.

(3) Technology application support.

(4) Technology advancement support.

(c) INAPPLICABILITY OF CERTAIN REQUIREMENTS.—The requirements of section 15(o)(1)(B) of the Small Business Act shall not apply with respect to any manufacturing contract carried out by a small business concern in conjunction with a manufacturing application and education center under this section.

(d) REGULATIONS.—Not later than 180 days after the date of enactment of this Act, the Administrator of the Small Business Administration shall promulgate final regulations to carry out this section.

(e) TERMINATION OF AUTHORITY.—The authority of the Small Business Administration under this section shall terminate on September 30, 1997.

TITLE IV—BUSINESS DEVELOPMENT ASSISTANCE

Subtitle A—General Provisions

SEC. 401. SUNSET ON COSPONSORED TRAINING.

(a) IN GENERAL.—

(1) REPEAL.—The amendments made by section 5(a) of Small Business Computer Security and Education Act of 1984 (15 U.S.C. 633 note) are hereby repealed.

(2) EFFECTIVE DATE.—Paragraph (1) shall take effect on September 30, 1997.

(b) CONFORMING AMENDMENT.—Section 7(b) of the Small Business Computer Security and Education Act of 1984 (15 U.S.C. 633 note) is amended in the second sentence by striking "and the amendments made to section 8(b)(1)(A) of the Small Business Act by section 5(a)(2) of this Act are" and inserting "is".

SEC. 402. SMALL BUSINESS DEVELOPMENT CENTER PROGRAM LEVEL.

Section 21(a)(4) of the Small Business Act (15 U.S.C. 648(a)(4)) is amended to read as follows:

"(4) SMALL BUSINESS DEVELOPMENT CENTER PROGRAM LEVEL.—

"(A) IN GENERAL.—The Administration shall require as a condition of any grant (or amendment or modification thereof) made to an applicant under this section, that a matching amount (excluding any fees collected from recipients of such assistance) equal to the amount of such grant be provided from sources other than the Federal Government, to be comprised of not less than 50 percent cash and not more than 50 percent of indirect costs and in-kind contributions.

"(B) RESTRICTION.—The matching amount described in subparagraph (A) shall not include any indirect costs or in-kind contributions derived from any Federal program.

"(C) NATIONAL PROGRAM.—

"(i) IN GENERAL.—No recipient of funds under this section shall receive a grant that exceeds—

"(I) for fiscal year 1995, the greater of—

"(aa) the sum of such recipient's pro rata share of a national program based upon the population to be served by the small business development center as compared to the total population in the United States, and $100,000; or

"(bb) $200,000; and

"(II) except as provided in clause (ii), in each succeeding fiscal year, the greater of—

"(aa) the sum of such recipient's pro rata share of a national program based upon the population to be served by the small business development center as compared to the total population in the United States, and $200,000; or

"(bb) $300,000.

"(ii) EXCEPTION.—The provisions of clause (i)(I) shall apply in any fiscal year after fiscal year 1995 in which, based on funds appropriated, a small business development center would, under the provisions of clause (i)(II), receive less than the small business development center received in fiscal year 1995.

"(iii) AMOUNT.—The amount of the national program shall be—

"(I) $70,000,000 through September 30, 1995;

"(II) $77,500,000 from October 1, 1995 through September 30, 1996; and

"(III) $85,000,000 beginning October 1, 1996.

The amount for which a small business development center is eligible under this paragraph shall be based upon the amount of the national program in effect as of the date for commencement of performance of the small business development center's grant.".

SEC. 403. FEDERAL CONTRACTS WITH SMALL BUSINESS DEVELOPMENT CENTERS.

Section 21(a)(5) of the Small Business Act (15 U.S.C. 648(a)(5)) is amended to read as follows:

"(5) FEDERAL CONTRACTS WITH SMALL BUSINESS DEVELOPMENT CENTERS.—

"(A) IN GENERAL.—A small business development center may enter into a contract with a Federal department or agency to provide specific assistance to small business concerns, if the contract is approved in advance by the Associate Administrator of the small business development center program.

"(B) APPROVAL CRITERIA.—Each approval of a contract under subparagraph (A) shall be based upon a determination that the contract will provide assistance to small business concerns and that performance of the contract will not hinder the small business development center in carrying out the terms of the grant received by the small business development center from the Administration.

"(C) EXEMPTION FROM MATCHING REQUIREMENT.—A contract under this paragraph shall not be subject to the matching funds or eligibility requirements of paragraph (4).

"(D) ADDITIONAL PROVISION.—Notwithstanding any other provision of law, a contract for assistance under this paragraph may not be applied to any Federal department or agency's small business, woman-owned business, or socially and economically disadvantaged business contracting goal under section 15(g).".

SEC. 404. SMALL BUSINESS DEVELOPMENT CENTER PROGRAM EXAMINATION AND CERTIFICATION.

Section 21(k) of the Small Business Act (15 U.S.C. 648(k)) is amended to read as follows:

"(k) PROGRAM EXAMINATION AND CERTIFICATION.—

"(1) EXAMINATION.—Not later than 180 days after the date of enactment of this subsection, the Administration shall develop and implement a biannual programmatic and financial examination of each small business development center established pursuant to this section.

"(2) CERTIFICATION.—The Administration may provide financial support, by contract or otherwise, to the association authorized by subsection (a)(3)(A) for the purpose of developing a small business development center certification program.

"(3) EXTENSION OR RENEWAL OF COOPERATIVE AGREEMENTS.—In extending or renewing a cooperative agreement of a small business development center, the Administration shall consider the results of the examination and certification program conducted pursuant to paragraphs (1) and (2).".

SEC. 405. SERVICE CORPS OF RETIRED EXECUTIVES (SCORE) PROGRAM.

Section 8(b)(1) of the Small Business Act (15 U.S.C. 637(b)(1)) is amended by adding at the end the following new subparagraph:

"(H) In carrying out subparagraph (B), the Administration shall encourage the Service Corps of Retired Executives (SCORE) established pursuant to such subparagraph, to the maximum extent practicable, to consult and work in conjunction with the Corporation for National and Community Service and the Points of Light Foundation established under the National and Community Service Act of 1990.".

SEC. 406. INFORMATION CONCERNING FRANCHISING.

Section 8(b)(1)(A) of the Small Business Act (15 U.S.C. 637(b)(1)(A)) is amended by inserting "including information on the benefits and risks of franchising," after "small-business enterprises,".

Subtitle B—Development of Woman-Owned Businesses

SEC. 411. EXTENSION OF AUTHORITY FOR DEMONSTRATION PROJECTS.

The Small Business Act (15 U.S.C. 631 et seq.) is amended—

(1) by redesignating section 28 (as added by section 2 of the Women's Business Development Act of 1991) as section 29; and

(2) in section 29(g), as redesignated, by striking "1995" and inserting "1997".

SEC. 412. ESTABLISHMENT OF OFFICE OF WOMEN'S BUSINESS OWNERSHIP.

Section 29 of the Small Business Act (15 U.S.C. 656), as redesignated by section 411, is amended by adding at the end the following new subsection:

"(h) OFFICE OF WOMEN'S BUSINESS OWNERSHIP.—There is hereby established within the Administration an Office of Women's Business Ownership, which shall be responsible for the administration of the Administration's programs for the development of women's business enterprises, as such term is defined in section 408 of the Women's Business Ownership Act of 1988. The Office of Women's Business Ownership shall be administered by an Assistant Administrator, who shall be appointed by the Administrator.".

SEC. 413. NATIONAL COMMISSION ON WOMEN IN BUSINESS.

(a) ESTABLISHMENT.—Section 401 of the Women's Business Ownership Act of 1988 (15 U.S.C. 631 note) is amended to read as follows:

"SEC. 401. ESTABLISHMENT.

"There is hereby established a Commission to be known as the 'National Commission on Women in Business' (hereafter in this title referred to as the 'Commission').".

(b) DUTIES OF THE COMMISSION.—Section 402 of the Women's Business Ownership Act of 1988 (15 U.S.C. 631 note) is amended to read as follows:

"SEC. 402. DUTIES OF THE COMMISSION.

"The Commission shall—

"(1) review, promote, coordinate, and monitor plans and programs, developed in the public and private sectors, which affect the ability of woman-owned businesses to obtain capital and credit;

"(2) promote and assist in the development of the Intermediate Census on Women's Business Ownership and other surveys of woman-owned businesses;

"(3) provide assistance to and outreach for the involvement of women business owners in White House Conference on Small Business;

"(4) study and assess—

"(A) the obstacles faced by women seeking to establish businesses and women seeking senior management positions in large and small businesses and in the professions; and

"(B) the contributions to the Nation's economy by businesses owned or managed by women; and

"(5) design a comprehensive plan for a joint public-private sector effort to facilitate the development and growth of woman-owned businesses.

"(b) REPORT.—Not later than January 31, 1996, the Commission shall submit a report to the President and the Committees on Small Business of the Senate and the House of Representatives describing the plan developed pursuant to subsection (a)(5).".

(c) MEMBERSHIP.—Section 403 of the Women's Business Ownership Act of 1988 (15 U.S.C. 631 note) is amended to read as follows:

"SEC. 403. MEMBERSHIP OF THE COMMISSION.

"(a) IN GENERAL.—The Commission shall be composed of 14 members, of whom—

"(1) 7 members shall be the individuals described in subsection (b); and

"(2) 7 members shall be appointed in accordance with subsection (c).

"(b) PUBLIC SECTOR MEMBERS.—For purposes of subsection (a)(1), the individuals described in this section are—

"(1) the Administrator of the Small Business Administration;

"(2) the Assistant Administrator of the Office of Women's Business Ownership of the Small Business Administration;

"(3) the Secretary of the Treasury, or the Secretary's designee;

"(4) the Secretary of Labor, or the Secretary's designee;

"(5) the Secretary of Commerce, or the Secretary's designee;

"(6) the Administrator of the General Services Administration, or the Administrator's designee; and

"(7) 1 member of the Board of Governors of the Federal Reserve System, or the designee of a member.

"(c) PRIVATE SECTOR MEMBERS.—

"(1) CHAIRPERSON.—Not later than 45 days after the date of enactment of the Small Business Administration Reauthorization and Amendment Act of 1994, the President shall appoint an individual to serve as the chairperson of the Commission (hereafter in this title referred to as the 'Chairperson') who shall be a prominent business-woman who is qualified to head the Commission by virtue of her education, training, and experience.

"(2) OTHER MEMBERS.—Not later than 60 days after the date of enactment of the Small Business Administration Reauthorization and Amendment Act of 1994, the Administrator of the Small Business Administration shall appoint 6 members of the Commission, of whom—

"(A) 1 shall be an owner of a small business concern, as such term is defined in section 3 of the Small Business Act, who is a member of the same political party as the President;

"(B) 1 shall be an owner of a small business concern, as such term is defined in section 3 of the Small Business Act, who is not a member of the same political party as the President; and

"(C) 4 shall be representatives of national women's business organizations.

"(d) ADMINISTRATIVE PROVISIONS.—

"(1) RESTRICTION.—The members of the Commission appointed pursuant to subsection (c) shall not be officers or employees of the Federal Government.

"(2) VICE CHAIRPERSON.—The member of the Commission appointed pursuant to subsection (b)(2) shall serve as vice chairperson of the Commission.

"(3) TERMS.—The term of service of the members of the Commission appointed pursuant to subsection (c) shall be 1 year. No member of the Commission may serve for more than 2 consecutive terms.

"(4) DESIGNEES.—Each designee appointed pursuant to subsection (b) shall—

"(A) be a policy-making official whose duties are consistent with the duties of the Commission; and

"(B) report directly to the head of the agency on the activities of the Commission.

"(5) COMPENSATION AND TRAVEL EXPENSES.—

"(A) PUBLIC SECTOR MEMBERS.—The members of the Commission described in subsection (b) shall serve on the Commission without additional compensation.

"(B) PRIVATE SECTOR MEMBERS.—The members of the Commission appointed pursuant to subsection (c) shall serve without pay for membership, except that such members shall be entitled to reimbursement for domestic travel, subsistence, and other necessary expenses incurred by them in carrying out the functions of the Commission in the same manner as persons serving on advisory boards pursuant to section 8(b) of the Small Business Act.

"(6) VACANCIES.—A vacancy on the Commission shall, not later than 30 days after the date on which the vacancy occurs, be filled in the same manner in which the original appointment was made.

"(7) MEETINGS.—The Commission shall meet at the call of the Chairperson not less than 4 times each year.

"(8) QUORUMS.—

"(A) RECEIPT OF TESTIMONY.—Four members of the Commission shall constitute a quorum for the receipt of testimony and other evidence.

"(B) APPROVAL OF RECOMMENDATIONS.—A majority of the members of the Commission shall constitute a quorum for the approval of recommendations or reports issued pursuant to sections 402 and 406.".

(d) EXECUTIVE DIRECTOR AND STAFF.—Section 404 of the Women's Business Ownership Act of 1988 (15 U.S.C. 631 note) is amended to read as follows:

"SEC. 404. EXECUTIVE DIRECTOR AND STAFF.

"(a) EXECUTIVE DIRECTOR.—The Commission shall have an Executive Director who shall be appointed by the Chairperson and the Assistant Administrator of the Small Business Administration Office of Women's Business Ownership. Upon the recommendation by the Executive Director, the Chairperson may appoint and fix the pay of 4 additional employees at a rate of pay not to exceed the maximum rate of pay payable for a position at GS–15 of the General Schedule.

"(b) ADMINISTRATIVE PROVISIONS.—The Executive Director and staff of the Commission may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and except as provided in subsection (a), may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that the Executive Director so appointed may not receive pay in excess of the annual rate of basic pay payable for a position at ES–1 of the Senior Executive Pay Schedule under section 5832 of title 5, United States Code.

"(c) DETAIL OF ADDITIONAL PERSONNEL.—Upon request to the Chairperson, the head of any Federal department or agency may detail any of the personnel of such agency to the Commission to assist the Commission in carrying out its duties under this title without regard to section 3341 of title 5, United States Code.".

(e) POWERS OF THE COMMISSION.—Section 405 of the Women's Business Ownership Act of 1988 (15 U.S.C. 631 note) is amended—

(1) by striking "Council" each place it appears and inserting "Commission"; and

(2) by adding at the end the following new subsection:

"(f) COOPERATION WITH PRIVATE ENTITIES.—

"(1) IN GENERAL.—Subject to the requirements of paragraph (2), the Commission may carry out its duties under section 402 through cooperation with private nonprofit and for-profit entities.

"(2) RESTRICTION.—If the Commission cooperates with private entities pursuant to paragraph (1), the Commission shall ensure that—

"(A) the Commission receives appropriate recognition and publicity;

"(B) the cooperation does not constitute or imply an endorsement by the Commission of the products and services of the cosponsor; and

"(C) the Commission avoids unnecessary promotion of the products and services of the cosponsor and minimizes utilization of any 1 cosponsor in a marketing area.".

(f) REPORTS.—Section 406 of the Women's Business Ownership Act of 1988 (15 U.S.C. 631 note) is amended—

(1) by striking "Council" each place it appears and inserting "Commission";

(2) by striking "December 31, 1989" and inserting "not later than 1 year after the date of enactment of the Small Business Administration Reauthorization and Amendment Act of 1994"; and

(3) by striking "based upon its reviews conducted under section 402".

(g) AUTHORIZATION.—Section 407 of the Women's Business Ownership Act of 1988 (15 U.S.C. 631 note) is amended—

(1) by striking subsection (a) and inserting the following:

"(a) IN GENERAL.—There are authorized to be appropriated to carry out this title—

"(1) $500,000 in fiscal year 1995;

"(2) $500,000 is fiscal year 1996; and

"(3) $100,000 in fiscal year 1997."; and

(2) by striking subsection (c).

(h) TRANSITION REIMBURSEMENT.—In order to facilitate the transition from the National Women's Business Council, established by title IV of the Women's Business Ownership Act of 1988, to the National Commission on Women in Business established by this section, the National Commission on Women in Business may, during the 30-day period beginning on the date on which the Chairperson of the National Commission on Women in Business is appointed pursuant to section 413 of this Act, reimburse the costs and salaries, where appropriate, of the Chairperson, Executive Director, and staff of the National Women's Business Council for transition activities.

(i) SUNSET.—The authority of the National Commission on Women in Business established under title IV of the Women's Business Ownership Act of 1988, as amended by this section, shall terminate on November 30, 1996.

TITLE V—RELIEF FROM DEBENTURE PREPAYMENT PENALTIES

SEC. 501. SHORT TITLE.

This title may be cited as the "Small Business Prepayment Penalty Relief Act of 1994".

SEC. 502. PREPAYMENT OF DEVELOPMENT COMPANY DEBENTURES.

(a) IN GENERAL.—Title V of the Small Business Investment Act of 1958 (15 U.S.C. 695 et seq.) is amended by adding at the end the following new section:

"SEC. 508. PREPAYMENT OF DEVELOPMENT COMPANY DEBENTURES.

"(a) IN GENERAL.—

"(1) PREPAYMENT AUTHORIZED.—Subject to the requirements set forth in subsection (b), an issuer of a debenture purchased by the Federal Financing Bank and guaranteed by the Administration under section 503 may, at the election of the borrower whose loan secures such debenture and with the approval of the Administration, prepay such debenture in accordance with the provisions of this section.

"(2) PROCEDURE.—

"(A) IN GENERAL.—In making a prepayment under paragraph (1)—

"(i) the borrower shall pay to the Federal Financing Bank an amount that is equal to the sum of the unpaid principal balance due on the debenture as of the date of the prepayment (plus accrued interest at the coupon rate on the debenture) and the amount of the repurchase premium described in subparagraph (B); and

"(ii) the Administration shall pay to the Federal Financing Bank the difference between the repurchase premium paid by the borrower under this subsection and the repurchase premium that the Federal Financing Bank would otherwise have received.

"(B) REPURCHASE PREMIUM.—

"(i) IN GENERAL.—For purposes of subparagraph (A)(i), the repurchase premium is the amount equal to the product of—

"(I) the unpaid principal balance due on the debenture on the date of prepayment; and

"(II) the applicable percentage rate, as determined in accordance clause (ii).

"(ii) APPLICABLE PERCENTAGE RATE.—For purposes of clause (i)(II), the applicable percentage rate means—

"(I) with respect to a 10-year term loan, 9.5 percent;

"(II) with respect to a 15-year term loan, 9.5 percent;

"(III) with respect to a 20-year term loan, 10.5 percent; and

"(IV) with respect to a 25-year term loan, 11.5 percent.

"(b) REQUIREMENTS.—For purposes of subsection (a), the requirements of this subsection are that—

"(1) the debenture is outstanding and neither the loan that secures the debenture nor the debenture is in default on the date on which the prepayment is made;

"(2) State, local, or personal funds, or the proceeds of a refinancing in accordance with subsection (d) of this section under the programs authorized by sections 504 and 505, are used to prepay the debenture; and

"(3) the issuer certifies that the benefits, net of fees and expenses authorized herein, associated with prepayment of the debenture are entirely passed through to the borrower.

"(c) NO PREPAYMENT FEES OR PENALTIES.—No fees or penalties other than those specified in this section may be imposed on the issuer, the borrower, the Administration, or any fund or account administered by the Administration as the result of a prepayment under this section.

"(d) REFINANCING LIMITATIONS.—

"(1) IN GENERAL.—The refinancing of a debenture under sections 504 and 505, in accordance with subsection (b)(2) of this section—

"(A) shall not exceed the amount necessary to prepay existing debentures, including all costs associated with the refinancing and any applicable prepayment penalty or repurchase premium; and

"(B) shall be subject to the provisions of sections 504 and 505 and the rules and regulations promulgated thereunder, including rules and regulations governing payment of authorized expenses, commissions, fees, and discounts to brokers and dealers in trust certificates issued pursuant to section 505.

"(2) JOB CREATION.—An applicant for refinancing under section 504 of a loan made pursuant to section 503 shall not be required to demonstrate that a requisite number of jobs will be created with the proceeds of a refinancing.

"(3) LOAN PROCESSING FEE.—To cover the cost of loan packaging, processing, and other administrative functions, a development company that provides refinancing under subsection (b)(2) may impose a loan processing fee, not to exceed 0.5 percent of the principal amount of the loan.

"(e) DEFINITIONS.—For purposes of this section—

"(1) the term 'issuer' means the qualified State or local development company that issued a debenture pursuant to section 503, which has been purchased by the Federal Financing Bank; and

"(2) the term 'borrower' means a small business concern whose loan secures a debenture issued pursuant to section 503.".

(b) REGULATIONS.—Not later than 30 days after the date of enactment of this Act, the Administration shall promulgate such regulations as may be necessary to carry out this section, including regulations establishing a deadline for receipt of applications for prepayment and refinancing under title V of the Small Business Investment Act of 1958.

(c) AUTHORIZATION.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

TITLE VI—MISCELLANEOUS AMENDMENTS

SEC. 601. CONSOLIDATION OF FUNDING ACCOUNTS.

(a) IN GENERAL.—Section 4(c) of the Small Business Act (15 U.S.C. 633(c)) is amended by striking "(c)(1) There" and all that follows through paragraph (4) and inserting the following:

"(c) LOAN LIQUIDATION FUND.—

"(1) IN GENERAL.—

"(A) ESTABLISHMENT.—There is hereby established in the United States Treasury a fund to be known as the Loan Liquidation Fund (hereafter in this subsection referred to as the 'Fund').

"(B) AMOUNTS CONTAINED IN FUND.—All amounts received by the Administration prior to October 1, 1991, from the repayment of loans and debentures, payments of interest, and other receipts arising out of transactions entered into by the Administration pursuant to section 5(e), 5(g), 7(a), 7(b), 7(c)(2), 7(e), 7(h), 7(l), 7(m), or 8(a) of this Act, or title III, IV, or V of the Small Business Investment Act of 1958, shall be paid into the Fund. Balances existing in the revolving funds on or after the effective date of this paragraph shall be transferred to the Fund on such date.

"(C) OPERATING EXPENSES.—The Fund shall have available, without fiscal year limitation, such funds as may be necessary to finance the operational needs of the Fund.

"(2) ANNUAL STATUS REPORT.—As soon as practicable after the end of each fiscal year, the Administration shall submit to the Committees on Small Business and Appropriations of the Senate and the House of Representatives a complete report on the status of the Fund.".

(b) INTEREST PAYMENTS TO TREASURY.—Section 4(c) of the Small Business Act (15 U.S.C. 633(c)) is amended—

(1) by redesignating paragraph (5) as paragraph (3); and

(2) in paragraph (3)(B), as redesignated, by striking clause (ii) and inserting the following:

"(ii) Upon the expiration of each fiscal year, the Administration shall pay into the miscellaneous receipts of the United States Treasury the actual interest the Administration has collected during the preceding fiscal year on all financings made under the authority of this Act.".

SEC. 602. IMPOSITION OF FEES.

Section 5(b) of the Small Business Act (15 U.S.C. 634(b)) is amended—

(1) in paragraph (10), by striking "and" at the end;

(2) in paragraph (11), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following new paragraphs:

"(12) impose, retain, and use only those fees which are specifically authorized by law or which are in effect on September 30, 1994, and in the amounts and at the rates in effect on such date, except that the Administrator may, subject to approval in appropriations Acts, impose, retain, and utilize, additional fees—

"(A) not to exceed $300 for each loan servicing action requested after disbursement of the loan, including any substitution of collateral, loan assumption, release or substitution of a guarantor, reamortization, or similar action; and

"(B) to recover the direct, incremental cost involved in the production and dissemination of compilations of information produced by the Administration under the authority of the Small Business Act and the Small Business Investment Act of 1958; and

"(13) collect, retain and utilize, subject to approval in appropriations Acts, any amounts collected by fiscal transfer agents and not used by such agent as payment of the cost of loan pooling or debenture servicing operations, except that amounts collected under this paragraph shall be utilized solely to facilitate the administration of the program that generated the excess amounts.".

SEC. 603. JOB CREATION AND COMMUNITY BENEFIT.

Section 7(a)(21) of the Small Business Act (15 U.S.C. 636(a)(21)) is amended by adding at the end the following new subparagraph:

"(E) JOB CREATION AND COMMUNITY BENEFIT.—In providing assistance under this paragraph, the Administration shall develop procedures to ensure, to the maximum extent practicable, that such assistance is used for projects that—

"(i) have the greatest potential for—

"(I) creating new jobs for individuals whose employment is involuntarily terminated due to reductions in Federal defense expenditures; or

"(II) preventing the loss of jobs by employees of small business concerns described in subparagraph (A)(i); and

"(ii) have substantial potential for stimulating new economic activity in communities most affected by reductions in Federal defense expenditures.".

SEC. 604. MICROLOAN PROGRAM AMENDMENTS.

Section 7(m)(9)(B) of the Small Business Act (15 U.S.C. 636(m)(9)(B)) is amended—

(1) by inserting "and loan guarantees" after "for loans"; and

(2) by inserting after "experienced microlending organizations" the following: "and national and regional nonprofit organizations that have demonstrated experience in providing training support for microenterprise development and financing.".

SEC. 605. TECHNICAL CLARIFICATION.

(a) DEFENSE CONVERSION.—Section 7(a)(21)(A) of the Small Business Act (15 U.S.C. 636(a)(21)(A)) is amended by striking "under the" and inserting "on a guaranteed basis under the".

(b) ADDITIONAL TECHNICAL CLARIFICATION.—Section 204 of Public Law 94-305 (15 U.S.C. 634d) is amended by striking "section 202" and inserting "this title".

SEC. 606. SECONDARY MARKET STUDY DUE DATE.

Section 6 of the Small Business Credit Enhancement Act of 1993 (15 U.S.C. 634 note) is amended by striking "16 months after the date of enactment" and inserting "November 1, 1994".

SEC. 607. STUDY AND DATA BASE: GUARANTEED BUSINESS LOAN PROGRAM AND DEVELOPMENT COMPANY PROGRAM.

(a) STUDY AUTHORIZED.—The Administration shall conduct a study of—

(1) the Guaranteed Business Loan program under section 7(a) of the Small Business Act; and

(2) the Development Company program under sections 502, 503, and 504 of the Small Business Investment Act of 1958.

(b) EVALUATION.—After conducting the study under subsection (a), the Administration shall evaluate the performance of the programs described in paragraphs (1) and (2) of subsection (a) on an annual and aggregated basis during the most recent 4-year period for which data are available. Such evaluation shall focus on the following factors:

(1) The number, dollar amount, and average size of the loans or financings under each program.

(2) The number, dollar amount, and average size of the loans or financings made to woman-owned and minority-owned businesses under each program.

(3) The geographic distribution of the loans or financings under each program.

(4) The jobs created or maintained attributable to the loans or financings under each program.

(5) The number, dollar amount, and average size of the loans or financings on which borrowers defaulted under each program.

(6) The amounts recovered by the Administration after default, foreclosure, or otherwise under each program.

(7) The number of companies which are no longer in business despite receiving the loans or financings under each program.

(8) The taxes paid by businesses which received the loans or financings under each program.

(9) Such other information as the Administration determines to be appropriate for a complete evaluation of each program.

(c) CONTRACTING WITH INDEPENDENT ENTITIES.—In carrying out subsections (a) and (b), the Administration may contract with an independent entity or entities—

(1) to conduct the study pursuant to subsection (a); and

(2) to develop a database of information to enable the Administration to maintain and access, on an ongoing basis, current information relating to the factors set forth in subsection (b).

(d) DATE.—The study authorized by subsection (a) shall be completed not later than September 30, 1995.

SEC. 608. SBIR VENDORS.

Section 9(q)(2) of the Small Business Act (15 U.S.C. 638(q)(2)) is amended to read as follows:

"(2) VENDOR SELECTION.—Each agency may select a vendor to assist small business concerns to meet the goals listed in paragraph (1) for a term not to exceed 3 years. Such selection shall be competitive and shall utilize merit-based criteria.".

SEC. 609. PROGRAM EXTENSION.

Section 602(e) of the Business Opportunity Development Reform Act of 1988 (15 U.S.C. 637 note) is amended by striking "September 30, 1994", and inserting "September 30, 1995".

SEC. 610. PROHIBITION ON THE USE OF FUNDS FOR INDIVIDUALS NOT LAWFULLY WITHIN THE UNITED STATES.

Section 2 of the Small Business Act (15 U.S.C. 631) is amended by adding at the end the following new subsection:

"(i) PROHIBITION ON THE USE OF FUNDS FOR INDIVIDUALS NOT LAWFULLY WITHIN THE UNITED STATES.—None of the funds made available pursuant to this Act may be used to provide any direct benefit or assistance to any individual in the United States if the Administrator or the official to which the funds are made available receives notification that the individual is not lawfully within the United States.".

SEC. 611. OFFICE OF ADVOCACY EMPLOYEES.

Section 204 of Public Law 94-305 (15 U.S.C. 634d) is amended—

(1) in the matter preceding paragraph (1) by striking "after consultation with and subject to the approval of the Administrator,"; and

(2) in paragraph (1), by striking "ten" and inserting "14".

SEC. 612. PROHIBITION ON THE PROVISION OF ASSISTANCE.

Section 4 of the Small Business Act (15 U.S.C. 633) is amended by adding at the end the following new subsection:

"(e) PROHIBITION ON THE PROVISION OF ASSISTANCE.—Notwithstanding any other provision of law, the Administration is prohibited from providing any financial or other assistance to any business concern or other person engaged in the production or distribution of any product or service that is determined to be obscene.".

SEC. 613. CERTIFICATION OF COMPLIANCE WITH CHILD SUPPORT OBLIGATIONS.

Section 4 of the Small Business Act (15 U.S.C. 633), as amended by section 612, is amended by adding at the end the following new subsection:

"(f) CERTIFICATION OF COMPLIANCE WITH CHILD SUPPORT OBLIGATIONS.—

"(1) IN GENERAL.—Each applicant for financial assistance under this Act, including an applicant for a direct loan or a loan guarantee, shall certify that the applicant is not in violation of the terms of any—

"(A) administrative order;

"(B) court order; or

"(C) repayment agreement entered into between the applicant and the custodial parent or State agency providing child support enforcement services,

that requires the applicant to pay child support, as such term is defined in section 462(b) of the Social Security Act.

"(2) ENFORCEMENT.—Not later than 6 months after the date of enactment of this subsection, the Administration shall issue such regulations as may be necessary to enforce compliance with the requirements of this subsection.".

Mr. FORD. Mr. President, I ask unanimous consent that the committee substitute amendment be agreed to, and the bill, as amended, be deemed read the third time, passed, and the motion to reconsider to laid upon the table; that the title amendment be agreed to, and the motion to reconsider be laid on the table; further that any statements appear in the RECORD as if read.

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

The committee amendment was agreed to.

So the bill (S. 2060), as amended, was deemed read the third, and passed, as follows:

S. 2060

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Small Business Administration Reauthorization and Amendment Act of 1994".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—AUTHORIZATIONS

Sec. 101. Authorizations.

TITLE II—FINANCIAL ASSISTANCE PROGRAMS
Sec. 201. Microloan financing pilot.
Sec. 202. Eligibility of Native American tribal governments to be microloan intermediaries.
Sec. 203. Microloan program extension.
Sec. 204. Microloan program funding and State limitations.
Sec. 205. Distribution of intermediaries.
Sec. 206. Microloan intermediary loan limitation.
Sec. 207. Microloan technical assistance to nonborrowers.
Sec. 208. Microloan demonstration program grants.
Sec. 209. Eligibility to participate as a microloan intermediary and a technical assistance provider.
Sec. 210. Loans to exporters.
Sec. 211. Working capital international trade loans.
Sec. 212. Guarantees on international trade loans.
Sec. 213. Accredited lenders program.
Sec. 214. Interest rate on certified development company loans.
Sec. 215. Certifications of eligibility for SBIC and SSBIC financing.
Sec. 216. Participating securities for smaller SBICs.
TITLE III—SIZE STANDARDS AND BOND GUARANTEES
Sec. 301. Size standard criteria.
Sec. 302. Sunset on preferred surety bond guarantee program.
Sec. 303. Manufacturing contracts through manufacturing application and education centers.
TITLE IV—BUSINESS DEVELOPMENT ASSISTANCE
Subtitle A—General Provisions
Sec. 401. Sunset on cosponsored training.
Sec. 402. Small business development center program level.
Sec. 403. Federal contracts with small business development centers.
Sec. 404. Small business development center program examination and certification.
Sec. 405. Service Corps of Retired Executives (SCORE) program.
Sec. 406. Information concerning franchising.
Subtitle B—Development of Woman-Owned Businesses
Sec. 411. Extension of authority for demonstration projects.
Sec. 412. Establishment of Office of Women's Business Ownership.
Sec. 413. National Commission on Women in Business.
TITLE V—RELIEF FROM DEBENTURE PREPAYMENT PENALTIES
Sec. 501. Short title.
Sec. 502. Prepayment of development company debentures.
TITLE VI—MISCELLANEOUS AMENDMENTS
Sec. 601. Consolidation of funding accounts.
Sec. 602. Imposition of fees.
Sec. 603. Job creation and community benefit.
Sec. 604. Microloan program amendments.
Sec. 605. Technical clarification.
Sec. 606. Secondary market study due date.
Sec. 607. Study and data base: Guaranteed Business Loan Program and Development Company Program.
Sec. 608. SBIR vendors.
Sec. 609. Program extension.
Sec. 610. Prohibition on the use of funds for individuals not lawfully within the United States.
Sec. 611. Office of advocacy employees.
Sec. 612. Prohibition on the provision of assistance.
Sec. 613. Certification of compliance with child support obligations.

TITLE I—AUTHORIZATIONS

SEC. 101. AUTHORIZATIONS.

Section 20 of the Small Business Act (15 U.S.C. 631 note) is amended by striking subsections (k) (as added by section 405(3) of the Small Business Credit and Business Opportunity Enhancement Act of 1992) through (p) and inserting the following:

"(l) The following program levels are authorized for fiscal year 1995:

"(1) For the programs authorized by this Act, the Administration is authorized to make $110,000,000 in direct and immediate participation loans, and $45,000,000 in technical assistance grants as provided in section 7(m).

"(2) For the programs authorized by this Act, the Administration is authorized to make $13,315,000,000 in deferred participation loans and other financings. Of such sum, the Administration is authorized to make—

"(A) $9,000,000,000 in general business loans as provided in section 7(a);

"(B) $2,300,000,000 in financings as provided in section 7(a)(13) and section 504 of the Small Business Investment Act of 1958;

"(C) $2,000,000,000 in loans as provided in section 7(a)(21); and

"(D) $15,000,000 in loans as provided in section 7(m).

"(3) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make—

"(A) $33,000,000 in purchases of preferred securities;

"(B) $275,000,000 in guarantees of debentures, of which $65,000,000 is authorized in guarantees of debentures from companies operating pursuant to section 301(d) of such Act; and

"(C) $500,000,000 in guarantees of participating securities.

"(4) For the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $1,800,000,000, of which not more than $450,000,000 may be in bonds approved pursuant to the provisions of section 411(a)(3) of such Act.

"(5) The Administration is authorized to make grants or enter into cooperative agreements—

"(A) for the Service Corps of Retired Executives program authorized by section 8(b)(1), $3,500,000;

"(B) for the Small Business Institute program authorized by section 8(b)(1), $3,000,000; and

"(C) for activities of small business development centers pursuant to section 21(c)(3)(G), $25,000,000, to remain available until expended.

"(m) There are authorized to be appropriated to the Administration for fiscal year 1995 such sums as may be necessary to carry out the provisions of this Act, including administrative expenses and necessary loan capital for disaster loans pursuant to section 7(b), and to carry out the provisions of the Small Business Investment Act of 1958, including salaries and expenses of the Administration.

"(n) The following program levels are authorized for fiscal year 1996:

"(1) For the programs authorized by this Act, the Administration is authorized to make $175,000,000 in direct and immediate participation loans, and $65,000,000 in technical assistance grants as provided in section 7(m).

"(2) For the programs authorized by this Act, the Administration is authorized to make $15,320,000,000 in deferred participation loans and other financings. Of such sum, the Administration is authorized to make—

"(A) $10,000,000,000 in general business loans as provided in section 7(a);

"(B) $2,800,000,000 in financings as provided in section 7(a)(13) and section 504 of the Small Business Investment Act of 1958;

"(C) $2,500,000,000 in loans as provided in section 7(a)(21); and

"(D) $20,000,000 in loans as provided in section 7(m).

"(3) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make—

"(A) $39,000,000 in purchases of preferred securities;

"(B) $300,000,000 in guarantees of debentures, of which $70,000,000 is authorized in guarantees of debentures from companies operating pursuant to section 301(d) of such Act; and

"(C) $750,000,000 in guarantees of participating securities.

"(4) For the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $2,000,000,000, of which not more than $500,000,000 may be in bonds approved pursuant to the provisions of section 411(a)(3) of such Act.

"(5) The Administration is authorized to make grants or enter cooperative agreements—

"(A) for the Service Corps of Retired Executives program authorized by section 8(b)(1), $3,750,000;

"(B) for the small business institute program authorized by section 8(b)(1), $3,250,000; and

"(C) for activities of small business development centers pursuant to section 21(c)(3)(G), not to exceed $25,000,000, to remain available until expended.

"(o) There are authorized to be appropriated to the Administration for fiscal year 1996 such sums as may be necessary to carry out the provisions of this Act, including administrative expenses and necessary loan capital for disaster loans pursuant to section 7(b), and to carry out the provisions of the Small Business Investment Act of 1958, including salaries and expenses of the Administration.

"(p) The following program levels are authorized for fiscal year 1997:

"(1) For the programs authorized by this Act, the Administration is authorized to make $250,000,000 in direct and immediate participation loans and $98,000,000 in technical assistance grants as provided in section 7(m), to remain available until expended.

"(2) For the programs authorized by this Act, the Administration is authorized to make $19,020,000,000 in deferred participation loans and other financings. Of such sum, the Administration is authorized to make—

"(A) $12,000,000,000 in general business loans as provided in section 7(a);

"(B) $3,500,000,000 in financings as provided in section 7(a)(13) and section 504 of the Small Business Investment Act of 1958;

"(C) $3,500,000,000 in loans as provided in section 7(a)(21); and

"(D) $20,000,000 in loans as provided in section 7(m).

"(3) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make—

"(A) $45,000,000 in purchases of preferred securities;

"(B) $375,000,000 in guarantees of debentures, of which $75,000,000 is authorized in guarantees of debentures from companies operating pursuant to section 301(d) of such Act; and

"(C) $1,125,000,000 in guarantees of participating securities.

"(4) For the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $2,200,000,000, of which not more than $650,000,000 may be in bonds approved pursuant to the provisions of section 411(a)(3) of such Act.

"(5) The Administration is authorized to make grants or enter cooperative agreements—

"(A) for the Service Corps of Retired Executives program authorized by section 8(b)(1), $4,000,000;

"(B) for the small business institute program authorized by section 8(b)(1), $3,500,000; and

"(C) for activities of small business development centers pursuant to section 21(c)(3)(G), not to exceed $25,000,000, to remain available until expended.

"(q) There are authorized to be appropriated to the Administration for fiscal year 1997 such sums as may be necessary to carry out the provisions of this Act, including administrative expenses and necessary loan capital for disaster loans pursuant to section 7(b), and to carry out the provisions of the Small Business Investment Act of 1958, including salaries and expenses of the Administration.".

TITLE II—FINANCIAL ASSISTANCE PROGRAMS

SEC. 201. MICROLOAN FINANCING PILOT.

Section 7(m) of the Small Business Act (15 U.S.C. 636(m)) is amended by adding at the end the following new paragraph:

"(12) DEFERRED PARTICIPATION LOAN PILOT.—In lieu of making direct loans to intermediaries as authorized in paragraph (1)(B), during fiscal years 1995 through 1997, the Administration may, on a pilot program basis, participate on a deferred basis of not less than 90 percent and not more than 100 percent on loans made to intermediaries by a for-profit or nonprofit entity or by alliances of such entities, subject to the following conditions:

"(A) NUMBER OF LOANS.—In carrying out this paragraph, the Administration shall not participate in providing financing on a deferred basis to more than 10 intermediaries in urban areas or more than 10 intermediaries in rural areas.

"(B) TERM OF LOANS.—The term of each loan shall be 10 years. During the first year of the loan, the intermediary shall not be required to repay any interest or principal. During the second through fifth years of the loan, the intermediary shall be required to pay interest only. During the sixth through tenth years of the loan, the intermediary shall be required to make interest payments and fully amortize the principal.

"(C) INTEREST RATE.—The interest rate on each loan shall be the rate specified by paragraph (3)(F) for direct loans. Subject to the availability of appropriations, the Administration may make payments to lenders on behalf of intermediaries in order to achieve such interest rate.".

SEC. 202. ELIGIBILITY OF NATIVE AMERICAN TRIBAL GOVERNMENTS TO BE MICROLOAN INTERMEDIARIES.

Section 7(m)(11)(A) of the Small Business Act (15 U.S.C. 636(m)(11)(A)) is amended—

(1) in clause (iii), by striking "or" at the end;

(2) in clause (iv), by striking the comma at the end and inserting "; or"; and

(3) by adding at the end the following new clause:

"(v) an agency of or nonprofit entity established by a Native American Tribal Government,".

SEC. 203. MICROLOAN PROGRAM EXTENSION.

Section 609(j) of Public Law 102-140 (105 Stat. 831) is amended by striking "5 years after the date of enactment of this Act", and inserting "on October 1, 1998".

SEC. 204. MICROLOAN PROGRAM FUNDING AND STATE LIMITATIONS.

Section 7(m) of the Small Business Act (15 U.S.C. 636(m)) is amended—

(1) in paragraph (5)(A)—

(A) by striking "25 grants" and inserting "50 grants"; and

(B) by striking "$125,000" and inserting "$150,000"; and

(2) by striking paragraph (7) and inserting the following:

"(7) PROGRAM FUNDING FOR MICROLOANS.—

"(A) NUMBER OF PARTICIPANTS.—In carrying out paragraph (1)(B)(i), the Administration may fund, on a competitive basis, not more than—

"(i) 150 microloan programs in fiscal year 1995; and

"(ii) 200 microloan programs in each succeeding fiscal year.

"(B) STATE LIMITATIONS.—A State shall not receive more than $10,000,000 in loan funds during any year of program participation.".

SEC. 205. DISTRIBUTION OF INTERMEDIARIES.

Section 7(m)(8) of the Small Business Act (15 U.S.C. 636(m)(8)) is amended to read as follows:

"(8) DISTRIBUTION OF INTERMEDIARIES.—In approving microloan program applicants under this subsection, the Administration shall select such intermediaries as will further microloan availability for small businesses in all industries located throughout each State, especially small businesses located in economically distressed urban and rural areas.".

SEC. 206. MICROLOAN INTERMEDIARY LOAN LIMITATION.

Section 7(m)(3)(C) of the Small Business Act (15 U.S.C. 636(m)(3)(C)) is amended by striking "$1,250,000" and inserting "$2,000,000".

SEC. 207. MICROLOAN TECHNICAL ASSISTANCE TO NONBORROWERS.

Section 7(m)(4) of the Small Business Act (15 U.S.C. 636(m)(4)) is amended by adding at the end the following new subparagraph:

"(E) ASSISTANCE TO CERTAIN SMALL BUSINESS CONCERNS.—Each intermediary may expend an amount not to exceed 20 percent of the grant funds authorized under paragraph (1)(B)(ii) to provide marketing, management, and technical assistance to small business concerns that are not borrowers under this subsection.".

SEC. 208. MICROLOAN DEMONSTRATION PROGRAM GRANTS.

Section 7(m)(4) of the Small Business Act (15 U.S.C. 636(m)(4)) is amended—

(1) in subparagraph (B), by inserting "except for a grant made to an intermediary that provides not less than 50 percent of its loans to small business concerns owned by one or more members of a federally recognized Indian tribe," after "under subparagraph (A),"; and

(2) in subparagraph (C), by striking clause (i) and inserting the following:

"(i) IN GENERAL.—In addition to grants made under subparagraph (A), each intermediary shall be eligible to receive a grant equal to 5 percent of the total outstanding balance of loans made to the intermediary under this subsection if—

"(I) the intermediary provides not less than 25 percent of its loans to small business concerns owned by one or more members of a federally recognized Indian tribe; or

"(II) the intermediary has a portfolio of loans made under this subsection that averages not more than $7,500 during the period of the intermediary's participation in the program.".

SEC. 209. ELIGIBILITY TO PARTICIPATE AS A MICROLOAN INTERMEDIARY AND A TECHNICAL ASSISTANCE PROVIDER.

Section 7(m)(2) of the Small Business Act (15 U.S.C. 636(m)(2)) is amended—

(1) by striking "(2) ELIGIBILITY FOR PARTICIPATION.—An" and inserting the following:

"(2) ELIGIBILITY FOR PARTICIPATION.—

"(A) IN GENERAL.—An";

(2) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively, and indenting accordingly; and

(3) by adding at the end the following new subparagraph:

"(B) PARTICIPATION AS INTERMEDIARY AND TECHNICAL ASSISTANCE PROVIDER.—A single entity may simultaneously receive 1 grant as an intermediary pursuant to paragraph (1)(B)(ii) and 1 grant as a nonintermediary technical assistance provider pursuant to paragraph (1)(B)(iii) if the Administration determines that—

"(i) the purposes of the grants are not duplicative;

"(ii) the grants will enable the entity to provide technical assistance to different geographic areas, or to support both guaranteed and direct loans in the same geographic area; and

"(iii) the entity meets all of the requirements of the programs authorized pursuant to clauses (ii) and (iii) of paragraph (1)(B).".

SEC. 210. LOANS TO EXPORTERS.

Section 7(a)(14)(A) of the Small Business Act (15 U.S.C. 636(a)(14)(A)) is amended to read as follows:

"(14)(A) The Administration may provide extensions of credit, standby letters of credit, revolving lines of credit for export purposes, and other financing to enable small business concerns, including small business export trading companies and small business export management companies, to develop foreign markets. A bank or participating lending institution may establish the rate of interest on such financings as may be legal and reasonable.".

SEC. 211. WORKING CAPITAL INTERNATIONAL TRADE LOANS.

Section 7(a)(3)(B) of the Small Business Act (15 U.S.C. 636(a)(3)(B)) is amended to read as follows:

"(B) if the total amount outstanding and committed (on a deferred basis) solely for the purposes provided in paragraph (16) to the borrower from the business loan and investment fund established by this Act would exceed $1,250,000, of which not more than $750,000 may be used for working capital, supplies, or financings under section 7(a)(14) for export purposes; and".

SEC. 212. GUARANTEES ON INTERNATIONAL TRADE LOANS.

Section 7(a)(2)(B)(iv) of the Small Business Act (15 U.S.C. 636(a)(2)(B)(iv)) is amended to read as follows:

"(iv) not less than 85 percent nor more than 90 percent of the financing outstanding at the time of disbursement if such financing is a loan under paragraph (14) or (16).".

SEC. 213. ACCREDITED LENDERS PROGRAM.

(a) ESTABLISHMENT.—Title V of the Small Business Investment Act of 1958 (15 U.S.C. 695 et seq.) is amended by adding at the end the following new section:

"SEC. 507. ACCREDITED LENDERS PROGRAM.

"(a) ESTABLISHMENT.—The Administration is authorized to establish an Accredited Lenders Program for qualified State and local development companies that meet the requirements of subsection (b).

"(b) REQUIREMENTS.—The Administration may designate a qualified State or local development company as an accredited lender if such company—

"(1) has been an active participant in the Development Company Program authorized by sections 502, 503, and 504 for not less than the preceding 12 months;

"(2) has well-trained, qualified personnel who are knowledgeable in the Administration's lending policies and procedures for such Development Company Program;

"(3) has the ability to process, close, and service financing for plant and equipment under such Development Company Program;

"(4) has a reasonable and acceptable loss rate on the company's debentures;

"(5) has a history of submitting to the Administration complete and accurate debenture guaranty application packages; and

"(6) has demonstrated the ability to serve small business credit needs for financing plant and equipment through the Development Company Program authorized by sections 502, 503, and 504.

"(c) EXPEDITED PROCESSING OF LOAN APPLICATIONS.—The Administration shall develop an expedited procedure for processing a loan application or servicing action submitted by a qualified State or local development company that has been designated as an accredited lender in accordance with subsection (b).

"(d) SUSPENSION OR REVOCATION OF DESIGNATION.—

"(1) IN GENERAL.—The designation of a qualified State or local development company as an accredited lender may be suspended or revoked if the Administration determines that—

"(A) the development company has not continued to meet the criteria for eligibility under subsection (b); or

"(B) the development company has failed to adhere to the Administration's rules and regulations or is violating any other applicable provision of law.

"(2) EFFECT.—A suspension or revocation under paragraph (1) shall not affect any outstanding debenture guarantee.

"(e) DEFINITION.—For purposes of this section, the term 'qualified State or local development company' has the same meaning as in section 503(e).".

(b) REGULATIONS.—Not later than 120 days after the date of enactment of this Act, the Administration shall promulgate final regulations to carry out this section.

(c) REPORT.—Not later than 1 year after the effective date of regulations promulgated under subsection (b), the Administration shall report to the Committees on Small Business of the Senate and the House of Representatives on the implementation of this section. Such report shall include data on the number of development companies designated as accredited lenders, their debenture guarantee volume, their loss rates, the average processing time on their guarantee applications, and such other information as the Administration deems appropriate.

SEC. 214. INTEREST RATE ON CERTIFIED DEVELOPMENT COMPANY LOANS.

Section 112(c) of the Small Business Administration Reauthorization and Amendment Act of 1988 (102 Stat. 2996) is amended—

(1) in paragraph (1), by striking "(1) IN GENERAL.—Section 503" and inserting "Section 503"; and

(2) by striking paragraph (2).

SEC. 215. CERTIFICATIONS OF ELIGIBILITY FOR SBIC AND SSBIC FINANCING.

Section 308 of the Small Business Investment Act of 1958 (15 U.S.C. 687) is amended by adding at the end the following new subsection:

"(h) CERTIFICATIONS OF ELIGIBILITY.—

"(1) CERTIFICATION BY SMALL BUSINESS CONCERN.—Prior to receiving financial assistance from a company licensed pursuant to subsection (c) or (d) of section 301, a small business concern shall certify in writing that it meets the eligibility requirements of the Small Business Investment Company Program or the Specialized Small Business Investment Company Program, as applicable.

"(2) CERTIFICATION BY COMPANY.—Prior to providing financial assistance to a small business concern under this Act, a company licensed pursuant to subsection (c) or (d) of section 301 shall certify in writing that it has reviewed the application for assistance of the small business concern and that all documentation and other information supports the eligibility of the applicant.

"(3) RETENTION OF CERTIFICATIONS.—Certificates made pursuant to paragraphs (1) and (2) shall be retained by the company licensed pursuant to subsection (c) or (d) of section 301 for the duration of the financial assistance.".

SEC. 216. PARTICIPATING SECURITIES FOR SMALLER SBICS.

Section 303(g) of the Small Business Investment Act of 1958 (15 U.S.C. 683(g)) is amended by adding at the end the following new paragraph:

"(13) PARTICIPATING SECURITIES FOR SMALLER SMALL BUSINESS INVESTMENT COMPANIES.—

"(A) IN GENERAL.—Subject to the provisions of subparagraph (B), of the amount of the annual program level of participating securities approved in appropriations Acts, 50 percent shall be reserved for funding small business investment companies with private capital of less than $20,000,000.

"(B) EXCEPTION.—During the last quarter of each fiscal year, if the Administrator determines that there is a lack of qualified applicants with private capital of less than $20,000,000, the Administrator may utilize all or any part of the program level for securities reserved under subparagraph (A) for qualified applicants with private capital of $20,000,000 or more.".

TITLE III—SIZE STANDARDS AND BOND GUARANTEES

SEC. 301. SIZE STANDARD CRITERIA.

Section 3(a)(2) of the Small Business Act (15 U.S.C. 632(a)(2)) is amended to read as follows:

"(2) SIZE STANDARD CRITERIA.—

"(A) IN GENERAL.—In addition to the criteria specified in paragraph (1), the Administrator may specify detailed definitions or standards by which a business concern may be determined to be a small business concern for the purposes of this Act or any other Act.

"(B) ADDITIONAL CRITERIA.—The standards described in paragraph (1) may utilize number of employees, dollar volume of business, net worth, net income, or a combination thereof.

"(C) REQUIREMENTS.—Unless specifically authorized by statute, no Federal department or agency may prescribe a size standard for categorizing a business concern as a small business concern, unless such proposed size standard—

"(i) is proposed after an opportunity for public notice and comment;

"(ii) provides for determining—

"(I) the size of a manufacturing concern as measured by the manufacturing concern's average employment based upon employment during each of the manufacturing concern's pay periods for the preceding 12 months;

"(II) the size of a business concern providing services on the basis of the annual average gross receipts of the business concern over a period of not less than 3 years; and

"(III) the size of other business concerns on the basis of data over a period of not less than 3 years; and

"(iii) is approved by the Administrator.".

SEC. 302. SUNSET ON PREFERRED SURETY BOND GUARANTEE PROGRAM.

Section 207 of the Small Business Administration Reauthorization and Amendment Act of 1988 (15 U.S.C. 694b note) is amended by striking "September 30, 1994" and inserting "September 30, 1995".

SEC. 303. MANUFACTURING CONTRACTS THROUGH MANUFACTURING APPLICATION AND EDUCATION CENTERS.

(a) IN GENERAL.—The Small Business Administration shall promote the award of Federal manufacturing contracts to small business concerns that participate in manufacturing application and education centers by working with the Department of Commerce and other agencies to identify components and subsystems that are both critical and currently foreign-sourced.

(b) QUALIFICATIONS.—In order to qualify as a manufacturing application and education center under this section, an entity shall have the capacity to assist small business concerns in a shared-use production environment and to offer the following services:

(1) Technology demonstration.

(2) Technology education.

(3) Technology application support.

(4) Technology advancement support.

(c) INAPPLICABILITY OF CERTAIN REQUIREMENTS.—The requirements of section 15(o)(1)(B) of the Small Business Act shall not apply with respect to any manufacturing contract carried out by a small business concern in conjunction with a manufacturing application and education center under this section.

(d) REGULATIONS.—Not later than 180 days after the date of enactment of this Act, the Administrator of the Small Business Administration shall promulgate final regulations to carry out this section.

(e) TERMINATION OF AUTHORITY.—The authority of the Small Business Administration under this section shall terminate on September 30, 1997.

TITLE IV—BUSINESS DEVELOPMENT ASSISTANCE

Subtitle A—General Provisions

SEC. 401. SUNSET ON COSPONSORED TRAINING.

(a) IN GENERAL.—

(1) REPEAL.—The amendments made by section 5(a) of Small Business Computer Security and Education Act of 1984 (15 U.S.C. 633 note) are hereby repealed.

(2) EFFECTIVE DATE.—Paragraph (1) shall take effect on September 30, 1997.

(b) CONFORMING AMENDMENT.—Section 7(b) of the Small Business Computer Security and Education Act of 1984 (15 U.S.C. 633 note) is amended in the second sentence by striking "and the amendments made to section 8(b)(1)(A) of the Small Business Act by section 5(a)(2) of this Act are" and inserting "is".

SEC. 402. SMALL BUSINESS DEVELOPMENT CENTER PROGRAM LEVEL.

Section 21(a)(4) of the Small Business Act (15 U.S.C. 648(a)(4)) is amended to read as follows:

"(4) SMALL BUSINESS DEVELOPMENT CENTER PROGRAM LEVEL.—

"(A) IN GENERAL.—The Administration shall require as a condition of any grant (or amendment or modification thereof) made to an applicant under this section, that a matching amount (excluding any fees collected from recipients of such assistance) equal to the amount of such grant be provided from sources other than the Federal Government, to be comprised of not less than 50 percent cash and not more than 50 percent of indirect costs and in-kind contributions.

"(B) RESTRICTION.—The matching amount described in subparagraph (A) shall not include any indirect costs or in-kind contributions derived from any Federal program.

"(C) NATIONAL PROGRAM.—

"(i) IN GENERAL.—No recipient of funds under this section shall receive a grant that exceeds—

"(I) for fiscal year 1995, the greater of—

"(aa) the sum of such recipient's pro rata share of a national program based upon the population to be served by the small business development center as compared to the total population in the United States, and $100,000; or

"(bb) $200,000; and

"(II) except as provided in clause (ii), in each succeeding fiscal year, the greater of—

"(aa) the sum of such recipient's pro rata share of a national program based upon the population to be served by the small business development center as compared to the total population in the United States, and $200,000; or

"(bb) $300,000.

"(ii) EXCEPTION.—The provisions of clause (i)(I) shall apply in any fiscal year after fiscal year 1995 in which, based on funds appropriated, a small business development center would, under the provisions of clause (i)(II), receive less than the small business development center received in fiscal year 1995.

"(iii) AMOUNT.—The amount of the national program shall be—

"(I) $70,000,000 through September 30, 1995;

"(II) $77,500,000 from October 1, 1995 through September 30, 1996; and

"(III) $85,000,000 beginning October 1, 1996.

The amount for which a small business development center is eligible under this paragraph shall be based upon the amount of the national program in effect as of the date for commencement of performance of the small business development center's grant.".

SEC. 403. FEDERAL CONTRACTS WITH SMALL BUSINESS DEVELOPMENT CENTERS.

Section 21(a)(5) of the Small Business Act (15 U.S.C. 648(a)(5)) is amended to read as follows:

"(5) FEDERAL CONTRACTS WITH SMALL BUSINESS DEVELOPMENT CENTERS.—

"(A) IN GENERAL.—A small business development center may enter into a contract with a Federal department or agency to provide specific assistance to small business concerns, if the contract is approved in advance by the Associate Administrator of the small business development center program.

"(B) APPROVAL CRITERIA.—Each approval of a contract under subparagraph (A) shall be based upon a determination that the contract will provide assistance to small business concerns and that performance of the contract will not hinder the small business development center in carrying out the terms of the grant received by the small business development center from the Administration.

"(C) EXEMPTION FROM MATCHING REQUIREMENT.—A contract under this paragraph shall not be subject to the matching funds or eligibility requirements of paragraph (4).

"(D) ADDITIONAL PROVISION.—Notwithstanding any other provision of law, a contract for assistance under this paragraph may not be applied to any Federal department or agency's small business, woman-owned business, or socially and economically disadvantaged business contracting goal under section 15(g).".

SEC. 404. SMALL BUSINESS DEVELOPMENT CENTER PROGRAM EXAMINATION AND CERTIFICATION.

Section 21(k) of the Small Business Act (15 U.S.C. 648(k)) is amended to read as follows:

"(k) PROGRAM EXAMINATION AND CERTIFICATION.—

"(1) EXAMINATION.—Not later than 180 days after the date of enactment of this subsection, the Administration shall develop and implement a biannual programmatic and financial examination of each small business development center established pursuant to this section.

"(2) CERTIFICATION.—The Administration may provide financial support, by contract or otherwise, to the association authorized by subsection (a)(3)(A) for the purpose of developing a small business development center certification program.

"(3) EXTENSION OR RENEWAL OF COOPERATIVE AGREEMENTS.—In extending or renewing a cooperative agreement of a small business development center, the Administration shall consider the results of the examination and certification program conducted pursuant to paragraphs (1) and (2).".

SEC. 405. SERVICE CORPS OF RETIRED EXECUTIVES (SCORE) PROGRAM.

Section 8(b)(1) of the Small Business Act (15 U.S.C. 637(b)(1)) is amended by adding at the end the following new subparagraph:

"(H) In carrying out subparagraph (B), the Administration shall encourage the Service Corps of Retired Executives (SCORE) established pursuant to such subparagraph, to the maximum extent practicable, to consult and work in conjunction with the Corporation for National and Community Service and the Points of Light Foundation established under the National and Community Service Act of 1990.".

SEC. 406. INFORMATION CONCERNING FRANCHISING.

Section 8(b)(1)(A) of the Small Business Act (15 U.S.C. 637(b)(1)(A)) is amended by inserting "including information on the benefits and risks of franchising," after "small-business enterprises,".

Subtitle B—Development of Woman-Owned Businesses

SEC. 411. EXTENSION OF AUTHORITY FOR DEMONSTRATION PROJECTS.

The Small Business Act (15 U.S.C. 631 et seq.) is amended—

(1) by redesignating section 28 (as added by section 2 of the Women's Business Development Act of 1991) as section 29; and

(2) in section 29(g), as redesignated, by striking "1995" and inserting "1997".

SEC. 412. ESTABLISHMENT OF OFFICE OF WOMEN'S BUSINESS OWNERSHIP.

Section 29 of the Small Business Act (15 U.S.C. 656), as redesignated by section 411, is amended by adding at the end the following new subsection:

"(h) OFFICE OF WOMEN'S BUSINESS OWNERSHIP.—There is hereby established within the Administration an Office of Women's Business Ownership, which shall be responsible for the administration of the Administration's programs for the development of women's business enterprises, as such term is defined in section 408 of the Women's Business Ownership Act of 1988. The Office of Women's Business Ownership shall be administered by an Assistant Administrator, who shall be appointed by the Administrator.".

SEC. 413. NATIONAL COMMISSION ON WOMEN IN BUSINESS.

(a) ESTABLISHMENT.—Section 401 of the Women's Business Ownership Act of 1988 (15 U.S.C. 631 note) is amended to read as follows:

"SEC. 401. ESTABLISHMENT.

"There is hereby established a Commission to be known as the 'National Commission on Women in Business' (hereafter in this title referred to as the 'Commission').".

(b) DUTIES OF THE COMMISSION.—Section 402 of the Women's Business Ownership Act of 1988 (15 U.S.C. 631 note) is amended to read as follows:

"SEC. 402. DUTIES OF THE COMMISSION.

"The Commission shall—

"(1) review, promote, coordinate, and monitor plans and programs, developed in the public and private sectors, which affect the ability of woman-owned businesses to obtain capital and credit;

"(2) promote and assist in the development of the Intermediate Census on Women's Business Ownership and other surveys of woman-owned businesses;

"(3) provide assistance to and outreach for the involvement of women business owners in White House Conference on Small Business;

"(4) study and assess—

"(A) the obstacles faced by women seeking to establish businesses and women seeking senior management positions in large and small businesses and in the professions; and

"(B) the contributions to the Nation's economy by businesses owned or managed by women; and

"(5) design a comprehensive plan for a joint public-private sector effort to facilitate the development and growth of woman-owned businesses.

"(b) REPORT.—Not later than January 31, 1996, the Commission shall submit a report to the President and the Committees on Small Business of the Senate and the House of Representatives describing the plan developed pursuant to subsection (a)(5).".

(c) MEMBERSHIP.—Section 403 of the Women's Business Ownership Act of 1988 (15 U.S.C. 631 note) is amended to read as follows:

"SEC. 403. MEMBERSHIP OF THE COMMISSION.

"(a) IN GENERAL.—The Commission shall be composed of 14 members, of whom—

"(1) 7 members shall be the individuals described in subsection (b); and

"(2) 7 members shall be appointed in accordance with subsection (c).

"(b) PUBLIC SECTOR MEMBERS.—For purposes of subsection (a)(1), the individuals described in this section are—

"(1) the Administrator of the Small Business Administration;

"(2) the Assistant Administrator of the Office of Women's Business Ownership of the Small Business Administration;

"(3) the Secretary of the Treasury, or the Secretary's designee;

"(4) the Secretary of Labor, or the Secretary's designee;

"(5) the Secretary of Commerce, or the Secretary's designee;

"(6) the Administrator of the General Services Administration, or the Administrator's designee; and

"(7) 1 member of the Board of Governors of the Federal Reserve System, or the designee of a member.

"(c) PRIVATE SECTOR MEMBERS.—

"(1) CHAIRPERSON.—Not later than 45 days after the date of enactment of the Small Business Administration Reauthorization and Amendment Act of 1994, the President shall appoint an individual to serve as the chairperson of the Commission (hereafter in this title referred to as the 'Chairperson') who shall be a prominent businesswoman who is qualified to head the Commission by virtue of her education, training, and experience.

"(2) OTHER MEMBERS.—Not later than 60 days after the date of enactment of the Small Business Administration Reauthorization and Amendment Act of 1994, the Administrator of the Small Business Administration shall appoint 6 members of the Commission, of whom—

"(A) 1 shall be an owner of a small business concern, as such term is defined in section 3 of the Small Business Act, who is a member of the same political party as the President;

"(B) 1 shall be an owner of a small business concern, as such term is defined in section 3 of the Small Business Act, who is not a member of the same political party as the President; and

"(C) 4 shall be representatives of national women's business organizations.

"(d) ADMINISTRATIVE PROVISIONS.—

"(1) RESTRICTION.—The members of the Commission appointed pursuant to subsection (c) shall not be officers or employees of the Federal Government.

"(2) VICE CHAIRPERSON.—The member of the Commission appointed pursuant to subsection (b)(2) shall serve as vice chairperson of the Commission.

"(3) TERMS.—The term of service of the members of the Commission appointed pursuant to subsection (c) shall be 1 year. No member of the Commission may serve for more than 2 consecutive terms.

"(4) DESIGNEES.—Each designee appointed pursuant to subsection (b) shall—

"(A) be a policy-making official whose duties are consistent with the duties of the Commission; and

"(B) report directly to the head of the agency on the activities of the Commission.

"(5) COMPENSATION AND TRAVEL EXPENSES.—

"(A) PUBLIC SECTOR MEMBERS.—The members of the Commission described in subsection (b) shall serve on the Commission without additional compensation.

"(B) PRIVATE SECTOR MEMBERS.—The members of the Commission appointed pursuant to subsection (c) shall serve without pay for membership, except that such members shall be entitled to reimbursement for domestic travel, subsistence, and other necessary expenses incurred by them in carrying out the functions of the Commission in the same manner as persons serving on advisory boards pursuant to section 8(b) of the Small Business Act.

"(6) VACANCIES.—A vacancy on the Commission shall, not later than 30 days after the date on which the vacancy occurs, be filled in the same manner in which the original appointment was made.

"(7) MEETINGS.—The Commission shall meet at the call of the Chairperson not less than 4 times each year.

"(8) QUORUMS.—

"(A) RECEIPT OF TESTIMONY.—Four members of the Commission shall constitute a quorum for the receipt of testimony and other evidence.

"(B) APPROVAL OF RECOMMENDATIONS.—A majority of the members of the Commission shall constitute a quorum for the approval of recommendations or reports issued pursuant to sections 402 and 406.".

(d) EXECUTIVE DIRECTOR AND STAFF.—Section 404 of the Women's Business Ownership Act of 1988 (15 U.S.C. 631 note) is amended to read as follows:

"SEC. 404. EXECUTIVE DIRECTOR AND STAFF.

"(a) EXECUTIVE DIRECTOR.—The Commission shall have an Executive Director who shall be appointed by the Chairperson and the Assistant Administrator of the Small Business Administration Office of Women's Business Ownership. Upon the recommendation by the Executive Director, the Chairperson may appoint and fix the pay of 4 additional employees at a rate of pay not to exceed the maximum rate of pay payable for a position at GS-15 of the General Schedule.

"(b) ADMINISTRATIVE PROVISIONS.—The Executive Director and staff of the Commission may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and except as provided in subsection (a), may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that the Executive Director so appointed may not receive pay in excess of the annual rate of basic pay payable for a position at ES-1 of the Senior Executive Pay Schedule under section 5832 of title 5, United States Code.

"(c) DETAIL OF ADDITIONAL PERSONNEL.—Upon request to the Chairperson, the head of any Federal department or agency may detail any of the personnel of such agency to the Commission to assist the Commission in carrying out its duties under this title without regard to section 3341 of title 5, United States Code.".

(e) POWERS OF THE COMMISSION.—Section 405 of the Women's Business Ownership Act of 1988 (15 U.S.C. 631 note) is amended—

(1) by striking "Council" each place it appears and inserting "Commission"; and

(2) by adding at the end the following new subsection:

"(f) COOPERATION WITH PRIVATE ENTITIES.—

"(1) IN GENERAL.—Subject to the requirements of paragraph (2), the Commission may carry out its duties under section 402 through cooperation with private nonprofit and for-profit entities.

"(2) RESTRICTION.—If the Commission cooperates with private entities pursuant to paragraph (1), the Commission shall ensure that—

"(A) the Commission receives appropriate recognition and publicity;

"(B) the cooperation does not constitute or imply an endorsement by the Commission of the products and services of the cosponsor; and

"(C) the Commission avoids unnecessary promotion of the products and services of the cosponsor and minimizes utilization of any 1 cosponsor in a marketing area.".

(f) REPORTS.—Section 406 of the Women's Business Ownership Act of 1988 (15 U.S.C. 631 note) is amended—

(1) by striking "Council" each place it appears and inserting "Commission";

(2) by striking "December 31, 1989" and inserting "not later than 1 year after the date of enactment of the Small Business Administration Reauthorization and Amendment Act of 1994"; and

(3) by striking "based upon its reviews conducted under section 402".

(g) AUTHORIZATION.—Section 407 of the Women's Business Ownership Act of 1988 (15 U.S.C. 631 note) is amended—

(1) by striking subsection (a) and inserting the following:

"(a) IN GENERAL.—There are authorized to be appropriated to carry out this title—

"(1) $500,000 in fiscal year 1995;

"(2) $500,000 is fiscal year 1996; and

"(3) $100,000 in fiscal year 1997."; and

(2) by striking subsection (c).

(h) TRANSITION REIMBURSEMENT.—In order to facilitate the transition from the National Women's Business Council, established by title IV of the Women's Business Ownership Act of 1988, to the National Commission on Women in Business established by this section, the National Commission on Women in Business may, during the 30-day period beginning on the date on which the Chairperson of the National Commission on Women in Business is appointed pursuant to section 413 of this Act, reimburse the costs and salaries, where appropriate, of the Chairperson, Executive Director, and staff of the National Women's Business Council for transition activities.

(i) SUNSET.—The authority of the National Commission on Women in Business established under title IV of the Women's Business Ownership Act of 1988, as amended by this section, shall terminate on November 30, 1996.

TITLE V—RELIEF FROM DEBENTURE PREPAYMENT PENALTIES

SEC. 501. SHORT TITLE.

This title may be cited as the "Small Business Prepayment Penalty Relief Act of 1994".

SEC. 502. PREPAYMENT OF DEVELOPMENT COMPANY DEBENTURES.

(a) IN GENERAL.—Title V of the Small Business Investment Act of 1958 (15 U.S.C. 695 et seq.) is amended by adding at the end the following new section:

"SEC. 508. PREPAYMENT OF DEVELOPMENT COMPANY DEBENTURES.

"(a) IN GENERAL.—

"(1) PREPAYMENT AUTHORIZED.—Subject to the requirements set forth in subsection (b), an issuer of a debenture purchased by the Federal Financing Bank and guaranteed by the Administration under section 503 may, at the election of the borrower whose loan secures such debenture and with the approval of the Administration, prepay such debenture in accordance with the provisions of this section.

"(2) PROCEDURE.—

"(A) IN GENERAL.—In making a prepayment under paragraph (1)—

"(i) the borrower shall pay to the Federal Financing Bank an amount that is equal to the sum of the unpaid principal balance due on the debenture as of the date of the prepayment (plus accrued interest at the coupon rate on the debenture) and the amount of the repurchase premium described in subparagraph (B); and

"(ii) the Administration shall pay to the Federal Financing Bank the difference between the repurchase premium paid by the borrower under this subsection and the repurchase premium that the Federal Financing Bank would otherwise have received.

"(B) REPURCHASE PREMIUM.—

"(i) IN GENERAL.—For purposes of subparagraph (A)(i), the repurchase premium is the amount equal to the product of—

"(I) the unpaid principal balance due on the debenture on the date of prepayment; and

"(II) the applicable percentage rate, as determined in accordance with clause (ii).

"(ii) APPLICABLE PERCENTAGE RATE.—For purposes of clause (i)(II), the applicable percentage rate means—

"(I) with respect to a 10-year term loan, 9.5 percent;

"(II) with respect to a 15-year term loan, 9.5 percent;

"(III) with respect to a 20-year term loan, 10.5 percent; and

"(IV) with respect to a 25-year term loan, 11.5 percent.

"(b) REQUIREMENTS.—For purposes of subsection (a), the requirements of this subsection are that—

"(1) the debenture is outstanding and neither the loan that secures the debenture nor the debenture is in default on the date on which the prepayment is made;

"(2) State, local, or personal funds, or the proceeds of a refinancing in accordance with subsection (d) of this section under the programs authorized by sections 504 and 505, are used to prepay the debenture; and

"(3) the issuer certifies that the benefits, net of fees and expenses authorized herein, associated with prepayment of the debenture are entirely passed through to the borrower.

"(c) NO PREPAYMENT FEES OR PENALTIES.—No fees or penalties other than those specified in this section may be imposed on the issuer, the borrower, the Administration, or any fund or account administered by the Administration as the result of a prepayment under this section.

"(d) REFINANCING LIMITATIONS.—

"(1) IN GENERAL.—The refinancing of a debenture under sections 504 and 505, in accordance with subsection (b)(2) of this section—

"(A) shall not exceed the amount necessary to prepay existing debentures, including all costs associated with the refinancing and any applicable prepayment penalty or repurchase premium; and

"(B) shall be subject to the provisions of sections 504 and 505 and the rules and regulations promulgated thereunder, including rules and regulations governing payment of authorized expenses, commissions, fees, and discounts to brokers and dealers in trust certificates issued pursuant to section 505.

"(2) JOB CREATION.—An applicant for refinancing under section 504 of a loan made pursuant to section 503 shall not be required to demonstrate that a requisite number of jobs will be created with the proceeds of a refinancing.

"(3) LOAN PROCESSING FEE.—To cover the cost of loan packaging, processing, and other administrative functions, a development company that provides refinancing under subsection (b)(2) may impose a loan processing fee, not to exceed 0.5 percent of the principal amount of the loan.

"(e) DEFINITIONS.—For purposes of this section—

"(1) the term 'issuer' means the qualified State or local development company that issued a debenture pursuant to section 503, which has been purchased by the Federal Financing Bank; and

"(2) the term 'borrower' means a small business concern whose loan secures a debenture issued pursuant to section 503.".

(b) REGULATIONS.—Not later than 30 days after the date of enactment of this Act, the Administration shall promulgate such regulations as may be necessary to carry out this section, including regulations establishing a deadline for receipt of applications for prepayment and refinancing under title V of the Small Business Investment Act of 1958.

(c) AUTHORIZATION.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

TITLE VI—MISCELLANEOUS AMENDMENTS

SEC. 601. CONSOLIDATION OF FUNDING ACCOUNTS.

(a) IN GENERAL.—Section 4(c) of the Small Business Act (15 U.S.C. 633(c)) is amended by striking "(c)(1) There" and all that follows through paragraph (4) and inserting the following:

"(c) LOAN LIQUIDATION FUND.—

"(1) IN GENERAL.—

"(A) ESTABLISHMENT.—There is hereby established in the United States Treasury a fund to be known as the Loan Liquidation Fund (hereafter in this subsection referred to as the 'Fund').

"(B) AMOUNTS CONTAINED IN FUND.—All amounts received by the Administration prior to October 1, 1991, from the repayment of loans and debentures, payments of interest, and other receipts arising out of transactions entered into by the Administration pursuant to section 5(e), 5(g), 7(a), 7(b), 7(c)(2), 7(e), 7(h), 7(l), 7(m), or 8(a) of this Act, or title III, IV, or V of the Small Business Investment Act of 1958, shall be paid into the Fund. Balances existing in the revolving funds on or after the effective date of this paragraph shall be transferred to the Fund on such date.

"(C) OPERATING EXPENSES.—The Fund shall have available, without fiscal year limitation, such funds as may be necessary to finance the operational needs of the Fund.

"(2) ANNUAL STATUS REPORT.—As soon as practicable after the end of each fiscal year, the Administration shall submit to the Committees on Small Business and Appropriations of the Senate and the House of Representatives a complete report on the status of the Fund.".

(b) INTEREST PAYMENTS TO TREASURY.—Section 4(c) of the Small Business Act (15 U.S.C. 633(c)) is amended—

(1) by redesignating paragraph (5) as paragraph (3); and

(2) in paragraph (3)(B), as redesignated, by striking clause (ii) and inserting the following:

"(ii) Upon the expiration of each fiscal year, the Administration shall pay into the miscellaneous receipts of the United States Treasury the actual interest the Administration has collected during the preceding fiscal year on all financings made under the authority of this Act.".

SEC. 602. IMPOSITION OF FEES.

Section 5(b) of the Small Business Act (15 U.S.C. 634(b)) is amended—

(1) in paragraph (10), by striking "and" at the end;

(2) in paragraph (11), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following new paragraphs:

"(12) impose, retain, and use only those fees which are specifically authorized by law or which are in effect on September 30, 1994, and in the amounts and at the rates in effect on such date, except that the Administrator may, subject to approval in appropriations Acts, impose, retain, and utilize, additional fees—

"(A) not to exceed $300 for each loan servicing action requested after disbursement of the loan, including any substitution of collateral, loan assumption, release or substitution of a guarantor, reamortization, or similar action; and

"(B) to recover the direct, incremental cost involved in the production and dissemination of compilations of information produced by the Administration under the authority of the Small Business Act and the Small Business Investment Act of 1958; and

"(13) collect, retain and utilize, subject to approval in appropriations Acts, any amounts collected by fiscal transfer agents and not used by such agent as payment of the cost of loan pooling or debenture servicing operations, except that amounts collected under this paragraph shall be utilized solely to facilitate the administration of the program that generated the excess amounts.".

SEC. 603. JOB CREATION AND COMMUNITY BENEFIT.

Section 7(a)(21) of the Small Business Act (15 U.S.C. 636(a)(21)) is amended by adding at the end the following new subparagraph:

"(E) JOB CREATION AND COMMUNITY BENEFIT.—In providing assistance under this paragraph, the Administration shall develop procedures to ensure, to the maximum extent practicable, that such assistance is used for projects that—

"(i) have the greatest potential for—

"(I) creating new jobs for individuals whose employment is involuntarily terminated due to reductions in Federal defense expenditures; or

"(II) preventing the loss of jobs by employees of small business concerns described in subparagraph (A)(i); and

"(ii) have substantial potential for stimulating new economic activity in communities most affected by reductions in Federal defense expenditures.".

SEC. 604. MICROLOAN PROGRAM AMENDMENTS.

Section 7(m)(9)(B) of the Small Business Act (15 U.S.C. 636(m)(9)(B)) is amended—

(1) by inserting "and loan guarantees" after "for loans"; and

(2) by inserting after "experienced microlending organizations" the following: "and national and regional nonprofit organizations that have demonstrated experience in providing training support for microenterprise development and financing.".

SEC. 605. TECHNICAL CLARIFICATION.

(a) DEFENSE CONVERSION.—Section 7(a)(21)(A) of the Small Business Act (15 U.S.C. 636(a)(21)(A)) is amended by striking "under the" and inserting "on a guaranteed basis under the".

(b) ADDITIONAL TECHNICAL CLARIFICATION.—Section 204 of Public Law 94–305 (15 U.S.C. 634d) is amended by striking "section 202" and inserting "this title".

SEC. 606. SECONDARY MARKET STUDY DUE DATE.

Section 6 of the Small Business Credit Enhancement Act of 1993 (15 U.S.C. 634 note) is amended by striking "16 months after the date of enactment" and inserting "November 1, 1994".

SEC. 607. STUDY AND DATA BASE: GUARANTEED BUSINESS LOAN PROGRAM AND DEVELOPMENT COMPANY PROGRAM.

(a) STUDY AUTHORIZED.—The Administration shall conduct a study of—

(1) the Guaranteed Business Loan program under section 7(a) of the Small Business Act; and

(2) the Development Company program under sections 502, 503, and 504 of the Small Business Investment Act of 1958.

(b) EVALUATION.—After conducting the study under subsection (a), the Administration shall evaluate the performance of the programs described in paragraphs (1) and (2) of subsection (a) on an annual and aggregated basis during the most recent 4-year period for which data are available. Such evaluation shall focus on the following factors:

(1) The number, dollar amount, and average size of the loans or financings under each program.

(2) The number, dollar amount, and average size of the loans or financings made to woman-owned and minority-owned businesses under each program.

(3) The geographic distribution of the loans or financings under each program.

(4) The jobs created or maintained attributable to the loans or financings under each program.

(5) The number, dollar amount, and average size of the loans or financings on which borrowers defaulted under each program.

(6) The amounts recovered by the Administration after default, foreclosure, or otherwise under each program.

(7) The number of companies which are no longer in business despite receiving the loans or financings under each program.

(8) The taxes paid by businesses which received the loans or financings under each program.

(9) Such other information as the Administration determines to be appropriate for a complete evaluation of each program.

(c) CONTRACTING WITH INDEPENDENT ENTITIES.—In carrying out subsections (a) and (b), the Administration may contract with an independent entity or entities—

(1) to conduct the study pursuant to subsection (a); and

(2) to develop a database of information to enable the Administration to maintain and access, on an ongoing basis, current information relating to the factors set forth in subsection (b).

(d) DATE.—The study authorized by subsection (a) shall be completed not later than September 30, 1995.

SEC. 608. SBIR VENDORS.

Section 9(q)(2) of the Small Business Act (15 U.S.C. 638(q)(2)) is amended to read as follows:

"(2) VENDOR SELECTION.—Each agency may select a vendor to assist small business concerns to meet the goals listed in paragraph (1) for a term not to exceed 3 years. Such selection shall be competitive and shall utilize merit-based criteria.".

SEC. 609. PROGRAM EXTENSION.

Section 602(e) of the Business Opportunity Development Reform Act of 1988 (15 U.S.C. 637 note) is amended by striking "September 30, 1994", and inserting "September 30, 1995".

SEC. 610. PROHIBITION ON THE USE OF FUNDS FOR INDIVIDUALS NOT LAWFULLY WITHIN THE UNITED STATES.

Section 2 of the Small Business Act (15 U.S.C. 631) is amended by adding at the end the following new subsection:

"(i) PROHIBITION ON THE USE OF FUNDS FOR INDIVIDUALS NOT LAWFULLY WITHIN THE UNITED STATES.—None of the funds made available pursuant to this Act may be used to provide any direct benefit or assistance to any individual in the United States if the Administrator or the official to which the funds are made available receives notification that the individual is not lawfully within the United States.".

SEC. 611. OFFICE OF ADVOCACY EMPLOYEES.

Section 204 of Public Law 94-305 (15 U.S.C. 634d) is amended—

(1) in the matter preceding paragraph (1) by striking "after consultation with and subject to the approval of the Administrator,"; and

(2) in paragraph (1), by striking "ten" and inserting "14".

SEC. 612. PROHIBITION ON THE PROVISION OF ASSISTANCE.

Section 4 of the Small Business Act (15 U.S.C. 633) is amended by adding at the end the following new subsection:

"(e) PROHIBITION ON THE PROVISION OF ASSISTANCE.—Notwithstanding any other provision of law, the Administration is prohibited from providing any financial or other assistance to any business concern or other person engaged in the production or distribution of any product or service that is determined to be obscene.".

SEC. 613. CERTIFICATION OF COMPLIANCE WITH CHILD SUPPORT OBLIGATIONS.

Section 4 of the Small Business Act (15 U.S.C. 633), as amended by section 612, is amended by adding at the end the following new subsection:

"(f) CERTIFICATION OF COMPLIANCE WITH CHILD SUPPORT OBLIGATIONS.—

"(1) IN GENERAL.—Each applicant for financial assistance under this Act, including an applicant for a direct loan or a loan guarantee, shall certify that the applicant is not in violation of the terms of any—

"(A) administrative order;

"(B) court order; or

"(C) repayment agreement entered into between the applicant and the custodial parent or State agency providing child support enforcement services,

that requires the applicant to pay child support, as such term is defined in section 462(b) of the Social Security Act.

"(2) ENFORCEMENT.—Not later than 6 months after the date of enactment of this subsection, the Administration shall issue such regulations as may be necessary to enforce compliance the requirements of this subsection.".

The title was amended so as to read: "A bill to amend the Small Business Act and the Small Business Investment Act of 1958, and for other purposes.".

Mr. PRESSLER. Mr. President, I rise today as ranking member of the Senate Small Business Committee and as a cosponsor of S. 2060, the "Small Business Administration Reauthorization and Amendment Act of 1994." This legislation marks the culmination of the most thorough review of the Small Business Administration [SBA] in 4 years.

I am very pleased with the substance of S. 2060 for many reasons. This bill addresses the needs of the SBA and America's small business men and women in a comprehensive and fair manner. Not only does this act provide authorization levels for the SBA's programs for fiscal years 1995 through 1997, it also improves numerous programs in a variety of ways.

The road leading to this bill's consideration on the floor today is the result of cooperative efforts of many individuals, including my colleagues on the Small Business Committee, our counterparts on the House Small Business Committee, the Small Business Administration, and the millions of small business owners across the Nation. I especially would like to thank the chairman of the committee, Senator BUMPERS, for his good efforts on this legislation and for taking the leadership necessary to bring S. 2060 to the Senate floor. This being my first experience with a major SBA reauthorization bill since becoming ranking member of the committee last year, I truly have enjoyed the opportunity to work with Chairman BUMPERS.

Mr. President, S. 2060 is largely the result of many oversight hearings held during this second session of the 103d Congress. The committee met on February 22, 1994, to discuss the SBA's proposed budget for fiscal year 1995. In this hearing, SBA Administrator Erskine Bowles unveiled his plans to revamp many of the programs within the SBA. Of particular concern to me was the lack of far-reaching internal reorganization of the SBA nationwide. At this hearing, I stated my disappointment to Administrator Bowles for having abandoned attempts truly to reorganize the agency [due to] parochial interests. The SBA, although it serves a very worthwhile function in the Nation's small business community, has been fraught with waste, fraud, and abuse. I commend Administrator Bowles for pursuing the noble cause of streamlining the SBA. However, it was, and still is, my hope that the Administrator will take even bolder action to prevent future scandals.

Subsequent oversight hearings explored the effectiveness of other programs and possible modifications to them. On March 2, 1994, the committee held a hearing on the SBA's increasingly popular 7(a) business loan guaranty program and the Disaster Assistance Loan Program. This hearing was followed by a March 17 hearing covering the Microloan Demonstration Program and the business development programs, which include Small Business Development Centers [SBDC's], the Service Corps of Retired Executives [SCORE], and Small Business Institutes [SBI's]. Since that time, the committee also has conducted hearings to analyze the effectiveness of the section 503/504 development companies on May 17, and the minority small business/capitol ownership development [MSB/COD], or section 8(a) program on July 27.

S. 2060, in its reported form, owes a great deal to the findings of those hearings. The testimony provided by the administration, trade associations, and entrepreneurs played a significant role in this legislative process. Without their input, the bill before us would be incomplete. Mr. President, I would now like to outline some of the key provisions of S. 2060.

TITLE I—AUTHORIZATIONS

Title I of this bill establishes the SBA's authorization levels for fiscal years 1995, 1996, and 1997. I believe the authorization levels reflect a realistic expectation of what these programs will be able to receive in appropriations. These figures will allow these important programs to continue to serve small businesses and, in some

cases, even expand those services. With these funding levels as a guidepost, programs vital to stimulating small business growth like the 7(a) and 504 loan programs can continue to provide much needed credit. The title also authorizes Microloans, Small Business Investment Company [SBIC] debentures, specialized SBIC preferred stock and debentures, and SBIC participating securities. In addition, the title provides "such sums as may be necessary" for SBA business and homeowner disaster loans. These are direct loans made to individuals and businesses in communities which have been affected by natural disasters. I believe the bill does an excellent job of responding to the requests of the small business community and proposals offered by the administration while taking into account this Nation's current fiscal constraints.

As the centerpiece of SBA's assistance programs, the section 7(a) business loan guaranty program is of particular importance. Under this program, the agency acts as a partial guarantor of loans made by commercial lenders to small businesses across the country. Recent years have seen an explosion in demand for these loans. While there are a variety of reasons for this increased demand, the most significant has been the "credit crunch" faced by small entrepreneurs. In recent years—at least partially driven by the savings and loan crisis—lenders have become more reluctant to lend to small firms because of increased regulatory pressures. As a result, the 7(a) loan guaranty program has seen unprecedented activity.

A similar strain has been seen in SBA's 504 development company loan program in recent years. Under this program, the SBA guarantees 10- and 20-year debentures issued by Certified Development Companies [CDC's]. The proceeds of these debentures are used to fund loans with similar terms to small companies for plant acquisition, construction, conversion, expansion, or equipment. Mr. President, this is truly an amazing program. Virtually nowhere else does the Federal Government get this kind of bang for its buck. The program's subsidy rate is roughly one-half of 1 percent. This means that for every half cent we appropriate, one dollar is loaned to small business. This astounding leveraging capability, together with the stringent job creation requirements connected with the program, make the 504 program one of the most cost-effective economic development tools available to any state or local economy.

The increased program levels authorized by this bill reflect the committee's belief that Congress should demonstrate a strong commitment to providing adequate financing assistance to America's job creating engine—small business. Quite simply, both programs provide the kind of long-term financing not available in private markets. In addition, each does so at an extremely modest cost as compared to the job creation they provide.

Title I of the bill also authorizes the SBIC debenture program at the administration's requested levels, although the committee authorized levels for the SBIC participating security program are less than requested by the administration. This reflects the committee's view that the SBA's venture capital program, although it has a troubled history, has an important role to play in financing small business development. However, given the as yet untested nature of the SBIC participating securities program, the committee felt the most prudent course was not to expand the program too quickly. Quite frankly, the authorized levels also reflect a realistic view of what the programs can expect in terms of appropriations. In other words, the committee did not wish to send an unwarranted signal regarding future actual funding levels for these programs. I am hopeful that in the not too distant future, the new participating securities program will take a leading role in SBA's venture capital financing program.

TITLE II—FINANCIAL ASSISTANCE PROGRAMS

Title II of the bill makes changes to the financial assistance programs of the SBA. These programs include the Microloan Demonstration Program, export assistance and international trade loans, the CDC Accredited Lenders Program, and the SBIC, and specialized SBIC programs.

The legislation makes a number of changes to the SBA's Microloan Demonstration Program. In this area, the administration proposed that the microloan program be converted from direct to guaranteed loans. I am pleased with the way this legislation handles the administration's request. The program currently makes direct loans to non-profit and private lenders called "intermediaries." The intermediaries, in turn, make very small loans to disadvantaged businesses. In my view, the SBA failed to provide a compelling need to suddenly route loans to intermediaries through private lenders on a guaranteed basis. I believe that given the Microloan Program's demonstration status, such a dramatic shift should not be introduced at this time. Section 201 of this bill, consequently, allows the SBA to establish a pilot program to provide guaranteed—rather than direct—loans for up to twenty intermediaries. This is an excellent compromise.

Among the other changes made to the Microloan Program was an amendment I offered during markup. This amendment resulted directly from a field hearing I chaired last September on the Pine Ridge Indian reservation in South Dakota. During that hearing, witnesses testified as to the extreme scarcity of credit for businesses owned by American Indians. Many of the witnesses also discussed how technical assistance, in some cases including the teaching of basic business skills, was a vital part of effective small business assistance. Several witnesses also provided examples that demonstrated how small business developed through microlending effectively creates jobs and economic opportunities for often economically depressed American Indian reservations because micro-business development is a concept well suited to the American Indian culture.

This amendment creates incentives for intermediaries to make loans and provide technical assistance to small businesses owned by American Indians. Under current law, each loan made by the SBA to an intermediary is accompanied by a 25-percent grant to be used to provide technical assistance to those microenterprises borrowing from the intermediary. This grant is subject to a 25 percent non-Federal matching requirement. Additional technical assistance grant money equal to 5 percent of an intermediary's total outstanding balance of loans is available to those intermediaries maintaining a loan portfolio average of not more than $7,500. Thus, these intermediaries can receive a maximum of 30 percent in technical assistance grants. This additional grant is not subject to the matching requirement.

My amendment, which passed the committee on a unanimous vote, provides the extra 5 percent technical assistance grant to any intermediary making 25 percent of its loans to businesses owned by members of federally recognized American Indian tribes. Such intermediaries, in effect, would be treated just as those maintaining an average loan portfolio of not more than $7,500. However, in no case would an intermediary be able to receive more than 30 percent in technical assistance grants. In addition, my amendment provides additional incentives for intermediaries making 50 percent or more of their loans to businesses owned by members of federally recognized American Indian tribes. These intermediaries will receive the full 30 percent maximum in technical assistance grants. However, none of the grant would be subject to a matching requirement.

My amendment fits well with section 202 of the bill in making the Microloan Program more accessible to American Indian entrepreneurs. The Small Business Act in its current form does not allow governmental or quasi-governmental agencies to act as intermediaries. Unfortunately, adequate resources to provide the services that an intermediary must provide are scarce on most Indian reservations and to most tribal members. Often, the tribal government must take responsibility for providing such services.

Section 202, therefore, allows tribal entities to act as intermediaries. I fully support this change.

I also want to touch on Section 213 of this bill. This section establishes an Accredited Lenders Program for certain 504 development companies. As a part of the Accredited Lenders Program, the SBA is directed to develop a procedure for the expedited processing of loan applications or servicing actions submitted by qualified development companies.

In some instances, statewide development companies fall under the jurisdiction of more than one SBA district office. In the past, some statewide development companies have found loans it makes in one part of the State are treated differently than those made in another. This has not had so much to do with differences in the borrower or terms of the loans as with different consideration given by different SBA district office personnel. This being the case, the committee's report clearly states the committee's intent that any such development company qualifying for the Accredited Lenders Program shall be provided the same procedure for the expedited processing of its loan applications or servicing actions, regardless of which district office has responsibility for the particular transaction. This is not meant as a criticism of anyone within SBA. It simply is necessary to insure uniform treatment of development companies qualifying for the program.

TITLE III—SIZE STANDARDS AND BOND GUARANTEES

Section 301 of the bill clarifies requirements under the Small Business Act that allow Federal departments or agencies other than the SBA to issue size standards with the approval of the SBA Administrator. This section broadens the criteria available for setting such size standards, but does nothing to change the requirements that the standard be set by a rulemaking, including a proposal and an opportunity for public comment, and that the standard be approved by the Administrator.

I believe it may be necessary for the Committee to revisit this issue in the future as it seems not all Federal agencies understand the requirements relating to the setting of size standards contained in the Small Business Act. Specifically, I am referring to a recent rulemaking in which the Federal Communications Commission [FCC] set a size standard to define a "small cable system." It appears the FCC failed to secure the statutorily required approval by the SBA Administrator in this case. As a result, on July 21, Chairman BUMPERS and I, together with 14 of our Senate colleagues, wrote a letter to SBA chief counsel for advocacy Jere Glover requesting that he file an amicus brief in a lawsuit brought by the small cable industry against the FCC over the issue.

TITLE IV—BUSINESS DEVELOPMENT ASSISTANCE

I am pleased with the opportunities that will be created for SBDCs in title IV of the bill. Section 402 of this title raises the minimum level, also known as a "floor," that an SBDC may receive in Federal funds from $200,000 to $300,000, and raises the base level of funding from $100,000 plus the state's pro rata share to $200,000 plus the pro rata share. This increase is absolutely vital to the so-called "big rectangular" Western states, like South Dakota, that have a large geographic area to cover, but too small a population from which to draw a large enough pro rata share to support disproportionately large travel and programming expenses.

The title also authorizes the SCORE and SBI Programs for the next 3 fiscal years. These important programs provide grass roots counseling to small businesses for an extremely nominal Federal expenditure. The SCORE program teams experienced small business men and women and their wealth of experience with fledgling entrepreneurs who sometimes have little more than an idea and a great deal of enthusiasm.

I remain somewhat concerned with the manner in which SCORE funds are apportioned among the local chapters and have been studying this issue for some time. I am not convinced reliable standards exist to guide the national SCORE office in its decisionmaking process in this regard. While I considered amending this legislation in an effort to ensure equitable distribution of SCORE funding, after discussions with Chairman BUMPERS we have agreed to ask the General Accounting Office to study the program before any modifications are made. I will consider further legislative options once the results of that study are released.

SBI's throughout our Nation provide a valuable service and help our small businesses create jobs. This program, in conjunction with State colleges and universities, provides teams of business students and faculty members to work one-on-one with existing businesses. Although the administration did not request funding for the SBI Program, I am extremely pleased the committee acted to reauthorize it. The SBI program provides invaluable assistance to small businesses—especially those with little or no access to an SBDC—in a very cost effective manner. It also provides the students involved with invaluable hands on experience in the workings of an actual business.

I would be concerned if the committee or the administration were to seek an increase in SBA's financial assistance programs at the expense of technical assistance programs such as SCORE or SBI. If this were to happen, new businessowners could find themselves with capital, but with little or no additional assistance. If businesses should fail as a result and, in the process, default on their loans, neither our communities nor the Federal treasury would come out ahead.

TITLE V—RELIEF FROM DEBENTURE PREPAYMENT PENALTIES

Title V of the committee's bill tackles a very difficult problem that has been with us for several years. This title is designed to provide relief for borrowers stuck with onerous prepayment penalties under the former section 503 Development Company program. Like the 504 program, 503 loans were used to provide long-term, fixed-rate financing to small companies for plant acquisition, construction, conversion or expansion, equipment and job creation. However, presently some 3,500 borrowers under the old 503 program are locked into SBA-backed loans with interest rates reflecting the Government's cost of money 10 or more years ago. Thus, rates on these loans can run 12 to 15 percent and higher. Unfortunately, these borrowers are unable to refinance these loans because of extremely high prepayment penalties of which many borrowers say they were either unaware of or mislead about at the time they took out the loan.

Another unfortunate reality is that the Federal Government is simply not in a position to absorb the cost—by some estimates well over $100 million—of totally relieving these borrowers of their obligations. However, this year for the first time, we were able to secure $30 million in appropriated funds to address the problem. It then became the committee's challenge to determine how to spread this relief as equitably as possible. I believe the bill accomplishes this goal. Borrowers wishing to refinance will be required to pay a reduced penalty. However, the legislation at least makes refinancing possible for many who simply find it impossible under current law.

TITLE VI—MISCELLANEOUS AMENDMENTS

Title VI of the committee bill makes a number of improvements and corrections in a wide variety of SBA programs. In addition, the title allows for certain fees to be collected and requires that studies be conducted.

Throughout the reauthorization process, one proposal that caused me great concern was the administration's request that it be allowed to collect a $15 per hour fee for SBDC counseling services. SBDC's provide valuable counseling service to established and fledgling entrepreneurs. In some areas of the country, the fee may not have been unreasonable. However, in many rural States such a requirement could easily close the door of opportunity for a potential or new entrepreneur with limited resources. In addition, I feel that such a fee would unnecessarily encumber SBDC staff already faced with limited time and money. I am extremely pleased that S. 2060 does not authorize SBA to charge or collect such fees.

The last topic I will discuss involves another amendment I offered during markup of S. 2060. This amendment, also adopted on a unanimous committee vote, prohibits the SBA from providing assistance to businesses engaged in the production and/or distribution of obscene products or services. The amendment was offered in response to the SBA's recent repeal of its "opinion molder rule" promulgated in 1953. Under that rule, the administration, with few exceptions, could not provide assistance to small businesses engaged in the "creation, origination, expression, dissemination, propagation or distribution of ideas, values, thought, opinions, or similar intellectual property, regardless of medium, form, or content." With the repeal of the rule, businesses such as newspapers, movie theaters, radio stations, and bookstores now are eligible for administration assistance.

However, members of the committee shared my concern that a blanket repeal of the rule also would allow businesses involved in the production and distribution of obscene products and services to seek SBA support and that the agency would have no means by which to deny such loans or other assistance. My amendment makes it clear the SBA is not authorized to provide any assistance to those engaged in obscene businesses—and thus not entitled to first amendment protection—as defined by the U.S. Supreme Court. The amendment is intended to cover the narrow range of adult theme businesses, including adult book stores, adult theaters, adult film and video producers, and adult film and video distributors. It is not meant to apply to businesses such as convenience stores that may carry adult materials that do not fall within the Supreme Court's definition of obscenity.

Mr. President, I once again offer my full support for this legislation. I truly believe the program levels authorized will adequately provide the SBA with the ability to continue to provide its invaluable services. The SBA is vital to the small businesses of this country. Without the support of 7(a) loans, SBIC's, Microloans, 502/504 development companies, and the many business development programs, the viability of this Nation's small businesses certainly would be placed in jeopardy. For many budding entrepreneurs, the assistance the SBA can provide is just the catalyst they need to flourish. As you know, Mr. President, America's No. 1 job creators are this Nation's small businesses. In a time when so much Congressional action stymies the growth of small businesses, I firmly believe that S. 2060 is an excellent vehicle by which Congress can improve the economic environment for Main Street businesses.

Mr. BUMPERS. Mr. President, S. 2060 is the first SBA reauthorization to be considered by Congress since President Clinton took office. It is a dramatic departure from the hold-the-line, do-as-little-as-necessary policy of the previous two administrations. President Clinton's fiscal year 1995 budget and legislation contain significant increases in SBA loan programs aimed at economic development and meeting the credit needs of small firms in a changing economy. This bill is major economic legislation which is badly needed and which can and will help further the Nation's recovery.

The committee-reported bill responds to the President's requests to the greatest extent possible in a time of fiscal constraints and sends a strong economic message. The small business sector has been and will remain the major source of new jobs in the American economy. Paradoxically, small businesses face more difficulty than ever in obtaining the capital required for business startups, expansion, and operating capital.

In business loans, loan guarantees and bond guarantees, S. 2060 as reported by the Small Business Committee authorizes $16.033 billion in financial assistance to small businesses in 1995, $18.599 billion in fiscal year 1996, and $23.048 billion in 1997. The role of the Small Business Administration under the energetic leadership of Administrator Erskine Bowles is more vital than ever before in sustaining and expanding the economic recovery now underway.

I introduced S. 2060 on May 3, 1994. The bill authorizes SBA programs for 3 years, makes changes in a number of existing programs, and extends certain expiring provisions of law. At a markup on August 10, 1994, the committee considered and adopted a chairman's substitute amendment and several other amendments detailed below.

Prior to the markup, the committee held budget or oversight hearings on February 22, March 2, and March 17. Additionally, on May 17, a full committee hearing examined problems with prepayment penalties under the former section 503 Development Company Program and oversight of the section 504 program which succeeded the 503 program. The committee heard testimony on S. 737, a bill introduced by Senator HATFIELD which eases prepayment penalties imposed on borrowers of high interest bearing loans under the section 503 program. The committee has included a substitute for S. 737 as title V of the committee amendment.

TITLE I—AUTHORIZATIONS

Section 101 of the committee amendment authorizes SBA loan programs and certain business development programs. Included are sec. 7(a) loan guarantees, section 502 and 504 development company loans, microloans, Small Business Investment Company [SBIC] debentures, specialized SBIC preferred stock and debentures, and SBIC participating securities. Also included is a "such sums as may be necessary" authorization for SBA business and homeowner disaster loans. These are direct loans made to individuals and businesses in communities which have been affected by natural disasters.

Funding for SBA programs with the exception of disaster loans are detailed in the following chart. The committee considered the administration's funding requests and the levels set in a House-reported bill, H.R. 4801, which has not yet passed the House. It is possible that final House levels represented in the chart could be changed by floor action.

I ask unanimous consent to print the chart in the RECORD.

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

SBA REAUTHORIZATION FUNDING LEVELS

	Appropriated and reprogrammed fiscal year 1994	Proposed fiscal year 1995			Proposed fiscal year 1996			Proposed fiscal year 1997		
		Senate	House	Admin	Senate	House	Admin	Senate	House	Admin
7(A) Guarantees [1]	[2] $8.788.4 billion.	$9 billion	$7.815 billion	$11.5 billion	$10 billion	$10.93 billion	$13.5 billion	$12 billion	$14.2 billion	$15.5 billion
Defense conversion (7(A)(21)) (not funded)		$2.0 billion	$1.5 billion	$0	$2.5 billion	$0	$0	$3.5 billion	$0	$0
Microloans direct	$86.6 million	$110 million	$130 million	[3] $110 million	$175 million	$195 million	[3] $175 million	$250 million	$270 million	[3] $250 million
Microloan-TA	$9 million	$45 million	$0	$15.1 million	$65 million	$0	$0	$98 million	$0	$0
Micro guarantee pilot (new)		$15 million	$20 million	[3] $15 million	$20 million	$20 million	[3] $20 million	$20 million	$20 million	[3] $20 million
504/502 Development Cos.	$1.54 billion	$2.3 billion	$2.2 billion	$2.3 billion	$2.8 billion	$2.5 billion	$3.8 billion	$3.5 billion	$3 billion	$5.7 billion
SBIC debentures	$100 million	$230 million	$260 million	$210 million	$250 million	$350 million	$250 million	$310 million	$500 million	$310 million
SBIC participating	$207.8 million	$500 million	$500 million	$550 million	$750 million	$750 million	$1.1 billion	$1.125 billion	$1.125 billion	$1.7 billion
Mesbic stock (SSBIC)	$15 million	$33 million	$33 million	$23 million	$39 million	$39 million	$24 million	$45 million	$45 million	$25 million
Mesbic guaranty (SSBIC)	$17.9 million	$55 million	$25 million	$65 million	$70 million	$55 million	$70 million	$75 million	$55 million	$75 million
Surety bond	$1.7515 billion	$1.8 billion	$1.8 billion	$2 billion	$2 billion	$1.8 billion	$2 billion	$2.2 billion	$1.8 billion	$2 billion
Score	$3.5 million	$3.5 million	$3.5 million	[4] $3.08 million	$3.75 million	$3.67 million	$0	$4 million	$3.86 million	$0
SBI	$3 million	$3 million	$3 million	[4] $0	$3.25 million	$3.15 million	$0	$3.5 million	$3.31 million	$0
SBDCs: Regular	$71.3 million	$70 million	$70 million	[4] $67 million	$77.5 million	$77.5 million	$0	$85 million	$85 million	$0

SBA REAUTHORIZATION FUNDING LEVELS—Continued

	Appropriated and reprogrammed fiscal year 1994	Proposed fiscal year 1995			Proposed fiscal year 1996			Proposed fiscal year 1997		
		Senate	House	Admin	Senate	House	Admin	Senate	House	Admin
SBDCs: Defense conversion (not funded)		$25 million	$0	$0	$25 million	$0	$0	$25 million	$0	$0

[1] The Administration request includes the non-guaranteed portion of Sec. 7(a) loans which, in SBA's view, is required by credit reform. The House and Senate bills include only the SBA share of the program in conformance with section 20 of the Small Business Act.
[2] Includes $1.8 billion carryover.
[3] The Administration request combines direct and guaranteed amounts.
[4] Administration requests are from Budget submission only for these programs. No authorizing language was requested.

SEC. 7(a) BUSINESS LOANS

Mr. BUMPERS. Mr. President, SBA's flagship program remains the sec. 7(a) business loan guaranty program under which the agency acts as a partial guarantor of loans from commercial lenders to small firms. With SBA's guaranty of 70–90 percent of the loan amount, banks and other lenders are willing to provide longer term financing than would otherwise be available, and also larger loan amounts at lower interest rates than the market and the regulatory environment would permit without SBA's participation.

The committee has provided separate authorizations for the regular 7(a) program and defense conversion loans under section 7(a)(21). Demand for 7(a) loan guarantees has risen sharply since 1991, and Congress has labored to ensure that adequate program levels are available to meet small business credit needs in a recovering economy. No decrease in demand is expected in the foreseeable future for regular 7(a) loans, while the 7(a)(21) program anticipates new borrowers as the economy continues to shift away from the heavy emphasis on national defense before the end of the cold war. This bill looks to the needs of a post-cold-war economy.

Defense conversion loans under sec. 7(a)(21) were authorized in 1991 but have received no funding to date. The program will assist businesses which have been severely adversely affected by reductions in defense expenditures, and those located in communities which have been adversely affected by base closings and curtailment of defense procurement. Members of the Armed Forces who have left the service earlier than planned and who wish to establish small businesses are also eligible for financing under section 7(a)(21).

For defense conversion loans, S. 2060 authorizes $2 billion in fiscal year 1995; $2.5 billion in fiscal year 1996 and $3.5 billion in fiscal year 1997. These are in addition to regular 7(a) program levels of $9 billion in fiscal year 1995; $10 billion in fiscal year 1996; and $12 billion in 1997. While these are substantial increases, they are supported by the administration and by program experience in the last 3 years.

Several factors have contributed to the growth of the 7(a) program in the decade of the 1990's. These include increased regulatory pressure on banks following the savings and loan collapse and ensuing reform legislation, an interest rate environment which made purchase of government securities more profitable for banks than small business lending, and perhaps increased paperwork burdens for banks. All of these trends discouraged small business loans. As a result, unprecedented numbers of borrowers have turned to the SBA 7(a) program, and the section 504 Development Company Program for financing which the private market was unable to provide.

Congress responded to increased demand for 7(a) loans in 1992 with an emergency supplemental appropriation which, unhappily, added to the deficit. In 1993, escalating demand caused the program to shut down for several weeks before Congress again responded, but this time with a reprogramming of unexpended Federal funds from other programs. This action did not add to the deficit, but this course could not be relied on for future funding for the 7(a) program. Congress also responded in 1993 with legislation which reformed the 7(a) program and substantially reduced the cost of loans. Public Law 103–81 reduced the guaranteed percentages of some loans by SBA and imposed a fee of 40 basis points of 7(a) loans sold to investors in the secondary market. This legislation reduced the subsidy cost of the program as calculated under the Credit Reform Act from 5.45 percent to 2.15 percent, thereby more than doubling the program levels which would be available from a fixed amount of appropriated funds. This reform was sought by the Clinton administration and generally supported by the lending community as the responsible course of action in a time of limited federal resources and obvious need for small business financing.

Growth of the 7(a) and 504 program has contributed to the economic recovery in many areas of the country and has prevented the credit crunch from causing even more pain in regions which have yet to fully benefit from the recovery. The program levels in this legislation represent a strong commitment by Congress to furthering and broadening the economic recovery by ensuring that adequate and affordable financing is available to the most vibrant sector of the economy, small business.

DIRECT LENDING

The committee amendment does not authorize SBA direct loan programs which have existed in the past, with the exception of the Microloan Program, the Specialized SBIC Preferred Stock Program, and the Disaster Loan Program, previously noted. This course is consistent with an amendment I offered earlier this year to the Senate Appropriations bill for SBA. That amendment moved funding from direct loans to raise fiscal year 1995 program levels for the sec. 504 and SBIC participating security programs. Appropriations for direct loans have so diminished over the last several years that they can hardly be called national programs. Often, the meager funds appropriated for direct loans have given business owners false hope that a direct loan could be obtained from SBA when, in fact, insufficient funds were available.

The committee concluded that the limited resources could more effectively be used to support loan guaranty programs which have lower subsidy costs under credit reform. Moreover, the Microloan Program is being expanded so that borrowers who might have been served under the direct loan programs should be able to seek financing from a microloan intermediary. Microloan borrowers receive training and technical assistance which is not available to direct loan borrowers.

SEC. 504 DEVELOPMENT COMPANY LOANS

Under the 504 program, SBA guarantees a 10- or 20-year debenture issued by a Certified Development Company [CDC], the proceeds of which fund a loan to a small firm for plant acquisition, construction, conversion, expansion or equipment. The SBA portion of the loan covers not more than 40 percent of the project, with a conventional lender providing 50 percent financing and the borrower providing the remaining 10 percent as equity.

The program is attractive to banks because SBA and the CDC agree to take a secondary position on all of the collateral, so the back is effectively overcollateralized. The borrower gets a long-term, fixed-rate loan with an interest rate comparable to the government's cost of money for a similar term.

The committee has worked to meet the ambitious funding levels proposed by the administration for the 504 program because it provides a cost-effective economic development tool. With a subsidy cost of barely more than one-half of one percent and a strong job creation requirement, the 504 program has boosted economic growth in the

communities where it has been utilized.

Congress recently approved and the President signed legislation increasing the fiscal year 1994 authorization level for sec. 504 from $1.2 billion to $1.5 billion. The committee amendment raises the fiscal year 1995 program level to $2.3 billion, with further increases to $2.8 billion in fiscal year 1996, and $3.5 billion in fiscal year 1997. The program levels for fiscal year 1996 and 1997 are less than sought by the administration but more than provided by the House. For a program which was funded at $500 million in 1992, these are large increases, but they are warranted both by need for long-term, fixed-rate, financing which the market does not provide and by the modest cost of the program.

SBIC DEBENTURES AND PARTICIPATING SECURITIES

Program levels for SBIC debentures in the committee amendment are somewhat less than those set by the House because limited resources should be focused primarily to the new participating security program which was enacted in 1992 but which remains untried. Debenture financing, however, remains an important financing mechanism for some SBIC's and their clients whose business plans do not fit with the participating program.

The administration has sought extremely ambitious increases for the participating security program. The House bill provides $500 million of the $550 million request for 1995. In the outyears, the House bill authorizes $750 million in 1997 compared with the request of $1.1 billion. In 1998, the House bill provides $1.125 billion of the administration's $1.7 billion request. The Senate bill agrees with the House for all 3 years.

The committee concluded that the administration's proposed levels for participating securities are not prudent in light of nonexistent experience with this new but promising program. Moreover, the appropriations environment makes increases of the magnitude sought by the administration extremely unlikely. With a subsidy cost of almost 16 percent for the debenture program and approximately 9 percent for the participating security program, SBIC financing remains among the most expensive of all SBA loan programs. At the same time, I am hopeful that the new participating security will reinvigorate venture capital financing for small business and perhaps produce economic successes comparable to the SBIC program's past economic marvels which include Apple Computer, Intel, Federal Express, Cray Research, Compaq and others.

BUSINESS DEVELOPMENT PROGRAMS

The committee amendment gives statutory authorization for three important business development programs: the Service Corps of Retired Executives [SCORE], Small Business Institutes [SBI], and a special authority for assistance to firms affected by defense budget reductions through Small Business Development Centers [SBDC's]. SCORE and SBI both leverage private sector resources on a volunteer basis to provide valuable management counseling to small business owners. SCORE uses the talents of retired business people to counsel small business owners, while SBI works through faculty and graduate business-school students.

The authorized levels of $3.5 million for SCORE in fiscal year 1995, and $3 million for SBI, with modest inflation adjustments in the outyears, are more than matched in value by the time contributed by volunteers.

The committee adopted an amendment by Senator LEVIN which authorizes SBA, as part of its management assistance duties, to counsel small businesses and entrepreneurs of the benefits and risks of franchising. Franchising is an important and growing facet of our economy and can be an opportunity for people who want to be their own boss and who are willing to work hard. However, there are risks associated with franchising. This amendment aims to avoid problems before they happen by educating prospective franchisees.

TITLE II—FINANCIAL ASSISTANCE PROGRAMS

MICROLOAN DEMONSTRATION PROGRAM

At the March 17 oversight hearing and in its budget submission, the administration enthusiastically endorsed the Mircoloan Demonstration Program and called for its expansion. The administration also proposed a pilot program to test the idea of SBA guaranteeing loans to microloan intermediaries.

The committee strongly supports the Microloan Program and has included a statement of policy in S. 2060 clarifying that the program should be accessible to eligible small businesses regardless of their industry or geographic location. Some areas of the country are served by intermediaries which provide microloans only to certain types of businesses such as manufacturing. In those cases, SBA should permit more than one intermediary to serve the given area.

Other areas are not served by any intermediary. To help remedy this situation, the committee included a provision to permit certain native-American tribal organizations to become intermediaries. Previously, such entities were ineligible to participate in the program because they did not meet the statutory definition of intermediaries. SBA should actively seek and train potential intermediaries to serve areas where microloans are currently unavailable.

As also requested, the committee has authorized a 3-year guaranteed loan pilot program under which the SBA may guarantee between 90 and 100 percent of loans to 20 intermediaries from for-profit or non-profit lenders, or groups of such lenders. Ten intermediaries will be located in urban areas and 10 in rural areas. The loans will be for 10 years with no interest or principal due during the first year. Only interest will be payable during the second through fifth years and both interest and principal will be due during the final 5 years of the term. SBA may use appropriated funds to support these guarantees, including a buy-down of interest rates from lenders.

The committee has increased the authorized number of Microloan Demonstration Programs from 110 to 150 in fiscal year 1995 and to 200 in subsequent fiscal years. We increased the maximum amount an intermediary may borrow from SBA from $1.25 million to $2 million, eliminated the cap on the number of programs per State and, to conform with these two changes, increased the cap on the total loans a State may receive under the Microloan Program from $2.5 million to $10 million.

EXPORT ASSISTANCE LOAN PROGRAM

The administration requested three provisions intended to harmonize SBA's Export Loan Program with the Export-Import Bank's Export Loan Program. These provisions will enable SBA to work together with the Export-Import Bank and the Department of Commerce on jointly operated Export Assistance Centers. These centers will function as one-stop shops for businesses to obtain export counseling and financing, regardless of the size of the business.

The included provisions allow SBA to guarantee a variety of forms of credit, including standby letters of credit and revolving lines of credit for small businesses, small business export trading companies, and small business export management companies. SBA may guarantee between 85 and 90 percent on such credit. The maximum amount of an export loan under SBA's program is increased to $1.25 million, and the limit for working capital, supplies, or other export purposes has been increased to $750,000.

504 DEVELOPMENT COMPANY ACCREDITED LENDERS PROGRAM

The committee has included provisions to establish an Accredited Lenders Program [ALP] for certain section 504 development companies. This Program is based on a bill introduced by Senator WELLSTONE on June 23, 1994, S. 2235, the Small Business Accredited Lenders and Packagers Act. Senator WELLSTONE, as chairman of the Subcommittee on Rural Economy and Family Farming, held a hearing on July 21, 1993, on the Federal role in rural economic development. Testimony indicated a need for expedited processing of section 504 loans in rural areas.

As part of the Accredited Lenders Program, the administration is directed to develop a procedure for expedited processing on loan applications or servicing actions submitted by qualified development companies.

SMALL BUSINESS INVESTMENT COMPANY AND SPECIALIZED SMALL BUSINESS INVESTMENT COMPANY PROGRAMS

In April 1994, the General Accounting Office [GAO] issued a report entitled "Small Business Administration: Inadequate Documentation of Eligibility of Businesses Receiving SSBIC Financing," which was requested by Congressman LAFALCE, chairman of the House Small Business Committee. GAO noted that 37 percent of all specialized small business investment companies [SSBIC's] had poor records or no records concerning the eligibility of their borrowers for financial assistance under the program.

The committee amendment includes a requirement that small businesses seeking financial assistance from SBIC's and SSBIC's certify to SBA that they meet the eligibility requirements of the program. S. 2060 also requires an SBIC or SSBIC to certify to SBA that it has reviewed the application for assistance and that there is no documentary or other indication that the applicant does not meet the program requirements.

With respect to the SBIC participating security program, I am concerned with the number of high-dollar applications the administration has received and with the lack of a policy with respect to funding applications for participating securities submitted by smaller SBIC's. The Committee included a provision which requires half of each year's appropriations for participating securities to be reserved for smaller SBIC's, those with private capital of less than $20 million. Since proportions are not always obtainable or desirable, the bill permits the administrator to use more than 50 percent of the annual appropriations for participating securities for larger SBIC's if, during the last quarter of the fiscal year, there is a lack of qualified applicants among smaller SBIC's.

TITLE III—SURETY BOND GUARANTEES

PREFERRED SURETY BOND GUARANTEE PROGRAM

Section 302 of the committee substitute extends the pilot Preferred Surety Bond Guarantee Program for 1 year, until September 30, 1995.

The Preferred Surety Bond Guarantee [SBG] Program was authorized on a test basis by title II of Public Law 100-590, the Small Business Administration Reauthorization and Amendments Act of 1988. The Preferred SBG Program is aimed at encouraging the participation of the large, so-called standard surety firms in the SBA Surety Bond Guarantee Program. Under the pilot program, a surety firm approved for participation is permitted to use its own bond underwriting, administration, and claims procedures without obtaining SBA's approval for the application of the SBA guarantee on a case-by-case basis. In exchange, the preferred surety's guarantee is limited to 70 percent rather than the 80 or 90 percent SBA guarantees available in the so-called SBA Prior-Approval SBG Program. One main objective of the pilot Preferred SBG Program is to expand access to surety bonding for small business concerns owned and controlled by socially and economically disadvantaged businesses often referred to as SDB's.

Regulatory implementation of the pilot Preferred SBG Program was slower than anticipated. To provide an adequate test period, the program's expiration date was previously extended from September 30, 1992, to September 30, 1994, by section 216 of Public Law 101-574, the Small Business Administration Reauthorization and Amendments Act of 1990.

The preferred surety program permits SBA to delegate to a surety carrier the authority to issue, monitor, and service surety bonds subject to the administration's guarantee without prior approval. Although less than 20 percent of SBA's surety bond guarantees are issued under this program, it is an efficient method. S. 2060 extends this authority for 1 year until September 30, 1995, in order to afford the Committee additional time to conduct thorough oversight hearings on the pilot program.

MANUFACTURING APPLICATIONS AND EDUCATION CENTERS

The committee has included a provision that directs the SBA to promote the award of contracts to manufacturing application and education centers. These centers are entities which have the capacity to assist small businesses in a shared-use production environment and which offer technology demonstration, technology education, technology application support, and technology advancement support services. The administration is to promote such awards by working with the Department of Commerce and other agencies to identify components and subsystems that are both critical and currently being provided by foreign sources.

In addition, S. 2060 further supports small businesses participating in the centers by authorizing an exception to the requirement that 50 percent of the work on a contract be performed by the business to whom the contract is awarded. The exception applies to any manufacturing contract performed by a small business in conjunction with a manufacturing application and education center.

TITLE IV—BUSINESS DEVELOPMENT ASSISTANCE

COSPONSORSHIP AUTHORITY

Since 1984, SBA has had authority to cosponsor business development activities with non-profit and for-profit entities. After some initial difficulties with for-profit cosponsorship, Congress imposed certain restrictions on the Agency's use of such cosponsorships. SBA must ensure that it receives appropriate recognition and publicity, that the cosponsorship does not constitute or imply an SBA endorsement of the cosponsor's product or service, and that SBA avoids unnecessary promotion of products or services.

Since the enactment of these requirements, cosponsorships with for-profit entities have enabled SBA to leverage its resources to reach a larger population of small businesses. The current authority is extended in S. 2060 to September 30, 1997.

SMALL BUSINESS DEVELOPMENT CENTER PROGRAM

The Small Business Development Center [SBDC] Program is a public-private partnership administered by the SBA which provides counseling, training, and other business development assistance to small businesses at over 900 sites nationwide. The Federal contribution is fully matched by State governments and other SBDC participants. The administration intends to make even greater use of the SBDC program than in previous years, and other Federal agencies are considering using the SBDC network to provide information and other services to small businesses. Demand for the program has outstripped its abilities based on current funding.

Since both Houses have passed fiscal year 1995 appropriations bills which contain SBDC funding, the committee has included provisions to increase the authorized national program for SBDCs beginning in fiscal year 1996. The program level will increase to $77.5 million in fiscal year 1996, and in fiscal year 1997 and later years, the authorized level will be $85 million.

In addition, beginning in fiscal year 1996, the funding floor will be raised from $200,000 to $300,000. Eleven States—Delaware, North Dakota, South Dakota, Wyoming, Montana, Vermont, Rhode Island, Idaho, Alaska, the Virgin Islands and the District of Columbia—are currently funded at the $200,000 floor. Together with matching funding requirements, the changes will provide those States with a minimum of $600,000 to operate their SBDC networks. Both the increase in the national program and in the funding floor will only take place if adequate appropriations are made available. If not, the current funding formula will remain applicable.

The committee has also included a provision that permits an SBDC to contract with another Federal department or agency to provide small business services, if the contract is approved in advance by the associate administrator for SBDCs. The 50 percent matching funds requirement is not applicable to such contracts.

WOMEN'S BUSINESS DEMONSTRATION PROJECTS

S. 2060 extends the authority for the women's business training demonstration projects for 3 years until September 30, 1997. This program was designed to permit private organizations to provide financial assistance, management assistance, and marketing assistance to women entrepreneurs. The women's demonstration projects were created by the Women's Business Ownership Act of 1988.

NATIONAL COMMISSION ON WOMEN IN BUSINESS

The committee unanimously adopted an amendment offered by Senator MOSELEY-BRAUN on behalf of herself and Senator LAUTENBERG which creates a National Commission on Women in Business. The amendment was cosponsored by Senators BUMPERS, HARKIN, WOFFORD, and KOHL. The Commission will replace the National Women's Business Council which will expire shortly. The commission is in lieu of a 32-member interagency committee created in the House bill. The existing council, created by the Women's Business Development Act of 1988, was a nine-member board charged with strengthening opportunities for women businessowners. The committee chose creation of the new commission over an extension of the council or the more cumbersome structure chosen by the House because we believe the public-private structure of the commission is preferable to a large committee of Federal bureaucrats in addressing the issues facing women in business. The commission's duties are streamlined to increase the group's focus and effectiveness.

The commission will be composed of 14 members selected equally from both the public and private sectors. The commission's investigative and reporting responsibilities include the following: First, access to credit and capital, second, data collection on women-owned businesses, third, encouragement of women's participation in the White House Conference on Small Business, fourth, advancement of female executives, and fifth, development and growth of women-owned businesses.

The private sector members shall include three female small businessowners and four representatives of national women's business organizations. Terms of service for commission members is 1 year, but a member may serve for two consecutive terms.

Public sector members will include representatives from the Departments of Treasury, Labor, and Commerce, the General Services Administration, the Federal Reserve Board, and also the Administrator of the SBA and the Assistant Administrator of the SBA Office of Women's Business Ownership.

The commission's chairperson will be one of the women businessowners who shall be selected by the President. The vice-chairperson will be the Assistant Administrator of the SBA's Office of Women's Business Ownership.

TITLE V—RELIEF FROM DEBENTURE PREPAYMENT PENALTIES

Title V of the committee amendment provides relief from onerous prepayment penalties now imposed on borrowers under the former section 503 development company program. The 503 program provided long-term, fixed-rate financing to small firms for plant acquisition, construction, conversion or expansion, and equipment. The program differed from the current 504 program chiefly in that development company debentures—which finance individual loans—were sold to the Federal Financing Bank with SBA's endorsement.

Since 1986, these same debentures have been sold in the private capital markets with SBA's guaranty. When the Treasury was the sole purchaser of 503 debentures, the Government was able to dictate terms to the borrowers which have proved burdensome and unfair in light of changes in interest rates since the early 1980's.

Presently, some 3,500 section 503 borrowers nationally are saddled with SBA-backed loans with interest rates reflecting the Government's cost of money more than a decade ago. Many 503 loans carry interest rates from 12–15 percent and higher, and borrowers are unable to refinance at today's lower rates because of the prepayment penalties contained in the debentures. Borrowers have been hampered in growth and job creation by these onerous interest rates. Some borrowers testified that they were unaware of the prepayment issue when they entered into the loan. Others said that they were actually misled by either development company officials or by SBA employees on the issue when the loan was made. Senator HATFIELD characterized the Government's policy toward these borrowers as "loansharking."

The prepayment penalty problem has festered for many years, and this is not the first congressional effort to resolve the problem. In 1988, Congress passed S. 437, a bill introduced by Senator METZENBAUM which would have modified the prepayment penalty and would have benefited both borrowers and the Treasury. That bill was scored by the CBO, under rules then in effect, as reducing the deficit by about $50 million in the ensuing fiscal year. President Reagan pocket vetoed this bill following the adjournment of Congress. Subsequent changes in scoring rules under the 1990 Credit Reform Act prevented loan prepayments from being considered as revenues, and this scoring change seriously delayed resolution of the issue.

Last year, Senator HATFIELD took up the cause of the section 503 borrowers and introduced S. 737. Our committee held a hearing on the Hatfield bill on May 17, 1994, at which SBA representatives and several 503 borrowers testified. Additionally, the Clinton administration endorsed prepayment relief for these borrowers, and the President's fiscal year 1995 budget proposal contains $30 million in funding.

Unfortunately, the administration proposal falls short of meaningful relief to all borrowers. The administration would substitute the current 504 prepayment penalty for the 503 loans.

This change would allow any borrower who had repaid his loan for more than half of its term to face no penalty at all. However, the administration proposal of only $30 million in appropriated funds would assist a much smaller group of borrowers than the plan included in S. 2060.

The committee concluded that the Hatfield bill, which was estimated by CBO to cost $167 million, was too expensive, and the administration bill and budget request of $30 million was too meager. The House bill, on the other hand, allows a very small amount of help in the form of an interest rate buy-down for all borrowers. Relief, under the House bill, would be limited by the amount of appropriated funds available, which seems certain to be $30 million in fiscal year 1995, and probably zero thereafter.

Complete relief for a very few and meager relief for all borrowers were equally unacceptable, so the committee adopted a third course of action which supplements appropriated funds with the proceeds of new, reduced prepayment penalties.

I believe that any solution to this problem must include fairness to the taxpayers and the Treasury as well as the distressed and aggrieved borrowers. The committee amendment compromises these competing interests. While no borrower will get off scot-free, as some would under the administration's proposal, virtually all borrowers should be able to refinance at today's rates upon the payment of a modest penalty.

The committee amendment provides borrowers the right to prepay 503 loans upon the payment of a substitute penalty set forth in the following schedule: First, with respect to a 10-year term loan, 9.5 percent; second, with respect to a 15-year term loan, 9.5 percent; third, with respect to a 20-year term loan, 10.5 percent; and fourth, with respect to a 25-year term loan, 11.5 percent.

These penalties are based on the outstanding principal balance of the loan and accrued interest at the time of prepayment and are estimated to cover approximately half of the cost of these refinancings to the Federal Financing Bank. The remainder of the cost will be covered by SBA appropriated funds contained in the President's fiscal year 1995 budget and in the House and Senate fiscal year 1995 appropriations bills for the Departments of Commerce, Justice, State and Related Agencies. The

committee estimates, based on data from SBA, that the sum of these two amounts will allow at least 75 percent of all affected borrowers to prepay, which should include virtually all borrowers likely to choose prepayment.

The committee amendment makes clear that all costs of refinancing may be included in a new section 504 loan, including the penalty here enacted. A borrower may, however, choose any other sources of financing available to him.

TITLE VI—MISCELLANEOUS AMENDMENTS

The committee amendments permits SBA to collect and retain certain user fees and loan action fees. The administration requested and the committee agreed to permit the agency the authority to impose fees for loan servicing actions such as loan extensions or other modification of the terms of a loan. Commercial lenders routinely charge substantial fees for such actions. SBA is permitted under the amendment to charge not more than $300 for loan actions. This figure represents a maximum which will be imposed only for the most costly loan actions.

The amendment also permits SBA to collect and retain reasonable fees for publications produced by SBA. SBA has for many years produced and distributed pamphlets and the like on a variety of business issues. These range from general information on starting a business to specialized information on particular types of businesses such as day care centers. A number of valuable publications from years past are outdated, and SBA has not had resources sufficient to develop and publish new ones. The committee urges SBA to make publications available through its resource partners, including SCORE, SBDC's, and SBI's.

The committee amendment does not include the administration proposal to authorize the SBA to collect fees for SBDC counseling.

Section 607 of the committee amendment requires SBA to conduct a broad-ranging economic impact study for the 7(a) and 504 programs. This requirement parallels a similar requirement contained in the Senate report to accompany H.R. 4603, the appropriations measure for SBA for fiscal year 1995.

Insofar as the 7(a) program is concerned, SBA should build on the results of the Price Waterhouse study released in 1991, and should conduct the most comprehensive assessment possible of the macroeconomic impact of these programs, including job creation and the impact on Federal and State revenues from business expansions. The study should also consider the default and loss rates and projections for both programs. The administration may use outside contractors to the extent necessary.

The committee adopted an amendment offered by Senator MOSELEY-BRAUN on behalf of Senator LAUTENBERG which requires applicants for SBA financial assistance to certify in writing that he or she is not in violation of any court order, administrative order, or any other agreement requiring the applicant to pay child support. This amendment was cosponsored by Senators BUMPERS, KOHL, HARKIN, MACK, and HUTCHISON.

Since 1975, Congress has made a concerted effort to combat the problem of parents who fail to honor their commitments to provide financial support for their children. Almost 20 years ago, the Child Support Enforcement program was enacted. Since that time and with every change to that program, the rate of collection has increased. This amendment will provide another tool against those parents who refuse to acknowledge or comply with their obligations to provide for their offspring. The cost of implementation of this requirement will be nominal.

Mr. President, this bill has been cosponsored by Senators PRESSLER, NUNN, LEVIN, HARKIN, KERRY, LIEBERMAN, WELLSTONE, HEFLIN, MOSELEY-BRAUN, and CHAFEE. It is good legislation which can only help the economy move forward and help to address the difficult challenges facing America's small business men and women. I urge all my colleagues to support S. 2060.

HIGH-SPEED GROUND TRANSPORTATION DEVELOPMENT ACT OF 1993

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 337, S. 839, the High-speed Ground Transportation Development Act of 1994.

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

The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 839) to establish a program to facilitate development of high-speed rail transportation in the United States, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce, Science and Transportation, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "High-Speed Ground Transportation Development Act of 1993".

SEC. 2. FINDINGS.

The Congress finds that—

(1) high-speed rail may offer a safe and efficient complement to existing intercity transportation modes in certain densely traveled corridors linking major metropolitan areas in the United States;

(2) high-speed rail may have environmental advantages over certain other forms of intercity transportation;

(3) Amtrak's Metroliner service between Washington, District of Columbia, and New York, New York, the United States premier high-speed rail service, has shown that Americans will use high-speed rail when that transportation option is available;

(4) new high-speed rail service should not receive Federal subsidies for operating and maintenance expenses;

(5) State and local governments should take the prime responsibility for the implementation of high-speed rail service;

(6) the private sector should participate in funding the development of high-speed rail systems;

(7) in some intercity corridors, Federal financial capital assistance may be required to supplement the financial commitments of State and local governments and the private sector to ensure the development of the infrastructure required for high-speed rail systems;

(8) new technologies and, particularly, defense conversion initiatives can facilitate the development of high-speed rail in the United States;

(9) the development of these technologies can expand the competitiveness of United States industry in this country and overseas; and

(10) Federal assistance is required for research and development of high-speed rail technologies for commercial application in high-speed rail service in the United States.

SEC. 3. NATIONAL HIGH-SPEED RAIL ASSISTANCE PROGRAM.

The Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 801 et seq.) is amended by adding at the end the following new titles:

"TITLE X—HIGH-SPEED RAIL ASSISTANCE

"SEC. 1001. DESIGNATION OF CORRIDORS

"(a) PETITION.—The Governor or Governors (or the duly authorized officer or officers) of a State or States that substantially encompass a proposed corridor may petition the Secretary for designation under this section.

"(b) CONTENTS.—Any petition submitted pursuant to subsection (a) shall include such information as the Secretary determines by regulation to be necessary to evaluate the merits of that corridor. Any such petition shall also designate a public agency, for each petitioning State, that is authorized by the State to be responsible for coordination of activities under the high-speed rail program proposed for that corridor, and authorized to receive financial assistance under section 1002 or 1003.

"(c) DETERMINATIONS AND CRITERIA FOR DESIGNATION.—(1) The Secretary is authorized to designate as a designated corridor any corridor where the Secretary determines that—

"(A) the high-speed rail service proposed for the corridor offers the potential for cost-effective intercity passenger transportation as part of the Nation's transportation system; and

"(B) high-speed rail development will not create unfair competition for existing transportation service in operation or under development in such corridor.

"(2) Determinations under paragraph (1)(A) and (B) shall be based on such criteria as the Secretary considers appropriate, including—

"(A) the integration of the designated corridor into metropolitan area and Statewide transportation planning undertaken pursuant to sections 134 and 135 of title 23, United States Code;

"(B) the interconnection of the proposed high-speed rail service with other parts of the Nation's transportation system, including the relationship of the proposed service to intermodal terminals;

"(C) the anticipated effect of the proposed high-speed rail service on the congestion of other modes of transportation;

"(D) any adverse impact on existing mass transit services and other intercity passenger transportation modes in the corridor;

"(E) the effect of the proposed service on the efforts of State and local governments to attain compliance with the Clean Air Act;

"(F) the past and proposed financial commitments and other support of State and local governments and the private sector to the proposed high-speed rail program, including the acquisition of rolling stock;

"(G) the estimated level of ridership;

"(H) an evaluation of existing highway-rail grade crossings on the corridor that need to be closed or separated;

"(I) the estimated capital cost of the proposed service, including the cost of closing or separating highway-rail grade crossings in the corridor;

"(J) the extent to which the projected revenues of the proposed service, along with any financial commitments of State or local governments and the private sector, are expected to cover capital costs and operating and maintenance expenses; and

"(K) the level of support and cooperation of any owners and operators of existing rail facilities proposed for improvement in developing the high-speed rail service.

"(d) ADDITIONAL DESIGNATIONS.—(1) The Secretary shall, upon the written request of the State or States that substantially encompass the proposed corridor, designate as a designated corridor—

"(A) any intercity rail corridor designated as a high-speed rail corridor by the Secretary under section 104(d)(2) of title 23, United States Code; or

"(B) any discrete portion of such a corridor.

"(2) The Secretary shall, upon the written request of the State or States that substantially encompass the proposed corridor, designate as a designated corridor any intercity rail corridor, other than the main line of the Northeast Corridor between Washington, District of Columbia, and Boston, Massachusetts, that includes a substantial segment where regularly scheduled rail passenger service operates at speeds in excess of 100 miles per hour as of the date of enactment of the High-Speed Ground Transportation Development Act of 1993.

"(3) Any request under this subsection shall include the designation of a public agency, for each requesting State, that is authorized by the State to be responsible for coordination of activities under the proposed high-speed rail program, and authorized to receive financial assistance under section 1002 or 1003.

"(e) ADMINISTRATIVE EXPENSES.—The Secretary may provide financial assistance to a public agency designated under subsection (b) for up to 80 percent of the administrative expenses incurred by such agency, and determined eligible by the Secretary, in carrying out its responsibilities in connection with the development of a designated corridor. The Secretary shall establish a formula for the allocation of assistance under this subsection.

"SEC. 1002. CORRIDOR MASTER PLANS.

"(a) REQUIREMENT.—An applicant shall prepare and submit to the Secretary, and may periodically amend, a corridor master plan for a corridor, subject to the approval of the Secretary.

"(b) CONTENTS.—A corridor master plan prepared under subsection (a) shall identify a coordinated program of improvements to advance the establishment of high-speed rail service in the corridor, including those improvements not eligible for financial assistance under this title. Such plan shall include—

"(1) identification of how the proposed high-speed rail service relates to State and metropolitan area transportation plans of the affected States and metropolitan areas;

"(2) identification of the specific elements that comprise the program to achieve the high-speed rail service, including their estimated costs, schedules, timing, and relationship with other transportation projects;

"(3) identification of the transportation benefits expected to be derived from each element, including reductions in trip times and increases in speeds;

"(4) identification of specific improvements that comprise each element, a representation of the extent to which such improvements are eligible for financial assistance under this title, and an identification of all proposed sources of funding for such specific improvements;

"(5) identification of anticipated levels of ridership and projections of revenues and expenses associated with the proposed high-speed rail service when completed and for each element undertaken to achieve high-speed service, including estimates of any operating subsidies that would be required and the sources of such subsidies;

"(6) an operating plan identifying the proposed schedule and frequency of the high-speed rail service and the coordination of such service with any other rail operations on the corridor;

"(7) identification of specific improvements that will permit sustained operating speeds substantially in excess of 125 miles per hour, including such improvements as electrification, line straightening, and use of advanced locomotive and rolling stock;

"(8) identification of specific enhancements to passenger convenience, including such enhancements as interline ticketing with other modes of transportation, parking and other means of passenger access, and use of intermodal terminals, particularly at airports;

"(9) consideration of the effect on existing rail passenger service provided in the corridor by the National Railroad Passenger Corporation; and

"(10) such other information as may be required by the Secretary.

"(c) PLAN PREPARATION ASSISTANCE.—The Secretary, by regulation and to the extent the Secretary considers reasonable, may provide financial assistance to an applicant preparing a corridor master plan for up to 50 percent of the costs associated with preparation of such plan incurred after the date of enactment of the High-Speed Ground Transportation Development Act of 1993, including the costs of design, environmental and route selection analysis, and preliminary engineering necessary to support such analyses. The Secretary shall not provide financial assistance under this subsection in an amount that exceeds the amount provided by State and local governments for such preparation costs.

"SEC. 1003. FINANCIAL ASSISTANCE FOR DESIGNATED CORRIDORS.

"(a) AUTHORITY.—The Secretary may provide financial assistance to an applicant to fund improvements eligible under subsection (c). No financial assistance shall be provided under this title—

"(1) for improvements to the main line of the Northeast Corridor, between Washington, District of Columbia, and Boston, Massachusetts; or

"(2) for improvements relating to a designated corridor in a State where the State prohibits the expenditure of State funds for such improvements.

"(b) TERMS, CONDITIONS, AND PROCEDURES.—(1) The Secretary shall establish appropriate terms, conditions, and procedures for the provision of financial assistance under this section.

"(2) The Secretary shall not provide financial assistance under subsection (a) for improvements in a designated corridor unless the Secretary finds that the applicant is in compliance with the requirements of section 1005(a) relating to an arrangement for insurance coverage.

"(c) ELIGIBLE IMPROVEMENTS.—Improvements eligible for financial assistance under subsection (a) shall be those improvements, other than the acquisition of rolling stock, that are necessary to facilitate the development of high-speed rail service, including—

"(1) final engineering and design;

"(2) site specific environmental analyses and environmental mitigation;

"(3) acquisition of right-of-way and related property;

"(4) acquisition, construction, rehabilitation, upgrading, or replacement of roadbed, structures, track, guideway, signal and communications systems, electric traction systems, propulsion or guidance systems incorporated as part of a guideway, maintenance-of-way facilities, maintenance-of-equipment facilities, private highway-rail grade crossings (including payments to property owners to close such crossings where appropriate) and public highway-rail grade crossings to the extent authorized under subsection (f)(3), and those portions of terminals and stations directly related to the operation of the high-speed rail service.

Improvements that are eligible for funding under other Federal transportation programs shall not be eligible for financial assistance under subsection (a).

"(d) MINIMUM FUNDING.—Financial assistance may not be provided under subsection (a) unless such assistance enables the completion of at least one full element of a program to achieve high-speed rail service.

"(e) PRIVATE FUNDING.—In providing financial assistance under subsection (a), the Secretary shall ensure that the element or elements for which such assistance is provided include the maximum practicable private funding.

"(f) FUNDING PROPORTIONS.—(1) In providing financial assistance under subsection (a), the Secretary may provide financial assistance for up to 80 percent of the cost of specific eligible improvements. No less than 20 percent of the costs of such improvements shall be provided by State or local funds.

"(2) The Secretary shall not provide financial assistance to an applicant under subsection (a) in an amount which exceeds the amount provided for the development of the designated corridor by State and local governments, and other Federal transportation programs, after April 29, 1993.

"(3) The Secretary may provide financial assistance to an applicant under subsection (a) for a public highway-rail grade crossing improvement that is part of the development of a designated corridor only if such improvement was not, as of the date of enactment of the High-Speed Ground Transportation Development Act of 1993, included as

a high priority for highway-rail grade crossing improvement in the State to be funded with funds apportioned to the State under section 104(b)(3) of title 23, United States Code, and allocated under section 133(d)(1) of such title.

"(g) CRITERIA.—In determining whether to provide financial assistance to fund an element under subsection (a), the Secretary shall consider how the element meets the criteria identified in section 1001(c), the information contained in the relevant corridor master plan, commitments by State and local governments to fund any increases in the operating deficit of the National Railroad Passenger Corporation with respect to that Corporation's operation over the designated corridor that result from the completion of the element, and such other information as the Secretary considers appropriate.

"(h) FINAL SAFETY REGULATIONS; DISBURSEMENT LIMITATION.—(1) The Secretary shall issue final regulations concerning the safety of high-speed rail service that address, at a minimum, the following subjects:

"(A) rail vehicle integrity;

"(B) passenger and crew protection and emergency evacuation;

"(C) rail vehicle-track interaction;

"(D) separation and closure of highway-rail grade crossings;

"(E) necessary train control and signaling systems;

"(F) the operation of high-speed and conventional passenger trains, commuter trains, and freight trains in the same corridor (including the means for ensuring safety in a corridor while preserving the existing level of rail service generally); and

"(G) protection against undetected incursions into the right-of-way.

"(2) Upon disbursing any funds for improvements under subsection (c)(4), the Secretary shall publish a notice in the Federal Register—

"(A) certifying that any final safety standards that are essential to ensure that those specific improvements are consistent with a safe operating environment for high-speed rail service are in effect; and

"(B) specifying what those standards are.

"(i) EARLY ASSISTANCE.—The Secretary may provide financial assistance under subsection (a) for an element not contained in a corridor master plan prepared under section 1002 only if such financial assistance is provided, with respect to a designated corridor, before the expiration of 30 months after the date of enactment of the High-Speed Ground Transportation Development Act of 1993.

"SEC. 1004. HIGH-SPEED RAIL TECHNOLOGY DEVELOPMENT.

"(a) AUTHORITY.—The Secretary is authorized to undertake research and development of high-speed rail technologies for commercial application in high-speed rail service in the United States.

"(b) ELIGIBLE RECIPIENTS.—In carrying out activities authorized by subsection (a), the Secretary may provide financial assistance to any United States private business, educational institution located in the United States, State or local government or public authority, or agency of the Federal Government.

"(c) DEFENSE CONVERSION.—The Secretary shall give a high priority to proposals under this section which encourage civilian application to high-speed rail of defense-related technologies.

"SEC. 1005. INSURANCE REQUIREMENTS.

"(a) INSURANCE CONTRACT AND CERTIFICATION.—(1) Before financial assistance may be provided under section 1003 for a designated corridor, the applicant shall—

"(A) enter into an arrangement for the provision of liability insurance coverage, in an amount (subject to subsection (c)) of $500,000,000 per occurrence, to compensate for any and all loss from compensatory and punitive damage claims, against such applicant, the operator of the proposed high-speed rail service, or the owners and operators of the track and other rail facilities that will be used for such high-speed rail service, for death, bodily injury, or loss of or damage to property resulting from an accident or incident involving—

"(i) on designated corridors having intercity rail passenger service on October 1, 1993, operation of a train in excess of maximum speeds for intercity passenger trains in timetables in effect on October 1, 1993, on the applicant's corridor;

"(ii) on designated corridors having rail service but no rail passenger service on October 1, 1993, operation of a train in excess of maximum speeds for passenger trains permitted on the applicant's corridor under section 213.9 of title 49, Code of Federal Regulations, on October 1, 1993; and

"(iii) on designated corridors for which new rail lines are being built, operation of rail passenger service, regardless of the nature of the conduct causing such death, bodily injury, loss, or damage; and

"(B) certify to the Secretary that the applicant has entered into such arrangement for insurance coverage.

"(2) For purposes of this section, the term 'insurance coverage'—

"(A) as applicable to the primary layer of insurance up to $25,000,000 per occurrence, includes self-insurance by any person insured under the applicable coverage and mutual indemnification agreements among any combination of such persons; and

"(B) as applicable to layers of insurance above $25,000,000 per occurrence, includes self-insurance and mutual indemnification agreements that are agreed to by all persons required to be insured under the applicable coverage.

Such term includes self-insurance or mutual indemnification agreements described under subparagraphs (A) or (B) only to the extent authorized under the law of any State in which the applicable rail service is operated.

"(b) RESTRICTION ON OPERATIONS.—On designated corridors upgraded with assistance provided under section 1003, unless insurance coverage as described in subsection (a) is in force, rail passenger service shall not—

"(1) on designated corridors having intercity rail passenger service October 1, 1993, be operated in excess of maximum speeds for intercity passenger trains in timetables in effect on October 1, 1993, on the applicant's corridor;

"(2) on designated corridors having rail service but no rail passenger service on October 1, 1993, be operated in excess of maximum speeds for passenger trains permitted on the applicant's corridor under section 213.9 of title 49, Code of Federal Regulations; and

"(3) on designated corridors for which new rail lines are being build, be operated.

"(c) INTERSTATE COMMERCE COMMISSION JURISDICTION.—Upon the petition of a person insured under insurance coverage purporting to be as described in subsection (a), the Commission shall, within 90 days after its receipt of such petition, determine the adequacy of such coverage. The petitioner shall have the burden of proving, by a preponderance of the evidence, the inadequacy of such insurance coverage (including the sufficiency of the amount specified in subsection (a)) with respect to the corridor for high-speed rail service is proposed and with respect to the potential liability of the petitioner. In making its determination, the Commission shall employ the usual and customary underwriting methodology of insurers of rail activities, taking into account the speeds at which passenger trains are proposed to operate in the corridor, any safety features, rules, and procedures created in connection with such proposed high-speed rail service, and the existence and applicability of other insurance coverage for the petitioner. In no event shall the Commission provide for a lower level of insurance coverage than is provided by subsection (a). In the event the Commission determines that insurance coverage is inadequate, the Commission shall determine the level of insurance coverage that is adequate. The applicant shall then provide coverage at that level.

"(d) MULTIPLE CORRIDORS.—Nothing in this section shall preclude respective applicants from jointly procuring the insurance coverage required pursuant to subsection (a) so that such insurance covers more than one corridor.

"SEC. 1006. BUY AMERICA REQUIREMENTS.

"(a) GENERAL RULE.—Except as provided in subsection (b), an applicant receiving financial assistance under section 1003 shall ensure that the articles, materials, and supplies purchased with such financial assistance are substantially all of United States manufacture or production. An applicant that fails to meet the requirement of this section may not receive further assistance under section 1003.

"(b) EXEMPTION.—The Secretary may grant an exemption from this section to an applicant with respect to the purchase of articles, materials, or supplies, or may grant an exemption for any improvement incorporating such articles, materials, or supplies, if the Secretary determines that—

"(1) the application of this section is inconsistent with the public interest;

"(2) the cost of imposing such requirements with respect to such articles, materials, or supplies is unreasonable;

"(3) such articles, materials, or supplies are not produced or manufactured in the United States in sufficient and reasonably available quantities or of a satisfactory quality;

"(4) such articles, materials, or supplies cannot be purchased and delivered in the United States within a reasonable time; or

"(5) such articles, materials, or supplies are produced or manufactured in a country that the President has determined, in its government procurement contracts, treats articles, materials, or supplies produced or manufactured in the United States on a national treatment basis.

"(c) EXCEPTION.—This section shall not apply with respect to an element in any case in which the total cost of the articles, materials, or supplies purchased in connection with such element with financial assistance provided under section 1003 is less than $1,000,000.

"SEC. 1007. LABOR STANDARDS.

"(a) REQUIREMENT TO PROVIDE PROTECTIVE ARRANGEMENTS.—A recipient of Federal assistance under section 1003, for improvements described in section 1003(c)(4), shall provide fair and equitable arrangements to protect the interests of rail employees who may be affected by such assistance. Such arrangements shall include the guidelines issued by the Secretary of Labor under subsection (c). The Secretary shall be satisfied

that the arrangements include the Secretary of Labor's guidelines before providing financial assistance under section 1003.

"(b) OPERATOR RESPONSIBILITY FOR COSTS.—Where State law prohibits the recipient of Federal assistance under section 1003 from paying the costs of protecting the interests of rail employees in accordance with this section, such costs shall be the responsibility of a beneficiary of such assistance formally identified by the State as having such responsibility or, in the absence of such an identification, the operator of high-speed rail service operating within the applicable designated corridor.

"(c) ISSUANCE OF GUIDELINES.—The Secretary of Labor shall, within 90 days after the date of enactment of this title, issue guidelines on what arrangements are needed to satisfy this section. The guidelines shall be as protective of employee interests as the requirements of section 405(b) of the Rail Passenger Service Act (45 U.S.C. 565(b)) and shall include provisions regulating subcontracting of work funded by financial assistance provided under section 1003.

"SEC. 1008. APPLICABILITY OF OTHER LAWS.

"The operator of a high-speed rail service operating in interstate commerce or over a rail line operated in interstate commerce, within a designated corridor that receives financial assistance under section 1003, shall, with respect to such high-speed rail service, be subject to applicable laws with respect to such service, including, but not limited to, the Railway Labor Act (45 U.S.C. 151 et seq.), the Railroad Retirement Act of 1974 (45 U.S.C. 231 et seq.), the Railroad Retirement Tax Act (26 U.S.C. 3201 et seq.), and the Railroad Unemployment Insurance Act (45 U.S.C. 351 et seq.).

"SEC. 1009. DEFINITIONS.

"For purposes of this title—

"(1) the term 'applicant' means a public agency designated under section 1001(b) or (d)(3), or a group of such public agencies, seeking financial assistance under this title for development of a designated corridor;

"(2) the term 'corridor' means an existing or proposed route for high-speed rail serving two or more major metropolitan areas in the United States;

"(3) the term 'designated corridor' means a corridor designated by the Secretary under section 1001;

"(4) the term 'element' means a discrete portion of a program to develop a designated corridor that has a demonstrable intercity ground transportation benefit independent of other improvements to such corridor;

"(5) the term 'financial assistance' includes grants, contracts, and cooperative agreements;

"(6) the term 'high-speed rail' has the meaning given such term under section 511(n) of this Act;

"(7) the term 'improvement' means a discrete activity that contributes to the development of the infrastructure of a designated corridor;

"(8) the term 'rolling stock' means locomotives and rail passenger cars;

"(9) the term 'State' means any of the several States, the District of Columbia, Puerto Rico, the Northern Mariana Islands, the Virgin Islands, Guam, American Samoa, and any other territory or possession of the United States; and

"(10) the term 'United States private business' means a business entity organized under the laws of the United States, or of a State, and conducting substantial business operations in the United States.".

SEC. 4. EXEMPTIONS FOR NORTHEAST CORRIDOR IMPROVEMENT PROJECT.

Section 705 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 855) is amended by adding at the end the following new subsection:

"(c) APPLICABLE EXEMPTIONS AND PROCEDURES.—For the purpose of any State or local requirement for permit or other approval for construction of any improvement undertaken by Amtrak as part of the Northeast Corridor Improvement Project, the exemptions and procedures applicable to a project undertaken by the Federal Government or an agency thereof shall apply.".

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

(a) HIGH-SPEED RAIL ASSISTANCE.—There are authorized to be appropriated to the Secretary of Transportation for the national high-speed rail assistance program authorized under sections 1001, 1002, and 1003 of the Railroad Revitalization and Regulatory Reform Act of 1976—

(1) $96,000,000 for fiscal year 1994;
(2) $166,000,000 for fiscal year 1995;
(3) $183,000,000 for fiscal year 1996;
(4) $238,000,000 for fiscal year 1997; and
(5) $299,000,000 for fiscal year 1998.

(b) TECHNOLOGY DEVELOPMENT.—There are authorized to be appropriated to the Secretary of Transportation for high-speed rail technology development authorized under section 1004 of the Railroad Revitalization and Regulatory Reform Act of 1976—

(1) $15,000,000 for fiscal year 1994;
(2) $15,000,000 for fiscal year 1995;
(3) $15,000,000 for fiscal year 1996;
(4) $15,000,000 for fiscal year 1997; and
(5) $15,000,000 for fiscal year 1998.

(c) ADMINISTRATIVE EXPENSES OF SECRETARY.—Of the amounts authorized to be appropriated under subsections (a) and (b), the Secretary of Transportation may reserve the funds necessary for payment of the administrative expenses incurred by the Secretary in carrying out the Secretary's responsibilities under title X of the Railroad Revitalization and Regulatory Reform Act of 1976, as added by section 3 of this Act.

(d) ADMINISTRATIVE EXPENSES OF PUBLIC AGENCIES.—Of the amounts authorized to be appropriated under subsection (a), the Secretary of Transportation may reserve up to 1 percent for the purpose of providing financial assistance under section 1001(e).

(e) FUNDS TO REMAIN AVAILABLE.—Funds made available under this section shall remain available until expended.

SEC. 6. GRADE CROSSING SIGNAL DEVICES.

Section 202 of the Federal Railroad Safety Act of 1970 (45 U.S.C. 431) is amended—

(1) by redesignating the subsections after the first subsection (r) as subsections (s), (t), (u), and (v), respectively; and

(2) by adding at the end the following new subsection:

"(w) GRADE CROSSING SIGNAL DEVICES.—The Secretary shall, within 1 year after the date of enactment of this subsection, establish nationally uniform standards regarding the allocation of responsibility for selection and installation of signal devices at public railroad-highway grade crossings.".

SEC. 7. COLUMBUS AND GREENVILLE RAILWAY.

(a) REDEMPTION OF OUTSTANDING OBLIGATIONS AND LIABILITIES.—Notwithstanding any other provision of law, the Secretary of Transportation, or the Secretary of the Treasury, if a holder of any of the obligations, shall allow the Delta Transportation Company, d/b/a the Columbus & Greenville Railway, to redeem the obligations and liabilities of such company which remain outstanding under sections 505 and 511 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 825, 831).

(b) VALUE.—For purposes of subsection (a), the value of each of the obligations and liabilities shall be an amount equal to the value established under the Federal Credit Reform Act of 1990 (2 U.S.C. 661 et seq.).

AMENDMENT NO. 2570

(Purpose: To authorize appropriations for high-speed ground transportation)

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

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kentucky [Mr. FORD], for Mr. EXON, proposes an amendment numbered 2570.

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

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

The amendment is as follows:

SECTION 1. SHORT TITLE.

This Act may be cited as the "High-Speed Ground Transportation Development Act of 1994".

SEC. 2. FINDINGS; PURPOSE.

(a) FINDINGS.—

The Congress finds that—

(1) high-speed rail service offers safe transportation in certain densely traveled corridors linking major metropolitan areas in the United States;

(2) high-speed rail may have environmental advantages over certain other forms of intercity transportation;

(3) Amtrak's Metroliner service between Washington, District of Columbia, and New York, New York, the United States premier high-speed rail service, has shown that Americans will use high-speed rail when that transportation option is available;

(4) new high-speed rail service should not receive Federal subsidies for operating and maintenance expenses;

(5) State and local governments should take the prime responsibility for the development and implementation of high-speed rail service;

(6) the private sector should participate in funding the development of high-speed rail systems;

(7) in some intercity corridors, Federal planning assistance may be required to supplement the funding commitments of State and local governments and the private sector to ensure the adequate planning, including reasonable estimates of the costs and benefits, of high-speed rail systems;

(8) improvement of existing technologies can facilitate the development of high-speed rail systems in the United States; and

(9) Federal assistance is required for the improvement, adaptation, and integration of technologies for commercial application in high-speed rail service in the United States.

(b) PURPOSE.—The purpose of this Act is to encourage farsighted State, local, and private efforts in the analysis and planning for high-speed rail systems in appropriate intercity travel corridors.

SEC. 3. NATIONAL HIGH-SPEED RAIL ASSISTANCE PROGRAM.

(a) IN GENERAL.—Part C of subtitle IV of title 49, United States Code (relating to passenger transportation) is amended by adding at the end the following new chapter:

"CHAPTER 251—HIGH-SPEED RAIL ASSISTANCE

"§ 25101. Corridor planning

"(a) AUTHORITY.—The Secretary may provide financial assistance to an applicant, based upon the criteria set forth in subsection (d) of this section, to fund corridor planning under subsection (b)(1) of this section.

"(b) ELIGIBLE ACTIVITIES.—

"(1) A corridor planning activity is eligible for financial assistance under subsection (c) if the Secretary determines that it is necessary to establish appropriate engineering, operational, financial, environmental, or socioeconomic projections for the establishment of high-speed rail service in the corridor and that it leads toward development of a prudent financial and institutional plan for implementation of specific high-speed rail improvements. Eligible corridor planning activities include—

"(A) environmental assessments;

"(B) feasibility studies emphasizing commercial technology improvements or applications;

"(C) economic analyses, including ridership, revenue and operating expense forecasting;

"(D) assessing the impact on rail employment of developing high-speed rail corridors;

"(E) assessing community economic impacts;

"(F) interface with State and metropolitan area transportation planning and corridor planning with other States;

"(G) operational planning;

"(H) route selection analyses;

"(I) preliminary engineering and design;

"(J) identification of specific improvements to a corridor, including electrification, line straightening, grade crossing closings, and other right-of-way improvements, bridge rehabilitation and replacement, use of advanced locomotives and rolling stock, ticketing, interface with other modes of transportation, parking and other means of passenger access, track, signal, station and other capital works, and use of intermodal terminals;

"(K) preparation of financing plans and prospectuses; and

"(L) creation of public/private partnerships.

"(2) No financial assistance shall be provided under this section for corridor planning with respect to the main line of the Northeast Corridor, between Washington, District of Columbia, and Boston, Massachusetts.

"(c) CORRIDOR PLANNING ASSISTANCE.—

"(1) The Secretary may provide under this subsection financial assistance to an applicant for corridor planning for up to 50 percent of the publicly financed costs associated with eligible activities.

"(2) No less than twenty percent of publicly financed costs associated with eligible activities shall come from State and local sources, which State and local sources cannot include funds from any Federal program.

"(d) CRITERIA FOR DETERMINING FINANCIAL ASSISTANCE.—Selection by the Secretary of applicants for financial assistance under this section shall be based on such criteria as the Secretary considers appropriate, including—

"(A) the relationship or inclusion of the corridor in the Secretary's national high-speed ground transportation policy;

"(B) the extent to which the proposed planning focuses on systems which will achieve sustained speeds of 125 miles per hour or greater;

"(C) the integration of the corridor into metropolitan area and Statewide transportation planning;

"(D) the potential interconnection of the corridor with other parts of the Nation's transportation system, including the interconnection with other countries;

"(E) the anticipated effect of the corridor on the congestion of other modes of transportation;

"(F) whether the work to be funded will aid the efforts of State and local governments to comply with the Clean Air Act;

"(G) the past and proposed financial commitments and other support of State and local governments and the private sector to the proposed high-speed rail program, including the acquisition of rolling stock;

"(H) the estimated level of ridership;

"(I) the estimated capital cost of corridor improvements, including the cost of closing, improving or separating highway-rail grade crossings;

"(J) rail transportation employment impacts;

"(K) community economic impacts;

"(L) the extent to which the projected revenues of the high-speed rail service to be planned, along with any financial commitments of State or local governments and the private sector, are expected to cover capital costs and operating and maintenance expenses; and

"(M) whether a route has been selected, specific improvements identified, and capacity studies completed.

"§ 25102. High-speed rail technology improvements

"(a) AUTHORITY.—The Secretary is authorized to undertake activities for the improvement, adaption, and integration of technologies for commercial application in high-speed rail service in the United States.

"(b) ELIGIBLE RECIPIENTS.—In carrying out activities authorized in subsection (a), the Secretary may provide financial assistance to any United States private business, educational institution located in the United States, State or local government or public authority, or agency or the Federal Government.

"(c) CONSULTATION WITH OTHER AGENCIES.—In carrying out activities authorized in subsection (a), the Secretary shall consult with such other governmental agencies as may be necessary concerning the availability of appropriate technologies for commercial application in high-speed rail service in the United States.

"§ 25103. Definitions.

"For purposes of this chapter—

"(1) the term 'applicant' means a public agency, or a group of such public agencies, seeking financial assistance under this title;

"(2) the term 'financial assistance' includes grants, contracts, and cooperative agreements;

"(3) the term 'high-speed rail' means rail passenger transportation expected to reach and maintain speeds of 125 miles per hour or greater;

"(4) the term 'publicly funded costs' means the costs funded after April 29, 1993, by Federal, State and local governments;

"(4) the term "State" means any of the several States, the District of Columbia, Puerto Rico, the Northern Mariana Islands, the Virgin Islands, Guam, American Samoa, and any other territory or possession of the United States;

"(5) the term 'United States private business' means a business entity organized under the laws of the United States, or of a State, and conducting substantial business operations in the United States.".

"§ 25104. Safety regulations

"The Secretary shall promulgate such safety regulations as may be necessary for high-speed rail services.".

SEC. 4. COLUMBUS AND GREENVILLE RAILWAY.

(a) REDEMPTION OF OUTSTANDING OBLIGATIONS AND LIABILITIES.—Notwithstanding any other provision of law, the Secretary of Transportation, or the Secretary of the Treasury, if a holder of any of the obligations, shall allow the Delta Transportation Company, doing business as the Columbus & Greenville Railway, to redeem the obligations and liabilities of such company which remain outstanding under sections 505 and 511 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 825 and 831, respectively).

(b) VALUE.—For purposes of subsection (a), the value of each of the obligations and liabilities shall be an amount equal to the value established under the Federal Credit Reform Act of 1990 (2 U.S.C. 661 et seq.).

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

(a) AUTHORIZATION FOR FY 1995.—There is authorized to be appropriated to the Secretary of Transportation $29,000,000 for financial assistance authorized under sections 25101 and 25102 of title 49, United States Code.

(b) AUTHORIZATION FOR FY 1996.—There is authorized to be appropriated to the Secretary—

(1) $40,000,000 for financial assistance authorized under section 25101 of title 49, United States Code; and

(2) $30,000,000 for financial assistance authorized under section 25102 of title 49, United States Code.

(c) AUTHORIZATIONS FOR FY 1997.—There is authorized to be appropriated to the Secretary of Transportation—

(1) $40,000,000 for financial assistance authorized under section 25101 of title 49, United States Code; and

(2) $30,000,000 for financial assistance authorized under section 25102 of title 49, United States Code.

(d) ADMINISTRATIVE EXPENSES OF SECRETARY.—Of the amounts authorized to be appropriated under subsections (a), (b) and (c), the Secretary of Transportation may reserve the funds necessary for payment of the administrative expenses incurred by the Secretary in carrying out the Secretary's responsibilities under chapter 251 of title 49, United States Code.

(e) FUNDS TO REMAIN AVAILABLE.—Funds made available under this section shall remain available until expended.

Mr. EXON. Mr. President, I am pleased to offer a compromise substitute amendment to the High-Speed Ground Transportation Act. I was pleased to work on this compromise with the Secretary of Transportation and the chairman of the Senate Commerce Committee. This legislation focuses attention and resources on high-speed rail research and corridor planning as well as incorporates the vision for high-speed rail into the comprehensive national transportation plan.

Admittedly, this proposal is a scaled-back version of the bill which won bipartisan, unanimous Senate Commerce Committee support. While I am very proud of that more comprehensive bill, the compromise before the Senate comes to terms with constraints of the Senate Calendar, the concerns of my colleagues, and the Federal budget. As the author of the Exon-Grassley budget amendment, I frankly welcome making tough choices of this nature.

The compromise plan lengthens the horizon for high-speed rail deployment and defers some questions which will arise with construction, such as liability and fair treatment for labor. These issues must eventually be addressed. I predict that these problems will be addressed in a manner very similar to the high-speed rail bill which won the support of the Senate Commerce Committee last year.

That being said, I am pleased with the substitute amendment. It keeps the vision of high-speed rail service and increased rail employment alive. It focuses in on the key precursors to construction as the administration develops transportation strategy for the next century.

After 12 long years of fighting to defend subsistence investments in Amtrak, the significance of this day can not be underestimated. With the adoption of this legislation, the Nation enters a new era of rail transportation. Just as ribbons of steel and billows of steam helped unite a young America in the 1800's, sleek trains and advanced technology will carry a modern America into a prosperous new century.

Rail transportation is safe, fuel efficient, and environmentally friendly. Today's investment in high-speed rail will pay significant dividends in the next century. High-speed rail holds great promise for reducing traffic congestion on the ground and in the air, boosting employment, and regaining America's edge in rail and maglev technology.

As a Senator from the great State with a long, rich rail history, I am especially proud to help create a new American industry. High-speed rail and maglev service, technology research and manufacturing will create good American jogs at good wages. This initiative also holds a key to converting defense industries into civilian powerhouses. It also creates an opportunity for America to become a player in a major export sector. In recent years European and Japanese companies have won significant contracts for high-speed rail service in Korea, China, and elsewhere.

Because American passenger rail service has been starved for investment for so long, by and large, American firms were not even players in these major export opportunities. A major step is being taken to at last join the fray.

Even for States which will not see high-speed rail service or related manufacturing jobs in the near future, the benefits of this legislation will be real and significant. Modern high-speed rail service will help make airport capacity problems at high-density airports more manageable. Presently, commuter service consumes a significant number of limited landing slots at America's four most popular airports. As high-speed rail attracts short and medium distance travelers, limited airport landing slots will become more available for long distance travelers. In other words, it will become easier for Nebraskans to fly to destinations such as Chicago, New York, and Washington, DC.

For States like Nebraska, with many railroad retirees, the future of those seniors will be made more secure with the revitalization of railroad employment and the increased contributions to the railroad retirement system that employment brings. For the conventional rail industry, this high-speed rail will bring new technology development, grade crossing elimination, and infrastructure improvements which will enhance all passenger and freight service.

In summary, Mr. President, when it comes to American high-speed rail and maglev, it is all aboard.

I encourage my colleagues to support this landmark legislation.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2570) was agreed to.

Mr. FORD. I move to reconsider the vote, and to lay that on the table.

The motion to lay on the table was agreed to.

Mr. FORD. Mr. President, I ask unanimous consent that the committee substitute, as amended, be agreed to and the bill, as amended, be read the third time.

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

The committee amendment, as amended, was agreed to.

The bill was read the third time.

Mr. GORTON. Mr. President, I am pleased to have another opportunity to express my strong support for the High Speed Rail Development Act.

I am especially excited that Washington State directly benefits from its implementation. Having one of the five national high-speed rail corridors extending from Vancouver, BC to Eugene, Or will alleviate many of the clogged highways in Washington State.

I am delighted that action is being taken to expand our Nation's use of new transportation technology. I have heard from numerous frustrated Washington State residents about the need for alternative cost-effective intercity passenger service. The development of the high-speed rail corridors is exactly the answer.

High-speed rail will offer a safe and efficient complement to existing intercity transportation modes. It has a distinct environmental advantage over other forms of intercity transportation and the Northwest will clearly benefit from its development.

I would like to especially thank my colleague in the House, Representative AL SWIFT, who has been a tireless advocate for improved Amtrak and high speed rail service in the Northwest. I have worked with Representative SWIFT on language that is very important to the development of our corridor in the Northwest and I am very pleased that the committee has included my suggested amendments to this legislation.

Mr. HOLLINGS. Mr. President, today we are considering S. 839, the High-Speed Ground Transportation Development Act, as amended. What is before the Senate is an amendment in the nature of a substitute, offered by Senator EXON to the bill reported by the Commerce Committee. I support this substitute amendment.

I have endorsed for some time a federal role in the promotion of high-speed ground transportation development in the United States. I view the Federal role as important in this area for two reasons. First, Federal support for research and development of new high-speed ground transportation technologies can enhance our Nation's economic and technology competitiveness and manufacturing base. Second, I believe that establishing new high-speed surface transportation systems to serve the national transportation needs of our country represents an important policy objective for our Nation.

The technologies that underlie high-speed rail systems can improve the safety and efficiency of our surface transportation system. Moreover, these technologies can lead to a reduction in traffic congestion, a favorable impact on our environment, and the conservation of energy resources.

Of course, this legislation by itself will not provide us with all of these benefits but this amendment is a first and very necessary step to that end. It allows the planning for high-speed rail to begin. It allows the Federal Government, in partnership with the states, to develop a workable program for high-speed rail, beginning with the basic determination of which of the Nation's transportation corridors can support high-speed rail systems. Finally, it will help to ensure that when high-speed rail is a reality, it will meet the national transportation needs and be cost-effective. I urge the Senate to support the substitute amendment offered by Senator EXON.

HIGH-SPEED GROUND TRANSPORTATION DEVELOPMENT ACT OF 1993

Mr. FORD. Mr. President, I now ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 4867, the House companion now at the desk and that all after the enacting clause be stricken and the text of S. 839, as amended, be inserted in lieu thereof; that the bill be advanced to third reading, passed, and the motion to reconsider be laid on the table, the title be appropriately

amended; further, that upon disposition of H.R. 4867, the Senate measure be indefinitely postponed.

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

So the bill (H.R. 4867), as amended, was passed.

The title was amended so as to read: "A bill to authorize appropriations for high-speed ground transportation, and for other purposes."

ORDERS FOR TOMORROW

Mr. FORD. Mr. President, on behalf of the majority leader, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9 a.m., Friday, August 19; that following the prayer, the Journal of the proceedings be deemed approved to date, the time for the two leaders reserved for their use later in the day; that there then be a period for morning business not to extend beyond 9:30, with Senators permitted to speak therein for up to 5 minutes each; that upon disposition of the conference report accompanying H.R. 4603, the Senate then resume consideration of S. 2351, the Health Security Act.

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

RECESS UNTIL FRIDAY, AUGUST 19, 1994, AT 9 A.M.

Mr. FORD. If there is no further business to come before the Senate today, I ask unanimous consent that the Senate stand in recess as previously ordered.

There being no objection, the Senate, at 8:09 p.m., recessed until Friday, August 19, 1994, at 9 a.m.

HOUSE OF REPRESENTATIVES—*Thursday, August 18, 1994*

The House met at 10 a.m.

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

We pray, O gracious God, that You would strengthen us in our inner being and give us the grace to be at peace in body, mind, and spirit. Your Word reminds us that You are our shepherd and that Your love is for the welfare of Your flock. We pray that You will bless us with the gift of a sturdy faith, a faith that withstands the pressures of the day. Give us the assurance that deep in our hearts is Your peace that passes all human understanding. Amen.

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.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Wyoming [Mr. THOMAS] please lead the House in the Pledge of Allegiance.

Mr. THOMAS of Wyoming 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.

NEED FOR CRIME BILL IS NATIONWIDE

(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, witnesses are killed, shootouts happen in broad daylight by city hall, and the police are outgunned. I am not talking about Washington, DC, or New York City. This is happening in the Indiana district I represent.

We need a crime bill now.

The extremists who are preventing us from passing a strong bill are playing Russian roulette with the public's safety for cynical political gain.

What is wrong with putting 100,000 new police officers on the streets?

What is wrong with banning assault weapons designed to kill large numbers of people as quickly as possible?

What is wrong with locking repeat violent criminals behind bars forever?

And what is wrong with preventing the pain and horror of crime before it happens?

Mr. Speaker, there is nothing wrong with these provisions that will take our streets back. Let us stop the politics and put the people first.

THE PRESIDENT'S VISION

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

Mr. THOMAS of Wyoming. Mr. Speaker, according to the latest poll, 68 percent of the people agree that President Clinton "has a vision for the country." Today's poll, however, indicates that only 37 percent of Americans agree with that vision.

The President's vision is far different than that of the average American family.

President Clinton views the American taxpayer as the primary provider for his social welfare programs. He views the Federal Government as the primary job creator of the economy. He views the social welfare worker as the best criminal justice enforcer. He views the Federal Government as the best provider of health care. He views the individual with distrust and the Government with complete trust.

Mr. Speaker, President Clinton does indeed have a vision for the country; unfortunately, his vision is a nightmare for most American families.

THE IRS WILL TAKE IT ALL

(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 IRS recently threatened to seize a Colorado sprinkler company for underpayment of withholding taxes. The underpayment: One copper coin, one cent, one red penny. This is no joke. Unbelievable.

The IRS said they are going to rain all over the Rainmaker Sprinkler Co. Think about it: What is next? They are going to tell us where to eat? What to eat? Where to sleep? Where to go to the john?

We have an IRS agency out of control, ripping us off, and I want to give credit today to Congressman SCOTT MCINNIS. He not only signed Discharge Petition No. 12 that would change the burden of proof in a tax case, he sent a little note with a penny and said, "Straighten this thing out."

Ladies and gentlemen, it has gotten so bad that they will just come in without proof one day and take your wife, take your kids, your dog, your goldfish, and Congress is allowing this to go on. When for one penny the IRS can seize property or threaten to, the Congress should pay some attention.

CLINTON-GEPHARDT: BAD MEDICINE FOR SENIORS

(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, seniors in my district have been outspoken critics of the AARP's recent endorsement of the Clinton-Gephardt health bill. Like most Americans, they do not like the idea of giving Government greater control over their health decisions and they are saying so loud and clear. Seniors are right to rebel. For the Clinton-Gephardt bill is worse for seniors than even the recent catastrophic health debacle.

The bill would open up Medicare to a whole host of nonelderly persons—including noncitizen aliens. And it would limit total spending in the program—in effect, rationing care. Seniors' choices would also be restricted. They would be forced to pay for the new drug benefit, even if they have more generous coverage elsewhere. Under the Clinton-Gephardt bill, seniors could also be forced out of the Medicare system altogether and into a State-run health plan.

Very simply, the Clinton-Gephardt bill is bad medicine for America's seniors. For seniors' sake, we must reject it. That is what they are asking us to do.

PLAY BALL

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

Mr. WILLIAMS. Major league ball players, big-league owners, play ball.

HEALTH CARE—NFIB JOB LOSS

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

Mr. EVERETT. Mr. Speaker, there is another kind of insurance that the Clinton-Gephardt plan should include—job loss insurance. According to a new report from the National Federation of Independent Business, the Clinton-Gephardt bill will destroy 1.3 million jobs

and cost another 11 million workers over $13 billion in reduced wages.

These jobs losses and reduced wages are a direct result of employer mandates in the plan. Clinton-Gephardt might be guaranteeing universal health insurance coverage, but will it also find jobs for all the people it puts out of work?

For a President that brags about low-paying job creation as one of his accomplishments—you have to wonder why his health care scheme does more to destroy jobs than its does to provide good, solid bipartisan health care.

PUBLIC GETS CONFUSING MESSAGES ON CLINTON-GEPHARDT HEALTH CARE

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

Mr. JOHNSTON of Florida. Mr. Speaker, there is mass confusion surrounding the health care debate, and it is only getting worse as the war of the ads heats up.

Consider the back-to-back messages going out to the American public:

First they are told, "We'll all be forced into giant HMO's."

Then they are warned, "They'll take away our HMO's."

First they are told, "Reform will mean the end of life-saving technology."

And then they are warned, "Without reform, your family may lose access to life-saving technology." I guess next will come the Mueslix ad.

Many people bombarded with these conflicting ads thing they are all addressing the Clinton-House bill, rather than the many versions of reform on the table. Is it any wonder they are confused as to what is actually in the legislation and whether it is important?

It is incumbent on us and the media to educate the public, not only as to what the bill will do, but why we must act now, that there is still an emergency in health care in this country.

That 5 years ago, we talked of a $500 billion price tag, and now we are talking a trillion and it is fiscally irresponsible to wait any longer.

And that the only reason the cost of health care has slowed this year is that there is a bill out there dealing with universal coverage and reform. It is not altruism.

If we do not act now, the costs will shoot back up and we will return to the expensive and amoral system we confronted at the start of this debate.

That would not only be unfortunate. It would be unforgiveable.

□ 1010

THE JOB-KILLING CLINTON-GEPHARDT HEALTH BILL

(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, a report, which we have already heard about, released by the National Federation of Independent Business, recently shows that the Clinton-Gephardt health care bill would cost 1.3 million working men and women their jobs, and another 11 million of them might see their wages reduced if this plan were passed.

In my own State of Illinois, the Clinton-Gephardt bill could kill almost 65,000 jobs, and more than 553,000 Illinoisans would see their wages reduced because of this bill.

The mandates in the Clinton-Gephardt bill for businesses to pay for insurance is more than they can afford. It could cause many small businesses to face closing or reducing their employees.

Mr. Speaker, the Illinois economy has had its problems with recession, and through it all small business has been there for the working men and women. The mandates in the Clinton-Gephardt plan would put an end to that. We should not pass the Clinton-Gephardt plan. We should look out for the working men and women of this country.

WRONG AGAIN, THIS TIME ABOUT UNIVERSAL HEALTH CARE COVERAGE

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

Mr. GEJDENSON. There they go again. They are making those numbers up, and every day they can come out here and make up a new set of numbers about what health care will do to this country.

But the record is pretty clear. The record is clear that, when we passed the Budget Act, they were wrong. They said the Budget Act would end up destroying jobs. The Budget Act passed only with Democratic votes. They said it would kill the economy. What has happened? We have produced more jobs in the last 16 months than the previous 4 years.

Mr. Speaker, the people on the Republican side of the aisle that will say that having universal health care coverage will somehow damage the economy have been wrong consistently. They were wrong when they were against Social Security, they were wrong when they were against Medicare, they were wrong when they were against the Budget Act which has reduced the deficit, about to be for the third year in a row, the first time since Harry Truman.

I say to my colleagues, "Let's stop fabricating the crisis that isn't going to exist. Universal health care will strengthen small business, it will level the playing field, and in my State it means small business will stop subsidizing McDonald's and other large corporations that don't provide health care for their workers."

THE PORK IN THIS BILL IS A CRIME

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

Mr. SAM JOHNSON of Texas. Mr. Speaker, as my colleagues know, one section of the President's so-called anticrime bill that he frequently tries to gain support with is that there are going to be 100,000 new cops on the street. It is just another myth. However, the National Center for Policy Analysis discovered the numbers do not quite add up to 100,000.

According to a Princeton University criminologist, Mr. Speaker, it takes 10 police officers to keep 1 full-time officer on the street. Therefore the bill would actually fund only about 2,000 round-the-clock cops. Based on 200 jurisdictions, this would increase actual street strength by only 10 police per city. In reality this bill would fund more social workers than police officers.

Mr. Speaker, the vote last week spoke loud and clear. The pork in this bill is a crime, and Americans do not want, do not need, and do not deserve more pork. America wants a real anticrime bill.

FISCAL RESPONSIBILITY AND THE CRIME BILL

(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, we are talking about crime again, and, yes, it is a matter of who we like and who we think is correct. I think that children are important. I think it makes more sense to prevent crime than to spend $24,000 in my State to incarcerate people, and in the Federal level alone it pays $20,000. For those who will say it is fiscally irresponsible, Mr. Speaker, I will say that is nonsense.

So, I want to be a voice for reason. I want to be a voice for logic and say, "How best should you spend $24,000? Should you spend it on basketball? Should you spend it on education? Should you spend it on preventing young people from becoming criminals? I would rather spend $24,000 on a basketball team that produced taxpayers, contributing citizens, than to spend $24,000 a year draining on the society and no productivity at all."

Mr. Speaker, I say, "Let's make sense. Prevention is a part of that strategy, just as incarceration."

TEN REASONS WHY REPUBLICANS OPPOSE THE CRIME BILL

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

Mr. HEFLEY. Mr. Speaker, we all want a crime bill, but we have a different vision of what a crime bill ought to look like. So, why do the Republicans oppose the President's version of a crime bill? Let me give my colleagues ten reasons:

No. 1, inadequate funding for building prisons;

No. 2, inadequate funding for hiring more cops on the beat;

No. 3, weakened sexual predators provision;

No. 4, various pork-barrel projects, including $10 million for Lamar University located in Chairman BROOKS' district;

No. 5, may result in the release of 10,000 convicted drug felons;

No. 6, does not include victims restitution provisions of Senate-passed bill;

No. 7, does not include strengthened death penalty procedures to end endless appeals process;

No. 8, does not include tough penalties for violent juvenile gang offenses;

No. 9, includes $9 billion in repetitive, wasteful social welfare spending; and

No. 10, Republicans were not included in this process, nor did they even know until the report came to the table what was going to be in it.

Mr. Speaker, there are 10 reasons, and we could give many more, of why Republicans do not share the President's vision of what a crime bill ought to look like.

PRESIDENT BUSH NAMED MIDNIGHT BASKETBALL AS ONE OF HIS 1,000 POINTS OF LIGHT

(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, over the last week, midnight basketball has become the favorite scapegoat of Republicans trying to explain their votes against the crime bill. Republicans say that midnight basketball is nothing more than social pork. Republicans say that it is a feel-good program that has nothing to do with crime. But, that is not what Republican President George Bush was saying just a few short years ago. In fact, the former leader of the Republican party named midnight basketball as 1 of his 1,000 points of light.

And, in 1991, when President Bush visited a pilot midnight basketball league he had this to say, and I quote: "Here everybody wins * * *. Everyone gets a better shot at life. It's about providing opportunity for young adults to escape drugs and the streets * * *."

Midnight basketball may not work everywhere. But, it works in New Haven, CT, and in many other urban areas struggling to provide young people with alternatives to crime and drugs. It is a crime that some Republicans are using partisan politics to snuff out a point of light.

PRESIDENT WANTS CREDIT FOR A CRIME BILL, IGNORES OFFERS OF COOPERATION FROM REPUBLICANS

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

Mr. BALLENGER. Mr. Speaker, I would like to remind President Clinton of November 1992 when he said

> Americans want us to work together * * *. They want the finger-pointing and the blame-placing to stop * * * and I don't really care who gets the credit for this if we can actually make some headway on these profound challenges we face.

President Clinton is not using his own advice.

Instead, he is blaming Republicans and special interests for tricking him. He is arm twisting those in his own party to pass the same bad bill in a new vote. And he is ignoring all offers for cooperation from Republicans.

It is obvious the President doesn't really care about fighting crime, he just wants a victory and he will do anything to get it. Even if it means compromising the safety of the American people.

PARTNERSHIP FOR VETERANS HEALTH CARE REFORM

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

Mr. DERRICK. Mr. Speaker, the Partnership for Veterans Health Care Reform speaks for millions of American veterans. Its members include: The American Legion; AMVETS [American Veterans of WWII, Korea, and Vietnam]; Veterans of Foreign Wars of the United States; Disabled American Veterans; Jewish War Veterans of the USA; Blinded Veterans Association; Military Order of the Purple Heart of the U.S.A., Inc.; Non Commissioned Officers Association of the USA; Paralyzed Veterans of America, and Vietnam Veterans of America, Inc.

Listen to what this partnership has to say about reform: The Guaranteed Health Insurance Act meets "the needs of the brave men and women who sacrifice their health for our country." The partnership states that they "will continue to inform Members of Congress and our membership that [the Guaranteed Health Insurance Act] contains our stated policy goals."

Support health care reform that is good enough for our veterans, and all Americans.

□ 1020

PARTISAN POLITICS HOLDING UP ACTION ON THE CRIME BILL

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

Mr. COLLINS of Georgia. Mr. Speaker, I would like to remind the gentlewoman from Connecticut that some of Mr. Bush's remarks are the reason he is not president any longer. Maybe Mr. Clinton ought to take a lesson from such.

Mr. Speaker, the crime bill has turned to 100 percent politics. That is right, the debate has turned from locking up criminals to locking up votes—votes on this House floor and votes in November.

Mr. Speaker, the message from the people of the Third District of Georgia is that they want criminals locked up. They want them prosecuted, and they want them punished. They are tired of partisan politics coming from the White House and from this House. The vote on the rule last week to stop the crime bill was a strong bipartisan vote and was a true representation of the wishes of the people of this country.

LAW ENFORCEMENT OFFICIALS RATE PREVENTION KEY IN ANTI-CRIME LEGISLATION

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

Mr. FAZIO. Mr. Speaker, yesterday a number of law enforcement officials from all across the country came and met with many Members of Congress. They were here not just to talk about more cops on the street, which they have a direct interest in. They were here not just to talk about building more prisons which will incarcerate violent offenders. They were not here just to talk about tougher laws like, "three strikes and your out", which we all support.

They were here because they believe prevention is the only way we can stem the tide of an inexorable number of young people moving into a life of crime.

Yet we listen to the Republican partisan spin doctors today flying into the teeth of the views of law enforcement from across the country, yelling, "Pork, pork, pork." This is a good example of how partisanship overcomes good policy;

So much of what is in this bill has been proposed in past administrations. We have never before found the courage to come together and put a bill before this Congress that touches every element of the problem; prevention, punishment and increased policing. And now when we do get there, what do we find? Charges that somehow we have,

through code words like "midnight basketball," prostituted the real goals of fighting crime.

Mr. Speaker, it is an outrage. It ought not to be allowed to last beyond Saturday. I think this Congress will act on a crime bill, and Republicans who do not wish to stand with us will pay the price.

THE CLINTON-GEPHARDT HEALTH CARE PLAN IS A STEP TOWARD THE CLINTON WELFARE STATE

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

Mr. HORN. Mr. Speaker, President Clinton has promised to end welfare as we know it. I agree with that goal. But the President is going to create an even larger welfare state than we now know, because a major step toward the Clinton welfare state is the Clinton-Gephardt health care plan.

The payroll taxes alone which are in the Clinton-Gephardt plan will kill millions of jobs and reduce wages. Those taxes will place Americans in a position where they may need to resort to Government assistance. A Government-run health care plan that costs jobs and stagnates economic growth will cause more people not only to depend on the welfare state for health care but also to support them while they are out of work.

Mr. Speaker, there are alternatives: Rowland-Bilirakis, Cooper-Grandy, and the new bipartisan proposal on health reform legislation. The bipartisan proposal does not contain job-killing taxes, Government-run alliances, employer mandates, global budgets, and, worst of all, the rationing of needed health care services. That is why I support the bipartisan proposal.

Mr. Speaker, let us get smart. Let us use common sense. Let us agree on a bipartisan approach to one of the most important issues facing many Americans.

COSPONSORS SOUGHT FOR BILL TO REPEAL THE CUBAN ADJUSTMENT ACT

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

Mr. KOPETSKI. Mr. Speaker, yesterday the Governor of Florida asked for Federal assistance in dealing with the increasing immigration problem from Cuba.

I want to remind my colleagues that Cubans enjoy special treatment under United States immigration and political asylum law. Specifically, the Cuban Adjustment Act allows Cuban nationals who have been living in the United States for 1 year under any circumstances to become permanent residents of the United States. They can come here whether for political reasons or economic reasons. Other asylum-seekers cannot come for economic reasons; they need to seek the safety of political asylum into the United States.

In practical terms, the act creates an exception to our immigration law for Cubans which is not available to persons of any other nation. As long as this preferential treatment exists, Cuban migration will continue.

Mr. Speaker, some are estimating that as many as 1.5 million Cubans may arrive in south Florida in the coming weeks. The Governor of Florida is right to ask for Federal assistance because a special-interest loophole in Federal policy is unfairly punishing his State. Let us end this now.

Mr. Speaker, I urge my colleagues to cosponsor my bill, H.R. 3854, to repeal the Cuban Adjustment Act.

WELFARE REFORM RESOLUTION INTRODUCTION

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

Mr. KNOLLENBERG. Mr. Speaker, this Saturday marks the 30th anniversary of the war on poverty. Three decades and $5 trillion ago, President Johnson told America that the war on poverty would be a temporary investment. Today, President Clinton tells us much the same thing about this welfare plan.

I believe it is time to set a different course in the welfare reform debate. It is time we gave the people who pay the bills as much consideration as the people on the dole. After all, the American taxpayer has paid dearly for our failed welfare policies—an average of $50,000 per household.

That is why today I am introducing a taxpayer protection resolution for welfare reform. It simply states that any plan which passes the House: Will result in a net savings to the taxpayer, will cap welfare spending at rate of inflation, will not be financed by new taxes, will not add to the Federal deficit, and will not place new mandates on States and localities.

I urge you to become a cosponsor. Welfare reform in the 1990's has to be about doing more with less. We owe it to the taxpayer, and we owe it to people we are trying to help.

EVIDENCE OF PARTISAN POLITICS IN APPOINTMENT OF SPECIAL PROSECUTOR FOR WHITEWATER INVESTIGATION

(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, as the saying goes, appearance is everything. If that is indeed the case, how does this appear to you?

A judge who presides over a three-judge panel is given the authority to chose a special prosecutor to lead the investigations into what detractors say appears to be improprieties by the President in connection with the Whitewater case.

During his deliberations, the judge meets on Capitol Hill with a U.S. Senator who has led efforts to oust the first special prosecutor because the first special prosecutor's professional ties appears to conflict with his duties as special prosecutor.

Shortly after the meeting between the judge and the Senator, the three-judge panel replaces the first special prosecutor with a new special prosecutor, never mind that public statements made by the new special prosecutor against the President appears to bring into question his objectivity in conducting the investigation.

Meanwhile, the judge and the Senator tell us that appearances can be deceiving, and are insisting that nothing untoward occurred during their lunchtime meeting.

Mr. Speaker, this whole thing appears to me to be nothing more than partisan politics while wasting the taxpayers time and money in search of something—anything—which appears of substance in this whole Whitewater washout.

BURUNDI THREATENED WITH MASS GENOCIDE

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

Mr. WOLF. Mr. Speaker, I want to speak about Burundi, but before I do, let me just say that Ken Starr, who has been appointed special prosecutor, is a good friend of mine, and he is one of the most honest, decent, ethical, and moral men I think I have ever seen in this city. He is somebody that we have on both sides shown a lot of confidence in.

Mr. Speaker, the lessons of Rwanda are clear. Quick action by the international community could have prevented mass slaughter in Rwanda. It could have saved thousands of lives and millions of dollars in humanitarian assistance. Let us not let another chance to pre-empt genocide in Burundi slip away.

We had reports in June from missionary groups in Burundi that the potential for massive bloodshed was there. The same Tutsi factions responsible for the death of 20,000 Hutus last fall have plans to get rid of any Hutu leaders who stands in the way of assuming full control of the government. Trouble is brewing and tensions are rising. On Tuesday, the New York Times reported that the United Nations, CARE, Doctors without Borders, and other remaining relief organizations have all

pulled their people out over the weekend.

The interim President set an August 26 deadline for naming a new President and forming a new coalition government after missing a constitutionally mandated July 12 deadline. Last weekend the factional leaders snubbed a United Nations proposal to send in a peacekeeping force and international monitors to calm the tensions. The United States should be helping bring the sides together.

If this deadline goes by without reconciliation we could be looking at mass chaos. There is a small window of opportunity here to be peacemakers, rather than crisis managers.

Please understand that I am not talking about sending in American troops, only American diplomats. Maybe Secretary Christopher should go over to help broker peace. Maybe we should send a special envoy. All I know is that we should do something now to prevent another humanitarian disaster. Let us not sit on our hands. And watch many more men, women, and children be brutally killed.

CONFRONTATION POLITICS THREATENS ENACTMENT OF THE CRIME BILL

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

Mr. HUGHES. Mr. Speaker, the eyes of the world are upon us, and we are looking at how we are going to deal with the crime bill. As a House conferee and a Member of this House for 20 years, I am saddened as I leave because I see confrontation politics being the order of the day, and it is very evident, particularly in the crime bill.

The crime bill is not essentially different than it was when it left the House. This side of the aisle, unfortunately, or much of this side of the aisle, does not want to see a crime bill. Thirty-seven Members on this side of the aisle voted for the crime bill when it left the House, and it had midnight basketball in it. It also had a lot of other initiatives that have been criticized but which most of the Members support—such things as alternatives for youthful offenders, to try to do something to provide sentencing judges with more options so we can intervene with juvenile offenders earlier in the process and not wait for the 15th time they get into the system, but try to intervene the third time.

On this side of the aisle we lost a lot of votes because of assault weapons. On both sides of the aisle we have seen confrontation politics, and that is why the crime bill is in trouble.

□ 1030

DEPOLITICIZE THE CRIME BILL

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

Mr. GOODLATTE. Mr. Speaker, over on 1600 Pennsylvania Avenue, White House spin doctors are working overtime to try and convince Americans that their so-called crime bill actually fights crime instead of providing exciting new job opportunities for Washington, DC, bureaucrats and giving criminals new loopholes through which to wiggle.

Meanwhile, average Americans are still waiting for real relief from the daily threat of violent crime.

That is why 58 courageous Democrats, nearly 1 out of every 4 Democrats, joined Republicans last week in a bipartisan effort, temporarily stopping this boondoggle.

Once again President Clinton is looking at scoring political points with cheap rhetoric and expensive Government giveaway programs. Unfortunately, he is doing this instead of actually cracking down on the violent thugs terrorizing American neighborhoods.

IMMIGRATION EMERGENCY WITH CUBA

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

Mr. MAZZOLI. Mr. Speaker, the United States is facing an immigration emergency. The immigration emergency which now we face is with respect to Cuba. We had a briefing of our Subcommittee on International Law, Immigration, and Refugees, at our request, yesterday regarding the preparations that we are making in the United States to deal with this immigration emergency.

I might say that something like 6,000 Cubans have already come to the United States this year, compared to 3,000 last year, 1,000 already in August which is only half over, and as many as 500 are coming a day.

I am pleased to know the administration has a kind of broad plan to deal with the emergency, but it is impossible to deal effectively with the emergency, Mr. Speaker, so long as the 1966 Cuban Adjustment Act remains on the Statute books. The act allows Cubans, unlike any people in the world, to come to the United States, even for economic reasons, and be resettled and eventually get their citizenship. I think the President ought to examine some way by Executive order to suspend some applications of the Cuban Adjustment Act.

I might also remind everyone, Mr. Speaker, that there is nothing in the Cuban Adjustment Act which prevents interdiction of Cubans as we do with Haitians. I think it also should be considered in interdicting Cubans that they be landed in places other than the United States to avoid triggering the Cuban Adjustment Act as we await other administration decisions on how to deal with this immigration emergency.

BURUNDI MUST NOT BECOME ANOTHER RWANDA

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

Mr. EMERSON. Mr. Speaker, clear evidence of increasing ethnic tensions and violence in Burundi, Rwanda's neighbor, is demanding that the international community not only imagine but that it demonstrate what it has learned from the horror in Rwanda. With alarm, we are witnessing in Burundi a familiar pattern of deteriorating conditions, but I fear we can only find marginal efforts by the international community to intervene, to make the timely and critical difference, to effectively mitigate the spiraling pattern of violence. If the international community does not heavily insist on conflict resolution in Burundi it will never know if it could have prevented yet greater instability in central Africa.

Bipartisan American leadership in providing humanitarian relief to refugees in complex emergencies is well established. I call upon the administration, in the strongest possible terms, to urgently provide an equal degree of leadership in addressing with all possible ways and means the alarming escalation of conflict in Burundi. We cannot once again say, "Who could have imagined."

SOCIAL PROGRAMS TO PREVENT CRIME ARE NOT PORK

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

Mr. SANDERS. Mr. Speaker, the crime bill is far from perfect, but I'm getting a little bit tired of hearing from some Members who criticize every program that will try to prevent young people from turning to crime, violence, and drugs as pork.

Let me be very clear, I do not consider it as pork or wasteful spending if we are successful in developing approaches which keep young people from turning to crime, drugs, and violence. In fact, I consider that money very well spent and an important investment for the future of this country. Further, when we spend $25,000 a year to keep one prisoner in jail, I consider crime prevention to be very cost effective for the taxpayers, in other words,

I would prefer to spend a few hundred million dollars on a program which keeps kids from turning to crime than a hundred times more money keeping those same young persons in jail.

Mr. Speaker, given the fact that we already have the highest rate per capita of incarceration in the entire world, I think that it's high time that we begin to look at the root causes of crime which have an enormous amount to do with poverty, lack of education, lack of jobs, and lack of hope.

Mr. Speaker, I find it interesting that when some Members of the Congress vote for huge tax breaks for the wealthy, that's not pork, but when we vote for funds to save the lives of our children and the most at-risk people in this country, that is pork.

I find it interesting that when some Members vote to spend almost $3 billion for star wars that's not pork, but when we vote $1.8 billion to protect women against violence, that somehow is pork. I find it interesting that when some Members vote $70 billion for the space station that's not pork but when we vote a few hundred million dollars for after school programs and athletic programs, that is pork. I find it interesting that when we level-fund spending for the intelligence agencies, despite the end of the cold war, that's not pork, but when we put money into athletic programs and boys and girls clubs, that is pork.

My conclusion, Mr. Speaker, is that for some Members of Congress any legislation that helps the wealthy, the Defense Department or the CIA, is a great investment for America. However, any legislation which will improve life for the poor, and the most vulnerable, and will keep young people out of jail, is considered pork and wasteful. Mr. Speaker, let us get our priorities right.

HEALTH CARE PLAN: BIGGER IS NOT BETTER

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

Mr. LINDER. Mr. Speaker, in this health care debate, we have gone from the Clinton plan to the Clinton-Mitchell plan and now to Clinton-Gephardt. The plans have gotten bigger, but not better. In fact, it is hard to imagine these Government-controlled health reform ideas becoming any worse for America's small businesses and their employees.

An independent study for the National Federation of Independent Businesses shows that Clinton-Gephardt will cost more than 1.3 million jobs and cause pay cuts for 11 million more workers.

My State of Georgia would lose more than 33,000 jobs. Almost 300,000 people in my State will face wage cuts if the Democrats are able to ram the ill-conceived Clinton-Gephardt bill through Congress and down the throats of the American people.

We all agree that Americans should not have to lose health care coverage when they lose their jobs. But that does not mean the Government should force employers to issue 1.3 million pink slips to test the theory.

CHARLTON HESTON WILL BE REMEMBERED FOR LYING TO AMERICANS

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

Mr. MILLER of California. Mr. Speaker, the actor Charlton Heston should be remembered for his great career as an actor, but he will not be. He is going to be remembered for not telling the American public the truth, because that is what he is doing by joining the National Rifle Association in its campaign of lies against the crime bill. He is using his credibility as a respected actor to give credibility to those lies and distortions by the NRA against the crime bill.

Charlton Heston should understand that the crime is lying to the American public.

LEANER, MEANER HEALTH CARE PLAN NEEDED

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

Mr. EHLERS. Mr. Speaker, we have heard time and time again from the current administration that their goal for health care is to reduce costs and improve efficiency. However, I fear we will have the opposite. An example is what I hold in my hand, an inch-thick survey response submitted by an ambulatory health care facility in my district in response to a questionnaire from the Health Care Financing Administration.

The physician who gave this to me estimated it took 120 hours of staff time, plus a considerable amount of his time, at a total cost of approximately $10,000 simply to respond to this survey from the Federal Government. This, I fear, is a prime example of what Government involvement in health care will do.

Ultimately, it is the users, the patients, who will pay the bill for this sort of thing. It will not reduce health care costs. What we need is a leaner, better, more efficient health administration, not a more bureaucratic one that is going to result in surveys such as this.

I recommend that we work in the direction of a leaner, better, health care plan.

ADVICE TO CHARLTON HESTON: THOU SHALT NOT BEAR FALSE WITNESS AGAINST THY NEIGHBOR

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

Mr. SCHUMER. Mr. Speaker, first Charlton Heston thought he was Ben-Hur.

Then he thought he was Moses.

Now he thinks he is an expert on the crime bill.

The truth is, Charlton Heston is simply another movie actor, playing another role, reading someone else's words.

And the script Charlton Heston is reading, Mr. Speaker, was written and paid for by the National Rifle Association.

If anyone in this House thinks Charlton Heston has actually read—much less mastered—this crime bill, there is a bridge up in Brooklyn I would like to sell them. The truth is, Charlton Heston does not know a darned thing about this crime bill. He is simply lobbying for assault weapons.

It is shameful—shameful—for a man who played the role of Moses, the original lawgiver, to now be selling lies for the NRA in the name of killing machines.

I say to Charlton Heston, remember the Commandment Moses gave us: Thou shalt not bear false witness against thy neighbor.

□ 1040

THE CLINTON HEALTH BILL

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

Mr. BARTLETT of Maryland. Mr. Speaker, as we wait to vote on health care reform, and that should not happen until after we return in September or better in the new year, let us keep one thing in mind: Whatever we pass could have easily been passed in February 1993.

The original Clinton bill was a mistake. The House bill now being drafted is a mistake. Reports state that there are about 160 votes for it. The liberal leadership in the House has ignored the moderate coalitions that voted in Clinton, Bush, and Reagan.

Here is the proof: The committee and subcommittee chairs of Ways and Means and Energy and Commerce all had their own reform bills and none have made it to the floor in the last two Congresses. Of the two Democratic bills we will probably vote on, one is a single payer plan that is supported by less than 50 percent of their party and the other is the leadership bill that could only make it to the floor by circumventing the entire legislative process.

The congressional Woodstock generation should stick to music, for they have failed miserably at health care reform.

CRIME BILL DEBATE

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

Mr. HOYER. Mr. Speaker, the Republicans have crowed about some victories they have had this year. Correctly so, they did achieve mayoral victories in two major U.S. cities, Los Angeles and New York. I would like to inform my friends on the other aisle that the two Republican mayors of those two cities visited this town yesterday to deliver a strong message to this body—pass this crime bill now.

Both Mayor Riordan and Mayor Guiliani, a former prosecutor, were on one accord with their Democratic colleagues in urging this body to act swiftly in passing the Omnibus Crime Control bill. They were not partisan in their approach because they realize that crime affects all of their citizens.

The crime bill which we will soon have the opportunity to vote upon is a good prescription for the pervasive crime problems which are so common to our Nation's cities. It includes a "three strikes and you're out" provision which I proposed last year. The "three strikes and you're out" part of the bill removes repeat violent offenders from our society who have proven by their actions that they no longer deserve to be part of an ordered society. Additionally, the bill is tough on criminals and provides additional funding for prisons to house them. Moreover, it provides for an additional 100,000 police officers to protect our communities and it provides for programs to keep kids off the streets and out of gangs.

We cannot let our cities down. This crime bill is essential to their ongoing struggle to combat crime. We need to quickly pass this crime bill so that Mayors Guiliani, Riordan, and other mayors throughout this country can do what their constituents elected them to do.

FAILED CUBAN POLICY

(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, we have seen this administration's bungled policy that brought 12,000 Haitians to my State last year and 15,000 now being held in Guantanamo.

As a Member of Congress from Florida, I am now gravely concerned about our policy relating to Cuba.

This administration says it will stop another *Mariel* boatlift.

Unfortunately our current policy is not working. Last year only 2,800 Cubans fled their island prison for the United States. In the last 2 weeks nearly that number has reached our shores.

By the end of this week 8,000 new Cuban refugees will crowd Florida's hospitals, schools, streets, and social service centers. Yesterday, more than 500 arrived.

Let us face it. As reported in the media today, a slow-motion Mariel is already taking place.

Unfortunately, we have allowed Fidel Castro to dictate our foreign policy. Our present policy provides transportation and potential death for those fleeing by sea. Hundreds are dying, if not by Castro's hand, by our policy.

We need a policy to stop this influx and one to promote freedom in Cuba now.

Only a policy to free Cuba will provide a permanent solution. Only a policy to bring down Fidel Castro will resolve this dilemma.

RESTORE TAX FAIRNESS

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

Mr. JEFFERSON. Mr. Speaker, I rise to suggest that Congress made a mistake last year. By reducing business meal deductions to 50 percent, Congress hurt thousands of hard-working Americans in the transportation industry.

To ensure public safety, Federal regulations force truckers, bus drivers, railroad crews, and airline flight crews to eat and rest at regular intervals.

So, many federally regulated transportation workers eat at truckstops and sleep at modest motels 200 or more days a year—clearly ordinary and necessary business expenses, anything but lavish or frivolous.

These costs for meals and lodging are legitimate expenses forced by Federal regulations, not three-martini lunches; and Congress should eliminate this tax injustice.

Mr. Speaker, I have introduced legislation to restore tax fairness and the 80 percent business meal deduction for these transportation workers. I will work with Senator HERB KOHL who has introduced similar legislation and I urge Congress to correct this mistake before adjourning.

HAWAII WOULD LIKE TO SAY ALOHA TO MANDATES

(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, last night I participated in a special order on employer mandates. The State of Hawaii was used to portray how successful this approach is in achieving universal coverage.

Earlier this year the owner of the Paradise Flower Farms, Inc., employing 17 full-time people on the Island of Maui testified before Congress.

> In thinking they were doing employees a favor by increasing State mandates, the State of Hawaii only caused worse hardship for workers. Their wages rose at slower rates, and they ultimately received less health care than they previously had. We are at a point in our business that we will do anything to avoid hiring one more person—not for lack of need, but because we cannot afford them.

An HMSA, Hawaii's Blue Cross/Blue Shield, small business premium for a single individual was $57.54 in 1987 and was $214.98 in 1993, which is an increase of nearly 375 percent in 6 years. For a family plan which covered the employee and dependents, the cost of the premium in 1987 was $213.34, and in 1993 it had escalated to $597.92. That represents over a 300-percent increase for families wishing to purchase health care coverage.

Additionally, in the August 5, 1993, edition of the New England Journal of Medicine it was pointed out that Hawaii currently led the Nation in terms of hospital expenses and throughout the 1980's it was fourth, behind only New York, Alaska, and Connecticut. This means that Hawaii's mandate has not decreased the number of people uninsured in the State, or has it been successful in controlling increases in health care expenditures relative to the rest of the Nation.

We should remember this history of mandates in Hawaii and not make the same mistakes with the Gephardt-Clinton plan. No employer mandates, Mr. Speaker.

COURT RULING IN TEXAS

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

Mr. GENE GREEN of Texas. Mr. Speaker, it is appropriate that you are in the chair this morning.

Yesterday, a three-judge Federal panel in Houston, all of whom were appointed by Republican administrations, ruled that three Texas congressional districts were unconstitutional. They stated these districts were drawn to maximize participation of minorities, that they violated the 14th amendment to the Constitution.

The 29th District, which I am honored to represent, is one of these minority districts. It is comprised of hard-working men and women who share more than their race or their ethnicity. The people of this district are working-class citizens that are the backbone of this Nation, and this court ruling seeks to divide them and to minimize their voices and to even confuse the electorate even more on what district they live in.

This court case is not about the pigmentation of someone's skin. It is

about politics. We in Washington sometimes let our partisanship get in the way of lots of issues, but it should not happen in a Federal court and that is what is happening now.

In the end I am certain that we will prevail and that this district that I am proud to represent will remain intact. We cannot allow a partisan ploy by a three-judge Federal panel to disrupt the election process, whether it be in Louisiana, North Carolina, or Texas.

MIDNIGHT BASKETBALL

(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, midnight basketball. How many of us have heard about midnight basketball. We on this side of aisle have used it as a laughline for the past couple of weeks. We have heard Members try to define it on the other side of the aisle.

Let us think about midnight basketball for just a minute. What is the history of evening sports leagues in our country?

Think about this: the YMCA has been running evening sports leagues for a long time. Maybe not at midnight but certainly the 7, 8, 9, 10 at night. It gives people something to do at night. It uses their facilities at night. It is a good idea.

What about this idea of spending Federal money at $40 million for midnight basketball? If you are going to have a basketball game that starts at midnight or at 12:15 or 12:30 and it goes for a couple of hours, you are finished at 2, 2:30, shower. What on Earth are we thinking about? Why are people up, and we are talking about youth, I assume, why are people up until 3 in the morning and we are spending Federal dollars so that they can be up playing basketball? Should not kids be in bed between 12 and 3 in the morning? Or is this some sort of legislative blackmail that would suggest if they are not playing basketball they are going to be committing crimes. It does not make any sense. Think about it.

□ 1050

LAW ENFORCEMENT EXPERTS WANT CRIME BILL WITH CRIME PREVENTION PROGRAMS

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

Mr. DURBIN. Mr. Speaker, I would like to make an admission to all those listening to my statement. I am not an expert on crime. I would like to also concede that there has not been a single Member of the House of Representatives, Democrat or Republican, in the well this morning who is an expert on crime. We rely on other people and their judgment.

I went back to my home district of Illinois and met with the judges, the prosecutors, the probation officers, the men and women who put on their uniforms every day to protect us in our homes and communities. I said to them "What do we need in America to reduce the threat of crime against our families?"

They said many of the things that are included in this crime bill: more policemen, tougher sentencing, more prisons, take the assault weapons off the street, and in each and every conversation after they had finished that litany, they said "and, Congressman, incidentally, you cannot reduce crime just by building more and better prisons. You have to do something to reach these kids before they turn to drugs, before they turn to violence, before they turn to gang activity."

The previous speaker here was mocking the idea of midnight basketball. He thought $40 million was an outrageous sum. I am sorry to report to him that we are now building the latest Federal prison in my district at the cost of $58 million. Let us do something to get to these kids before they turn to crime.

AMERICA RECOGNIZES HAWAII FOR EXCELLENT HEALTH CARE

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

Mr. ABERCROMBIE. Mr. Speaker, the Speaker always asks for what purpose does the gentleman want to be recognized. I see we are recognizing Hawaii for something besides being a vacation place. Thank you very much. I am very pleased to have one Member of the opposition come up and try and say why Hawaii does not have part of the answer for health care.

I ask any of these Members who are so anxious to downgrade the Hawaii program, come out to Hawaii and run for office. Come out to Hawaii and run against health care. We have had health care for 20 years in Hawaii, and I defy any Republican Member to come out there and run against health care in Hawaii and see how far you get.

You cannot take it away because we have the answer out there, universal coverage, coverage that cannot be taken away from anyone, coverage that is totally portable. We cover our employees out in Hawaii.

We are proud of our health care system out in Hawaii, and if the Republicans do not want to have it, then they can have the same situation they have out in Hawaii; namely, they are in a minority that cannot even be seen because they are against the interests of people. Be for health care. come out to Hawaii and you will see how it works.

HAWAIIAN COVERAGE NOT UNIVERSAL, AND AMERICA'S THREE BIG PAPERS DESCRIBE LATEST VICTIMS OF WHITEWATER

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

Mr. DORNAN. Mr. Speaker, Hawaii, 91.32 percent coverage, not universal; unacceptable to liberal Democrats on the mainland, but I will go there any time. The problem is, there is no Republican Party in Hawaii, just like there was no Republican Party in Arkansas since the Civil War; hence, this strange focus of Clinton ignoring the loyal opposition.

Mr. Speaker, I know members want to hear from the three big papers in America: First, our national paper, the U.S.A. Today: "Poll reflects Clinton setbacks, disapproval rating up, as Altman resigns." The Los Angeles Times: "Altman is the highest-ranking victim of Whitewater." The New York Times: "Roger Altman under fire."

It looks like they are caning him on the streets of one of our cities. The New York Times is cute when they select their photographs.

Here is the Washington Post, liberal paper of record: "Whitewater reverses banker's ambitions," and members are sacrificing their ambitions, at least 50 of them, on the altar of being a friend to Bill.

However, there is a last one, Mr. Speaker, what a sad picture. It says he is the third victim. What about Vince Foster? He is the fourth victim. Hansen to come, then Josh Steiner, then about 20 of you.

INTRODUCING LEGISLATION EXTENDING PREVENTIVE HEALTH CARE THROUGH MEDICARE

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

Mr. Speaker, today I, along with the gentleman from New Jersey, Mr. BILL HUGHES, Chairman of the House Older Americans Caucus, I am introducing legislation which expands preventive health care services through Medicare, saving both lives and Federal tax dollars.

The bill establishes a 4-year demonstration project which would provide Medicare patients with preventive services such as screening for colon cancer, prostate cancer, and osteoporosis. If cost and health improvement criteria found the program effective, such services could then become reimbursable nationwide under Medicare.

Our proposal is based on a pilot project I sponsored 5 years ago—reimbursing Medicare patients for flu shots. The flu shot program is estimated to save $60 million annually in Medicare

outlays and nearly 60,000 lives. Moreover, the program improved the flu shot delivery system.

Through expanding Medicare benefits with the preventive services outlined in our bill, I believe that we can further reduce our Medicare and health care costs. I urge all Members who support improving Medicare services while preventing thousands of unnecessary deaths of senior citizens to join us in cosponsorship.

TIME FOR GOVERNMENT TO ASSIST FLORIDA WITH CUBAN IMMIGRATION PROBLEMS

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

Mr. SHAW. Mr. Speaker, as we sit here this morning, a tragedy is playing out in the straits of Florida, that body of water 90 miles wide separating the Florida keys from Cuba. Thousands of Cubans, thirsting for freedom, are risking their lives to come out to the 12-mile limit where they know that our ships are moored.

These ships right now have the policy of staying there, picking these Cubans up, and bringing them into the State of Florida. Yet the Federal Government has yet to release one single dollar of Federal assistance. What these ships are doing is what the flotilla did during the Mariel boatlift. We are picking up the Cubans and bringing them to the United States.

We are the magnet. We are the attraction. We are responsible for the death of hundreds of Cubans who are dying at sea, coming in no more than an inner tube, thinking they can make that 12-mile voyage.

It is time that we get the word to Cuba: The people must stay there. They are endangering their lives. They must not take this dangerous journey, and it is time for the Federal Government to live up to its responsibility and answer the people of Florida, who are asking no more than the assistance for a mess that is being caused by the Federal Government.

AMERICA NEEDS MORE CRIME FIGHTERS, NOT MORE SOCIAL PROGRAMS

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

Mr. HUNTER. Mr. Speaker, my colleague, the gentleman from New York [Mr. SCHUMER], has just blamed Charlton Heston for the failure of this pork barrel boondoggle that we humorously refer to as the crime bill. He even criticized Mr. Heston's role as Moses in the Ten Commandments.

Coming from his big government district in New York, Mr. SCHUMER probably would have preferred a movie entitled "Pharoah Knows Best." Charlton Heston did not kill the crime bill. The American people looked at the promise of the gentleman from New York [Mr. SCHUMER] to make the rest of the country as safe as New York City, and the American people said "that is what we are afraid of."

If pouring social programs into New York City solved crime, there would not be a single pickpocket left. Hug-a-thug does not work. We need more Ben Hurs, more Will Pennys, more Andrew Jacksons, and more Moseses.

□ 1100

I DON'T THINK THAT'S GOOD NEWS

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

Mr. WALKER. Mr. Speaker, a few days ago, the former Member of Congress, Mr. Coelho, was named as the senior adviser to the Democratic National Committee and he appeared on television this morning on "The Today Show." He said an absolutely astounding thing on "The Today Show." this morning. He said that what the Fed did on interest rates this week, raising them by a half a point, was, and I quote him, "Good news really."

Well, that is a rather amazing statement. This is the administration that just a few months ago was telling us how low interest rates were a sign of the success of their economic policy. Now you have the new head of the Democratic National Committee telling us that when the Fed is raising interest rates because the administration's policies are leading us into inflation. "That's good news really for the economy."

I don't think that's good news for the person trying to buy their home. I don't think that's good news for the person trying to buy a new car. I don't think that's good news for the small businessman trying to get started. I don't think that's good news for the economy as a whole.

Mr. Speaker, it is not good news to have inflation going up and interest rates going up. And when the head of the Democratic National Committee suggests it is, there is something really wrong in the economy.

A BIG SLIP AND A PINK SLIP

(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, according to a CNN poll, the first time a majority of Americans, 52 percent, disapprove of the President's performance. At the same time, only 39 percent approve of the President's performance.

Perhaps, the President's big slip in the polls has something to do with the pink slip his health care plan would send American workers.

The National Federation of Independent Business, America's premier small business association, recently sent this to my office.

It is a pink slip. As anyone who works for a living knows, it means "you're fired."

This one says 82,000 Texans will lose their jobs if the Clinton health care plan passes.

A pink slip is the last thing anybody wants to see in their pay envelope, but it will be one of the first things folks will see if the Clinton health plan passes.

According to the NFIB, the Clinton health care bill will send out 1.3 million of these across the country. And 11 million workers who do not see one of these, will see less of these [dollar bill] if Congress enacts this big government, big spender, big-job-loser Clinton health care plan.

A big slip for President Clinton and a pink slip for American workers. Congress should remember this before it starts playing doctor.

WAIT TILL NEXT YEAR

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

Mr. ROHRABACHER. Mr. Speaker, I have listened with interest to the analysis of our fellow colleagues on the other side talking about how great the economy is doing and how President Clinton deserves all of the credit. Let me note that the jury is still out on what the Clinton program will do to the American economy.

Many of us remember what happened during Jimmy Carter's administration, where for the first 2 years it was very good, we had a very good economy. But then Jimmy Carter's economic policies began to impact on the economy and very quickly things went to hell in a hand basket. I would suggest, having worked in the White House, that it does take 2 years for a President's policies to fully impact the economy. We are already seeing warning signs that the increased taxation, the increased level of regulation and government interference brought by this administration is having a deleterious effect on the economy. We will be able to know full well next year.

As the interest rates rise and the dollar overseas is embattled, do not tell us that this administration is having a positive effect. Just wait until next year.

WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 4603, DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 1995, AND FISCAL YEAR 1994 SUPPLEMENTAL APPROPRIATIONS

Mr. BEILENSON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 523 and ask for its immediate consideration.

H. RES. 523

Resolved, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the bill (H.R. 4603) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies programs for the fiscal year ending September 30, 1995, and making supplemental appropriations for these departments and agencies for the fiscal year ending September 30, 1994, 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 (Mr. FIELDS of Louisiana). The gentleman from California [Mr. BEILENSON] is recognized for 1 hour.

Mr. BEILENSON. Mr. Speaker, for the purpose of debate only, I yield the customary one-half hour to our colleague, the gentleman from Florida [Mr. GOSS], pending which I yield myself such time as I may consume. During debate on this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 523 is the rule providing for the consideration of the conference report on H.R. 4603, the fiscal year 1995 appropriations bill for Commerce, Justice, State, Judiciary, and Related Agencies.

The rule waives all points of order against the conference report and against its consideration. Under the rule, the conference report shall be considered as read.

Mr. Speaker, in granting this rule, the Rules Committee recognized that it is especially urgent that this conference agreement be considered today because it includes $470 million in fiscal year 1994 supplemental appropriations for the Small Business Administration's Disaster Loans program account. That program provides relief for the victims of the Los Angeles earthquake, which had an especially disastrous effect on districts of some of those who represent those unfortunate areas, as well as for those who suffered losses from the recent floods in Georgia, Florida, and Alabama. In Los Angeles alone, the SBA has been faced with an overwhelming number of applications for loans from homeowners and from small businesses. The Small Business Administration ran out of disaster loan funds on August 17, and in order to provide this much-needed assistance for the victims of these disasters as quickly as possible, and to complete the work of the bill, a rule was requested to waive all points of order against the conference report, thereby allowing expeditious consideration of the bill by the House.

The rule waives clause 2(a) of rule 28, requiring a 3-day layover of the report before it is considered. The prohibition on legislation in an appropriation bill is waived against several amendments, including one dealing with the Omnibus Crime Control and Safe Streets Act and another dealing with bankruptcy judges.

The rule prohibiting unauthorized appropriations is waived against amendments dealing with the Border Patrol, the Immigration Emergency Fund, and over $2 billion in funding for programs included in the crime bill, which as we all know or think we know awaits our final approval, including $1.3 billion for community policing; $450 million for Byrne formula grants; $284 million for the immigration initiative; and $130 million for the State Criminal Aliens Assistance Program.

Clause 3 of rule 28, dealing with scope, is waived for an amendment which restores Securities and Exchange Commission funding, changes in the Asia Foundation figures, and a new title providing funding for a variety of programs through the crime bill's trust fund.

Mr. Speaker, the waivers also protect sections of the agreement against points of order because it contains appropriations for several agencies that have not been reauthorized, and a number of general provisions, most of which have been carried for several years.

Authorization has not yet been enacted for most of the appropriations items in the Department of Justice needed for the war on crime and drugs, including the FBI, the DEA, the INS, the U.S. Attorneys, and the Byrne grants for State and local law enforcement assistance.

Mr. Speaker, the conference agreement on H.R. 4603 provides over $26 billion in funding for fiscal year 1995. This amount is nearly $90 million less than the administration request and about $3 billion above the amount enacted in fiscal year 1994, most of which is for law enforcement and Border Patrol enhancements. According to the House Committee on the Budget, the conference report is $108 million in budget authority and $37 million in outlays below the section 602(b) allocations for the subcommittee. As passed by the House originally, the bill appropriated $27.2 billion while the Senate version appropriated $28 billion.

In addition to the supplemental appropriation for the SBA which I mentioned earlier, the agreement provides $12 billion for the Department of Justice, $4.2 billion for the Department of Commerce programs, nearly $3 billion for the Federal Judicial System, and $4 billion for the Department of State, including $533 million for international peacekeeping activities.

Mr. Speaker, as both the chairman and ranking minority member of the subcommittee testified, this bill is a major crime-fighting initiative, with billions of dollars for police hiring, prison construction, and a restoration of proposed cuts in Federal law enforcement personnel.

The agreement includes several new immigration initiatives to help in the fight against illegal immigration, which is being waged primarily in several States, about half a dozen principally, including California, Florida, Texas, New York, and a couple of others. Substantial increases in the number of Border Patrol agents are funded by the agreement, and for the first time the Federal Government is appropriating funds for the State Criminal Alien Assistance Program which was first authorized back in 1986, reimbursing States at least partially for the costs of incarcerating undocumented criminal aliens.

Mr. Speaker, I commend the new chairman of the subcommittee, the gentleman from West Virginia [Mr. MOLLOHAN] and the ranking minority member, the gentleman from Kentucky [Mr. ROGERS], for their cooperation in bringing us this measure for financing some of the functions of our Government that are most obvious and necessary for all of us and for our constituents. I know it has been a difficult task but their agreement on the provisions of the conference report and their ability to work cooperatively is, we think, in the Committee on Rules a good example for all of us.

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

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

Mr. Speaker, this Commerce, Justice, State, and Judiciary appropriations conference report contains money for many vital programs as the gentleman from California [Mr. BEILENSON] has just outlined, including funds to combat the No. 1 problem in America, crime. In fact it was suggested yesterday in the Committee on Rules that perhaps we should scrap the so-called crime bill and just concentrate on this bill because we know we are going to get something done and get some money focused on the problem this way, because this calls for real crime prevention, drug enforcement, and prison construction. Those are the kinds of things Americans are asking for and are apparently a lot less controversial than some of the other sort of more welfare-social programs that are included in the crime bill that we were discussing last week and around the edges on this.

□ 1110

The conference report for H.R. 4603 contains important increases in programs aimed at controlling the rising tide of illegal immigration: $2.1 billion will help beef up safety and security of our borders and provides almost a thousand new Border patrol agents.

Now that is terrific news, but it is not enough, and it is not enough because we know as we stand here that we have yet another problem coming across the Florida Straits, this time from Cuba, which is no surprise, and we apparently are not ready again to deal with this. And even with a thousand new Border Patrol agents, the estimates are we are not going to be able to control the illegal immigration problems we have got. And of course, the Federal Government, as has been pointed out by several speakers in the 1 minutes this morning, still has not paid up their debt to the States that have been most affected by the illegal alien problem and the lack of the Clinton administration and previous administrations to provide adequate border safety.

California, Texas, Florida, and States like that come to mind. That is a good step in the right direction, and for that we should be happy. But it is not enough. States such as Florida, California, and Texas are currently suffering the fiscal and social consequences of the Federal Government's failure to control illegal immigration.

I guess it is interesting that it has become such a point of desperation that the Governor of Florida, who happens to be in the same party as the President of the United States, is now suing the Clinton administration to get the money back to the State of Florida to pay for the failure of that Federal program.

Increases in this bill certainly will not solve all of the problems. But it is going in the right direction, and it is doable. While I still have specific concerns over specific items such as the tremendous sums in this bill for U.N. preacekeeping missions, and it is not just myself that is concerned on that, we have plenty of cards and letters, and I know every other Member of this body does about how much money we are paying for peacekeeping, and where is it coming from, and what are we doing actually in peacekeeping missions, what are the beginnings of them and what are the ends of them. I think a majority of the Members recognize the importance of bringing the legislation to the floor despite these problems.

However, I am troubled by the fact that this is the second rule granted for the consideration of this bill. Under the standing rules of the House, appropriations bills and conference reports, as we all know, are privileged, making them come to the floor without any special rules. This June the House considered H.R. 4603 under an open amendment rule, but one which waived all points of order against the bill. That means it protected whatever was in the bill. While that rule was supposedly open, that meant any Member could make an amendment, it did not provide for an equal playing field for the amendments because the amendments were not protected. So what that means to say is that people who put the bill together were given special protection and those Members who had legitimate debate points that they wanted to bring up were not given the same treatment, and they were subject to points of order, while the people who put the bill together were not. That just does not seem fair, and unfortunately it is getting to be a trend.

We face a similar dilemma today. This rule provides blanket waivers for the conference report.

Yesterday I asked subcommittee Chairman MOLLOHAN what parts of the conference report violated House rules, and he said he did not actually know, that the appropriations subcommittee had not prepared such information. And to be very fair to the gentleman, who gave candid and good testimony, the gentleman from West Virginia [Mr. MOLLOHAN], is certainly not the first chairman to seek a blanket waiver against all points of order and to not know exactly what they are. The gentleman from West Virginia [Mr. MOLLOHAN], in his defense, did offer to try and provide the information, so this is not about what happened yesterday in the Rules Committee. It is about what has become an all too common occurrence in the Rules Committee to provide a waiver without even attempting to go compile and understand what violations exist in the bill.

Another problem with the waiver will be highlighted by the gentleman from California [Mr. ROHRABACHER]. He came before the Committee on Rules seeking to defend his right, and the right of all Members to seek a separate vote on an item of disagreement in the conference report. I find it very disturbing that a Member has to trek over to the Rules Committee to defend his right to seek a vote on the floor. I find it even more disturbing that the Committee on Rules, by recorded vote, is subsequently going to deny him that right.

Mr. Speaker, while these problems might seem like small stuff to some, remember we are charged with upholding the constitutional rights of every American. It seems a very dangerous precedent to ignore the rights of their elected representatives, thereby refusing those Americans equal representation in the House. The people back in the district of the gentleman from California [Mr. ROHRABACHER] may not realize that he is not being treated with the same advantage as the people in the district of a member of Committee on Rules, or a member of the committee that has brought forward this legislation, and that puts Americans on an unequal footing, and that is not fair.

I think one of the things the Rules Committee is supposed to do is try and ensure openness, deliberation, and fairness in a debate, and I am not sure we have achieved that in this case, and I am not sure we are achieving it often enough. We have a situation today where we have a disaster relief fund of the Small Business Administration as the reason we are moving this thing so critically through. Presumably that fund expired on August 27, not a good time to have it expire when we have floods going on in Georgia, typhoons or tornadoes in South Carolina, flooding in Florida, and who knows what else going on. These are important things that we can expect we are going to be looking for some disaster relief.

It strikes me as curious that we are taking up in the Rules Committee the remedy for this problem on the very day the fund expires, and that becomes our sense of urgency to rush through a fairly large piece of legislation. It is not exactly new, first impression legislation, but when we look at the number of amendments there were, well over 140, 150 or so amendments that were considered in this conference process, obviously we did not have time to look at the whole, big pile. And I want to thank my friend, the gentleman from California [Mr. BEILENSON], who has sought out some of the points that we are protecting because they have not had a chance to go all through this report in order to find out exactly what we are protecting by the waiver of the rules. We were given a short, abbreviated list of scope, germaneness, and of legislating, and appropriations problems that needed to be protected that would otherwise have points of order against them. But it was not by any means the whole list. It is certainly not the fault of the gentleman from West Virginia [Mr. MOLLOHAN], and certainly it is nobody's fault in this case. But it is bad business.

The gentleman from California [Mr. BEILENSON], in good faith has tried to provide as much information as he can, and he has been very helpful. I still have not had an opportunity to review all of this. I am not really concerned about it because I think this bill has been through enough of a process. But I know there are some things in here that we probably do not know about that we would like to ask questions about, and we are providing them protection, and that does worry me because I know we can do better.

Having said that, again I am not making a big fuss about this rule because there is so much important to go forward. But there are patterns here that are disturbing, and I think we have the opportunity to repair those

problems. I hope we will take that opportunity. I do want to thank my friend, the gentleman from California [Mr. BEILENSON], for sharing with me the new information this morning.

Mr. Speaker, I include for the RECORD the rollcall vote in the Rules Committee on this conference report, as follows:

ROLLCALL VOTE IN THE RULES COMMITTEE ON THE RULE FOR THE CONFERENCE REPORT ON H.R. 4603, COMMERCE, JUSTICE, STATE APPROPRIATIONS, WEDNESDAY, AUGUST 17, 1994

1. Dreier Motion on Blanker Waiver Exception—It was moved that a point of order lie against Senate Amendment #131 (relating to immigration) for failure to comply with clause 2 of Rule XX (prohibiting unauthorized or legislative Senate provisions in a conference report). Rejected: 3-4. Yeas: Quillen, Dreier and Goss. Nays: Moakley, Beilenson, Hall and Slaughter. Not Voting: Derrick, Frost, Bonior, Wheat, Gordon, and Solomon.

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

Mr. BEILENSON. Mr. Speaker, for purposes of debate only, I yield so much time as he may desire and consume to the distinguished gentleman from California [Mr. BROWN], chairman of the Committee on Science, Space, and Technology.

Mr. BROWN of California. Mr. Speaker, I thank my distinguished colleague and friend from California, Mr. BEILENSON, for yielding me this time.

I have some problems with this bill, and I am not quite sure about the proper way to approach it. I likewise have some problems with this rule which I will describe in some detail. They follow the comments made by the distinguished gentleman from Florida [Mr. GOSS], who indicated that there were some problems from his standpoint with the rule also.

Before I get to that, let me briefly recite some history which is the basis for some of his concerns, and it goes back at least 2 years ago, and actually before, in this same period of the year when we had appropriation conference reports coming before us with waivers of all points of order, with no notice to the authorizing committees as to material contained in the conference, which was within the jurisdiction of the authorizing committee. We even had a few examples where an effort was made to obscure and obfuscate the content of the conference report in order to prevent its full consideration by the Members of the House.

This is a serious problem. It is a procedural problem. It is a problem with orderly process in the House which needs to be remedied.

Mr. SMITH of Iowa. Mr. Speaker, will the gentleman yield?

Mr. BROWN of California. I am happy to yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Speaker, those instances the gentleman is referring to were not with regard to the bill out of this subcommittee, however. We have always been completely forthcoming.

Mr. BROWN of California. The gentleman is correct.

□ 1120

The specific remarks that I am making are not aimed at this subcommittee unless I specifically identify that they are. I will say to the gentleman from Iowa [Mr. SMITH], and I have told him before, that I have enjoyed an unusual degree of cooperation from him when he was subcommittee chairman and an equally unusual amount of cooperation from the present chairman, who has gone out of his way to keep me notified of material in this bill and in this conference report which he thought would preempt the areas of my concern and the concerns of the Committee on Science, Space, and Technology.

I will use this opportunity to thank both the gentleman from Iowa [Mr. SMITH] and the gentleman from West Virginia [Mr. MOLLOHAN] for the obvious and sincere concern. That does not mean that we have reached perfection. I think they recognize that, and I know the gentleman from West Virginia [Mr. MOLLOHAN] has recognized that because I have gone into some detail to tell him why this bill is not perfect and what improvements I would expect in future years.

Many of the problems in this bill have been, over the years, in large part caused by failures on the part of authorizing committees to fully authorize programs that are contained within this bill. As one of those authorizing committee members, I accept my share of the responsibility for these failures. These failures cumulatively, however, have contributed to a breakdown of the orderly processes of the House, have required that the Subcommittee on Appropriations chairman go to the Committee on Rules and ask for a waiver of all points of order. And this is not really being very helpful to maintaining the orderly course of business in the House.

Now, as a result of the events of 2 years ago, as I started to describe, I and a number of other chairmen of authorizing committees proposed some modest changes in the rules of the House which were intended to require that authorizing committee chairmen be notified of material in the conference report in advance and that we be given the opportunity to discuss these with a certain allotment of time during the debate on the conference report.

All points of order against this bill have been waived. The subcommittee chairman made a good-faith effort to notify me. I cannot say for certain that he has notified me of everything within the jurisdiction of my committee. I have not had the opportunity nor has my staff to review it in full detail.

That is more or less immaterial because the rules have been waived. And if he had not said a word to me, there would still be no point of order that I could raise because the rules are waived.

Similarly, as the gentleman from Florida [Mr. GOSS] pointed out, there has not been a full presentation of all of the violations of the rules contained in this bill. So that the Rules Committee could not have specifically said the rules are waived on this and this and this, but not on this, for whatever the reason.

I would suggest that to the degree that it is possible we probably ought to consider making some additional changes in the rules that would allow at least the Rules Committee to know which rules they were waiving. And if that is not the case at the present time, I think it would be generally helpful. Not that this is absolutely essential in connection with most legislation, but there are many age-old statements about the predisposition of people who have power to use that power. And sometimes to use it in ways which are not in the best interests for all of the community in which they are using that power.

Now I am deeply concerned about that, because to the degree that other Members of the House feel that power is being inappropriately used in the House—and this applies to both Republicans and Democrats, I may assure my friends on the Republican side—to the degree that that perception exists, it creates conditions under which orderly legislation becomes impossible. And we have seen many examples of that.

To the degree that the public perceives that the rules of this body are being violated for the interest of a few people in preferred positions, the confidence of the public in the workings of our democratic system are eroded. And this is at the root of some of the distrust, which we are all aware of, that the public has in their elected representatives.

Now I am taking this time to make this statement in order to let all of my friends know that I am not trying to nitpick with the members of the Appropriations Committee, even less with my good friends on the Committee on Rules. I am trying to make the case that we need to make some changes here in observing the orderly process of the House for the protection of the institution and for its continued credibility in the eyes of the people of the United States.

Now, I do not like this rule waiving all points of order. I have notified the Rules Committee in writing on behalf of my committee that we object to rules waiving all points of order. I intend to vote against this rule because it waives all points of order.

I have not attempted to mount a campaign to secure the defeat of this rule, but I do not want my good friends on the Rules Committee to be surprised

if I should choose to do that in connection with some of the other appropriation bills which are currently pending.

Now, I have reviewed this bill, as I have already indicated, with the chairman, who has been unusually gracious in talking to me about it. And while it is not a perfect bill, it is one that I am going to support. And if the rules passes, as I assume that it will, I will vote for this conference report on final passage.

I hope the chairman of the subcommittee will allow me a little bit of time during debate on the bill to say some of the good things about the bill and also some of the things I might object to in the bill. If he is willing to do that, it will be another indication of his generosity and his respect for his colleagues in the authorizing committee, which I have already praised so eloquently.

Mr. Speaker, I hope it is not merely a reflection of the fact that he is a new chairman, and that these traits will not rapidly dissipate as he gains experience; that he will continue to demonstrate the traits of statesmanship and respect for his colleagues during his tenure as chairman of this important subcommittee.

Mr. GOSS. Mr. Speaker, I would like to commend the chairman, the gentleman from California [Mr. BROWN], who just spoke, on his excellent remarks. I think they are very much on target. I take them to heart as a member of the Committee on Rules, and I hope the Committee on Rules will deal with the points he has raised.

Mr. Speaker, I yield 5 minutes to my distinguished colleague and friend, the gentleman from California [Mr. ROHRABACHER].

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

Mr. Speaker, I rise today on a matter of grave import to the integrity of our country's laws and our Nation's fiscal solvency.

Mr. Speaker, Senate amendment 131, as amended in this conference report, is a legislative provision attached to this appropriations bill, which we have heard an eloquent description of why we should not be doing these things, from my friend and colleague from California, but this opens up a 3-year window for people who wish to flout our country's laws; to do so with impunity.

I want to repeat this, Mr. Speaker, because this provision, put into our bill by Senator KENNEDY, is a violation of both House rules and common sense. We should defeat it. It would, starting this October until October of 1997, if the Kennedy amendment becomes law, we will see that there will be no reason for people who want to come to this country to bother with the normal legal channels. That will be the result of the Kennedy amendment.

All they will have to do is sneak across our border and come up with about $800 by any means possible and then they will be granted temporary residence as long as their application for permanent residence is pending.

The bill makes very clear they may be granted temporary residence for as long as their application for permanent residence is pending. Thus they will be eligible to go through the application process, and during that process they will be here legally. Under this status they will be given a work permit and they will be eligible for all taxpayer-paid benefits, even those that by law are supposed to be denied to illegal aliens.

Mr. Speaker, I would like to read this pertinent part of this section. It says, "an alien physically present in the United States who, (A) entered the United States without inspection; or (B) is within one of the classes enumerated in subsection (c)," which means people who have overstayed their visa, "may apply to the Attorney General for the adjustment of their status."

What we see here is people who are present, who entered the United States without inspection, may apply.

□ 1130

That means they are part of the process. This is nothing more than another loophole that is being created in the same way that people were asking for political asylum have a loophole now, and are costing the taxpayers hundreds of millions of dollars, if not billions of dollars, a year.

Mr. Speaker, my opponents claim that somehow the INS will be able to permit the number of people, or limit the number of people, applying by accepting only those applications from those whose green card applications will be approved. No, they will be all put into the process, a process that will last years, just like political asylum seekers. I do not see from the reading of this language how they can deny people and limit the number of applicants by the way this is written.

Mr. Speaker, I read the House language, and it says, "If you're here, and you snuck across the border or overstayed your visa, you may apply." But let us assume for the purpose of argument that they are right and this new immigration law will not permit anyone who sneaks over the border or overstays their visa to apply. Even if we assume all of that to be true, and I do not, they are still rewarding people who have blatantly violated our laws.

Yes, there are some problems they are trying to correct, but there is the law of unintended consequences, like political asylum, where they are creating vast new problems and expenses for the American taxpayer.

Under this provision, Mr. Speaker, anyone who thinks they are eligible would be a fool to obey our immigration laws and go through the normal process. My opponents' arguments are only about how many illegal aliens we will be rewarding, not whether this provision will make it easier for illegal aliens.

The rules of this House are supposed to protect us against facing such a stark choice as rejecting an entire conference report on a major appropriations bill on one hand or swallowing an egregious legislative provision on the other. Legislative provisions, such as the Kennedy amendment, are supposed to be brought back as amendments in disagreement so the House can vote on them separately. However, the House is now being asked to waive all points of order against this conference report so this violation of the House rules and common sense can go forward.

Well, I beg my colleagues not to permit this to happen, but to allow the normal rules to apply to consideration of the Kennedy amendment so that we can debate this most serious matter separately from the appropriations bill. Thus I am asking my colleagues to vote "no" on the previous question. If the previous question is defeated, I will offer an amendment to the rule which will permit a separate vote on the Kennedy amendment.

Whatever the good intentions of the gentleman from California [Mr. BERMAN], and others, the gentleman from Massachusetts [Mr. KENNEDY], this bill, I believe, and the experts with whom I have conferred also believe, and common sense tells us; a common sense reading, as well as the experts; believe that this bill will be used by illegal aliens and their lawyers to legally stay in our country while their case is pending. They may apply. Thus their case is pending. Lawyers around this country will use this to increase the time and money that it costs us for illegal aliens to stay in this country.

Mr. Speaker, this is another loophole even bigger than the political asylum loophole. It will cost us hundreds of millions, even billions, of dollars to open this legal loophole so any illegal aliens can cross our border and have a legal avenue to stay in our country and receive benefits, Federal benefits, in the meantime. This, as I say, is a political asylum loophole. Why are we doing it?

Vote "no" on this rule. A no vote on the previous question will permit us to have a separate vote on the issue. Those that vote "no" will be responsible. Those who vote "yes," and, if this does come to where illegal aliens are using this and their lawyers are using this as a loophole, costing the taxpayers billions of dollars like political asylum, the voters will hold those Members in Congress responsible who have done this to the American people.

Mr. BEILENSON. Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. BERMAN].

Mr. BERMAN. Mr. Speaker, I thank the gentleman from California [Mr.

BEILENSON] for yielding this time to me, and I just want to initially state that I think this is a very important bill. My sincerest congratulations go out to both the chairman of the subcommittee and the ranking member for putting together a very important bill, a bill of particular importance to people who want to do something about the problem of illegal immigration because, as has been mentioned, there is significant new funds for border patrol, for tougher enforcement of immigration laws, and, for the first time, for the reimbursement for the incarceration of illegal criminal aliens.

My friend, the gentleman from California [Mr. ROHRABACHER] has made what I know to be a sincere point about his concern about a specific provision in this bill, this provision which was sponsored initially on the State Department authorization bill by Senators ALAN SIMPSON and KENNEDY and was actively supported in this conference by Senators SIMPSON and KENNEDY, as well as Senators BYRD and HOLLINGS and DOMENICI and has been reviewed by the appropriations members, both majority and ranking, does not do anything close to what the gentleman from California [Mr. ROHRABACHER] has suggested that it does.

Mr. Speaker, what this amendment is about is, where legally qualified immigrants, immigrants who are entitled to come to this country and to have their status adjusted because either through an employer petition or a family petition, and they have gone through the entire process, and for the process, the very final part of that process, which is the filing of the application and the receiving of the visa papers, the immigration papers, this is about where those people can get their legal immigrant visa. It has nothing to do with whether they get them; it has nothing to do with their eligibility for getting them. It does not create a new immigrant eligibility category or an amnesty window as the gentleman from California [Mr. ROHRABACHER] has referred to in the past. It will not give anyone an immigrant visa who will not get one anyway. It will not increase the total number of immigrants. It does provide, however, substantial, and I am talking about $50 million for new funding for the INS to enforce the borders, to enforce the immigration laws, and it helps, in addition, to fight illegal immigration by freeing State Department consular staff from the useless paperwork that is now a routinized process for granting the visa after the entire process has been completed. It frees them to do the important work of fighting visa fraud and checking out applications for people who seek to enter this country to determine whether their purposes are appropriate and whether they qualify for any of the nonimmigrant visas that these people are supposed to handle.

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To suggest that I would support a provision which would say, for $800 somebody who would not otherwise qualify to come to this country legally, can now get immigrant status is an insult to my intelligence, but that has been insulted many times in the past. to suggest that Senators ALAN SIMPSON, or PETER DOMENICI, or the gentleman from Kentucky, Mr. ROGERS, or any of the other people who have looked at this provision would support such an interpretation is a tremendous leap into fantasy.

I want to give my colleagues one specific example of what this bill is about. This was told to me by a friend, a former Foreign Service officer, worked in the consular office in Guyana. One airline flies to Guyana. When Guyanese who want to come to the United States as illegal immigrants, have been petitioned for, have gone through the entire process, are in the United States, they take that one airline, fly to Guyana. It gets into Guyana that evening. The next morning they go to the American embassy, pick up their visa, their legal immigration papers, and take that afternoon flight back to the United States. This happens over and over again. Ninety-nine percent of these visas are routinely approved. What we are doing with this present ineffective and inefficient system is subsidizing primarily foreign airlines.

So what people like Senator SIMPSON thought was that it made sense instead to raise the fees fivefold, provide a meaningful source of revenue for the INS to fight the illegal immigration, cut out the fiction that something is happening by this ridiculous process, and free up the embassy officials, the consular officials in our foreign posts, to check on whether or not somebody who is claiming to come here on a tourist visa and intends to return, on whether or not they have any kind of criminal background, on all the kinds of things that we do, our consular officials, to be watching for, to protect, American interests.

□ 1140

It is as simple as that. I appreciate the gentleman's misreading one provision in the bill to assume that it allows something that it does not allow or that something might happen that will not happen. This is a revenue producer, and this is an intelligent rationalization of our limited resources. It is supported on a broad bipartisan basis, and I do not think it should be the basis for anyone voting against the previous question.

Mr. GOSS. Mr. Speaker, I yield 2 minutes to the distinguished gentlewoman from Kansas [Mrs. MEYERS].

Mrs. MEYERS of Kansas. Mr. Speaker, I rise in opposition to the rule. In particular, I am opposed to the over $27 million in pork-barrel spending appearing under the Small Business Administration budget. What do I mean by pork barrel? I mean totally unauthorized spending.

Mr. Speaker, this represents over 10 percent of the total Small Business Administration budget for fiscal year 1995, and this amount doesn't even include the totally unauthorized spending for the Tree Program. The Tree Program represents another $15 million in totally unauthorized spending that no one even saw fit to mention at the many hearings and the markup of the Small Business Reauthorization Act.

This is particularly outrageous when you consider that we just had to authorize emergency spending to keep the SBA from running out of money. Why is the SBA out of money? Because over 17 percent of the spending in its budget is pork and unauthorized programs.

Mr. Speaker, I oppose this rule and I oppose this misuse of the taxpayer's money.

Mr. BEILENSON. Mr. Speaker, for the purpose of debate only, I yield 2 minutes to the distinguished gentleman from Wisconsin [Mr. OBEY], chairman of the Committee on Appropriations.

Mr. OBEY. Mr. Speaker, I do not want to take very much time. I simply want to take this opportunity to express my admiration for the work that has been done by the new subcommittee chairman, the gentleman from West Virginia [Mr. MOLLOHAN], and the great cooperation he has received from the gentleman from Kentucky [Mr. ROGERS], the ranking Republican.

As the Members in this House understand, the gentleman from West Virginia [Mr. MOLLOHAN] took over this chairmanship in midstream. He has demonstrated, I believe, an amazingly quick ability to master the contents of this bill. I know he has had an awful lot of help from the gentleman from Iowa [Mr. SMITH], who so ably chaired this subcommittee for years, and I know he has had a great deal of help from the gentleman from Kentucky [Mr. ROGERS]. Despite the fact that we have had some serious and strong differences of opinion on several occasions, those differences of opinion have been worked out in an extremely honorable and gentlemanly manner with the gentleman from Kentucky [Mr. ROGERS].

I just want to say that I think this overall product is very defensible, and I simply want to congratulate the subcommittee for being able to produce this bill and finish its work so quickly, especially under the circumstances, with a new chair at the helm. I simply want to congratulate both gentlemen and indicate my happiness with the way in which the bill has been handled.

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

Mr. OBEY. Surely, I yield to the gentleman from West Virginia.

Mr. MOLLOHAN. Mr. Speaker, I would just like to take this opportunity to thank the chairman of the committee, who also has assumed his responsibilities this year in midstream. I thank him for his help and his cooperation, and I also thank him very much for his kind remarks. I would like to reciprocate and tell the Members what a fine job he has done and express my appreciation for the guidance he has given both the gentleman from Kentucky [Mr. ROSS], and me as we have processed this legislation through the subcommittee.

Mr. OBEY. Mr. Chairman, I think that with all the turmoil surrounding the crime legislation, we have had a remarkable display of leadership from the gentleman and from the ranking Republican as well.

Mr. GOSS. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Illinois [Mr. PORTER].

Mr. PORTER. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I believe the gentleman from Kentucky and the gentleman from West Virginia have done a very fine job with this bill, given very difficult budgetary circumstances. They have prioritized spending to provide funds for the most vital programs.

One of these priority programs is surrogate radio broadcasting to the nations of Asia—Radio Free Asia. Last week, the House adopted the Pelosi bill as amended by Mr. HAMILTON, outlining a framework for promoting human rights and democracy in China. One of the primary elements of the Hamilton amendment was enhanced radio broadcasting to China through VOA and Radio Free Asia. In addition, the President has repeatedly highlighted Radio Free Asia as a cornerstone of his policy toward China and, as you know, the House adopted by an overwhelming margin a floor amendment to the Commerce, Justice, State bill making funds available for Radio Free Asia. Clearly, Radio Free Asia is an idea whose time has come.

This conference report contains $10 million for startup costs for Radio Free Asia and an additional $85 million for short wave radio construction in the Pacific to benefit Radio Free Asia and VOA. The funds are dependent on a report from the Broadcast Board of Governors regarding feasibility, and we will watch carefully what the Board decides. I just want to take a minute to tell Members why this small investment in surrogate broadcasting is so important.

Tyrants use access to information as a tool to keep their hold on power. during the cold war, this practice was used in Eastern Europe by the Soviet-backed Governments there to try to keep their people in the dark about the free world. The United States responded with Radio Free Europe and Radio Liberty. These broadcasts ultimately proved to be instrumental in keeping the people's spirits alive and weakening communism.

Similarly, the North Koreans have practically no access to outside information. The people of North Korea, including right up to the highest levels of the military and government, have no idea what is really happening regarding their country's nuclear program and its standoff with the rest of the world or regarding North Korea's failed economy compared to other nations. They do not know about the economic and political transformations in South Korea. They are kept by their Government from being members of the world community.

Although some Chinese can receive transmissions from Hong Kong or Taiwan, the vast majority have access only to Government-controlled sources of information. They must have access to news that is relevant to them—surrogate broadcasting.

Democracy activists, and potential activists, must know that there are others out there who share their aspirations. VOA is an important voice telling the world about our country and what we believe in. VOA may have a few minutes of China-related news a week. In China, Radio Free Asia would cover solely issues of interest and relevance to Chinese, from Chinese to Chinese, not from Americans to Chinese.

Radio Free Asia will tell the people of North Korea, China, Burma, Vietnam, and Laos exactly what their Governments do not want them to know. Once the silence is broken, the people in these countries, I believe, will be on a path toward democracy, free markets, and greater freedom.

Mr. Speaker, I think the Commission on Broadcasting to the People's Republic of China said it best when they wrote, "The fate of America is intertwined with the fate of American ideals." For individuals around the world, knowledge is freedom. The 1.3 billion people in the countries served by Radio Free Asia have no freedom. I support this investment in freedom, and I urge Members to vote for this conference report.

□ 1150

Mr. BEILENSON. Mr. Speaker, for purposes of debate only, I yield 2 minutes to the gentleman from Georgia [Mr. DARDEN].

Mr. DARDEN. Mr. Speaker, I thank the distinguished gentleman from California for yielding me this time.

Mr. Speaker, I rise today in strong support of this rule. For the people of my State of Georgia, the passage of this rule and subsequently the conference report is critical if they are to be allowed to pick up the pieces of their lives, move forward, and once again become productive in the aftermath of the recent floods.

Many of us represent areas that have experienced disasters. It is one thing to see the results of these disasters on a television screen. It is an entirely different experience to meet with the people affected, talk with them, and understand their hardships.

This bill is just the first of several that we will consider which addresses this crisis. But in some ways it is the most important. To begin with, it is time-critical. The Small Business Administration has already depleted all their disaster relief payments. Quick passage of this bill will let the SBA continue to help small businesses recover and give the people of Georgia, Alabama, and Florida an opportunity to once again become productive within the work force.

Finally, this bill is also important because it will set the tone for our assistance. This is not the time to bicker over methods and procedures. It is time to help our citizens who have been touched by misfortune. I ask for your support and the people of the Southeast ask for your help. I urge overwhelming support and passage of the rule.

Mr. GOSS. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from California [Mr. DREIER], my colleague on the Committee on Rules.

Mr. DREIER. Mr. Speaker, I thank my friend from Sanibel for yielding.

Mr. ROGERS. Mr. Speaker will the gentleman yield?

Mr. DREIER. I yield to the gentleman from Kentucky, the distinguished ranking member of the subcommittee.

Mr. ROGERS. Mr. Speaker, I just wanted to take a few seconds here to compliment the gentleman from Illinois [Mr. PORTER], who most recently spoke, for his dedication and persistence in pushing for the moneys for Radio Free Asia. This is a very historic moment I think in the history of the USIA and the broadcasting sponsored by this Government, because this is the first moneys that will be going into broadcasting on Radio Free Asia.

We all know what has happened with the tremendous success of Radio Liberty and Radio Europe and the Voice of America. But now we enter a new era, and it is thanks in no small measure to the work of the gentleman from Illinois, who pushed and cajoled and worked ceaselessly to get this program off the ground. I wanted to thank the gentleman from Illinois [Mr. PORTER] for his work, and thank the gentleman for yielding.

Mr. DREIER. Mr. Speaker, yesterday the chairman of the Rules Committee half-jokingly referred to those of us who insist on abiding by House rules as a "vigilante committee."

It is a clear indication of just how far we have strayed from normal parliamentary procedure when the chairman of the Rules Committee, of all

committees, ridicules those who believe in upholding the rules of this House—as if we are some kind of a lawless mob intent on violence and vengeance against this body. What have we come to?

Mr. Speaker, last week, when we were debating the crime rule in the Rules Committee, the majority cited to us how many times we have waived all points of order against conference reports in recent times, as if the number of repeat offenses against the standing rules makes it right.

Today we have another rule that waives all points of order against a conference report—your standard, boiler-plate rule for such conference reports, we are led to believe and accept.

I wonder how many Members even know that conference reports do not require special rules—that they are privileged for House floor consideration so long as they are in compliance with the rules?

They only need special rules when they are in violation of House rules. And this conference report apparently is in violation of every important rule that applies to conference reports.

It has not been available to Members for 3 days and therefore violates clause 2 of rule 28. It only became available yesterday. We could take this up tomorrow and it would not need a waiver of the 3-day availability rule.

It contains numerous legislative and unauthorized Senate amendments in violation of clause 2 of rule 20. We were given a list of six such examples, but I understand this is incomplete. There are probably closer to two dozen, but we have not been given an accurate count.

The chairman of the Appropriations Subcommittee who testified before us indicated he did not have such a list.

This conference report contains an unspecified number of provisions that are beyond the scope of anything committed to conference by either body, in violation of clause 3 of rule 28. This is the most serious offense against the House—writing new legislation in conference.

Ordinarily, the Appropriations Committee reports Senate amendments which are legislative in nature or beyond scope as amendments in disagreement to be dealt with separately by motions after the conference report has been agreed to.

In this way, we do not risk defeating the conference report and we can separately examine and vote on those Senate provisions which violate our rules. That applies as well to Senate provisions that are nongermane to the House passed bill.

Under clause 4 of rule 28, if such nongermane Senate provisions are in the conference report, and a point of order is sustained, a motion to reject the provision is debatable for 40 minutes and then voted on. Since the rejection of a nongermane provision defeats the conference report, these are usually reported outside the conference report as amendments in disagreement. In that way, they can be dealt with without defeating the conference report.

Mr. Speaker, I have taken the time to recite these rules since they are not specifically waived in this rule. Instead, we have a so-called blanket waiver that literally covers, or cover up, a variety of sins of which we have not been made fully aware, either by the Rules Committee majority or the committee bringing a conference report.

Last year, in January, when this House adopted its rules, a new rule was adopted allowing an authorizing chairman, and we have one of them sitting right here on the House floor, to have a preferential motion to disagree to any Senate amendment of a legislative nature that is reported in disagreement on an appropriations bill.

That was presumably done to protect the prerogatives of authorizing committees against Senate authorizing language in an appropriations bill. But, when such provisions are included in the conference report and protected against points of order, and has been done today in some two dozen instances, the authorizing committees have no recourse or protection. They must swallow the violations whole or reject the conference report.

Mr. Speaker, this is a wakeup call for authorizing chairmen out there as well as for all House Members. This is not just minority moaning, and it is certainly not vigilantism. These rules were designed to protect all of us, regardless of party, against the abuses being perpetrated by the other body.

You have a right to know what those violations are and to deal separately with them. That right is being denied by rules such as this.

I say this is not in criticism of our conferees who had a very difficult task in dealing with some 162 Senate amendments. This may well be a very good conference report and the best that they could get.

But that does not recuse them from bringing this up in the normal manner of reporting egregious violations as amendments in disagreement and letting the House deal with each separately.

Mr. Speaker, I realize that this conference report is time sensitive due to the expiration on Wednesday of this week of the SBA Disaster Assistance Loan Program. But I do not think waiting 1 more day so that Members do have the opportunity to review this within the 3 days required by our rules would do great violence to that program or the rest of this report.

Nor do I think the conference report would suffer any setbacks if we had taken up the various Senate provisions that violate our rules as amendments in disagreement.

Let us get back to upholding our rules for the sake of more rational, deliberative, and informed decisionmaking around here.

Mr. GOSS. Mr. Speaker, I yield 1 minute to the distinguished gentleman from California [Mr. ROHRABACHER].

□ 1200

Mr. ROHRABACHER. Mr. Speaker, I would like to remind my colleagues that this vote and the vote that I will call on the previous question, a yes vote on the previous question will be interpreted by the organizations that are fighting illegal immigration as a proillegal immigration vote.

Let me note, I have the bill in front of me here. It states that those people who can apply for the process, thus get into the process, they may apply, including those people who have entered the United States without inspection.

This will be interpreted by lawyers throughout the United States as just another loophole, as we have seen through the asylum cases. It will cost us hundreds of millions of dollars. If that happens, the people who have voted yes on the previous question will be responsible, because they will be denying me a right to bring this up and have a separate vote on this very important issue.

Let us note the procedures have not been properly seen to on this whole debate. The fact is, there were never any hearings in the Committee on the Judiciary on this.

This is a bad procedure. It is a bad law. Vote "no" on the previous question.

Mr. GOSS. Mr. Speaker, I yield myself the balance of my time.

I want to say that we have already seen what happens. We have had a couple of authorizers come to the well and say that they have been a little surprised.

The gentlewoman from Kansas [Mrs. MEYERS], our ranking member on the Committee on Small Business, has said that she is outraged that what has been put in this bill that she did not know about.

That is the problem that my colleague, the gentleman from California [Mr. DREIER], has spoken about, legislating outside of the legislative rules of the House in the conference committee. That causes surprises, and I am looking here at the CONGRESSIONAL RECORD. It has pages of projects with lots of money involved. If I started reading these, I am sure that a lot of Members would be surprised about what is in here, and I am sure a lot of Americans would be asking questions about what exactly are we doing.

I think that perhaps the conferees can answer those questions, and the appropriations can answer those questions. But when we do it this way, we do not know what we are waiving. That is the mistake.

I want to thank the gentleman from California [Mr. BEILENSON], my friend, for trying to share with us as complete information as he had on this, but even with those extra efforts made by the gentleman from California [Mr. BEILENSON], we still have not come to a good solution on this.

I think that there is a problem brewing. I think we know about it. We can fix it. I hope we will fix it in the Committee on Rules.

Mr. BEILENSON. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, in concluding, let me say that it is my belief, and the belief, I think, of the majority of Members who have listened to this debate, both here today and on the floor of the House and also yesterday for some period of time in the Committee on Rules that the understanding of our colleague, the gentleman from California [Mr. ROHRABACHER], on the bill is totally and utterly incorrect.

I refer again to the thoughtful comments of our colleague and friend, the gentleman from California [Mr. BERMAN], who just several minutes ago spent some time explaining why in fact that is the case.

Mr. Speaker, in concluding, let me also remind our colleagues that the waivers granted by this rule protect agencies without authorization, which I believe the great majority of us strongly and fully support, and for several general provisions, most of which have been carried for years in previous bills, also protected as they have to be this year.

Mr. Speaker, I urge our colleagues to support this rule so that we may proceed to consideration of the conference report.

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

The SPEAKER pro tempore (Mr. FIELDS of Louisiana). The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ROHRABACHER. 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.

Pursuant to the provisions of clause 5 of rule XV, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the question of adoption of the resolution. This is a 15-minute vote that may be followed by a 5-minute vote.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 241, nays 172, not voting 21, as follows:

[Roll No. 406]

YEAS—241

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Bacchus (FL)
Baesler
Barca
Barcia
Barlow
Barrett (WI)
Beilenson
Berman
Bevill
Bilbray
Bishop
Blackwell
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Byrne
Callahan
Cantwell
Cardin
Carr
Chapman
Clay
Clayton
Clyburn
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Condit
Conyers
Coppersmith
Costello
Coyne
Cramer
Danner
Darden
de la Garza
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Edwards (TX)
Engel
English
Eshoo
Evans
Everett
Farr
Fazio
Fields (LA)
Filner
Fingerhut
Foglietta
Ford (MI)
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Glickman
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Harman
Hastings
Hefner
Hilliard
Hinchey
Hoagland
Hochbrueckner
Holden
Hoyer
Hughes
Inslee
Jefferson
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kopetski
Kreidler
LaFalce
Lambert
Lancaster
LaRocco
Laughlin
Lehman
Levin
Lewis (GA)
Lipinski
Livingston
Lloyd
Long
Lowey
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Morella
Murphy
Murtha
Myers
Nadler
Neal (MA)
Neal (NC)
Oberstar
Obey
Olver
Ortiz
Orton
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Pickle
Pomeroy
Poshard
Price (NC)
Rahall
Reed
Regula
Richardson
Roemer
Rogers
Rostenkowski
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Sawyer
Schenk
Schroeder
Schumer
Scott
Serrano
Sharp
Shepherd
Sisisky
Skaggs
Skelton
Slaughter
Smith (IA)
Spratt
Stark
Stokes
Strickland
Studds
Stupak
Swett
Swift
Synar
Tanner
Tauzin
Tejeda
Thompson
Thornton
Torres
Torricelli
Towns
Traficant
Tucker
Unsoeld
Valentine
Velazquez
Vento
Visclosky
Volkmer
Waters
Watt
Waxman
Wheat
Whitten
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates

NAYS—172

Allard
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Bereuter
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bunning
Burton
Buyer
Calvert
Camp
Canady
Castle
Clinger
Coble
Combest
Cox
Crane
Crapo
Cunningham
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Emerson
Ewing
Fawell
Fields (TX)
Fish
Fowler
Franks (CT)
Franks (NJ)
Gallegly
Gekas
Gilchrest
Gillmor
Gilman
Gingrich
Goodlatte
Goodling
Goss
Grams
Grandy
Greenwood
Gunderson
Hancock
Hansen
Hastert
Hayes
Hefley
Herger
Hobson
Hoekstra
Hoke
Horn
Houghton
Huffington
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Istook
Jacobs
Johnson (CT)
Johnson, Sam
Kasich
Kim
King
Kingston
Klug
Knollenberg
Kyl
Lazio
Leach
Levy
Lewis (CA)
Lewis (FL)
Lewis (KY)
Lightfoot
Linder
Lucas
Machtley
Manzullo
McCandless
McCollum
McCrery
McCurdy
McHugh
McInnis
McKeon
McMillan
Meyers
Mica
Michel
Miller (FL)
Molinari
Moorhead
Nussle
Oxley
Packard
Paxon
Petri
Pombo
Porter
Portman
Pryce (OH)
Quillen
Quinn
Ramstad
Ravenel
Ridge
Roberts
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Santorum
Sarpalius
Saxton
Schaefer
Schiff
Sensenbrenner
Shaw
Shays
Shuster
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stenholm
Stump
Talent
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (WY)
Thurman
Upton
Vucanovich
Walker
Walsh
Weldon
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—21

Becerra
Clement
Cooper
Flake
Ford (TN)
Gallo
Klein
Klink
Lantos
McDade
Owens
Pickett
Rangel
Reynolds
Rose
Skeen
Slattery
Smith (MI)
Sundquist
Torkildsen
Washington

□ 1223

Messrs. JACOBS, BUYER, HAYES, STENHOLM, and McCURDY changed their vote from "yea" to "nay."

Messrs. CONDIT, RUSH, EVERETT, and INSLEE changed their vote from "nay" to "yea."

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. FIELDS of Louisiana). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. DREIER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 235, nays 175. not voting 24, as follows:

[Roll No. 407]

YEAS—235

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate

Bacchus (FL)
Baesler
Barca
Barcia
Barlow
Barrett (WI)
Bellenson
Berman
Bevill
Bilbray
Bishop
Blackwell
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (FL)
Brown (OH)
Bryant
Byrne
Cantwell
Cardin
Carr
Chapman
Clay
Clayton
Clinger
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Coppersmith
Costello
Coyne
Cramer
Danner
Darden
de la Garza
Deal
DeFazio
DeLauro
Dellums
Derrick
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Edwards (TX)
Engel
English
Eshoo
Evans
Farr
Fazio
Fields (LA)
Filner
Fingerhut
Fish
Foglietta
Ford (MI)
Frank (MA)
Frost
Gejdenson
Gephardt
Geren
Gibbons
Glickman
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Harman
Hastings
Hefner
Hilliard
Hinchey
Hoagland
Hochbrueckner
Holden
Hoyer
Hughes
Inslee
Jacobs
Jefferson
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Klink
Kolbe
Kopetski
Kreidler
LaFalce
Lambert
Lancaster
LaRocco
Laughlin
Lehman
Levin
Lewis (GA)
Lipinski
Lloyd
Long
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Morella
Murphy
Murtha
Myers
Nadler
Neal (MA)
Neal (NC)
Oberstar
Obey
Olver
Ortiz
Orton
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Pickle
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reed
Richardson
Roemer
Rogers
Rostenkowski
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Sawyer
Schenk
Schroeder
Schumer
Scott
Serrano
Sharp
Shepherd
Sisisky
Skaggs
Slaughter
Smith (IA)
Spratt
Stark
Stokes
Strickland
Studds
Stupak
Swett
Swift
Synar
Tanner
Tejeda
Thompson
Thornton
Torres
Torricelli
Towns
Traficant
Tucker
Unsoeld
Velazquez
Vento
Visclosky
Volkmer
Waters
Watt
Waxman
Wheat
Whitten
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates

NAYS—175

Allard
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Bereuter
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Brown (CA)
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Coble
Collins (GA)
Combest
Cox
Crane
Crapo
Cunningham
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Emerson
Everett
Ewing
Fawell
Fields (TX)
Fowler
Franks (CT)
Franks (NJ)
Gallegly
Gallo
Gekas
Gilchrest
Gillmor
Gilman
Gingrich
Goodlatte
Goodling
Goss
Grandy
Greenwood
Gunderson
Hancock
Hansen
Hastert
Hayes
Hefley
Herger
Hobson
Hoekstra
Hoke
Horn
Houghton
Huffington
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Istook
Johnson, Sam
Kasich
Kim
King
Kingston
Klug
Knollenberg
Kyl
Lazio
Leach
Levy
Lewis (CA)
Lewis (FL)
Lewis (KY)
Lightfoot
Linder
Lucas
Machtley
Manzullo
McCandless
McCollum
McCrery
McCurdy
McHugh
McInnis
McKeon
McMillan
Meyers
Mica
Michel
Miller (FL)
Molinari
Moorhead
Nussle
Oxley
Packard
Paxon
Petri
Pombo
Porter
Portman
Pryce (OH)
Quillen
Quinn
Ramstad
Ravenel
Regula
Ridge
Roberts
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Santorum
Sarpalius
Saxton
Schaefer
Schiff
Sensenbrenner
Shaw
Shays
Shuster
Skeen
Skelton
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stenholm
Stump
Talent
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thurman
Torkildsen
Upton
Vucanovich
Walker
Walsh
Weldon
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—24

Becerra
Clement
Cooper
Deutsch
Flake
Ford (TN)
Furse
Grams
Johnson (CT)
Klein
Lantos
Livingston
Lowey
McDade
Owens
Pickett
Reynolds
Rose
Slattery
Smith (MI)
Sundquist
Thomas (WY)
Valentine
Washington

□ 1233

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment, a bill of the House of the following title:

H.R. 4790. An act to designate the United States courthouse under construction in St. Louis, Missouri, as the "Thomas F. Eagleton United States Courthouse."

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2073. An act to designate the United States courthouse that is scheduled to be constructed in Concord, New Hampshire, as the "Warren B. Rudman United States Courthouse", and for other purposes.

PERSONAL EXPLANATION

Mr. SMITH of Michigan. Mr. Speaker, I request that the record show that I was absent for rollcall votes number 406 and number 407 for medical reasons. Had I been here I would have voted "no" on the previous question and "no" on the rule.

MODIFICATIONS IN APPOINTMENT OF CONFEREES ON S. 1587, FEDERAL IMPROVEMENT ACT OF 1994 ACQUISITION

The SPEAKER pro tempore (Mr. FIELDS of Louisiana. Without objection, under the authority granted in clause 6 of rule X, the Speaker hereby modifies the appointment of conferees on the Senate bill (S. 1587) to revise and to realine the acquisition laws of the Federal Government, and for other purposes, as follows:

As additional conferees from the Committee on Energy and Commerce, for consideration of sections 4024(g), 6003(a)(4) and (b)(4), and 8005(c)(6) of the Senate bill, and modifications committed to conference: Messrs. DINGELL, SWIFT, and MOORHEAD.

There was no objection.

The SPEAKER pro tempore. The Clerk will notify the Senate of the change in conferees.

COMMUNICATION FROM THE HONORABLE PAUL MCHALE, MEMBER OF CONGRESS

The SPEAKER pro tempore. Laid before the House the following communication from the Honorable PAUL MCHALE, Member of Congress:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, August 17, 1994.

Hon. THOMAS S. FOLEY,
Speaker of the House of Representatives,
The Capitol, Washington, DC.

DEAR MR. SPEAKER: This is to formally notify you, pursuant to Rule L (50) of the Rules of the House, that my office has been served with a subpoena issued by the Commonwealth of Pennsylvania, County of Lehigh.

After consultation with the General Counsel to the House, I have determined that compliance with the subpoena is not inconsistent with the privileges and precedents of the House.

Sincerely,

PAUL MCHALE.

CONFERENCE REPORT ON H.R. 4603, DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 1995, AND FISCAL YEAR 1994 SUPPLEMENTAL APPROPRIATIONS

Mr. MOLLOHAN. Mr. Speaker, I call up the conference report on the bill (H.R. 4603) making appropriations for the Department of Commerce, Justice, and State, the Judiciary, and related agencies programs for the fiscal year ending September 30, 1995, and making supplemental appropriations for these departments and agencies for the fiscal year ending September 30, 1994, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 523, the conference report is considered as having been read.

(For conference report and statement see Proceedings of the House of August 16, 1994, at page 22576.)

The SPEAKER pro tempore. The gentleman from West Virginia [Mr. MOLLOHAN] will be recognized for 30 minutes, and the gentleman from Kentucky [Mr. ROGERS] will be recognized for 30 minutes.

The Chair recognizes the gentleman from West Virginia [Mr. MOLLOHAN].

GENERAL LEAVE

Mr. MOLLOHAN. 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 now under consideration, and that I may include tabular and extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

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

Mr. Speaker, I am pleased to present this conference report to this body for its consideration today. Members should know that throughout the many months of hearings and markup and conference this has been, for the most part, a bipartisan effort. The distinguished ranking minority member, the gentleman from Kentucky [Mr. ROGERS], has been a partner in fashioning this legislation. He is especially capable. His constituents know that, obviously, returning him year after year, and his input has been incorporated throughout this legislation. Whether in supporting or opposing various provisions, his efforts have always been constructive.

Members know how important the funding provisions in this bill are to them and to their constituents. I think that Members will be pleased, especially pleased to go back home and tell their constituents that they are supporting significant increases in crime fighting, and crime fighting is the centerpiece of this appropriations legislation. And they will be pleased to tell their constituents that they are supporting emergency funding relief to those who are suffering from the ravages of floods, fires, and the aftermath of earthquakes.

□ 1240

Mr. Speaker, the conference agreement provides a total of $26,345,687,000 in discretionary new budget authority for the fiscal year 1995. This amount is $851,071,000 below the President's request, and $108 million below this committee's section 602(b) allocation for the bill.

The conference agreement includes the following supplemental appropriations for the fiscal year 1994, and I would bring them to the Members' special attention, Mr. Speaker, because they are important. They address dire imminent needs facing those who have suffered the ravages of disasters recently. The conference agreement appropriates $470 million in emergency supplemental appropriations for the Small Business Administration's disaster loans program account to aid the victims of the flooding in Georgia, Florida, and Alabama. These funds go to provide the remaining requirement for the victims of the Los Angeles earthquake, and also, Mr. Speaker, go to aid the victims of the wildfires in several of our western States that are now burning.

In addition, the supplemental includes $55 million in emergency appropriations for the Economic Development Administration to provide emergency assistance for the disasters that I just mentioned. Also, in the supplemental, Mr. Speaker, there is $670 million for the United States' assessed contributions for international peacekeeping operations.

Mr. Speaker, in regard to these emergencies, the body should understand that the Small Business Administration has advised our committee that, as of this week, the SBA has no more disaster loan funds available. Therefore, Mr. Speaker, it is absolutely critical that the House and the Senate approve this conference report this week and send it to the President so that the disaster funds that I just mentioned will be provided to those victims of the floods in Georgia, Florida, and Alabama and the Los Angeles earthquake and those wildfires in the western States.

Mr. Speaker, beyond the supplementals, I hope that the body agrees, and I know the gentleman from Kentucky [Mr. ROGERS] and I and members of the committee who have worked so hard believe that this is an excellent conference report.

With respect to the Department of Justice, the conference agreement provides $12,304,550,000. That is an increase of $162 million above the House-passed bill.

Mr. Speaker, that is a $2.7 billion increase in crime-fighting money over the fiscal year 1994 funding. Now, this total includes $2.2 billion for the FBI, and that is an increase of $28 million above the amount we had in the House bill when it passed a few weeks ago.

This bill contains $757 million for the Drug Enforcement Administration, and that is an increase of $15 million above the House bill. It includes $2.4 billion to operate the Federal Prison System and $397 million for the Marshals' Service, and that is an increase of $7 million above the House bill.

The conference agreement also includes $2.345 billion to fund the Justice Department programs that would be authorized to be appropriated out of the crime trust fund in the pending crime bill, and that includes, Mr. Speaker, $1.3 billion for the President's community policing initiative. It includes $284 million for the President's immigration initiatives, and that includes, Mr. Speaker, money for an additional 1,000 new Border Patrol agents on the line that are attempting to keep illegal aliens out of the country.

Mr. Speaker, we also have $130 million to reimburse States for the incarceration of illegal aliens. When the bill came through the House, that was not a separate line item. We listened to the concerns of Members, particularly from those States that have the greatest illegal alien problem and have a large number of illegal criminal aliens that they are incarcerating.

This authorization was created, I believe, in the late 1980's. We are pleased, as a matter of fact, to be the first subcommittee to fund this, and out of conference, we are bringing it out as a separate line item in response to the interests, concerns, and expressions of a number of Members in the House and the Senate.

There is also $100 million in this legislation to implement the Brady Act.

The conference agreement is also very responsive, Mr. Speaker, to the President's initiative to create jobs through the civilian technology and economic development initiatives in the Department of Commerce.

The conference agreement provides a total of $4,218,138,000 for the Department, and that is an increase of $188 million above the House.

For the Small Business Administration, the conference agreement provides a total of $815 million.

The conference agreement provides a total of $4,196,000,000 for the Department of State. That is an increase of $15 million above the House amount.

And for the Federal Judiciary, Mr. Speaker, the conference agreement provides a total of $2.9 billion, an increase of $15 million above the House bill.

Mr. Speaker, in closing my initial remarks on the conference report, I am very pleased to give recognition to a fine group of staff who throughout this long process, throughout the hearings and the conferences and the floor appearances, have worked especially hard and very competently to make sure that we were prepared: To John Osthaus, who is the staff director, I express my appreciation, as well as to George Schafer, Sally Chadbourne, and Soo Jin Kwon, and to the minority staff, Mr. Speaker, who have been of tremendous help and worked just as hard, Liz Dawson and Jennifer Miller. I express my sincere appreciation for all of their hard work.

Mr. Speaker, I repeat, this is an excellent conference report, and I commend it to our colleagues.

Mr. Speaker, I will insert a comparative table at this point in the RECORD which shows the fiscal year 1994 enacted level, the fiscal year 1995 budget request, the House level, the Senate level, and the conference level for each of the appropriations accounts in the bill:

COMMERCE-JUSTICE-STATE-JUDICIARY APPROPRIATIONS BILL, FY 1995 (H.R. 4603)

	FY 1994 Enacted	FY 1995 Estimate	House	Senate	Conference	Conference compared with enacted
TITLE I - DEPARTMENT OF JUSTICE AND RELATED AGENCIES						
DEPARTMENT OF JUSTICE						
Office of Justice Programs						
Justice Assistance	90,105,000	79,575,000	94,100,000	98,600,000	98,100,000	+7,995,000
State and local law enforcement:						
Discretionary grants	474,500,000	125,000,000	68,500,000	68,000,000	62,000,000	-412,500,000
Byrne formula grants (crime trust fund)	.....	.....	804,280,000	423,000,000	450,000,000	+450,000,000
Total, State and local law enforcement	474,500,000	125,000,000	872,780,000	491,000,000	512,000,000	+37,500,000
Juvenile justice programs	115,000,000	160,000,000	157,750,000	153,750,000	155,250,000	+40,250,000
Crime trust fund:						
Upgrade criminal history records	.....	.....	.....	100,000,000	100,000,000	+100,000,000
Community policing	.....	.....	1,332,000,000	.....	.....	.....
State Correctional Grants	.....	.....	.....	175,000,000	24,500,000	+24,500,000
Drug Courts	.....	.....	.....	100,000,000	29,000,000	+29,000,000
Violence Against Women Grants	.....	.....	.....	86,000,000	28,000,000	+28,000,000
Community Schools Supervision Grants	.....	.....	.....	37,000,000	.....	.....
Ounce of Prevention Council	.....	.....	.....	3,000,000	1,500,000	+1,500,000
State Criminal Alien Assistance Program	.....	350,000,000	.....	.....	130,000,000	+130,000,000
(Transfer from International organizations and peacekeeping activities)	.....	.....	.....	(350,000,000)	.....	.....
Other crime trust fund	.....	403,000,000	.....	.....	.....	.....
Public safety officers benefits program:						
Death benefits	28,936,000	27,645,000	27,645,000	27,645,000	27,645,000	-1,291,000
Disability benefits	.....	2,072,000	2,072,000	2,072,000	2,072,000	+2,072,000
Total, Office of Justice Programs	708,541,000	1,147,292,000	2,486,347,000	1,272,067,000	1,106,067,000	+397,526,000
General Administration						
Salaries and expenses:						
Direct appropriation	119,000,000	121,267,000	119,904,000	121,267,000	120,185,000	+1,185,000
Executive Office of Immigration Review (crime trust fund)	.....	24,300,000	24,069,000	24,300,000	17,400,000	+17,400,000
Total, salaries and expenses	119,000,000	145,567,000	143,973,000	145,567,000	137,585,000	+18,585,000
Office of Inspector General	30,000,000	30,423,000	30,500,000	30,500,000	30,500,000	+500,000
Community policing (crime trust fund)	.....	1,720,000,000	.....	1,300,000,000	1,300,000,000	+1,300,000,000
Weed and Seed Fund	13,150,000	13,458,000	13,150,000	13,456,000	13,456,000	+306,000
Total, general administration	162,150,000	1,909,448,000	187,623,000	1,489,523,000	1,481,541,000	+1,319,391,000
United States Parole Commission						
Salaries and expenses	9,123,000	8,951,000	7,451,000	7,451,000	7,451,000	-1,672,000
Legal Activities						
Salaries and expenses, general legal activities:						
Direct appropriation	403,968,000	430,751,000	411,786,000	428,684,000	417,202,000	+13,234,000
Civil division (crime trust fund)	.....	4,700,000	4,695,000	2,000,000	4,600,000	+4,600,000
Total, salaries and expenses	403,968,000	435,451,000	416,481,000	430,684,000	421,802,000	+17,834,000
Vaccine injury compensation trust fund	2,000,000	3,000,000	2,500,000	2,500,000	2,500,000	+500,000
Independent counsel (permanent, indefinite)	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	.....
Civil liberties public education fund (permanent, definite)	100,000,000	.....	.....	.....	.....	-100,000,000
Civil liberties public education fund	.....	5,000,000	5,000,000	5,000,000	5,000,000	+5,000,000
Salaries and expenses, Antitrust Division:						
Budget authority	70,717,000	75,155,000	79,155,000	85,155,000	85,155,000	+14,438,000
Offsetting fee collections - carryover	-3,900,000	.....	-3,500,000	.....	-4,500,000	-600,000
Total, new budget authority	66,817,000	75,155,000	75,655,000	85,155,000	80,655,000	+13,838,000
Offsetting fee collections - current year	-20,820,000	-20,820,000	-20,820,000	-20,820,000	-25,000,000	-4,180,000
Existing law change - increased fees	.....	-12,640,000	-14,640,000	-12,640,000	-14,640,000	-14,640,000
Direct appropriation	45,997,000	41,695,000	40,195,000	51,695,000	41,015,000	-4,982,000
Salaries and expenses, United States Attorneys:						
Direct appropriation	813,797,000	827,131,000	820,177,000	832,723,000	829,723,000	+15,926,000
Violent crime task force	.....	.....	.....	25,000,000	15,000,000	+15,000,000
Immigration initiative (crime trust fund)	.....	6,800,000	6,799,000	.....	6,800,000	+6,800,000
Total, salaries and expenses	813,797,000	833,931,000	826,976,000	857,723,000	851,523,000	+37,726,000
United States Trustee System Fund	99,000,000	108,260,000	100,469,000	104,889,000	103,190,000	+4,190,000
Offsetting fee collections	-37,487,000	-40,597,000	-38,876,000	-40,597,000	-40,597,000	-3,110,000
Direct appropriation	61,513,000	65,663,000	61,593,000	64,292,000	62,593,000	+1,080,000
Salaries and expenses, Foreign Claims Settlement Commission	940,000	830,000	830,000	830,000	830,000	-110,000
Salaries and expenses, United States Marshals Service	339,808,000	364,705,000	390,185,000	403,055,000	396,847,000	+57,039,000

COMMERCE-JUSTICE-STATE-JUDICIARY APPROPRIATIONS BILL, FY 1995 (H.R. 4603), continued

	FY 1994 Enacted	FY 1995 Estimate	House	Senate	Conference	Conference compared with enacted
Support of United States prisoners	312,884,000	369,916,000	299,465,000	295,216,000	295,216,000	-14,668,000
Fees and expenses of witnesses	103,022,000	78,000,000	78,000,000	78,000,000	78,000,000	-25,022,000
Salaries and expenses, Community Relations Service	26,106,000	20,379,000	20,379,000	20,379,000	20,379,000	-5,727,000
Assets forfeiture fund	55,000,000	55,000,000	55,000,000	55,000,000	55,000,000	
Total, Legal activities	2,269,035,000	2,277,570,000	2,200,604,000	2,271,354,000	2,237,705,000	-31,330,000
Radiation Exposure Compensation						
Administrative expenses	2,868,000	2,855,000	2,855,000	2,855,000	2,855,000	-13,000
Interagency Law Enforcement						
Organized crime drug enforcement	382,381,000	369,943,000	383,250,000	369,943,000	374,943,000	-7,438,000
Federal Bureau of Investigation						
Salaries and expenses	1,974,305,000	2,046,667,000	2,093,818,000	2,146,111,000	2,122,471,000	+148,166,000
FBI Fingerprint identification	84,400,000	84,400,000	84,400,000	84,400,000	84,400,000	
Total, Federal Bureau of Investigation	2,058,705,000	2,131,067,000	2,178,218,000	2,230,511,000	2,206,871,000	+148,166,000
Drug Enforcement Administration						
Salaries and expenses:						
Budget authority	764,123,000	763,773,000	785,928,000	804,232,000	800,635,000	+36,512,000
Diversion control fund	-42,123,000	-43,431,000	-43,431,000	-43,431,000	-43,431,000	-1,308,000
Direct appropriation	722,000,000	720,342,000	742,497,000	760,801,000	757,204,000	+35,204,000
Immigration and Naturalization Service						
Salaries and expenses:						
General fund appropriation	1,048,538,000	1,146,930,000	1,098,602,000	1,164,856,000	1,102,671,000	+54,133,000
Immigration initiative (crime trust fund)		264,200,000	251,157,000	264,200,000	100,800,000	+100,800,000
Border control system modernization (crime trust fund)					154,800,000	+154,800,000
Subtotal	1,048,538,000	1,411,130,000	1,349,759,000	1,429,056,000	1,357,871,000	+309,333,000
Immigration legalization fund	(4,344,000)	(3,499,000)	(3,499,000)	(3,499,000)	(3,499,000)	(-845,000)
Immigration user fund	(287,012,000)	(321,291,000)	(321,291,000)	(321,291,000)	(321,291,000)	(+34,279,000)
Land border inspection fund	(1,500,000)	(1,585,000)	(1,585,000)	(1,585,000)	(1,585,000)	(+85,000)
Immigration examinations fund	(277,971,000)	(352,296,000)	(352,296,000)	(352,296,000)	(291,097,000)	(+13,126,000)
Breached bond fund	(5,900,000)	(6,221,000)	(6,221,000)	(6,221,000)	(6,221,000)	(+321,000)
Total, Salaries and expenses	(1,625,266,000)	(2,096,022,000)	(2,034,651,000)	(2,113,948,000)	(1,981,564,000)	(+356,299,000)
Immigration Emergency Fund	6,000,000			6,500,000	75,000,000	+69,000,000
Construction				100,000,000	50,000,000	+50,000,000
Total, Immigration and Naturalization Service	(1,631,266,000)	(2,096,022,000)	(2,034,651,000)	(2,222,448,000)	(2,106,564,000)	(+475,299,000)
Federal Prison System						
Salaries and expenses:						
Budget authority	1,980,000,000	2,406,504,000	2,356,404,000	2,400,104,000	2,386,404,000	+406,404,000
Prior year carryover	-30,000,000				-30,000,000	
Direct appropriation	1,950,000,000	2,406,504,000	2,356,404,000	2,400,104,000	2,356,404,000	+406,404,000
National Institute of Corrections	10,211,000	10,144,000	10,344,000	10,144,000	10,344,000	+133,000
Buildings and facilities	269,543,000	191,021,000	236,094,000	243,324,000	280,494,000	+10,951,000
Federal Prison Industries, Incorporated (limitation on administrative expenses)	(3,395,000)	(3,463,000)	(3,463,000)	(3,463,000)	(3,463,000)	(+68,000)
Total, Federal prison system	2,229,754,000	2,607,669,000	2,604,842,000	2,653,572,000	2,647,242,000	+417,488,000
Total, Department of Justice	9,598,895,000	12,588,065,000	12,143,246,000	12,595,433,000	12,304,550,000	+2,705,655,000
(Limitation on administrative expenses)	(3,395,000)	(3,463,000)	(3,463,000)	(3,463,000)	(3,463,000)	(+68,000)
RELATED AGENCIES						
Commission on Civil Rights						
Salaries and expenses	7,776,000	10,146,000	9,500,000	8,413,000	9,000,000	+1,224,000
Equal Employment Opportunity Commission						
Salaries and expenses	230,000,000	244,804,000	238,000,000	240,000,000	233,000,000	+3,000,000
Federal Communications Commission						
Salaries and expenses:						
Budget authority	160,300,000	166,832,000	166,832,000	198,232,000	185,232,000	+24,932,000
Offsetting fee collections - current year	-60,400,000	-95,000,000	-116,400,000	-116,400,000	-116,400,000	-56,000,000
Existing law change - increased fees		-72,400,000				
Direct appropriation	99,900,000	-568,000	50,432,000	81,832,000	68,832,000	-31,068,000

COMMERCE-JUSTICE-STATE-JUDICIARY APPROPRIATIONS BILL, FY 1995 (H.R. 4603), continued

	FY 1994 Enacted	FY 1995 Estimate	House	Senate	Conference	Conference compared with enacted
Federal Maritime Commission						
Salaries and expenses	18,900,000	18,569,000	18,569,000	18,569,000	18,569,000	-331,000
Federal Trade Commission						
Salaries and expenses:						
Budget authority	92,560,000	95,426,000	96,926,000	96,926,000	98,926,000	+6,366,000
Offsetting fee collections - carryover	-3,820,000		-3,500,000		-4,500,000	-680,000
Total, new budget authority	88,740,000	95,426,000	95,426,000	96,926,000	94,426,000	+5,686,000
Offsetting fee collections - current year	-20,820,000	-20,820,000	-20,820,000	-20,820,000	-25,000,000	-4,180,000
Existing law change		-12,640,000	-14,640,000	-12,640,000	-14,640,000	-14,640,000
Direct appropriation	67,920,000	61,966,000	59,966,000	65,466,000	54,786,000	-13,132,000
National Commission to Support Law Enforcement						
Salaries and expenses (by transfer)	(500,000)					(-500,000)
Securities and Exchange Commission						
Salaries and expenses:						
Budget authority	269,150,000	308,000,000	59,643,000	304,562,000	133,599,000	-135,551,000
Offsetting fee collections - carryover	-30,840,000		-50,148,000		-50,148,000	-19,308,000
Total, new budget authority	238,310,000	308,000,000	9,495,000	304,562,000	83,451,000	-154,859,000
Offsetting fee collections - current year	-180,454,000	-308,000,000		-238,131,000		+180,454,000
Investment adviser fee - offsetting collection			-8,595,000	-8,595,000	-8,595,000	-8,595,000
Direct appropriation	57,856,000		900,000	57,856,000	74,856,000	+17,000,000
State Justice Institute						
Salaries and expenses 1/	13,550,000	15,000,000	13,550,000	13,550,000	13,550,000	
Total, related agencies	495,902,000	349,919,000	360,919,000	486,588,000	472,595,000	-23,307,000
Total, title I, Department of Justice and related agencies	10,094,797,000	12,935,984,000	12,534,165,000	13,081,121,000	12,777,145,000	+2,682,348,000
(By transfer)	(500,000)			(350,000,000)		(-500,000)
(Limitation on administrative expenses)	(3,395,000)	(3,463,000)	(3,463,000)	(3,463,000)	(3,463,000)	(+68,000)
TITLE II - DEPARTMENT OF COMMERCE						
National Institute of Standards and Technology						
Scientific and technical research and services	226,000,000	316,006,000	279,420,000	260,000,000	265,000,000	+39,000,000
Working capital fund transfer	-1,500,000					+1,500,000
Industrial technology services	232,524,000	518,960,000	495,960,000	554,000,000	525,000,000	+292,476,000
Construction of research facilities	61,686,000	100,000,000	64,686,000	64,686,000	64,686,000	+3,000,000
Total, National Institute of Standards and Technology	520,210,000	934,966,000	840,066,000	878,686,000	854,686,000	+334,476,000
National Oceanic and Atmospheric Administration						
Operations, research and facilities:						
Budget authority	1,894,753,000	1,831,029,000	1,792,978,000	1,850,000,000	1,835,000,000	+140,247,000
Offsetting collections:						
Fishery fees		-82,000,000	-35,000,000			
Sanctuary and aero chart fees		-8,000,000	-8,000,000		-6,000,000	-6,000,000
Direct appropriation	1,894,753,000	1,743,029,000	1,751,978,000	1,850,000,000	1,829,000,000	+134,247,000
(By transfer from Promote and Develop Fund)	(54,800,000)	(55,500,000)	(55,500,000)	(55,500,000)	(55,500,000)	(+700,000)
(By transfer from Damage assessment and restoration revolving fund, permanent)	1,500,000	8,500,000	8,500,000	8,500,000	8,500,000	+7,000,000
(Damage assessment and restoration revolving fund)	-1,500,000	-1,500,000	-1,500,000	-1,500,000	-1,500,000	
Total, operations, research and facilities	1,894,753,000	1,750,029,000	1,758,978,000	1,857,000,000	1,838,000,000	+141,247,000
Coastal zone management fund	(7,800,000)	(7,800,000)	(7,800,000)	(7,800,000)	(7,800,000)	
Mandatory offset	(-7,800,000)	(-7,800,000)	(-7,800,000)	(-7,800,000)	(-7,800,000)	
Construction	106,703,000	36,197,000	52,000,000	100,000,000	97,600,000	-9,103,000
Fleet modernization, shipbuilding and conversion	77,064,000	23,040,000	23,040,000	23,040,000	23,040,000	-54,024,000
Aircraft procurement and modernization	43,000,000					-43,000,000
Fishing vessel obligations guarantees	459,000		459,000		250,000	-209,000
Fishing vessel and gear damage fund	1,273,000	1,273,000	1,273,000	1,273,000	1,273,000	
Fishermen's contingency fund	999,000	999,000	999,000	999,000	999,000	
Foreign fishing observer fund	550,000	400,000	400,000	400,000	400,000	-150,000
Total, National Oceanic and Atmospheric Administration	1,924,801,000	1,811,938,000	1,837,149,000	1,982,712,000	1,959,562,000	+34,761,000
General Administration						
Salaries and expenses	33,042,000	38,510,000	38,510,000	38,510,000	38,510,000	+3,468,000
Office of Inspector General	16,000,000	16,847,000	16,900,000	17,250,000	16,900,000	+900,000

COMMERCE-JUSTICE-STATE-JUDICIARY APPROPRIATIONS BILL, FY 1995 (H.R. 4603), continued

	FY 1994 Enacted	FY 1995 Estimate	House	Senate	Conference	Conference compared with enacted
Working capital fund (by transfer)	(1,500,000)					(-1,500,000)
Total, general administration	49,042,000	53,357,000	53,410,000	53,760,000	53,410,000	+4,368,000
Bureau of the Census						
Salaries and expenses	128,286,000	146,816,000	141,272,000	135,000,000	136,000,000	+7,714,000
Periodic censuses and programs	110,000,000	158,588,000	142,576,000	146,000,000	142,576,000	+32,576,000
Total, Bureau of the Census	238,286,000	305,404,000	283,848,000	280,000,000	278,576,000	+40,290,000
Economic and Statistical Analysis						
Salaries and expenses	45,220,000	54,276,000	48,615,000	46,937,000	46,937,000	+1,717,000
Economics and statistics administration revolving fund		1,677,000	1,677,000	1,677,000	1,677,000	+1,677,000
International Trade Administration						
Operations and administration	248,590,000	261,790,000	266,723,000	262,000,000	266,450,000	+17,860,000
Export Administration						
Operations and administration	34,747,000	43,122,000	38,823,000	36,181,000	38,823,000	+4,076,000
Minority Business Development Agency						
Minority business development	41,600,000	44,839,000	42,426,000	44,000,000	43,900,000	+2,300,000
United States Travel and Tourism Administration						
Salaries and expenses	17,120,000	17,907,000	14,907,000	17,907,000	16,407,000	-713,000
Proposed fees, offsetting receipts	-3,000,000	-3,000,000		-3,000,000		+3,000,000
Patent and Trademark Office						
Salaries and expenses	88,329,000		88,329,000	75,000,000	83,000,000	-5,329,000
Loss of offsetting receipt		107,000,000				
Technology Administration						
Salaries and expenses	5,700,000	11,237,000	10,000,000	11,237,000	10,000,000	+4,300,000
National Technical Information Service						
NTIS revolving fund		18,000,000	12,000,000		8,000,000	+8,000,000
National Telecommunications and Information Administration						
Salaries and expenses	19,927,000	22,122,000	21,056,000	20,981,000	20,981,000	+1,054,000
Public broadcasting facilities, planning and construction	24,000,000	10,742,000	26,000,000	30,000,000	29,000,000	+5,000,000
Endowment for Children's Educational Television	1,000,000	1,006,000	2,500,000	2,500,000	2,500,000	+1,500,000
Information infrastructure grants	26,000,000	99,988,000	70,000,000	52,000,000	64,000,000	+38,000,000
Total, National Telecommunications and Information Administration	70,927,000	133,858,000	119,556,000	105,481,000	116,481,000	+45,554,000
Economic Development Administration						
Economic development assistance programs	322,842,000	327,024,000	338,524,000	412,198,000	408,024,000	+85,362,000
Economic development guaranteed loans		50,000,000				
(Limitation on guaranteed loans)		(269,000,000)				
Administrative expenses		1,976,000				
Salaries and expenses	26,000,000	32,539,000	32,205,000	38,000,000	32,205,000	+4,205,000
Total, Economic Development Administration	350,842,000	411,539,000	370,729,000	448,198,000	440,229,000	+89,567,000
Total, title II, Department of Commerce	3,632,214,000	4,207,710,000	4,030,260,000	4,240,756,000	4,218,138,000	+585,924,000
(By transfer)	(56,300,000)	(55,500,000)	(56,500,000)	(55,500,000)	(55,500,000)	(-800,000)
TITLE III - THE JUDICIARY						
Supreme Court of the United States						
Salaries and expenses:						
Salaries of justices	1,616,000	1,657,000	1,657,000	1,657,000	1,657,000	+41,000
Other salaries and expenses	21,384,000	22,666,000	22,500,000	22,666,000	22,583,000	+1,199,000
Total, salaries and expenses	23,000,000	24,323,000	24,157,000	24,323,000	24,240,000	+1,240,000
Care of the building and grounds	2,850,000	3,080,000	3,000,000	3,045,000	3,000,000	+150,000
Total, Supreme Court of the United States	25,850,000	27,403,000	27,157,000	27,368,000	27,240,000	+1,390,000
United States Court of Appeals for the Federal Circuit						
Salaries and expenses:						
Salaries of judges	1,727,000	1,758,000	1,758,000	1,758,000	1,758,000	+31,000
Other salaries and expenses	11,173,000	12,880,000	11,680,000	11,604,000	11,680,000	+507,000
Total, salaries and expenses	12,900,000	14,638,000	13,438,000	13,362,000	13,438,000	+538,000

COMMERCE-JUSTICE-STATE-JUDICIARY APPROPRIATIONS BILL, FY 1995 (H.R. 4603), continued

	FY 1994 Enacted	FY 1995 Estimate	House	Senate	Conference	Conference compared with enacted
United States Court of International Trade						
Salaries and expenses:						
Salaries of judges	1,331,000	1,385,000	1,385,000	1,385,000	1,385,000	+54,000
Other salaries and expenses	9,669,000	10,380,000	10,300,000	10,380,000	10,300,000	+631,000
Total, salaries and expenses	11,000,000	11,765,000	11,685,000	11,765,000	11,685,000	+685,000
Courts of Appeals, District Courts, and Other Judicial Services						
Salaries and expenses:						
Salaries of judges	172,131,000	172,590,000	172,590,000	172,590,000	172,590,000	+459,000
Salaries of Bankruptcy judges	.....	47,838,000	47,838,000	47,838,000	47,838,000	+47,838,000
Other salaries and expenses	1,996,669,000	2,256,265,000	2,103,027,000	2,188,890,000	2,119,699,000	+123,030,000
Offsetting fee collections	-12,800,000	.....	.....	.....	.....	+12,800,000
Direct appropriation	2,156,000,000	2,476,693,000	2,323,455,000	2,409,318,000	2,340,127,000	+184,127,000
Vaccine Injury Compensation Trust Fund	2,160,000	2,250,000	2,250,000	2,250,000	2,250,000	+90,000
Defender services	277,000,000	290,263,000	250,000,000	250,000,000	250,000,000	-27,000,000
Fees of jurors and commissioners	77,095,000	74,071,000	62,692,000	56,000,000	59,348,000	-17,746,000
Court security	86,000,000	97,532,000	97,000,000	97,532,000	97,000,000	+11,000,000
Total, Courts of Appeals, District Courts, and Other Judicial Services	2,598,255,000	2,940,829,000	2,735,397,000	2,815,100,000	2,748,723,000	+150,468,000
Administrative Office of the United States Courts						
Salaries and expenses	44,900,000	48,804,000	46,500,000	47,734,000	47,500,000	+2,600,000
Federal Judicial Center						
Salaries and expenses	18,450,000	19,739,000	18,828,000	19,739,000	18,828,000	+378,000
Judicial Retirement Funds						
Payment to Judiciary Trust Funds	20,545,000	35,375,000	28,475,000	28,475,000	28,475,000	+7,930,000
United States Sentencing Commission						
Salaries and expenses	8,468,000	9,200,000	8,468,000	9,200,000	8,800,000	+332,000
Total, title III, the Judiciary	2,740,368,000	3,107,753,000	2,889,948,000	2,972,743,000	2,904,689,000	+164,321,000
TITLE IV - RELATED AGENCIES						
DEPARTMENT OF TRANSPORTATION						
Maritime Administration						
Operating-differential subsidies (liquidation of contract authority)	(240,870,000)	(214,356,000)	(214,356,000)	(214,356,000)	(214,356,000)	(-26,514,000)
Operations and training	76,423,000	76,969,000	76,100,000	76,000,000	76,100,000	-323,000
Ready reserve force:						
Maintenance, operations and facilities	138,000,000	250,000,000	179,415,000	138,000,000	150,000,000	+12,000,000
Fleet addition	160,000,000	.....	.....	.....	.....	-160,000,000
Rescission	.....	.....	-27,000,000	-158,000,000	-158,000,000	-158,000,000
Total, ready reserve force	298,000,000	250,000,000	152,415,000	-20,000,000	-8,000,000	-306,000,000
Maritime Guaranteed Loan Program Account:						
Guaranteed loans subsidy	.....	50,000,000	25,000,000	25,000,000	25,000,000	+25,000,000
(Limitation on guaranteed loans)	.....	(500,000,000)	(250,000,000)	(250,000,000)	(250,000,000)	(+250,000,000)
Administrative expenses	.....	4,000,000	2,000,000	2,000,000	2,000,000	+2,000,000
Total, Maritime guaranteed loan program account	.....	54,000,000	27,000,000	27,000,000	27,000,000	+27,000,000
Total, Maritime Administration	374,423,000	380,969,000	255,515,000	85,000,000	95,100,000	-279,323,000
Commission on Immigration Reform						
Salaries and expenses	618,000	1,494,000	1,494,000	1,894,000	1,894,000	+1,276,000
(By transfer)	(500,000)	.....	.....	.....	.....	(-500,000)
Commission on Security and Cooperation in Europe						
Salaries and expenses	1,099,000	1,090,000	1,090,000	1,090,000	1,090,000	-9,000
Competitiveness Policy Council						
Salaries and expenses	1,140,000	1,140,000	1,000,000	1,000,000	1,000,000	-140,000
Marine Mammal Commission						
Salaries and expenses	1,290,000	1,384,000	1,320,000	1,384,000	1,384,000	+94,000
Martin Luther King, Jr. Federal Holiday Commission						
Salaries and expenses	500,000	300,000	300,000	300,000	300,000	-200,000
Office of the United States Trade Representative						
Salaries and expenses	21,150,000	20,949,000	20,949,000	20,949,000	20,949,000	-201,000

COMMERCE-JUSTICE-STATE-JUDICIARY APPROPRIATIONS BILL, FY 1995 (H.R. 4603), continued

	FY 1994 Enacted	FY 1995 Estimate	House	Senate	Conference	Conference compared with enacted
Small Business Administration						
Budget Authority	258,900,000	252,199,000	268,250,000	259,818,000	267,525,000	+8,625,000
Offsetting fee collections		-26,350,000	-9,350,000	-26,350,000	-9,350,000	-9,350,000
Direct appropriation	258,900,000	225,849,000	258,900,000	233,468,000	258,175,000	-725,000
Office of Inspector General	7,962,000	8,452,000	8,500,000	8,500,000	8,500,000	+538,000
Business Loans Program Account:						
Direct loans subsidy	16,946,000		8,500,000	9,221,000	9,596,000	-7,350,000
Guaranteed loans subsidy	191,941,000	310,161,000	267,419,000	245,927,000	274,438,000	+82,496,000
Micro loan guarantees		7,906,000	3,648,000	1,216,000	1,216,000	+1,216,000
Section 503. prepayment		30,000,000	30,000,000	30,000,000	30,000,000	+30,000,000
Administrative expenses	94,737,000	97,484,000	97,000,000	97,000,000	97,000,000	+2,263,000
Total, Business loans program account	303,624,000	445,551,000	426,567,000	383,364,000	412,251,000	+108,627,000
Disaster Loans Program Account:						
Direct loans subsidy		52,153,000	52,153,000	52,153,000	52,153,000	+52,153,000
Emergency supplemental appropriations	254,750,000					-254,750,000
Administrative expenses	76,101,000	78,306,000	78,000,000	78,000,000	78,000,000	+1,899,000
Emergency supplemental appropriations	55,000,000					-55,000,000
Subtotal	385,851,000	130,461,000	130,153,000	130,153,000	130,153,000	-255,698,000
Contingency fund	(140,000,000)		(125,000,000)	(125,000,000)	(125,000,000)	(-15,000,000)
Surety bond guarantees revolving fund	7,000,000	5,369,000	5,369,000	5,369,000	5,369,000	-1,631,000
Total, Small Business Administration	963,337,000	815,682,000	829,469,000	780,854,000	814,448,000	-148,889,000
Thomas Jefferson Commemoration Commission						
Salaries and expenses	82,000					-82,000
Legal Services Corporation						
Payment to the Legal Services Corporation	400,000,000	500,000,000	415,000,000	400,000,000	415,000,000	+15,000,000
Total, title IV, related agencies	1,763,619,000	1,723,006,000	1,526,157,000	1,272,471,000	1,351,165,000	-412,454,000
(Liquidation of contract authority)	(240,870,000)	(214,356,000)	(214,356,000)	(214,356,000)	(214,356,000)	(-26,514,000)
TITLE V - DEPARTMENT OF STATE AND RELATED AGENCIES						
DEPARTMENT OF STATE						
Administration of Foreign Affairs						
Diplomatic and consular programs	1,704,569,000	1,780,439,000	1,700,200,000	1,780,439,000	1,731,416,000	+26,827,000
Registration fees	685,000	700,000	700,000	700,000	700,000	+35,000
Total	1,705,254,000	1,781,139,000	1,700,900,000	1,781,139,000	1,732,116,000	+26,862,000
Salaries and expenses	396,722,000	391,373,000	385,000,000	391,373,000	385,000,000	-11,722,000
Office of Inspector General	23,469,000	23,798,000	23,850,000	23,850,000	23,850,000	+381,000
Representation allowances	4,780,000	4,780,000	4,780,000	4,780,000	4,780,000	
Protection of foreign missions and officials	10,551,000	8,579,000	9,579,000	9,579,000	9,579,000	-972,000
Acquisition and maintenance of buildings abroad	410,000,000	421,760,000	396,000,000	421,760,000	421,760,000	+11,760,000
Emergencies in the diplomatic and consular service	7,805,000	6,500,000	6,500,000	6,500,000	6,500,000	-1,305,000
Repatriation Loans Program Account:						
Direct loans subsidy	593,000	593,000	593,000	593,000	593,000	
(Limitation on direct loans)	(741,000)	(741,000)	(741,000)	(741,000)	(741,000)	
Administrative expenses	183,000	183,000	183,000	183,000	183,000	
Total, Repatriation loans program account	776,000	776,000	776,000	776,000	776,000	
Payment to the American Institute in Taiwan	15,165,000	15,465,000	15,465,000	15,465,000	15,465,000	+300,000
Payment to the Foreign Service Retirement and Disability Fund	125,084,000	129,321,000	129,321,000	129,321,000	129,321,000	+4,237,000
Total, Administration of Foreign Affairs	2,699,606,000	2,783,491,000	2,672,171,000	2,764,543,000	2,729,147,000	+29,541,000
International Organizations and Conferences						
Contributions to international organizations, current year assessment	860,885,000	873,222,000	873,222,000	873,222,000	873,222,000	+12,337,000
Arrearage payments accumulated before FY 1994		40,719,000	40,719,000		4,000,000	+4,000,000
Total	860,885,000	913,941,000	913,941,000	873,222,000	877,222,000	+16,337,000
Contributions for international peacekeeping activities, current year assessment	401,607,000	222,212,000	222,212,000	222,212,000	222,212,000	-179,395,000
Arrearage payments accumulated in FY 1994		266,000,000	266,000,000	254,696,000	266,000,000	+266,000,000
Arrearage payments accumulated before FY 1994		23,092,000	23,092,000	23,092,000	23,092,000	+23,092,000
Total	401,607,000	533,304,000	533,304,000	500,000,000	533,304,000	+131,697,000
International conferences and contingencies	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	
Total, International Organizations and Conferences	1,268,492,000	1,453,245,000	1,453,245,000	1,379,222,000	1,416,526,000	+148,034,000

COMMERCE-JUSTICE-STATE-JUDICIARY APPROPRIATIONS BILL, FY 1995 (H.R. 4603), continued

	FY 1994 Enacted	FY 1995 Estimate	House	Senate	Conference	Conference compared with enacted
International Commissions						
International Boundary and Water Commission, United States, and Mexico:						
Salaries and expenses	11,200,000	15,358,000	13,947,000	12,858,000	12,858,000	+1,658,000
Construction	14,400,000	10,396,000	6,644,000	7,733,000	6,644,000	-7,756,000
American sections, international commissions	4,290,000	7,561,000	5,800,000	5,800,000	5,800,000	+1,510,000
International fisheries commissions	16,200,000	14,669,000	14,669,000	14,669,000	14,669,000	-1,531,000
Total, International commissions	46,090,000	47,986,000	41,060,000	41,060,000	39,971,000	-6,119,000
Other						
United States Bilateral Science and Technology Agreements	4,275,000					-4,275,000
Payment to the Asia Foundation	16,000,000	16,066,000	15,000,000	15,000,000	10,000,000	-6,000,000
Total, other	20,275,000	16,066,000	15,000,000	15,000,000	10,000,000	-10,275,000
Total, Department of State	4,034,463,000	4,300,790,000	4,181,476,000	4,219,825,000	4,195,644,000	+161,181,000
RELATED AGENCIES						
Arms Control and Disarmament Agency						
Arms control and disarmament activities	53,500,000	61,195,000	54,500,000	54,500,000	54,500,000	+1,000,000
Board for International Broadcasting						
Grants and expenses 2/	210,000,000					-210,000,000
Commission for the Preservation of America's Heritage Abroad						
Salaries and expenses	200,000	206,000	206,000	206,000	206,000	+6,000
International Trade Commission						
Salaries and expenses	43,500,000	44,857,000	44,200,000	43,500,000	42,500,000	-1,000,000
Japan - United States Friendship Commission						
Japan - United States Friendship Trust Fund	1,250,000	1,247,000	1,247,000	1,000,000	1,247,000	-3,000
(Foreign currency appropriation)	(1,420,000)		(1,420,000)	(1,420,000)	(1,420,000)	
United States Information Agency						
Salaries and expenses	728,000,000	494,862,000	476,362,000	480,362,000	476,362,000	-251,638,000
Office of Inspector General	4,247,000	4,247,000	4,300,000	4,300,000	4,300,000	+53,000
Educational and cultural exchange programs	241,150,000	221,812,000	237,812,000	242,388,000	238,279,000	-2,871,000
Eisenhower Exchange Fellowship Program, trust fund	300,000	300,000	2,400,000	2,800,000	2,800,000	+2,500,000
Israeli Arab scholarship program	159,000	397,000	397,000	397,000	397,000	+238,000
International Broadcasting Operations 3/		538,078,000	476,796,000	475,478,000	468,796,000	+468,796,000
Radio construction	73,164,000	99,271,000	85,314,000	93,165,000	85,314,000	+12,150,000
Radio Free Asia:						
Operations				10,000,000	10,000,000	+10,000,000
Facilities				8,000,000		
(By transfer)			(10,000,000)			
Broadcasting to Cuba				24,808,000	24,808,000	+24,808,000
Radio Marti	14,000,000		8,625,000			-14,000,000
Television Marti	7,000,000					-7,000,000
East-West Center	26,000,000	24,500,000	20,500,000	24,500,000	24,500,000	-1,500,000
North/South Center	7,700,000		5,000,000		4,000,000	-3,700,000
National Endowment for Democracy	35,000,000	45,000,000	33,000,000	35,000,000	34,000,000	-1,000,000
Total, United States Information Agency	1,136,720,000	1,428,467,000	1,350,508,000	1,401,199,000	1,373,557,000	+236,837,000
Total, related agencies	1,445,170,000	1,536,772,000	1,450,659,000	1,500,405,000	1,472,010,000	+26,840,000
Total, title V, Department of State and related agencies	5,479,633,000	5,836,562,000	5,632,135,000	5,720,230,000	5,667,654,000	+188,021,000
TITLE VI - GENERAL PROVISIONS						
Procurement: General Provisions		-39,052,000	-39,052,000	-39,052,000	-39,052,000	-39,052,000
Procurement: General Provisions (Function 150)		-7,128,000	-7,128,000	-7,128,000	-7,128,000	-7,128,000
Total, title VI, general provisions		-46,180,000	-46,180,000	-46,180,000	-46,180,000	-46,180,000
TITLE VII - SUPPLEMENTAL APPROPRIATIONS, FY 1994						
CHAPTER I - EMERGENCY APPROPRIATIONS						
DEPARTMENT OF COMMERCE						
Economic Development Administration						
Economic Development Assistance Programs:						
Assistance programs				50,000,000	50,000,000	+50,000,000
Salaries and expenses				5,000,000	5,000,000	+5,000,000
Total, Economic Development Assistance Program				55,000,000	55,000,000	+55,000,000

COMMERCE-JUSTICE-STATE-JUDICIARY APPROPRIATIONS BILL, FY 1995 (H.R. 4603), continued

	FY 1994 Enacted	FY 1995 Estimate	House	Senate	Conference	Conference compared with enacted
Small Business Administration						
Disaster Loans Program Account:						
Direct loans subsidy		250,000,000	265,000,000	335,000,000	335,000,000	+335,000,000
Administrative expenses		150,000,000	135,000,000	135,000,000	135,000,000	+135,000,000
Total, Small Business Administration		400,000,000	400,000,000	470,000,000	470,000,000	+470,000,000
DEPARTMENT OF TRANSPORTATION						
Federal Highway Administration						
Federal-aid highways (Highway Trust Fund):						
Emergency relief program		-400,000,000	-400,000,000	-400,000,000	-400,000,000	-400,000,000
Total, emergency appropriations				125,000,000	125,000,000	+125,000,000
CHAPTER II						
DEPARTMENT OF STATE						
International Organizations and Conferences						
Contributions for international peacekeeping activities, arrearage payments accumulated in FY94		670,000,000	670,000,000	670,000,000	670,000,000	+670,000,000
Total, title VII, Supplemental, FY 1994		670,000,000	670,000,000	795,000,000	795,000,000	+795,000,000
TITLE VIII - VIOLENT CRIME CONTROL APPROPRIATIONS ACT, 1994						
Crime trust fund 4/						
Scorekeeping adjustments		-34,255,000	-34,255,000	-34,255,000	-34,255,000	-34,255,000
Grand total	23,710,631,000	26,400,582,000	27,202,230,000	26,001,886,000	27,633,356,000	+3,922,725,000
Fiscal year 1994		(670,000,000)	(670,000,000)	(795,000,000)	(795,000,000)	(+795,000,000)
Fiscal year 1995	(23,710,631,000)	(27,730,582,000)	(28,532,230,000)	(27,208,886,000)	(28,836,356,000)	(+3,127,725,000)
Appropriations	(23,710,631,000)	(24,957,582,000)	(24,138,230,000)	(24,860,386,000)	(24,851,386,000)	(+840,725,000)
Rescission			(-27,000,000)	(-158,000,000)	(-158,000,000)	(-158,000,000)
Crime trust fund		(2,773,000,000)	(2,423,000,000)	(2,514,500,000)	(2,345,000,000)	(+2,345,000,000)
(By transfer)	(57,300,000)	(55,500,000)	(65,500,000)	(405,500,000)	(55,500,000)	(-1,800,000)
(Limitation on administrative expenses)	(3,365,000)	(3,463,000)	(3,463,000)	(3,463,000)	(3,463,000)	(+98,000)
(Limitation on direct loans)	(741,000)	(741,000)	(741,000)	(741,000)	(741,000)	
(Liquidation of contract authority)	(240,870,000)	(214,356,000)	(214,356,000)	(214,356,000)	(214,356,000)	(-26,514,000)
(Foreign currency appropriation)	(1,420,000)		(1,420,000)	(1,420,000)	(1,420,000)	

1/ The State Justice Institute is authorized to submit its budget directly to Congress. The President's request includes $1,250,000 for the Institute.
2/ $256,708,000 is included in USIA, International Broadcasting Operations for transfer to the Board for International Broadcasting.
3/ Includes $243,761,000 for VOA S&E, $10,000,000 for Radio Free Asia, $27,609,000 for Broadcasting to Cuba and $256,708,000 to be transferred to the Board for International Broadcasting.
4/ See Title I, Department of Justice; total appropriations is $2,345,000,000.

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

Mr. ROGERS. Mr. Speaker, I yield myself 6 minutes.

Mr. Speaker, let me open by again saying how much we appreciate the work of the new chairman of this subcommittee. This was Chairman MOLLOHAN'S maiden voyage, and this is, we hope, the terminal of that, terminus of that great voyage. He encountered so many icebergs along the way and so many gale-force winds blowing, swirling around on this bill this time that it is remarkable that we are where we are at this moment.

He did a masterful job, and we thank him for his patience and perseverance and his willingness to listen and to take constructive advice from time to time, although he was in charge of this ship, and the command post was his alone. But he was able to let many of us in to give him constructive advice from time to time, and that went across the aisle on his side and mine as well.

So I commend Chairman MOLLOHAN for a tremendous job. He came in here almost cold on this bill, and immersed himself and staff for weeks on end in order to bring us to where we are.

And like the chairman, I want to thank the other members of the subcommittee on both sides of the aisle who have been constructive and helpful and who all have a part of this bill and, of course, the staff that has been mentioned, both majority and minority staff. On our side, Jennifer and Liz have been, of course, especially helpful to us, and the majority staff of the committee has been likewise very, very helpful.

Mr. Speaker, I am in strong support of the report. This conference agreement provides $26.8 billion in budget authority. That is a $3.4 billion increase over 1994, but of that increase, 80 percent of it goes to fight the war on crime, the No. 1 problem in the country and the No. 1 priority in this bill. Mr. Speaker, this may very well be the crime bill this year. I certainly hope it is. I think the crime bill that has been in the news in the last few days is an abomination, but this bill provides essential, direct-line crime fighting moneys to the core agencies, the FBI, the Drug Enforcement Administration, the Border Patrol, prison guards, and those people who are on the front lines of the war on crime.

This bill brings those agencies up to historically high levels of 1992. For the Department of Justice, the conference agreement provides $12.2 billion. That is a 30-percent increase over last year and $161 million over the House-passed bill.

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Mr. Speaker, I am very pleased to report that this conference agreement specifically rejects the Clinton administration's attempts to cut Federal law enforcement. For the FBI, not only did we restore the 436 FBI agents the administration has cut over the last 2 years, we provided funds to redeploy another 300 agents to the front lines. So this puts 736 more agents on the street, bringing the FBI above their peak agent strength in 1992.

Now I want to repeat again that the budget request the administration sent to us for the FBI would have required further laying off the FBI agents, as they have forced us to do over the last 2 years.

We reject that and in fact increase FBI.

Same for the Drug Enforcement Administration. We restore the 311 special agents the administration has cut over the last 2 years, and we bring DEA, or the Drug Enforcement Administration, back to their 1992 peak strength.

Prisons: This agreement will allow 24 more prisons to be opened and 11 more facilities to be built or expanded. This is a real crime bill, Mr. Speaker.

On our borders, the conference agreement includes almost $300 million for a major immigration initiative, including an almost 1,000 more border Patrol agent force on the front lines guarding our borders. That is on top of the 600 new agents we provided last year.

For our State and local law enforcement efforts, we have $1.3 billion to put more cops on the street, $100 million to help States update and improve their criminal records.

We rejected the administration's proposal to cut the Byrne Formula Grant Program and instead gave it a 26-percent increase. That is money to State and local law enforcement agencies.

For other agencies in the bill, Commerce, Judiciary, State Department, we were also able to do a little better than the House-passed bill, but not much.

Mr. Speaker, this conference report is a tough crime bill. Within tight budget constraints it puts the emphasis where it belongs, putting cops on the street. This is not just talk, this is action. We increase FBI. We increase the lawyers out there fighting drugs, Drug Enforcement Administration, and we build more prisons to put more prisoners away.

This is a good bill. I urge support for it.

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

Mr. MOLLOHAN. Mr. Speaker, I yield 4 minutes to the gentleman from California [Mr. BROWN], the distinguished chairman of the Committee on Science, Space, and Technology.

Mr. BROWN of California. Mr. Speaker, I thank the distinguished chairman of the subcommittee for allowing me to have a few minutes here.

Mr. Speaker, I rise in support of the Commerce, Justice, and State appropriations conference report and I commend the gentleman from West Virginia and the conferees for their efforts.

I am pleased with the substance of the bill as it pertains to programs in the jurisdiction of the Committee on Science, Space, and Technology. I am gratified that is not overburdened with efforts to bypass the proper authorizing committees with inappropriate legislative language. I wish I could say that the bill is free of earmarks, but I cannot—a point I will return to later.

The conferees have produced a bill that is fundamentally responsive to the administration's requests for substantial increases in technology investment programs. Increasingly, economists and other public policy analysts have come to recognize that arguments for Government support of research and development activities apply not only to basic research but also farther down the R&D scale toward commercial development. R&D investments like those in the advanced technology program, for example, are critical to raising the Nation's productivity and standard of living, yet they all too often are singled out for reduction or elimination by zealous deficit cutters who overlook their longer term payoffs in order to achieve short term budget savings.

This did not happen in this conference report. Instead, funding for the National Institute of Standards and Technology was increased 64 percent over last year's level, to $855 million.

I am also pleased that the committee was able to increase funding for NOAA operations, research, and facilities above the fiscal year level in a tight budget environment. But I want to mention an item of particular concern contained in the statement of managers related to the Department of Commerce's plan to modernize our Nation's weather system. The statement of managers includes language intended to mandate the installation of an advanced weather radar system, called Nexrad, in Jackson, KY.

Since the proposal was made in 1988 to modernize the national weather radar system, the Committee on Science, Space, and Technology has maintained an active interest in ensuring that all areas of the country receive the benefits of this program and suffer no degradation of service. Congress passed Public Law 102-567, the Weather Service Modernization Act, to ensure that the administration carried out a fair and technically sound implementation program. Just last month, the committee held hearings in Huntsville, AL, to review this issue.

As a result of those hearings, the committee has asked the Secretary of Commerce to commission an independent review of certain areas of the country which may not receive adequate coverage under the current National Weather Service plan. Legislation

guiding that review will be introduced shortly. I believe that the question of coverage in eastern Kentucky as well as six or seven other geographic areas is serious enough that it deserves an independent technical review by knowledgeable experts. The issues are complex and, I might say, beyond the technical capabilities of the conferees on this bill. It may well be that after a thorough technical review, it would be appropriate to procure and site several additional Nexrad radars in affected areas of the country.

I have been approached by many well-meaning Members who have made similar claims and have similar concerns for their districts. Yet, I believe that the only responsible approach is one in which a serious examination of the data and the technical factors is carried out. The language in the statement of managers on page 57 of the conference report undercuts the intent of this review.

I want to remind the Secretary of Commerce that this report language is not binding and should not override Public Law 102-567.

I would be happy to have the proponent of this language join with us in calling for a fair, technically credible, and independent review of his situation. He is not alone in his concern and I will ensure that eastern Kentucky is made a part of this review.

Finally, as Members know, I remain concerned about the level of academic earmarking effected through our appropriations bills and reports. This bill comes back from conference with several new earmarks, and the House and Senate reports contain many more. Although the number and cost of earmarks in this appropriations bill and its associated reports is about the same range as last year, and down substantially from a few years ago when I and other members of the Science Committee first began addressing the problem, I am disappointed that we have not made further progress. I include a chart showing those earmarks we have been able to identify.

Cabinet Secretaries should remember—and I know the distinguished chairman of the Commerce, Justice, and State Appropriations Subcommittee would join me on this point—that report language is not binding upon their Departments. None of us here on the floor can offer amendments to that language, nor do we vote on it. Report language does not represent the law of the land, nor is it explicitly or implicitly endorsed by the House when we vote in favor of passage of the conference report.

Despite my concerns about these earmarks, Mr. Speaker, I believe that, on balance, this is good report. I urge all Members to support it.

The chart referred to is as follows:

Academic Earmarks Commerce, Justice, State, Judiciary and related agencies appropriations bill, 1995

Agency—school	*Amount*
In the bill	
Commerce:	
Florida State University—construction of a meteorological sciences building	(1)
Rutgers University—Multispecies Aquaculture Center	$3,500,000
Indiana State University—Center of Interdisciplinary Research and Education	5,200,000
Saint Francis College & Saint Vincent College—Center for Global Competitiveness	1,200,000
Wheeling Jesuit College—Minority Apprenticeship Program in Technology Management	600,000
Savannah State College—U.S.-African Trade and Technology Center	200,000
SBA:	
University of Arkansas, Fayetteville—Genesis Small Business Incubator Facility	1,000,000
Seton Hill College—Center for Entrepreneurial Opportunity	1,000,000
Hazard Community College—Small Business Consulting, Information & Assistance Center	1,000,000
University of Central Arkansas—National Data Center Small Business Institute	200,000
Total	13,900,000
In the reports	
Justice:	
University of Arkansas, Little Rock—a National Rural Law Enforcement Center for rural crime research	(1)
Lamar University, TX—instructional facility for criminal justice, drug treatment and correctional education	(1)
FCC:	
Rutgers University—wireless information network subscription	30,000
Commerce:	
University of Maryland—Chesapeake Bay observation buoys	400,000
University of Scranton's National Institute for Environmental Renewal—pollution affecting the Chesapeake Bay	500,000
University of Miami's Rosenstiel School of Marine and Atmospheric Sciences—oil spill research	800,000
Southeast Consortium on Severe Tornadoes and Thunderstorms—Florida State University; Georgia Institute of Technology; North Carolina State University; and Univ of AL, Huntsville	400,000
University of Miami—SE US/Caribbean FOCI (marine research)	450,000
University of North Dakota—agricultural weather information initiative	300,000
University of South Carolina's Baruch Institute—small, high-salinity estuaries research	700,000
Oregon State University—Hatfield Marine Science Center	350,000
University of Alaska—Fishery observer training	300,000
University of Hawaii—Hawaii Stock management plan	500,000
Texas A&M University—Beluga whale committee	200,000
University of Hawaii—Hawaiian fisheries aquaculture technology	750,000
Oregon State University's Hatfield Marine Science Center—establish a groundfish unit	2,000,000
University of Nebraska at Lincoln—National Drought Mitigation Program	200,000
University of Southwestern Louisiana—interagency Estuarine Habitats Research Laboratory	11,000,000
Oregon State University's Hatfield Marine Science Center—wharf and support facilities	2,600,000
University of Alaska—Kodiak Fisheries Center	(1)
Oregon Graduate Institute—interactive computer-moderated dialog work	(1)
Wheeling Jesuit College—integrate resources of the National Technology Transfer Center with Technology Administration	(1)
University of New Mexico & University of CA, Los Angeles—Latin American data bases	1,500,000
New Mexico State University—U.S.-Mexico Conflict Resolution Center	500,000
University of Arizona—National Law Center for Inter-American Free Trade	500,000
Michigan and Canadian universities—International Center for Study of Canadian-American Trade	300,000

Agency—school	Amount
University of Miami—North/South Center	4,000,000
Total	28,280,000
Grand total, bill and reports	42,180,000

[1] Unspecified.

Mr. ROGERS. Mr. Speaker, I yield 5 minutes to the gentleman from Arizona [Mr. KOLBE], a very hard-working member of our subcommittee, who has been of immeasurable help to us.

Mr. KOLBE. Mr. Speaker, I thank the gentleman for yielding this time to me and for his kind comments.

Mr. Speaker, I rise in strong support of the fiscal year 1995 Commerce, Justice, State, and Judiciary bill. I commend the new chairman of our subcommittee, the gentleman from West Virginia [Mr. MOLLOHAN], for his leadership and judgment in steering his first bill through the subcommittee. I would also like to thank the ranking Republican, the gentleman from Kentucky [Mr. ROGERS], for his guidance and leadership on this bill.

Mr. Speaker, this bill is the real McCoy—a genuine crime bill. The focus of this crime bill is making our streets safer, making our borders more secure, locking up more criminals. It's tough on criminals and sends a message that Americans are serious about fighting the scourge of crime in America.

While Congress debates the politics of crime in another bill that bears the label "crime bill," this is legislation that in a quiet, unassuming way goes after the problem that confronts law-abiding Americans everyday. This is a bill that walks tall against crime and carries a big stick; the other crime bill beats its chest, but carries heaping platefuls of lard. So today we have an opportunity to pass a meaningful crime bill.

Eighty percent of the bill's increase, $2.8 billion, is for crime fighting initiatives. A total of 736 more FBI agents will be on the front lines to fight crime after this bill becomes law. This will restore the level of agents to its peak 1992 level—the level that existed before the administration began its 2-year assault on FBI staffing levels.

The Drug Enforcement Administration will also see its numbers restored to its peak 1992 level—before the administration took the meat ax to this important crime fighting agency. Your vote today gives DEA a $37 million increase over President Clinton's budget submission.

The bill makes a clear policy statement that we are serious about securing our borders. It does this by increasing fiscal year 1994 levels for INS by $310 million. There is $55 million in this bill to hire 700 new Border Patrol agents and deploying 250 additional agents to the front lines. There is $117 million to provide for technology enhancement to help in the struggle to protect our borders.

Put all these numbers together and you have 950 additional agents on our southern border to help make it safer and more secure. The 950 new agents, according to INS, will enable them to implement the highly successful El Paso model with high-intensity, line-of-sight, operations.

The bill, at long last, also recognizes that cost associated with illegal immigration are a Federal responsibility. For the first time since it was authorized 7 years ago, we have included funds for the State criminal alien assistance program. This fund reimburses States for the cost of incarcerating illegal aliens. Its high time—in fact, it is past time—that we acknowledge that illegal aliens in our communities are there because of a failure of Federal law enforcement—not because local governments brought them in. And it is time our national Government help State and Local governments with these skyrocketing and budget-breaking costs.

A total of $450 million is provided in the bill for the Byrne Formula Grant Program. This represents a 26-percent increase over last year and a 100-percent increase over the administration's request for this program. The Byrne formula grants have been of critical importance in targeting highly organized drug trafficking networks in States such as Arizona. The multijurisdictional task forces formed with funds from these grants have provided invaluable assistance in the war on crime.

Finally, this bill provides substantial funding to build more Federal prisons to keep more criminals where they belong—behind bars. There is an $89 million increase over the administration's request and $11 million more than last year for construction or expansion of 10 detention-prison facilities. Additionally, the bill provides $406 million additional to activate 24 new or expanded facilities coming on-line in fiscal year 1995.

We cannot fight the war on crime without resources. This bill provides some of the resources we need to make our communities safer. As the political battles continue on the other crime bill, we can all do our constituents a great service by supporting this bill and providing real help to our communities.

□ 1300

Mr. MOLLOHAN. Mr. Speaker, I yield 2 minutes to our distinguished colleague, the gentleman from Florida [Mr. PETERSON].

Mr. PETERSON of Florida. Mr. Speaker, I thank the gentleman from West Virginia [Mr. MOLLOHAN] for yielding this time to me, and I rise in strong support of this conference report, and I want to congratulate Chairman MOLLOHAN and the ranking member, the gentleman from Kentucky [Mr. ROGERS], for doing what I think is a remarkable job on a very, very complex bill with a tight budget; in fact, having to make some very tough priorities. I want to address on area in this bill. There is a lot to like in this bill. But I want to talk about disaster assistance.

My district, as well as many others in the southeast United States, particularly in Georgia, particularly in Florida, particularly in Alabama, and now, as it looks, South Carolina, North Carolina, and Virginia; we have major disaster needs that have to be met, and in that we have to recognize that the SBA ran out of money, as I understand it, last night. This bill is absolutely important to the recovery of those areas of the United States.

Just for some statistics: There were 33 deaths in Georgia, Alabama, and Florida; declared disaster counties, 43 in Georgia, 13 in Florida, and 10 in Alabama, just from Alberto, and now we are going back through and having to deal with the remnants of the disaster created by Beryl just last week. So, we are in a position of having to go through a rebuild.

I think it would be an absolute disaster, a second disaster, if we fail to put money in for SBA so they can help families suffering from the problems of these disasters, if we cannot get in the help them now. So, I urge my colleagues to declare this an emergency, declare this conference report an emergency for passage, and to work to make our constituents have a package where they can, in fact, recover, and in closing let me say my Governor of the State of Florida has very well made a statement about the problems we have in the moneys available in the emergency immigration fund. This bill contains $75 million that will help States like Florida, Texas, and California deal with the problems we have in that area as well.

Mr. ROGERS. Mr. Speaker, I yield 5 minutes to the gentleman from North Carolina [Mr. TAYLOR], another hard working member of our subcommittee who has been of great importance to us.

Mr. TAYLOR of North Carolina. Mr. Speaker, I would like to comment, first of all, on the hard work our chairman did in the very responsible effort in this legislation and our ranking member, the gentleman from Kentucky [Mr. ROGERS]. There are some things inside this legislation with which I cannot agree, but I do plan to support the bill and find a great majority of it supportable by me.

There is something amazing about to happen in this country, and I think we are taking a very serious step forward in combating crime in this country with little notice by the media or the people.

This step forward has been crafted in a bipartisan fashion by both Democrats and Republicans in the House and Senate that serve on the Commerce, State,

Justice, and the Judiciary Appropriations Subcommittee.

The efforts we are making against crime are real and substantive insofar as Congress can make those efforts.

This conference report does not reduce funding for the Drug Enforcement Agency as the President wanted.

This conference report does not cut the FBI as the President wanted.

This conference report does not abolish capital punishment as the President wanted in his crime bill.

This bill does not eliminate the millions of dollars of support for local law enforcement efforts that comes from the Edward Byrne Formula Grant Program as the President's crime bill would.

This report will not release 16,000 drug pushers from Federal prison as the President's crime bill desires.

This report will not abolish mandatory minimum sentences for drug kingpins as the President's crime bill does.

This report does not weaken our second amendment rights with an "assault weapons" provisions that the police benevolent association in my State called "phoney." They know, as does a respected Member of this House, LEE HAMILTON, that real assault weapons are responsible for very few of the crimes in the country.

Many people recognize that the President's crime bill would list hundreds of sport guns as "assault weapons" even though few people would think of these guns as that today.

This report does not abolish mandatory sentences for the commission of a crime with a gun as this administration desires.

This report does not contain the "pork, posturing, and partisanship" of the President's crime bill, not even $10 million to selected colleges or universities.

What this report does do is increase funding for the FBI. It will allow the hiring of 400 new FBI agents, and the transfer of some 600 desk agents to the field.

This report increases funding for the DEA. The appropriation will allow the DEA to hire 300 new agents.

The increased funding for the FBI and DEA will allow them to hire up to their 1992 levels, making them more effective crime fighting tools.

This reporting increases funding for almost all areas within the Justice Department and the judiciary, from the U.S. Marshals Service to the courts of appeals, district courts, and other judicial services.

This report provides funds to activate 11 new or expanded prison facilities.

This report expands the Edward Byrne Formula Grant Program, which provides $450 million in assistance to State and local law enforcement agencies.

Programs funded by the Byrne Program include State and local prosecution initiatives; innovative programs that attack drug use and violent crime; and multijurisdictional programs, an example being State and local police officers working with State troopers.

The Byrne Program was targeted for elimination by the administration, but local law enforcement officers from all over the country and Members of Congress rallied in support of this Program because it's effective in fighting crime.

We not only continued the Program, but expanded its funding levels.

We also include $54.5 million for new Border Patrol agents.

This money will allow the Border Patrol to hire 700 new agents and transfer an additional 200 agents from their desks to the field. It also calls for the hiring of added support personnel.

This increased funding allows the Border Patrol to implement the same strategy in place in El Paso along the entire United States-Mexico border.

In El Paso, agents are stationed within eyesight of each other and keep a continuous watch on 20 miles of river and desert. It makes it extremely difficult to cross illegally without being spotted and few bother to try.

In addition to the Border Patrol increases, this report appropriates $130 million in assistance to the States to offset their high costs in jailing illegal aliens.

This report also includes $24.5 million for bootcamps, which keeps lesser offenders off the streets and our prisons less crowded.

We include $29 million for drug courts, permitting the swifter trials of drug offenders.

The report includes $26 million to combat violence against women, which will support battered women's shelters, promote rape-awareness education and establish a national family violence hotline.

In sum, Mr. Speaker, this conference report spends over $15 billion for crime prevention and the judiciary.

In prioritizing the needs and addressing the concerns of the people across this country and Members of Congress, we decided in a bipartisan manner not to fund the social spending initiatives that the President has promoted.

These include proposals that have been criticized on a bipartisan basis—like midnight basketball, interpretive dance classes, arts and crafts, and the like.

We had to go with proven methods of crime fighting and crime deterrence, and I believe we did the best possible job.

I urge the Members to support this legislation.

□ 1310

Mr. MOLLOHAN. Mr. Speaker, I am pleased to yield 4 minutes to the gentleman from Colorado [Mr. SKAGGS], a distinguished and hard-working member of our subcommittee.

Mr. SKAGGS. Mr. Speaker, this was the subcommittee's first year under the direction of Chairman MOLLOHAN. I would like to commend him for his leadership in working with the Senate to produce a report that provides funding for the country's crime-fighting, economic development, diplomatic, and myriad other needs under very tight budgetary constraints. Chairman MOLLOHAN deserves the appreciation of this House, and this report deserves its support. I also want to recognize the great and positive contributions of the gentleman from Kentucky [Mr. ROGERS].

This conference report appropriates $26.9 billion for fiscal year 1995. That's an increase of $3.1 billion over last year. Most of that increase—$2.3 billion—is targeted to fund programs created under the proposed Violent Crime and Law Enforcement Act, the crime bill which I hope we will pass later this week. This increase notwithstanding, the bill is $900 million less than the administration requested.

One area in which I wanted to make further cost cuts was our broadcasts to Cuba. Our subcommittee had ended all funding for TV Marti. That decision was based on the results of an independent panel report which concluded that TV Marti is not being seen in Cuba. The conference, however, decided to provide $11.395 million for the program and included an extra $1.2 million to convert the broadcast from VHF to UHF, funds that were not even requested by the administration.

A year ago we set up a process that was intended to develop an objective basis for an assessment of TV Marti by the Director of USIA. We said then that TV Marti was to be kept on the air only if it was "consistently being received by a sufficient audience to warrant its continuation." The panel we authorized to examine the issue found that TV Marti was not getting through. "The Panel is able to state categorically that at present TV Marti's broadcasts are not consistently received by a substantial number of Cubans * * *. Whatever TV Marti's shortcomings, they are negligible compared to its inability to reach its intended audience." (Advisory Panel Report, p. 5.) The Panel also cited a survey conducted by the U.S. Interests Section in Havana late last year, which revealed "an unprompted viewing rate for TV Marti of zero and a prompted rate of four percent." (Advisory Panel Report, Appendix J.) By comparison, CNN had a better unprompted rate of 1 percent.

A reasonable person might have thought that the combination of these facts and the legal requirement in last year's conference report would produce a logical conclusion: shut down TV Marti and save $10 or $15 million a year. Amazingly, the Director of USIA chose to charge ahead, ignoring the fact that, for all practical purposes, TV

Marti has no viewing audience. I can only describe his decision as one in willful disregard of the facts and the law, and we should not be endorsing it. Sadly, the Senate did endorse it, and it has survived in conference.

Despite its own findings about viewing audience, the advisory panel went beyond what we authorized them to do and came up with the notion that it might help break through Castro's jamming if TV Marti switched from a VHF signal to UHF. Technical experts at the National Association of Broadcasters, Maximum Service Television, and the FCC have examined that idea and found it seriously defective. A UHF signal would actually degrade more than VHF over the distance involved, especially given the over-ocean atmospherics, and the technical means for jamming UHF are simpler and cheaper than VHF. Nonetheless, we are faced with a Senate bill that not only continues TV Marti, but increases funding for it, including money for the ill-conceived UHF option.

The argument is now offered up that, even though TV Marti is a technical flop and a no-show in the ratings, we must keep it on the air. To show the people of Cuba we care; to deny Castro what he would claim as a propaganda victory, and to have it available for our message when the inevitable overthrow of Castro occurs. Well, I think the Government is, and will continue, doing plenty to demonstrate that it cares about freedom in Cuba, even without TV Marti. We cannot afford to waste millions of tax dollars on empty symbolism. And it is clear from the U.S. interests section's own survey that the Cuban people have a wide range of alternative media and information sources available to them, including Radio Marti, which we can exploit when the time comes. So, these arguments for continuing TV Marti, notwithstanding the fact that nobody sees it, are unconvincing, to say the least.

The decision to go forward with TV Marti is a loss to the American taxpayers.

Even with this glaring defect, this bill is a good one overall, and I urge my colleagues to support it.

The House conferees were successful, however, in retaining provisions on improving where and how resources are spent in our operations abroad. Included in the conference report is language I authored directing the State Department to prepare a pilot program for colocating support services for U.S. missions overseas. Such a joint administrative operation already exists in Vienna, where one main center serves the various missions headquartered there, including the U.S. missions to the International Atomic Energy Agency and the Commission on Security and Cooperation in Europe. The result of replicating the Vienna model on a regional level will be increased efficiency and reduced expenses in future fiscal years.

We were also successful in improving the way in which we invest in our most important science and technology programs. Despite working under very tight spending caps, by being smarter in the way we allocate resources we were able to increase investment in important Department of Commerce research programs that are key to ensuring a strong and competitive economy in the future. Improving operations is critical to the success of the National Oceanic and Atmospheric Administration [NOAA], the National Institute of Standards and Technology [NIST], and the National Telecommunications and Information Administration [NTIA]. Many of these initiatives will help revitalize the American economy and improve the environment for generations to come.

I'm also pleased that we were able to restore funding for the Wind Profiler Demonstration Network, a network which NOAA has called an unqualified success. We've seen the human and economic costs of unexpected severe weather phenomena. It strikes me as unwise to shut down a system that's providing vital and accurate forecasting information.

The conference also provided a funding increase for NIST's Scientific and Technical Research Program, which represents NIST's core research function. This, coupled with an increase in funding for the Industrial Technology Services Program, will allow NIST to fund more of the research necessary to improve American industries' global competitiveness.

Funding for NTIA is vital to support the administration's efforts to help develop an information superhighway. NTIA is the lead agency working to make the information superhighway a reality. Our support for NTIA in this report will go a long way to making up for a decade of neglect of public telecommunication facilities.

We've also made critical investments in some basic programs that matter to every American every day. To answer the call for safer streets, we increased funding for three of the four Department of Justice programs that fight crime: the Federal Bureau of Investigation, the Drug Enforcement Administration, the Immigration and Naturalization Service, and Organized Crime Drug Enforcement. This means more agents in the field. These law-enforcement agencies are the backbone of the Federal anticrime effort. Their work bolsters State and local crime fighting efforts which increasingly have to extend beyond city and State lines.

Another thing we've done to assist local law enforcement is to enhance funding for the Edward Byrne Memorial Formula Grant Program. Byrne grants have proven a valuable resource for State law enforcement programs, such as drug and alcohol treatment and programs to divert youth away from criminal activities. The conference report includes $450 million for this valuable program. That's almost $100 million more than in fiscal year 1994, it will make a real difference in the ability of police departments to fight crime. For instance, in 1995 Colorado will receive $6.326 million in Byrne grants, an increase of more than $1 million over 1994 funding. That is a positive step in our fight against crime.

The report also includes funding for the National Institute of Corrections [NIC], which is located in Longmont, CO. The NIC is the national center where State correction departments can turn to for information on how to make their operations more efficient and cost-effective, and I am glad we were able to provide the funding they need to continue their excellent work.

I'd also like to say a little about funding for the Legal Services Corporation [LSC]. The $415 million included in the conference report is far less than LSC's $500 million request—and far less than it needs. One of the basic principles of our system of justice is that every American is entitled to a fair hearing in a court of law, and we have an obligation to provide legal representation to those who cannot afford it. The poor are entitled competent representation, and this is important in civil cases as it is in criminal. The LSC is an essential part of the effort to provide this assistance, I support their efforts, and I hope we will be able to provide more resources for this valuable program in the future.

In sum, Mr. Speaker, this conference report strikes a sound and realistic balance between needs and resources in the many important areas of responsibility and programs in the subcommittee's jurisdiction. I urge its adoption. And, once again, I thank the chairman for his excellent work.

Mr. ROGERS. Mr. Speaker, I yield 2 minutes to the gentlewoman from Maryland [Mrs. BENTLEY] a member of the full committee and a Member who has made an historic effort in obtaining the Radio Free Asia moneys, which are now in this bill, due to a great effort by the gentlewoman from Maryland.

Mrs. BENTLEY. Mr. Speaker, I want to thank my distinguished colleague, the gentleman from Kentucky [Mr. ROGERS], the ranking minority Member on this committee, for yielding time, and for his leadership on the report. I would be remiss if I did not commend the leadership of the gentleman from West Virginia [Mr. MOLLOHAN] as chairman of the subcommittee in very recent times.

Mr. Speaker, I rise in support of the conference report on the fiscal year 1995 Commerce-Justice-State appropriations bill. Specifically, I want to

draw Members attention to the fact that this bill provides first time funding for a Radio Free Asia broadcast service that is long overdue.

For decades, we successfully operated a Radio Free Europe and Radio Liberty service for Eastern Europe and the former Soviet Union. Through this service, we provided the truth to millions and millions of people who routinely were denied accurate information by their governments. There is no question that our radio broadcasts helped precipitate the downfall of the Iron Curtain and its Berlin Wall.

Unfortunately, for too long, we have been behind the curve in terms of targeting radio broadcasts to many critical regions of Asia where information is monopolized by regimes intent on keeping their citizens in the dark—in China, Burma, Vietnam, North Korea, Cambodia, Tibet, and Laos. Our international radio broadcasting is cost effective and is a very important tool in our diplomatic arsenal.

I would be remiss if I neglected to mention my disappointment that a Radio Free Asia broadcast service was not established several years ago because valuable time has slipped away. However, the important thing is that we are on the right track with this bill here today. The next important step in the process will rest with decisions made by the new Broadcasting Board of Governors and it is my hope that the appointment of these new members will receive priority attention from the White House, which supports the Radio Free Asia effort. I urge a "yes" vote.

Mr. MOLLOHAN. Mr. Speaker, I yield myself such time as I may consume for two colloquies.

Mr. Speaker, I yield to the gentleman from Texas [Mr. ORTIZ] for a colloquy.

Mr. ORTIZ. Mr. Speaker, I rise to enter into a colloquy with the distinguished chairman of the Subcommittee on Commerce, Justice, State, and Judiciary.

Mr. Speaker, it is my understanding that if funds become available through limiting the National Undersea Research Program's national office duties to oversight of the regional centers and continuation of the Alvin Program, and if it is determined that it is feasible to establish an undersea research center in the Gulf of Mexico, then some of these savings may be used to fund such a center in the Gulf of Mexico,

Mr. MOLLOHAN. Yes, that is my understanding, consistent with the 1992 NOAA Authorization Act.

Mr. Speaker, I yield to the distinguished gentleman from New York [Mr. HOCHBRUECKNER].

Mr. HOCHBRUECKNER. Mr. Chairman, the conference report provides NOAA $4.1 million out of the CZM fund for program support. Is it your view that this is an adequate amount for NOAA/OCRM administrative funding needs?

Mr. MOLLOHAN. Yes, it is.

Mr. HOCHBRUECKNER. So, in your view, it would be inappropriate for NOAA or OCRM to take any further administrative deduction out of the CZM fund in fiscal year 1995?

Mr. MOLLOHAN. Yes.

Mr. Speaker, I yield 1 minute to the distinguished gentleman from Florida [Mr. DEUTSCH], a very active freshman Member.

Mr. DEUTSCH. Mr. Speaker, I rise today in support of the conference committee report, and particularly praise the conference committee for the funding of Radio and TV Marti. Today, south Florida, my district in particular, is threatened by actions that Castro is taking in Cuba. I think we are in a position today where we are ready for those actions, and part of the reason for that is because of Radio and TV Marti.

Castro has been killing his own people. We know that from other independent sources. And the people of Cuba know that because of Radio Marti. It is the most-listened-to station in Cuba today. We have factual, definite information about that.

Castro is an anachronism in this world today, an anachronism of a cold war era that does not exist except for 90 miles off our shore and in very limited places in the world. Both in the present and the future, it is a needed cause that I support, and praise the conferees for including it in the final report.

Mr. ROGERS. Mr. Speaker, I yield 2 minutes to the gentlewoman from Kansas [Mrs. MEYERS], the very able and helpful ranking member on the Committee on Small Business.

Mrs. MEYERS of Kansas. Mr. Speaker, I would like to thank the ranking member for yielding, because I will be speaking against this bill.

There is $27 million in totally unauthorized spending in this bill. Now, is this all pork? I do not know. Probably most of it is. Or, if some of it is good programs, it certainly should be local programs and not federally funded programs.

The unconscionable part of this and the reason I am calling attention to the Members, is that this is rolled in with really essential spending. There is an extension of SBA disaster spending in here. It is the entire SBA budget.

□ 1320

This unauthorized spending is 15 percent of our salaries and expenses budget and 5 percent of our total budget. And it is totally unauthorized. I am probably not going to end this practice by calling attention to it today, but I would like to mention just one or two of these programs and see what they sound like to Members.

There is $500,000 for the Van Emmons Population Analysis Center in Pennsylvania; $1 million for the city of Prestonberg, KY, that is about the only explanation I have of that. There is $1.5 million for what is called a consortium in Buffalo, NY. There is a program in Bowling Green that would change garbage to a marketable product. And there is $500,000 for the New York City Public Library for construction.

There is $250,000 for the city of Espanola in New Mexico for a plaza of some sort.

I would urge Members to vote their conscience on this bill. It is a big bill. It is Commerce, State, Justice, all independent agencies. There is probably some good crime provisions in this bill. But I think personally I am going to vote "no" on this bill, because sooner or later, we have to begin to take a stand on unauthorized spending where nobody knows what it is for.

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

Mr. ROGERS. Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. DIAZ-BALART], a Member who has done more for TV and Radio Marti than most anybody I can think of.

Mr. DIAZ-BALART. Mr. Speaker, I thank the gentleman and commend him as well as the gentleman from West Virginia [Mr. MOLLOHAN] for their expert leadership on the multiple issues involved in this very positive legislation that is before the Congress in final form today.

I want to join my colleague, also from south Florida [Mr. DEUTSCH] who spoke earlier, commending the conference committee for having included full funding for radio and television broadcasting to Cuba. I think it is, especially at these times, in these times, more than ever, it is important to continue to inform the Cuban people about what is going on within their unfortunate and distressed island. It is important to be able to improve the technological ability of Television Marti, to penetrate Castro's jamming and reach a higher percentage of viewership in Cuba.

As the report of the panel created by this Congress just a year ago stated, it can be done. I am pleased that within this bill there is funding for the necessary technological, technical conversions required to significantly increase the television viewership of this program, as well as to maintain, of course, the overwhelming radio audience that our broadcasting has. At this time when it is so important to tell the Cuban people how unsafe it is to cross the Florida Straits, it is important also to let them know that they should maintain their hope that better times are coming, that freedom will soon arrive. And so these programs, now more than ever, are critical. And I commend the conference committee for having included them in this important and very positive conference committee report.

Mr. MOLLOHAN. Mr. Speaker, I yield 2 minutes to the distinguished

gentleman from New Jersey [Mr. MENENDEZ].

Mr. MENENDEZ. Mr. Speaker, I would like to thank the chairman for yielding the time to me and also for his work.

I rise in support of the Commerce, State, and Justice conference report.

Like my colleague from Florida, I am particularly happy to see that we have not undone an investment that we have made in surrogate broadcasting to the people of Cuba. At this point in time in history, it would be the worst possible decision we could have made. As we face the possibility of Castro's unraveling in these final chapters, as we look at the question of communicating to the people of Cuba as it relates to the dangers of crossing the Florida straits, as it relates to these very same debates for which we have honest disagreements on this issue, as it relates to the tens of thousands of people 2 weeks ago who rose up in Havana against the Castro government, to communicate with the rest of the people on the island, this is the time, however, to take care of some of the concerns and to use our technology either through a C-130, through our satellite transmissions, through our ship-to-shore transmissions, by raising the level of technology of television Marti so that that investment can reach all of the people on the island of Cuba.

If we were able to do that, then, in fact, our investment would pay off, our investment in opening up a window for the people of Cuba who have a very closed society. That is what is at stake here. This time shows us how important it is to have such an opportunity to transmit to the people of Cuba. That is why it is very important that we include it in the conference report.

I think it is the right thing to do. We have now got to use our ability to transmit to permeate throughout the island.

I also want to thank the chairman for his work with us on Hispanic recruitment in the State Department. We have one of the worst records of any Federal department. I think we have made some efforts to bring that along.

Mr. ROGERS. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. WALKER], the very able ranking Republican on the Committee on Science, Space, and Technology.

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

I must admit that as I went down through this bill I became concerned about the same things that we have been raising with regard to the crime bill, and that is that there are so many things down in here that are particular projects that my have individual merit but, in many cases, are absolutely unauthorized and the money should not be spent.

For instance, in the SBA section of the bill, we find $750,000 for the North Carolina Biotechnology Center. We find $500,000 for a population analysis center in Towanda, PA. We find $1 million for the city of Prestonberg, KY. We find $375,000 for the Nebraska Micro Enterprise Initiative. We find $3 million for the National Center for Genome Resources in New Mexico, $1 billion for the Genesis Small Business Incubator Facility in Fayettesville, AR; $500,000 for the SBIR in Bozeman, MT; $1 million for the Center for Entrepreneurial Opportunity in Greensburg, PA.

I have just read 8 of the 25 unauthorized projects. It is not just in that section of the bill.

If we go into another section of the bill that covers NOAA, we find things like $2.5 million for a grant to Kansas City, MO, for the development of a weather and environment information and demonstration center; $1 million to Mystic Seaport; $3.5 million for a multispecies aquaculture center in the State of New Jersey; $2 million for the construction of the Massachusetts Biotechnology Research Institute in Boston; $5.2 million for the Center for Interdisciplinary Research and Education in Indiana; $11 million for the construction of the Interagency Estuarine Habitats Research Laboratory in Lafayette, LA; $2.6 million for the Marine Science Center in Newport, OR; $7.5 million for the National Marine Fisheries Service Southeastern Laboratory; $980,000 for an estuarine reserve in South Carolina.

If Members flip the page over, they find $1 million for a grant to the Emerging Technologies Institute in Sacramento, CA; $930,000 for a grant in the Michigan Biotechnology Institute, and many, many more.

This is a problem down in these bills. It ought to be cured. It was not cured in this report.

□ 1330

Mr. MOLLOHAN. Mr. Speaker, I am pleased to yield 4 minutes to the gentleman from New Jersey [Mr. HUGHES], the distinguished chairman of the Subcommittee on Intellectual Property and Judicial Administration of the Committee on the Judiciary.

Mr. HUGHES. Mr. Speaker, first I want to thank the distinguished gentleman from West Virginia [Mr. MOLLOHAN] for yielding me some time.

I want to congratulate him, I think HAL ROGERS said it best, on his maiden voyage on the conference report, and I know this is the first of many that the gentleman will usher through the Congress in the years ahead. I congratulate him, and also the gentleman from Kentucky [Mr. ROGERS] and their committees and staffs on a very fine conference report.

Frankly, I have heard the bill described over and over again today as being a good crime bill, but it is broader than that. There are a lot of provisions in here that I think show the kind of balance and the kind of thought that has come out of this particular appropriations subcommittee for many years.

In fact, if all the committees of the Congress worked together in a bipartisan fashion like this particular Committee on Appropriations does, we would probably have better legislation. We might have a little more comity around here, and we would certainly get a lot more done. I think that is what our constituents expect of us.

I am lucky, because I chair a subcommittee where I have that kind of a relationship with my ranking Republican. We are full partners, and we get a lot of things done. I am talking about the gentleman from California [MR. MOORHEAD].

This is a good bill for a lot of reasons. This subcommittee takes a great deal of time in taking testimony, probably as much as any subcommittee, because it deals with some very, very important issues, not just in Justice and in the State Department and in Commerce and in the Judiciary, and in some of the independent agencies, but because it also has so many provisions that are very important.

The reason why this bill enjoys so much support is because the allocation this subcommittee received was not very generous this year, so you had very narrow limits to walk. You have done an excellent job in providing in all subject areas.

In the area of crime control and law enforcement, I think it has been mentioned over and over again, $1.3 billion for community policing. This is real money; it is going to enable us to put policemen on the street to do the kind of community policing that all law enforcement agencies across the country have told us we need.

The Byrne formula grant program, you have all heard from your prosecutors. This is one of their priorities because it is a program that works.

I was a prosecutor for some 10 years, and frankly, I would like to have had the kind of resources we are providing for local law enforcement in the Byrne grant program. It works because it enables them to put together the task force operations to deal with drug problems in their communities. They are able to get all kinds of good, hard intelligence because of the Byrne formula grant programs.

Mr. Speaker, the immigration initiative, there is $284 million in there for immigration. I do not have to tell the Members, immigration unfortunately is chaotic. It is out of control. We have not done a good enough job, not just at the southern border, but we have not done a good enough job in bringing the Immigration Service into the 20th century, let alone the 21st century, in providing the kind of data we need to track aliens who are in this country.

We do not have that capacity. We need to provide more resources.

Mr. Speaker, upgrading of criminal history records, $100 million. We have heard over and over again how we have to turn criminal history records over quicker than we do. The FBI is backlogged. Many of their records, tens of thousands of their records, are not automated. This $100 million will enable us to upgrade our criminal history record system. That is something that we have not done.

The moneys, the $130 million for the criminal alien assistance program for the States, is desperately needed in many parts of the country, particularly the southern border, in Florida, and in California. It is out of control. Those States are saddled with humongous bills because of the immigration problems.

The disaster assistance in the bill is essential. Moneys for the State Department, their peacekeeping operations, is needed, and it provides that.

It is a good bill, Mr. Speaker. I congratulate my colleagues on bringing an excellent bill from conference. I urge my colleagues to support it.

Mr. ROGERS. Mr. Speaker, I yield 2 minutes to the gentleman from New Mexico [Mr. SCHIFF].

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

Mr. Speaker, like other Members, there are some provisions of this bill with which I do not agree, but I think the overwhelming majority of provisions are so positive and so beneficial that I intend to vote for this conference report, and I urge my colleagues to vote for it, also.

I particularly want to congratulate the gentleman from West Virginia [Mr. MOLLOHAN], the gentleman from Kentucky [Mr. ROGERS], the ranking member; and all the members of the subcommittee and the House and the Senate conferees for dealing appropriately with law enforcement appropriations.

Mr. Speaker, the House of Representatives, when we took up the bill originally, already addressed the issue of the administration's proposal to reduce the staffing at the Federal Bureau of Investigation and the Drug Enforcement Administration. I am pleased that on a bipartisan basis the House of Representatives rejected that idea, and in fact increased those two agencies.

There was, however, in the original House bill one issue with which I had a disagreement. That dealt with the United States Attorneys' offices. These are the front line Federal prosecutors against violent and other criminal activity.

Although the House recommended an increase for the U.S. attorneys, it was so small as I felt to be negligible, and I do believe that we will pass a crime bill this year. I believe that we have to have the resources in the U.S. attorney's offices to implement that crime bill.

Mr. Speaker, I proposed an amendment on the House floor to increase the U.S. attorneys by simultaneously reducing some of the increase in the Antitrust Division; not lowering the Antitrust Division, but not increasing them as much as in the House proposal.

Mr. Speaker, that amendment was rejected by my colleagues because they wanted to increase, as recommended, the Antitrust Division. The conference committee was able, with a judicious use of funds, to both give an increase to the U.S. attorneys of $9 million over the original House recommendation and to increase the Antitrust Division.

Mr. Speaker, I support both of those actions, and I urge a yes vote on the conference report.

The SPEAKER pro tempore. The Chair would like to inform the managers that the gentleman from West Virginia [Mr. MOLLOHAN] has 3 minutes remaining, and the gentleman from Kentucky [Mr. ROGERS] has 4 minutes remaining.

Mr. MOLLOHAN. Mr. Speaker, I am pleased to yield 1 minute to the gentleman from North Carolina [Mr. PRICE], a very distinguished, hardworking member of our subcommittee.

Mr. PRICE of North Carolina. Mr. Speaker, I thank the gentleman for yielding time to me. I want to add my words of commendation and praise for the chairman for his successful work during this, his first year at the helm of the subcommittee, and also for the gentleman from Kentucky [Mr. ROGERS], our ranking minority member.

This is a good bill. It is a model of bipartisan cooperation. I only wish we had this kind of bipartisan cooperation on more of our authorization bills, including the omnibus crime bill now awaiting final action.

As many speakers have stressed, in many ways this appropriations measure is a downpayment on that crime bill. It will get us off to a good start on the prevention, policing, and punishment efforts that are going to be required to make our communities safe again.

This bill, of course, contains funding for many Federal departments, including high priority research, development, and technology transfer programs in the Commerce Department, and the work of the Small Business Administration, now revitalized under the leadership of Erskin Bowles. But our focus this year has been especially on the plague of crime and violence in our country.

In this bill we are making a significant start on community policing, on the upgrading of criminal history records, so that local law enforcement has access to good information when they pick up someone, and on immigration initiatives such as controlling the borders, expedited deportation, and enhanced asylum processing.

Byrne formula grants and increased by 26 percent. I just had a meeting 2 weeks ago with the three sheriffs in my district. All of them said "Go to Washington, pass the crime bill, and pass the funding bill, so we are assured of continued support for local law enforcement from the Byrne fund."

This is a good bill, Mr. Speaker, a practical, well-crafted bill that will make a great deal of difference in our communities. I urge its adoption.

Mr. ROGERS. Mr. Speaker, may I inquire as to the time remaining on each side?

The SPEAKER pro tempore. The gentleman from Kentucky [Mr. ROGERS] has 4 minutes remaining, and the gentleman from West Virginia [Mr. MOLLOHAN] has 2 minutes remaining.

Mr. ROGERS. Mr. Speaker, I yield 2 minutes to a very effective spokesman who has been one of the major defenders of Radio and TV Marti, the gentlewoman from Florida [Ms. ROS-LEHTINEN].

Ms. ROS-LEHTINEN. Mr. Speaker, the inclusion of funding for Radio and TV Marti is very pertinent given the recent dramatic events occurring in Cuba. Over the last few weeks, the Cuban people have begun to openly show their great discontent and disgust with the cruel Dictator, Fidel Castro, and have exhibited thirst for freedom as they have taken to the streets to condemn the continuous repression they are subjected to by the Castro regime.

Cries of "Libertad, Libertad" were heard in many parts of Cuba in the past days.

No longer are the Cuban people frightened or intimidated by the tyrants's threats to use whatever means necessary to keep them enslaved. Instead, the Cuban people are risking life and limb to achieve their goal of freedom and democracy.

This is why Radio and TV Marti are so important. Because they bring to the Cuban people the truth about the situation on the island and the violations of human rights that the people in Cuba are subjected to.

When the Castro regime blamed the United States for the death of more than 30 people after the sinking of the tugboat "13 De Marzo," it was Radio and TV Marti which carried the truth to the island interviewing survivors who told of the Cuban authorities merciless attack against the fleeing refugees, mostly women and children.

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It is Radio and TV Marti which told the Cuban people of the mass demonstrations in Havana where the people demanded freedom, liberty and justice.

Mr. Speaker, I thank the conferees for fighting to restore those funds for TV and Radio Marti and for getting them in the bill.

Mr. MOLLOHAN. Mr. Speaker, I yield 30 seconds to the gentleman from New York [Mr. SERRANO] a distinguished member of our committee.

Mr. SERRANO. Briefly, Mr. Speaker, I think it is very interesting to hear people say that we need Radio Marti now to send a message to Cubans to stay home. For years, Radio Marti has been the number one culprit in asking Cubans to rebel and to come here. Radio Marti is as responsible for the tragedy that is taking place in the Florida straits as is the Government of Cuba.

Mr. ROGERS. Mr. Speaker, I yield 1 minute to the gentleman from New Hampshire [Mr. ZELIFF].

Mr. ZELIFF. Mr. Speaker, in spite of the many good things we have heard so far about this report, I rise in opposition to the conference report. In particular I am opposed to the $27 million in specific earmarked pork-barrel spending appearing under the Small Business Administration budget. This represents over 4 percent of the total SBA budget for fiscal year 1995. In addition to this $27 million, the SBA budget also contains one of the biggest cases of wasteful spending, the tree planting program, another $15 million in unauthorized spending that no one even saw fit to mention at the many hearings in the markup of the Small Business Reauthorization Act. Those who supported this pork knew it would not pass in committee so they had the appropriators do their dirty work.

What in the world are we trying to do? Why are we wasting these resources? Tree planting is even more outrageous considering we just had to authorize emergency spending to keep the SBA from running out of money. We are always short on loan funds, disaster funds, and all types of funds, but we never seem to run out of pork.

Mr. Speaker, I oppose this bill, I oppose this process. I oppose the betrayal of taxpayers in the small business community. What does it take for us to wake up and start listening to the people we represent? This is why we need an A-to-Z process to get rid of waste and inefficiency in Government spending.

Mr. ROGERS. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, this is a good bill. It is strong in law enforcement. It may be the only crime bill that Members have a chance to vote for this year. I certainly hope it is. But it does strengthen the FBI, it restores the FBI to the 1992 levels, which was the highest ever. It restores the DEA to the 1992 levels, which was the highest ever. There is money in here for new prisons. We are going to open up several of them this year. In fact, there are 24 new or expanded prison facilities coming on line in 1995 under this bill and we appropriate the funds for an additional 11 new or expanded prison facilities in the coming year.

There is money for the Byrne grant formula program which States and locality law enforcement agencies desperately need. In fact, a 26-percent increase over last year, and 100 percent over the administration's request.

There is money for the first time for State criminal alien incarcerations, reimbursements to States who are using their moneys now for that purpose. There are 950 new Border Patrol agents and moneys to support them, not to mention the other items that we have heard here today. I urge a vote for the conference report.

Mr. MOLLOHAN. Mr. Speaker, I yield 2 minutes to the gentleman from Iowa [Mr. SMITH], the distinguished former chairman of our subcommittee.

Mr. SMITH of Iowa. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, first I want to congratulate the new chairman of the subcommittee and the ranking Member again. This is a very difficult bill to handle. I was just thinking as I sat here today that this is the first time in 15 years that I have not heard any discussion of Legal Services Corporation. We have finally gotten that behind us, I hope. But actually the rest of the Congress and even the country is even catching up with this subcommittee with regard to crime. A lot of people would not know it, but the big crime bill we are talking about is mostly just an authorization and the money has to be provided by this subcommittee, and the things that we do are limited by the money that this subcommittee can find. That is not true with regard to rules of evidence and penalties but as far as the money is concerned, it is provided in this bill.

Also I think I must respond briefly to the gentleman from New Hampshire. Fifteen million dollars for trees for urban areas all over the whole United States happens to be exactly the same amount of money that we provided for a computer center in New Hampshire that the gentleman did not want rescinded 3 or 4 years ago. I think trees for our children and grandchildren and great grandchildren all over the United States will do a lot more good for this country than a project in only one place such as New Hampshire.

Also this is an important bill with regard to the competitiveness in the world. This is the bill where we really provide funding to encourage private sector development of new high technology to meet world competition as the gentleman from California knows.

This is the bill where NIST was increased from $520 million up to $855 million. We are now centering our attention on the National Institute of Standards and Technology. We are going to go for civilian development of products; we are going to help NIST make the United States competitive in this world. We have been depending too much on the military to do this kind of research and development assuming we get some spinoff from military research and development.

Also there are expert promotion activities funded in this bill that are terribly important to this country. Also funding for the State Department is provided in the bill. I congratulate the gentleman from West Virginia and also from Kentucky for handling this bill. I think it is a very controversial bill at times, but this conference agreement is as good as could be put together this year.

Mr. HUGHES. Mr. Speaker, I rise in support of the conference report on H.R. 4603, the Commerce, Justice, State and Judiciary appropriations bill for fiscal year 1995 and to commend the distinguished chairman of the subcommittee, ALLAN MOLLOHAN and the subcommittee's ranking Republican, HAL ROGERS, on a job well done. Chairman MOLLOHAN took over the helm of this subcommittee at a very difficult and critical time this year. However he and his outstanding staff have done a yeoman's job in crafting and managing this bill.

This is an important bill that provides needed funding for a number of departments and agencies, including the Department of Justice, the Judiciary and the National Oceanographic and Atmospheric Administration. However, on this occasion, I would particularly like to point out the important funding provided in this bill for administering our Nation's fishery related programs.

As the representative of a coastal district, I know that each day brings more and more restrictions on commercial fishing. Ocean resources that we once thought were limitless are proving to be fragile. This bill provides funding that will help us perform needed research into the status of our fishery resources and ways to sustain and manage them. In order to protect our resources and still provide consumers with the fish and seafood products they demand, the bill provides funding to look at new and innovative alternatives to traditional seafood harvesting methods.

One very important alternative source of seafood is aquaculture and I am pleased that this legislation provides some $3.5 million for construction of a multispecies aquaculture facility in New Jersey currently being developed by Rutgers University and Cumberland County College. This demonstration facility is just the type of experimental farm we need to get aquaculture moving in our State. The Rutgers-Cumberland County project will take a multispecies approach to aquaculture; that is, the facility will culture both finfish and shellfish. This unique approach is critical to support development of small-scale culture operations and larger commercial ventures. Supporters of the facility, like me, hope that culture of all these species will lead to new knowledge and developments that will continually make aquaculture a more viable business opportunity in New Jersey and elsewhere.

The lack of demonstration facilities that serve the function of experimental farms is the principal factor limiting aquaculture development in New Jersey—and in most other States. So, perhaps the most important service the Rutgers-CCC facility will perform is to act in a similar manner to a traditional agricultural extension service. In fact, that is why the Northeastern Regional Aquaculture Center is eager to see this facility completed.

The Rutgers-CCC Facility will perform outreach to help entrepreneurs set up businesses. To maintain these businesses, the facility will work to show farmers how to work with various finfish and shellfish species, to cope with diseases, and how to maintain the proper water quality. The aquaculture facility will even work with them to help market their products. These are the services that will really help to minimize the risks for private entrepreneurs and foster a healthy, thriving aquaculture industry in our State and throughout the Northeastern region.

Mr. Speaker, this is an important bill that will help people, not only in New Jersey, but throughout our Nation. I urge my colleagues to pass this measure.

Mr. FAZIO. Mr. Speaker, I rise in strong support of the conference report on H.R. 4603, the bill that funds the Commerce, Justice and State Departments, the Federal Judiciary, and related agencies for fiscal year 1995.

The conference report funds a wide variety of programs. It provides the resources for the punishment and prevention initiatives in the anticrime bill. It supplies resources for attacking the overwhelming problem of crime in our neighborhoods and communities, focusing attention and resources on the State and local levels—the front lines, where the bulk of the responsibility for responding to crime lies.

This year, the conference report includes support for the Emerging Technologies Institute [ETI] in Sacramento, CA. ETI is a nonprofit consortium made up of local businesses, local colleges and universities, and McClellan Air Force Base and is designed to attract public and private sector investment to the Sacramento region in three main areas: Agricultural biotechnology; medical biotechnology; and defense dual-use technology. Local community leaders believe that ETI will be the catalyst for promoting economic development and improving international competitiveness of high-technology businesses in our region.

I am also pleased that this conference report recognizes the important work of the Economic Development Administration. In my district in northern California, the EDA has made a tremendous impact on the economic development of the region and I have been impressed with the broad support the EDA enjoys from the people who are on the front lines of economic development in the communities in my district.

I myself have worked closely with the Tri-County Economic Development Committee [TCEDC], the federally recognized Economic Development District which serves Glenn, Tehama and Butte Counties in my district, and I know the difference these programs have made in these economically distressed areas. TCEDC provides the cities and counties in this region with a wide variety of economic development services, including economic development planning, grant writing, administration of public works and technical assistance projects, management of local, State, and federally funded revolving loan funds [RLF's] and small business financing.

I am specifically pleased that the conference report recognizes the EDA's involvement in efforts underway to expand the Red Bluff, CA Community and Senior Center, a project which could play a pivotal role in the development of the local economy. This addition would enable the community center to better attract business meetings, conventions, and seminars to the community. An expanded community center would assist the community in retaining its present jobs, help promote new jobs, and attract new businesses and industries.

Further, I support the committee's reaffirmation that there be no reductions or degradation of service at the Redding, CA Weather Service Office under the National Weather Services' modernization plan. The importance of accurate weather information for this region has far ranging implications. Plans to close the Redding weather station would seriously jeopardize interstate commerce along the Interstate 5 corridor, agricultural crops, and public safety. I support the report's direction that an independent review of the NWS plan should ensure there is adequate weather forecasting coverage in the Redding area as well as other targeted parts of the country.

The conference report also includes increased funding for the Byrne Grant Program—an initiative that is critical for our communities in California. The Byrne Program provides grants to State and local law enforcement agencies for a wide variety of programs to control violent crime and drug abuse, and to improve the criminal justice system. I first became aware of the critical role that Byrne funding plays in rural law enforcement in a meeting that I set up earlier this year between Attorney General Reno and law enforcement representatives from my district. These sheriffs and police chiefs were concerned because the administration had eliminated Byrne funding from its initial budget request.

Although Byrne funding is important to local law enforcement around the country, rural America is particularly dependent on Byrne formula grants for support for its law enforcement efforts and for its participation in Federal law enforcement assistance programs. Without this funding, the crime-fighting ability of our rural communities is greatly hampered.

I, along with my colleague from Michigan [Mr. STUPAK] introduced a sense-of-Congress amendment which was included in the House anticrime bill and is also present in the conference report for the anticrime initiative. This amendment stresses that Congress must maintain its support for Byrne formula grants and helps ensure that rural communities do not lose ground as the rest of the country moves forward on new anticrime strategies. The amendment puts Congress firmly on record that, as we attempt to attack crime in the cities and suburbs throughout America, rural communities do not get left behind.

As a result of this and similar efforts by other Members, the conference report for the Commerce/Justice/State appropriations bill provides $450 million—a 26-percent increase over fiscal year 1994—for the nationwide Byrne Program. These resources are vital for my State, which traditionally receives roughly 10 percent of these funds and therefore stands to get about $45 million of this money. Equally important is the fact that approximately 60 percent—or $27 million—of California's allocation will be passed through to our local jurisdictions.

The conference report also includes increased funding for the Immigration and Naturalization Service [INS] for additional Border Patrol agents, improved border control capabilities, and improved deportation and asylum processing.

Funds in this bill will also be used for reimbursement to State and local governments for the costs of criminals who are in this country illegally, have been convicted of a felony, and are being incarcerated at State and local expense. It is estimated that approximately 40 percent—or $52 million—of the $130 million provided for these costs will go to our State. This is the first time that these funds, though authorized, have ever been appropriated.

The programs funded in this conference report safeguard our children, neighborhoods, and communities, and preserve our resources. They protect our industries, both locally and globally, and help us maintain our position as an international leader—economically, socially, and politically. Mr. Speaker, I urge my colleagues on both sides of the aisle to vote for maintaining our quality of life to and support final passage of this conference report.

Ms. SNOWE. Mr. Speaker, there are many admirable provisions in the fiscal year 1995 appropriations conference report for the Departments of Commerce, Justice, State and the Judiciary. I would like to highlight for my colleagues, however, the fact that the conferees dropped a Senate provision from the conference report that was virtually identical to legislation, H.R. 2730, I originally introduced last year in the House. This bill, which has been bottled up in the Judiciary Committee, would deny U.S. visas to known members of terrorist organizations unless a high foreign policy decision is made on a case-by-case basis to grants such a visa.

In opposing this Senate amendment, offered by the distinguished Senator from Colorado [Mr. BROWN], the conferees chose to continue the current outrageous practice of putting American lives at risk in deference to some imagined right of foreign terrorists to travel freely to and within the United States. Under current law, a visa can be denied to a known member of a terrorist organization only if the United States has compelling evidence that the individual was personally involved in a past terrorist act or if it is known that the person is coming to the United States to conduct such an act.

Mr. Speaker, some of the appropriations conferees may try to argue that this action was taken to avoid legislating on an appropriations bill. That might be a reasonable argument if this appropriations conference report were otherwise devoid of such items. But it is not.

Nor can the conferees argue that my legislation could not be included in the conference report due to the jurisdictional claim of the Judiciary Committee. I have two comments on this. First, if the Judiciary Committee would move its own immigration reform legislation it would never have been necessary to use a non-Judiciary Committee bill to get enacted this urgently-needed change in law to protect the American people. Second, the chairman of the Judiciary Committee did, ultimately, agree to allow some legislative provisions under his committee's jurisdiction to remain in this bill. Once the Democrat members of the Judiciary Committee agreed to this, they could no

longer make a procedural argument against my legislative provision. They could only legitimately make an argument against my legislation on substance, an argument that I am certain would fail to convince most Members of this body, much less the American people.

I discovered this dangerous loophole in our immigration laws last year during my investigation of the State Department failures that allowed the radical Egyptian cleric, Sheikh Omar Abdel Rahman, to travel to and reside in the United States since 1990. Sheikh Rahman is the spiritual leader of Egypt's terrorist Islamic Group. His followers have been convicted for the 1993 bombing of the World Trade Centers in New York, and the Skeikh himself is set to go on trial soon for his alleged role in planning and approving terrorist acts in the United States.

Earlier this year, I also found out that the State Department has in the past used this legal loophole to grant a visa to Tunisia's Sheikh Rashid el-Ghanoushi, the convicted leader of the Islamic fundamentalist terrorist organization Ennadha. At this very moment, the State Department is considering a new visa request by Sheikh Ghanoushi. A letter I received from the State Department on this matter confirmed that they interpret current law to require them to issue a visa to Ghanoushi—an acknowledged member of a terrorist organization—unless they can prove that he personally was involved in a terrorist act. Apparently his conviction in Tunisia for his part in an assassination plot against Tunisia's pro-Western President Ben Ali is not enough. Nor is the fact that he fled his country after his underground Islamic fundamentalist terrorist group launched violent attacks against the government. Nor, apparently, do his virulently antiwestern and anti-Israel statements have any relevance to the visa decision, as far as the State Department is concerned.

Mr. Speaker, after the recent rash of terrorist bombings in Argentina, Panama, and London, many countries are waking up to their vulnerability to terrorists. As reported in the July 28 Christian Science Monitor, the British Parliament is now considering enacting legislation similar to my legislation that the conferees so casually cast aside.

It is well known that many foreign terrorist organizations depend on money raised in the United States for a major portion of their funding. There are also disturbing indications that many of these organizations are working to develop networks of members and supporters in our own country. The first step we need to take to combat these criminal activities is to slam the door on foreign members of such terrorist organizations who now freely travel to the United States unfettered by our visa laws.

I am deeply disappointed in the action of both the Democrat and Republican conferees who supported deleting the Senate Brown amendment. Whether they fully understand the issue or not, the sad truth is that now American lives will continue to be put at risk out of deference to some imagined first amendment right of foreign terrorists. In my reading of the U.S. Constitution I see much about the protection of the safety and welfare of U.S. citizens, but nothing about the rights of members of terrorist organizations to visit Disneyland.

I hope that the next time this issue comes before the House it will not be in reaction to an avoidable loss of American lives to a terrorist act. I hope that next time this issue is allowed to be considered on its merits, and not anonymously deleted in an en bloc package of staff agreements.

Mr. KIM. Mr. Speaker, I was shocked to learn that there are 25 unauthorized pork projects contained in title IV of H.R. 4603, which provides appropriations for the Small Business Administration Appropriations. These projects amount to 16 percent of the total SBA appropriation. This is an outrageous abuse of the American taxpayer.

Mr. Speaker, I do not have time to go into the entire list, but let me mention just a few of these projects: $750,000 for a North Carolina Biotechnology Center; $1.5 million for a consortium in Buffalo, NY; $1 million for a Genesis Small Business Incubator Facility in Fayettesville, AR; $500,000 for a Mississippi Delta Small Business Technology project in Little Rock, AR; and $15 million for a tree planting program of which $500,000 is earmarked for Buffalo, NY.

I am amazed that there were no hearings on these projects. Interestingly, there are no projects for my State of California which is still mired in economic troubles with an unemployment rate of 8.2 percent. If we are to earmark funds, shouldn't we earmark them to stimulate the economies of those areas of our country still affected by recession?

But of course, as a freshman Republican I could not get these types of unauthorized projects inserted into an appropriations bill. I am deeply disturbed by the unauthorized inclusion of these projects in this bill. The American people should be outraged by this wasteful spending, and this contemptuous and secretive process.

Mr. CRAMER. Mr. Speaker, I rise in support of the conference report to accompany H.R. 4603, the Commerce, Justice, and State, the Judiciary, and related agencies appropriations bill for fiscal year 1995.

First, I would like to commend Chairman ALAN MOLLOHAN for his leadership in moving through the Appropriations Committee and bringing to the House floor this important bill that will provide the necessary capital to address the problems of child abuse, to fund needed anti-crime initiatives, to assist small and emerging businesses, and to support efforts in developing and implementing strategies to enable U.S. industry to fully realize the commercial benefits of new technology.

Additionally, I would like to commend the staff for their professionalism and attention to details.

Mr. Speaker, the Appropriations Committee has been charged with an almost insurmountable task: funding significant programs on the one hand and acting in accordance with budgetary limitations requirements on the other hand. Chairman MOLLOHAN and the other members of the Subcommittee have performed admirably.

I am very supportive of one particular section of this bill. The bill includes funding for the Children's Advocacy Center Program that was authorized in the 1992 Amendments to the Victims of Child Abuse Act. The administration included the Children's Advocacy Center Program in its 1995 budget request.

Why is this program important? It is important for several reasons. Based on 1990 revised data, States received and referred for investigation approximately 1.7 million cases of child abuse out of an estimated report of 2.6 million children who are the alleged subjects of child abuse and neglect. In 1991, the number of cases referred for investigation rose to nearly 1.8 million reports. The number reported in 1991 represents an increase of approximately 2.4 percent from 1990 data.

In 1992, approximately 918,263 substantiated and indicated victims of child maltreatment cases were reported from 49 states. Of these, approximately 14 percent (129,982) were sexually abused. The Carnegie Corp. of New York reported, in its publication Starting Points, that one in three victims of physical abuse is a baby less than a year old and that in 1990, more 1-year olds were maltreated than in any previous year for which data are available. Additionally, Starting Points reported "almost 90 percent of children who died of abuse and neglect in 1990 were under the age of 5; and 53 percent were less than a year old." Further, based upon its annual telephone survey of States, the National Committee for Prevention of Child Abuse reported that at least three children a day die from physical abuse inflicted by a parent or caretaker.

The Children's Advocacy Center Program addresses this problem. The mission of this program is to provide technical assistance, training and networking opportunities to help communities establish and maintain child abuse prevention, intervention, prosecution and investigation programs which provide quality services for helping victims of child abuse, particularly child sexual abuse. The purpose of Children's Advocacy Centers is to help abused children by providing a safe and comfortable environment designed to meet their needs for support and protection.

The cornerstone of this program is the use of multi-disciplinary teams. A multi-disciplinary team consists of representatives from law enforcement, child protective services, prosecution, victim advocates, medicine and mental health who meet on a regular basis to review cases and issue joint recommendations in the best interest of each child. The multi-disciplinary team concept that is incorporated in the Children's Advocacy Program works to coordinate the activity of all involved public and private agencies to intervene in the lives of abused children in a meaningful way and to ensure that the judicial system does not revictimize them through repeated interviews and examinations.

Preventing the inadvertent revictimization of an abused child by the judicial and social service systems in their efforts to protect the child is a major goal of this program. As a consequence of a coordinated response, child victims are spared the pain and confusion of multiple interviews by prosecutors, protective service workers and social workers.

This program may not be a panacea for the increasing problem of child abuse. However, it is more than a first step toward addressing the problem. This program has served and will continue to serve as a model for communities that are working to focus attention and efforts on the best interests of the child and non-offending family members.

Funding this program speaks volumes to the House of Representatives' commitment to support a necessary pro-family and anti-crime initiative. Without question, this program improves the lives of communities, children and non-offending family members. Communities from Hawaii to Vermont and cities as diverse as Miami and Salt Lake City have established multi-disciplinary teams and mobilized professionals to respond to child sexual abuse. In every instance, when the model outlined in the 1992 amendments to the Victims of Child Abuse Act has been incorporated into a community's unique program, that community has seen positive results.

Mr. Speaker, the Children's Advocacy Center Program is an effective response to child abuse. I commend Chairman MOLLOHAN for his leadership efforts. I urge my colleagues to support the bill.

Mr. STOKES. Mr. Speaker, I rise in strong support of H.R. 4603, making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies programs for fiscal year 1995. This bill will enhance many of our Nation's most important functions so that the interests of the American people will be best preserved. I want to take this opportunity to commend my distinguished colleague, the gentleman from West Virginia, Chairman MOLLOHAN, for his leadership in crafting this intelligent and thoughtful legislation, and his expeditiously bringing it before the House for consideration.

This bill contains a great number of essential services to our Nation. In the justice portion of the bill the committee has continued its unprecedented efforts to fight crime. The bill provides for over $12 billion for the Department of Justice. This includes funding for many programs that will play an essential role in our efforts to make our citizens safer. The bill also contains important funding for our Nation's judicial system, essential for the swift, fair, and effective administration of justice for all Americans. The list of important functions supported by this bill is substantial and makes additional substantial contributions in the areas of disaster relief, civil rights, and commerce—to name just a few.

Mr. Speaker, I would also like to address several programs funded by the bill that will greatly assist the citizens of my home State of Ohio. Overall, the bill includes a total of almost $5 billion to continue critical efforts to create jobs and improve the national economy through technology enhancements, economic development programs, and small business administration initiatives. For northeast Ohioans, the bill extends funding for the manufacturing technology center, provides funds for the Cleveland Technology District, the Unified Technology Center, and establishes a minority economic opportunity center. All of these efforts will bring many job opportunities to the region.

This is the kind of bill that will result in the overall enhancement of our Nation by the strategic and wise investment of Government funds in programs that are good for all Americans. In closing, I would again like to express my sincere appreciation for the efforts of Chairman MOLLOHAN and the other members of the subcommittee for the efforts they have made to bring this bill before us today. I strongly encourage all of my colleagues to support the important efforts contained in H.R. 4603.

The SPEAKER pro tempore (Mr. CARDIN). Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. WALKER. 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 322, nays 98, not voting 14, as follows:

[Roll No. 408]

YEAS—322

Abercrombie
Ackerman
Andrews (ME)
Applegate
Bacchus (FL)
Baesler
Baker (LA)
Ballenger
Barca
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Bateman
Becerra
Beilenson
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Blackwell
Blute
Boehlert
Bonilla
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Buyer
Byrne
Calvert
Canady
Cantwell
Cardin
Carr
Castle
Chapman
Clay
Clayton
Clinger
Clyburn
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Conyers
Coppersmith
Costello
Coyne
Cramer
Cunningham
Danner
Darden
de la Garza
Deal
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Edwards (TX)
Emerson
Engel
English
Eshoo
Evans
Everett
Ewing
Farr
Fazio
Fields (LA)
Filner
Fingerhut
Fish
Flake
Foglietta
Ford (MI)
Fowler
Frank (MA)
Franks (CT)
Frost
Furse
Gallegly
Gallo
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Gordon
Grandy
Green
Gunderson
Gutierrez
Hall (OH)
Hamburg
Hamilton
Harman
Hastert
Hastings
Hayes
Hefner
Hilliard
Hinchey
Hoagland
Hobson
Hochbrueckner
Hoke
Holden
Horn
Houghton
Hoyer
Hughes
Hunter
Hutchinson
Hutto
Inslee
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E.B.
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kingston
Kleczka
Klink
Kolbe
Kopetski
Kreidler
Kyl
LaFalce
Lambert
Lancaster
LaRocco
Laughlin
Leach
Lehman
Levin
Lewis (CA)
Lewis (GA)
Lightfoot
Linder
Lipinski
Livingston
Lloyd
Long
Lowey
Machtley
Maloney
Mann
Manton
Manzullo
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McCrery
McCurdy
McDermott
McHale
McInnis
McKeon
McKinney
McMillan
McNulty
Meehan
Meek
Menendez
Mfume
Mica
Michel
Miller (CA)
Mineta
Mink
Moakley
Molinari
Mollohan
Montgomery
Moran
Morella
Murtha
Myers
Nadler
Neal (MA)
Neal (NC)
Oberstar
Obey
Olver
Ortiz
Orton
Oxley
Packard
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Pickett
Pickle
Pombo
Pomeroy
Porter
Poshard
Price (NC)
Quillen
Quinn
Rahall
Rangel
Ravenel
Reed
Regula
Richardson
Ridge
Roemer
Rogers
Ros-Lehtinen
Rostenkowski
Roukema
Rowland
Roybal-Allard
Sabo
Sanders
Sangmeister
Sarpalius
Sawyer
Schenk
Schiff
Schroeder
Schumer
Scott
Serrano
Sharp
Shaw
Shays
Shepherd
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (IA)
Smith (NJ)
Smith (TX)
Snowe
Spratt
Stark
Stearns
Stokes
Strickland
Studds
Stupak
Swift
Synar
Tanner
Tauzin
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Traficant
Tucker
Unsoeld
Upton
Valentine
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walsh
Waters
Watt
Waxman
Wheat
Whitten
Williams
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (FL)

NAYS—98

Allard
Andrews (NJ)
Archer
Armey
Bachus (AL)
Baker (CA)
Bartlett
Barton
Bliley
Boehner
Bunning
Burton
Callahan
Camp
Coble
Combest
Condit
Cox
Crane
Crapo
DeLay
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Fawell
Fields (TX)
Franks (NJ)
Gekas
Goodlatte
Goodling
Goss
Grams
Greenwood
Hall (TX)
Hancock
Hansen
Hefley
Herger
Hoekstra
Huffington
Hyde
Inglis
Inhofe
Istook
Jacobs
Johnson, Sam
Kasich
Kim
King
Klug
Knollenberg
Lazio
Levy
Lewis (FL)
Lewis (KY)
Lucas
McCandless
McCollum
McHugh
Meyers
Miller (FL)
Minge
Moorhead
Murphy
Nussle
Paxon
Penny
Peterson (MN)
Petri
Portman
Pryce (OH)
Ramstad
Roberts
Rohrabacher
Roth
Royce
Santorum
Saxton
Schaefer
Sensenbrenner
Shuster
Smith (MI)
Smith (OR)
Solomon
Spence
Stenholm
Stump
Swett
Talent
Taylor (MS)
Walker
Weldon
Young (AK)
Zeliff
Zimmer

NOT VOTING—14

Andrews (TX)
Clement
Cooper
Ford (TN)
Klein
Lantos
McDade
Owens
Reynolds
Rose
Rush
Slattery
Sundquist
Washington

□ 1408

Ms. MOLINARI, Messrs. QUILLEN, LEWIS of California, SHAYS, THOMAS

of California, and LINDER changed their vote from "nay" to "yea."

So the conference agreement was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FOR MANAGEMENT OF PORTIONS OF THE PRESIDIO

Ms. SLAUGHTER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 516 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 516

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 3433) to provide for the management of portions of the Presidio under the jurisdiction of the Secretary of the Interior. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and the amendments made in order by this resolution and shall not exceed seventy-five minutes, with forty-five minutes equally divided and controlled by the chairman and ranking minority member of the Committee on Natural Resources and thirty minutes equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means. After general debate the bill shall be considered for amendment under the five-minute rule for a period of not to exceed three hours (excluding time consumed by recorded votes and proceedings incidental thereto). It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Natural Resources now printed in the bill, modified by the amendments recommended by the Committee on Ways and Means now printed in the bill and by the amendments printed in the report of the Committee on Rules accompanying this resolution. The committee amendment in the nature of a substitute, as modified, shall be considered as read. All points of order against the committee amendment in the nature of a substitute, as modified, are waived. No amendment directly or indirectly changing section 3(h)(9), section 3(h)(12), section 3(h)(13), or section 3(j) of the amendment in the nature of a substitute, as modified, shall be in order. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute, as modified. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

□ 1410

The SPEAKER pro tempore (Mr. MCNULTY). The gentlewoman from New York [Ms. SLAUGHTER] is recognized for 1 hour.

Ms. SLAUGHTER. Mr. Speaker, I yield the customary 30 minutes of debate time to the gentleman from Tennessee [Mr. QUILLEN] pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 516 is a modified open rule providing for the consideration of H.R. 3433, to provide for the management of the Presidio.

The rule provides for 75 minutes of general debate, with 45 minutes equally divided and controlled by the Natural Resources Committee and 30 minutes equally divided and controlled by the Ways and Means Committee.

All points of order against consideration of the bill are waived.

The rule makes in order an amendment in the nature of a substitute now printed in the bill, as modified by the Ways and Means Committee amendments now printed in the bill and the amendments printed in the report to accompany the rule, as an original bill for the purposes of amendment. The substitute, as modified, shall be considered as read and all points of order against the substitute, as modified, are waived.

The rule is an open rule with the exception that amendments shall not be in order which directly or indirectly change sections 3(h)(9), 3(h)(12), 3(h)(13), or 3(j) of the substitute. These sections, which are in the jurisdiction of the Ways and Means Committee, have to do with budgetary and tax aspects of the bill's proposed Presidio Trust. It was not the intention of the Rules Committee to preclude the offering of substitutes when protecting these sections from amendment. Substitutes which do not include the establishment of the Trust will be in order. Alternatively, substitutes which include the specified sections without change in their text will also be in order.

The rule further provides for a limit of 3 hours, excluding the time for votes, for consideration of the bill for amendment.

Finally, the rule provides for one motion to recommit with or without instructions.

Mr. Speaker, H.R. 3433, the bill for which the Rules Committee has recommended this rule, provides a framework for the conversion of the Presidio from a military base to an urban national park. The Natural Resources Committee has carefully crafted the bill to protect the nationally significant natural and cultural resources of the Presidio, while at the same time reducing the net cost to the taxpayer through the generation of substantial revenues to offset the overall costs of operation and restoration.

Mr. Speaker, I ask my colleagues to support this modified open rule so that we may proceed with consideration of the merits of this legislation.

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

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

As the gentlewoman from New York [Ms. SLAUGHTER] has described, this rule waives all points of order against the bill and its consideration and against the substitute, as modified. I cannot support this blanket waiver, Mr. Speaker, and I cannot support his rule.

A list of potential points of order that may lie against the bill and the substitute was made available to the Rules Committee, and it included budget act violations, appropriations in a legislative bill, and nongermane amendments. I understand that the budget problems may be solved, but the other rules violations still stand.

In addition to my objection to the waivers provided by this rule, I am also concerned that certain sections of the bill are closed to amendment and that a time limitation has been established for consideration of the bill for amendment. A letter was sent to the chairman of the Rules Committee, which is signed by the minority leader, the Republican whip, and the ranking Republican members of the Natural Resources and Budget Committees, requesting a completely open rule. A motion was made in the Rules Committee to report an open rule, but this effort was defeated.

Mr. Speaker, the Presidio has been a controversial subject from the start, and we have had heated debate during consideration of appropriation bills on this issue. I think this bill should be completely open to amendment without restriction or limitation. I ask unanimous consent to insert extraneous materials into the RECORD following my statement, and I urge my colleagues to vote "no" on this rule.

Mr. Speaker, I include for the RECORD statistics on open versus restrictive rules, as follows:

OPEN VERSUS RESTRICTIVE RULES 95TH–103D CONG.

Congress (years)	Total rules granted [1]	Open rules		Restrictive rules	
		Number	Percent [2]	Number	Percent [3]
95th (1977–78)	211	179	85	32	15
96th (1979–80)	214	161	75	53	25
97th (1981–82)	120	90	75	30	25
98th (1983–84)	155	105	68	50	32
99th (1985–86)	115	65	57	50	43
100th (1987–88)	123	66	54	57	46
101st (1989–90)	104	47	45	57	55
102d (1991–92)	109	37	34	72	66
103d (1993–94)	91	25	27	66	73

[1] Total rules counted are all order of business resolutions reported from the Rules Committee which provide for the initial consideration of legislation, except rules on appropriations bills which only waive points of order. Original jurisdiction measures reported as privileged are also not counted.

[2] Open rules are those which permit any Member to offer any germane amendment to a measure so long as it is otherwise in compliance with the rules of the House. The parenthetical percentages are open rules as a percent of total rules granted.

[3] Restrictive rules are those which limit the number of amendments which can be offered, and include so-called modified open and modified closed rules, as well as completely closed rule, and rules providing for consideration in the House as opposed to the Committee of the Whole. The parenthetical percentages are restrictive rules as a percent of total rules granted.

Sources: "Rules Committee Calendars & Surveys of Activities," 95th–102d Cong.; "Notices of Action Taken," Committee on Rules, 103d Cong., through Aug. 12, 1994.

OPEN VERSUS RESTRICTIVE RULES: 103D CONG.

Rule number date reported	Rule type	Bill number and subject	Amendments submitted	Amendments allowed	Disposition of rule and date
H. Res. 58, Feb. 2, 1993	MC	H.R. 1: Family and medical leave	30 (D–5; R–25)	3 (D–0; R–3)	PQ: 246–176. A: 259–164. (Feb. 3, 1993).
H. Res. 59, Feb. 3, 1993	MC	H.R. 2: National Voter Registration Act	19 (D–1; R–18)	1 (D–0; R–1)	PQ: 248–171. A: 249–170. (Feb. 4, 1993).
H. Res. 103, Feb. 23, 1993	C	H.R. 920: Unemployment compensation	7 (D–2; R–5)	0 (D–0; R–0)	PQ: 243–172. A: 237–178. (Feb. 24, 1993).
H. Res. 106, Mar. 2, 1993	MC	H.R. 20: Hatch Act amendments	9 (D–1; R–8)	3 (D–0; R–3)	PQ: 248–166. A: 249–163. (Mar. 3, 1993).
H. Res. 119, Mar. 9, 1993	MC	H.R. 4: NIH Revitalization Act of 1993	13 (d–4; R–9)	8 (D–3; R–5)	PQ: 247–170. A: 248–170. (Mar. 10, 1993).
H. Res. 132, Mar. 17, 1993	MC	H.R. 1335: Emergency supplemental Appropriations	37 (D–8; R–29)	1(not submitted) (D–1; R–0)	A: 240–185. (Mar. 18, 1993).
H. Res. 133, Mar. 17, 1993	MC	H. Con. Res. 64: Budget resolution	14 (D–2; R–12)	4 (1-D not submitted) (D–2; R–2)	PQ: 250–172. A: 251–172. (Mar. 18, 1993).
H. Res. 138, Mar. 23, 1993	MC	H.R. 670: Family planning amendments	20 (D–8; R–12)	9 (D–4; R–5)	PQ: 252–164. A: 247–169. (Mar. 24, 1993).
H. Res. 147, Mar. 31, 1993	C	H.R. 1430: Increase Public debt limit	6 (D–1; R–5)	0 (D–0; R–0)	PQ: 244–168. A: 242–170. (Apr. 1, 1993).
H. Res. 149 Apr. 1, 1993	MC	H.R. 1578: Expedited Rescission Act of 1993	8 (D–1; R–7)	3 (D–1; R–2)	A: 212–208. (Apr. 28, 1993).
H. Res. 164, May 4, 1993	O	H.R. 820: Nate Competitiveness Act	NA	NA	A: Voice Vote. (May 5, 1993).
H. Res. 171, May 18, 1993	O	H.R. 873: Gallatin Range Act of 1993	NA	NA	A: Voice Vote. (May 20, 1993).
H. Res. 172, May 18, 1993	O	H.R. 1159: Passenger Vessel Safety Act	NA	NA	A: 308–0 (May 24, 1993).
H. Res. 173 May 18, 1993	MC	S.J. Res. 45: United States forces in Somalia	6 (D–1; R–5)	6 (D–1; R–5)	A: Voice Vote (May 20, 1993)
H. Res. 183, May 25, 1993	O	H.R. 2244: 2d supplemental appropriations	NA	NA	A: 251–174. (May 26, 1993).
H. Res. 186, May 27, 1993	MC	H.R. 2264: Omnibus budget reconciliation	51 (D–19; R–32)	8 (D–7; R–1)	PQ: 252–178. A: 236–194 (May 27, 1993).
H. Res. 192, June 9, 1993	MC	H.R. 2348: Legislative branch appropriations	50 (D–6; R–44)	6 (D–3; R–3)	PQ: 240–177. A: 226–185. (June 10, 1993).
H. Res. 193, June 10, 1993	O	H.R. 2200: NASA authorization	NA	NA	A: Voice Vote. (June 14, 1993).
H. Res. 195, June 14, 1993	MC	H.R. 5: Striker replacement	7 (D–4; R–3)	2 (D–1; R–1)	A: 244–176. (June 15, 1993).
H. Res. 197, June 15, 1993	MO	H.R. 2333: State Department. H.R. 2404: Foreign aid	53 (D–20; R–33)	27 (D–12; R–15)	A: 294–129. (June 16, 1993).
H. Res. 199, June 16, 1993	C	H.R. 1876: Ext. of "Fast Track"	NA	NA	A: Voice Vote. (June 22, 1993).
H. Res. 200, June 16, 1993	MC	H.R. 2295: Foreign operations appropriations	33 (D–11; R–22)	5 (D–1; R–4)	A: 263–160. (June 17, 1993).
H. Res. 201, June 17, 1993	O	H.R. 2403: Treasury-postal appropriations	NA	NA	A: Voice Vote. (June 17, 1993).
H. Res. 203, June 22, 1993	MO	H.R. 2445: Energy and Water appropriations	NA	NA	A: Voice Vote. (June 23, 1993).
H. Res. 206, June 23, 1993	O	H.R. 2150: Coast Guard authorization	NA	NA	A: 401–0. (July 30, 1993).
H. Res. 217, July 14, 1993	MO	H.R. 2010: National Service Trust Act	NA	NA	A: 261–164. (July 21, 1993).
H. Res. 220, July 21, 1993	MC	H.R. 2667: Disaster assistance supplemental	14 (D–8; R–6)	2 (D–2; R–0)	PQ: 245–178. F: 205–216. (July 22, 1993).
H. Res. 226, July 23, 1993	MC	H.R. 2667: Disaster assistance supplemental	15 (D–8; R–7)	2 (D–2; R–0)	A: 224–205. (July 27, 1993).
H. Res. 229, July 28, 1993	MO	H.R. 2330: Intelligence Authority Act, fiscal year 1994	NA	NA	A: Voice Vote. (Aug. 3, 1993).
H. Res. 230, July 28, 1993	O	H.R. 1964: Maritime Administration authority	NA	NA	A: Voice Vote. (July 29, 1993).
H. Res. 246, Aug. 6, 1993	MO	H.R. 2401: National Defense authority	149 (D–109; R–40)		A: 246–172. (Sept. 8, 1993).
H. Res. 248, Sept. 9, 1993	MO	H.R. 2401: National defense authorization			PQ: 237–169. A: 234–169. (Sept. 13, 1993).
H. Res. 250, Sept. 13, 1993	MC	H.R. 1340: RTC Completion Act	12 (D–3; R–9)	1 (D–1; R–0)	A: 213–191–1. (Sept. 14, 1993).
H. Res. 254, Sept. 22, 1993	MO	H.R. 2401: National Defense authorization		91 (D–67; R–24)	A: 241–182. (Sept. 28, 1993).
H. Res. 262, Sept. 28, 1993	O	H.R. 1845: National Biological Survey Act	NA	NA	A: 238–188 (10/06/93).
H. Res. 264, Sept. 28, 1993	MC	H.R. 2351: Arts, humanities, museums	7 (D–0; R–7)	3 (D–0; R–3)	PQ: 240–185. A: 225–195. (Oct. 14, 1993).
H. Res. 265, Sept. 29, 1993	MC	H.R. 3167: Unemployment compensation amendments	3 (D–1; R–2)	2 (D–1; R–1)	A: 239–150. (Oct. 15, 1993).
H. Res. 269, Oct. 6, 1993	MO	H.R. 2739: Aviation infrastructure investment	N/A	N/A	A: Voice Vote. (Oct. 7, 1993).
H. Res. 273, Oct. 12, 1993	MC	H.R. 3167: Unemployment compensation amendments	3 (D–1; R–2)	2 (D–1; R–1)	PQ: 235–187. F: 149–254. (Oct. 14, 1993).
H. Res. 274, Oct. 12, 1993	MC	H.R. 1804: Goals 2000 Educate America Act	15 (D–7; R–7; I–1)	10 (D–7; R–3)	A: Voice Vote. (Oct. 13, 1993).
H. Res. 282, Oct. 20, 1993	C	H.J. Res. 281: Continuing appropriations through Oct. 28, 1993	N/A	N/A	A: Voice Vote. (Oct. 21, 1993).
H. Res. 286, Oct. 27, 1993	O	H.R. 334: Lumbee Recognition Act	N/A	N/A	A: Voice Vote. (Oct. 28, 1993).
H. Res. 287, Oct. 27, 1993	C	H.J. Res. 283: Continuing appropriations resolution	1 (D–0; R–0)	0	A: 252–170. (Oct. 28, 1993).
H. Res. 289, Oct. 28, 1993	O	H.R. 2151: Maritime Security Act of 1993	N/A	N/A	A: Voice Vote. (Nov. 3, 1993).
H. Res. 293, Nov. 4, 1993	MC	H. Con. Res. 170: Troop withdrawal Somalia	N/A	N/A	A: 390–8. (Nov. 8, 1993).
H. Res. 299, Nov. 8, 1993	MO	H.R. 1036: Employee Retirement Act–1993	2 (D–1; R–1)	N/A	A: Voice Vote. (Nov. 9, 1993).
H. Res. 302, Nov. 9, 1993	MC	H.R. 1025: Brady handgun bill	17 (D–6; R–11)	4 (D–1; R–3)	A: 238–182. (Nov. 10, 1993).
H. Res. 303, Nov. 9, 1993	O	H.R. 322: Mineral exploration	N/A	N/A	A: Voice Vote. (Nov. 16, 1993).
H. Res. 304, Nov. 9, 1993	C	H.J. Res. 288: Further CR, FY 1994	N/A	N/A	
H. Res. 312, Nov. 17, 1993	MC	H.R. 3425: EPA Cabinet Status	27 (D–8; R–19)	9 (D–1; R–8)	F: 191–227. (Feb. 2, 1994).
H. Res. 313, Nov. 17, 1993	MC	H.R. 796: Freedom Access to Clinics	15 (D–9; R–6)	4 (D–1; R–3)	A: 233–192. (Nov. 18, 1993).
H. Res. 314, Nov. 17, 1993	MC	H.R. 3351: Alt Methods Young Offenders	21 (D–7; R–14)	6 (D–3; R–3)	A: 238–179. (Nov. 19, 1993).
H. Res. 316, Nov. 19, 1993	C	H.R. 51: D.C. statehood bill	1 (D–1; R–0)	N/A	A: 252–172. (Nov. 20, 1993).
H. Res. 319, Nov. 20, 1993	MC	H.R. 3: Campaign Finance Reform	35 (D–6; R–29)	1 (D–0; R–1)	A: 220–207. (Nov. 21, 1993).
H. Res. 320, Nov. 20, 1993	MC	H.R. 3400: Reinventing Government	34 (D–15; R–19)	3 (D–3; R–0)	A: 247–183. (Nov. 22, 1993).
H. Res. 336, Feb. 2, 1994	MC	H.R. 3759: Emergency Supplemental Appropriations	14 (D–8; R–5; I–1)	5 (D–3; R–2)	PQ: 244–168. A: 342–65. (Feb. 3, 1994).
H. Res. 352, Feb. 8, 1994	MC	H.R. 811: Independent Counsel Act	27 (D–8; R–19)	10 (D–4; R–6)	PQ: 249–174. A: 242–174. (Feb. 9, 1994).
H. Res. 357, Feb. 9, 1994	MC	H.R. 3345: Federal Workforce Restructuring	3 (D–2; R–1)	2 (D–2; R–0)	A: VV (Feb. 10, 1994).
H. Res. 366, Feb. 23, 1994	MO	H.R. 6: Improving America's Schools	NA	NA	A: VV (Feb. 24, 1994).
H. Res. 384, Mar. 9, 1994	MC	H. Con. Res. 218: Budget Resolution FY 1995–99	14 (D–5; R–9)	5 (D–3; R–2)	A: 245–171 (Mar. 10, 1994).
H. Res. 401, Apr. 12, 1994	MO	H.R. 4092: Violent Crime Control	180 (D–98; R–82)	68 (D–47; R–21)	A: 244–176 (Apr. 13, 1994).
H. Res. 410, Apr. 21, 1994	MO	H.R. 3221: Iraqi Claims Act	N/A	N/A	A: Voice Vote (Apr. 28, 1994).
H. Res. 414, Apr. 28, 1994	O	H.R. 3254: NSF Auth. Act	N/A	N/A	A: Voice Vote (May 3, 1994).
H. Res. 416, May 4, 1994	C	H.R. 4296: Assault Weapons Ban Act	7 (D–5; R–2)	0 (D–0; R–0)	A: 220–209 (May 5, 1994).
H. Res. 420, May 5, 1994	O	H.R. 2442: EDA Reauthorization	N/A	N/A	A: Voice Vote (May 10, 1994).
H. Res. 422, May 11, 1994	MO	H.R. 518: California Desert Protection	N/A	N/A	PQ: 245–172 A: 248–165 (May 17, 1994).
H. Res. 423, May 11, 1994	O	H.R. 2473: Montana Wilderness Act	N/A	N/A	A: Voice Vote (May 12, 1994).
H. Res. 428, May 17, 1994	MO	H.R. 2108: Black Lung Benefits Act	4 (D–1; R–3)	N/A	A: VV (May 19, 1994).
H. Res. 429, May 17, 1994	MO	H.R. 4301: Defense Auth., FY 1995	173 (D–115; R–58)		A: 369–49 (May 18, 1994).
H. Res. 431, May 20, 1994	MO	H.R. 4301: Defense Auth., FY 1995		100 (D–80; R–20)	A: Voice Vote (May 23, 1994).
H. Res. 440, May 24, 1994	MC	H.R. 4385: Natl Hiway System Designation	16 (D–10; R–6)	5 (D–5; R–0)	A: Voice Vote (May 25, 1994).
H. Res. 443, May 25, 1994	MC	H.R. 4426: For. Ops. Approps, FY 1995	39 (D–11; R–28)	8 (D–3; R–5)	PQ: 233–191 A: 244–181 (May 25, 1994).
H. Res. 444, May 25, 1994	MC	H.R. 4454: Leg Branch Approp, FY 1995	43 (D–10; R–33)	12 (D–8; R–4)	A: 249–177 (May 26, 1994).
H. Res. 447, June 8, 1994	O	H.R. 4539: Treasury/Postal Approps 1995	N/A	N/A	A: 236–177 (June 9, 1994).
H. Res. 467, June 28, 1994	MC	H.R. 4600: Expedited Rescissions Act	N/A	N/A	PQ: 240–185 A Voice Vote (July 14, 1994).
H. Res. 468, June 28, 1994	MO	H.R. 4299: Intelligence Auth., FY 1995	N/A	N/A	A: Voice Vote (July 19, 1994).
H. Res. 474, July 12, 1994	MO	H.R. 3937: Export Admin. Act of 1994	N/A	N/A	A: Voice Vote (July 14, 1994).
H. Res. 475, July 12, 1994	O	H.R. 1188: Anti. Redlining in Ins	N/A	N/A	A: Voice Vote (July 20, 1994).
H. Res. 482, July 20, 1994	O	H.R. 3838: Housing & Comm. Dev. Act	N/A	N/A	A: Voice Vote (July 21, 1994).
H. Res. 483, July 20, 1994	O	H.R. 3870: Environ. Tech. Act of 1994	N/A	N/A	A: Voice Vote (July 26, 1994).
H. Res. 484, July 20, 1994	MC	H.R. 4604: Budget Control Act of 1994	3 (D–2; R–1)	3 (D–2; R–1)	PQ: 245–180 A: Voice Vote (July 21, 1994).
H. Res. 491, July 27, 1994	O	H.R. 2448: Radon Disclosure Act	N/A	N/A	A: Voice Vote (July 28, 1994).
H. Res. 492, July 27, 1994	O	S. 208: NPS Concession Policy	N/A	N/A	A: Voice Vote (July 28, 1994).
H. Res. 494, July 28, 1994	MC	H.R. 4801: SBA Reauth & Amdmts. Act	10 (D–5; R–5)	6 (D–4; R–2)	PQ: 215–169 A: 221–161 (July 29, 1994).
H. Res. 500, Aug. 1, 1994	MO	H.R. 4003: Maritime Admin. Reauth.	N/A	N/A	A: 336–77 (Aug. 2, 1994).
H. Res. 501, Aug. 1, 1994	O	S. 1357: Little Traverse Bay Bands	N/A	N/A	A: Voice Vote (Aug. 3, 1994).
H. Res. 502, Aug. 1, 1994	O	H.R. 1066: Pokagon Band of Potawatomi	N/A	N/A	A: Voice Vote (Aug. 3, 1994).
H. Res. 507, Aug. 4, 1994	O	H.R. 4217: Federal Crop Insurance	N/A	N/A	A: Voice Vote (Aug. 5, 1994).
H. Res. 509, Aug. 5, 1994	MC	H.J. Res. 373/H.R. 4590: MFN China Policy	N/A	N/A	A: Voice Vote (Aug. 9, 1994).
H. Res. 513, Aug. 9, 1994	MC	H.R. 4906: Emergency Spending Control Act	N/A	N/A	
H. Res. 512, Aug. 9, 1994	MC	H.R. 4907: Full Budget Disclosure Act	N/A	N/A	A: 255–178 (Aug. 11, 1994).
H. Res. 514, Aug. 9, 1994	MC	H.R. 4822: Cong. Accountability	33 (D–16; R–17)	16 (D–10; R–6)	PQ: 247–185 A: Voice Vote (Aug. 10, 1994).
H. Res. 515, Aug. 10, 1994	O	H.R. 4908: Hydrogen Etc. Research Act	N/A	N/A	
H. Res. 516, Aug. 10, 1994	MO	H.R. 3433: Presidio Management	12 (D–2; R–10)	N/A	

Note.—Code: C-Closed; MC-Modified closed; MO-Modified open; O-Open; D-Democrat; R-Republican; PQ: Previous question; A-Adopted; F-Failed.

Mr. Speaker, I yield 3 minutes to the gentleman from Wyoming [Mr. THOMAS].

Mr. THOMAS of Wyoming. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, I rise in opposition to this rule, and I rise in strong opposition to this legislation.

Mr. Speaker, the bill before us provides $25 million for a park we cannot afford and has no business being a national park.

The Presidio may be a beautiful area, but it clearly does not qualify as a national park. It has various resources which are clearly unsuitable for inclusion in a park such as: a shopping mall, warehouses, and a Burger King. This is not exactly my vision of what our national park should be.

More importantly, is the fact that we do not have the resources to be funding such projects at this time. As we all know, funding for the park service is extremely low and many of our Nation's crown jewels in the National Park System are not receiving the money they need to adequately operate.

One of our Nation's truly magnificent jewels is Yellowstone National Park. Everyone knows about Yellowstone's magnificent scenery, outstanding geological features and incredible wildlife. It is truly one of our national treasures.

What many people do not know is that Yellowstone has many problems. The roads throughout much of the park are in horrible shape, many of the buildings need repair and there are not enough rangers to adequately staff the area.

What is incredible is that Yellowstone's operating budget in 1993 was only $17 million. The bill before us today provides $25 million for the Presidio.

This simply is not right. National parks such as Yellowstone and Yosemite should not be underfunded at the same time we are providing $25 million a year for the Presidio.

The National Park Service currently faces a 37-year backlog in construction funding over $5 billion and a $400 million shortfall in its annual operating funds at the same time we ask for an inappropriate park and grant $25 million a year.

The agency needs help and does not need to be burdened with massive new projects that will simply stretch limited resources even further.

The time has come for Congress to step-up and stop designating areas as national parks that do not belong in the system that we are unable to finance.

The facts are clear Mr. Speaker, we do not need this park at the Presidio. We need to fund the parks we already have in the system.

□ 1420

Mr. QUILLEN. Mr. Speaker, I yield 2 minutes to the gentleman from Utah [Mr. HANSEN].

Mr. HANSEN. Mr. Speaker, for the last 14 years I have had the distinct pleasure to represent the great State of Utah in this body. That State is well known as home of some of the most beautiful scenery and greatest national park areas in the country. I suspect that many Members have visited and most Members have heard of such great Utah national parks as Zion, Bryce, Arches, Canyonlands, Glen Canyon, et cetera. I have enjoyed many hours of family togetherness in our parks; camping, fishing and hiking and I continue to visit our great national parks every chance I get.

In the 122 years since the establishment of the first national park, Yellowstone, Congress has established in this country the best park system in the world. While we started with great natural areas like Yellowstone and Yosemite, the park system was later expanded to include some of the most important historic sites in the country, such as Independence Hall and Lexington-Concord, the place where the shot was heard around the world. Relatively recently, Congress began to designate Federal parks whose primary value was recreational use.

However, today as we survey our park system, many of us who love it are very concerned. We see park areas which are complete fabrications of history, we see local open space initiatives siphoning land acquisition dollars from acquiring lands necessary to protect such national treasures as Everglades National Park and we even see economic redevelopment projects masquerading as parks. Not only do these questionable additions to the park system whittle away at the integrity of the park system, but they make an already underfunded park system that much worse off.

Almost every week, there are media stories about the deteriorating conditions in our national parks. Congress has had, for at least the last 10 years, clear documentation of the shortfalls facing our parks. Again, for the RECORD I will reiterate that the construction backlog in the National Park Service is 37 years at existing funding levels, and for land acquisition the backlog is 25 years at the existing funding levels. In the past, I have stated that the annual operational shortfall was about $400 million, but a recent letter signed by the deputy Director indicates that the annual operating shortfall may be closer to $800 million.

And how has Congress responded to this crisis? What is the committee of primary jurisdiction doing to solve these fundamental and financial problems besetting this most-loved Federal agency? Literally by throwing its arms around every conceivable new park expansion proposal in sight. I ask my colleagues to remember that just the other week the House wisely rejected a proposal advanced by the Natural Resources Committee to authorize the expenditure of millions of dollars through establishment of the Tenement National Historic Site. Earlier this session, the House passed the California Desert bill, after adopting an amendment limiting its costs to $336 million. In all, the Natural Resources Committee has reported nearly $4 billion in new parks and public lands spending this Congress. These bills represent promises which this Congress is making around the country, almost none of which are paid for.

On the other side of the issue, what has the Natural Resources Committee done to help pay for its appetite to turn everything in sight into a national park? This Congress has acted on two measures which had the potential to generate new revenue for parks. The first was a measure to reform the concession policies of the Park Service. Probably one of the most worthwhile features of that bill was a proposal to return additional concession revenues to the parks. Unfortunately, by the time the bill reached the floor, it included an amendment adopted by the rule which will result in even less money to parks from concession operations than the Natural Park Service receives today.

The other measure before our committee to increase funds for the NPS is a proposal to increase entrance fees and to permit those increased fees to remain with the National Park Service. Vice President GORE claimed this initiative would generate $996 million in new funding for parks over 6 years. However, the measure under consideration by our committee is projected to generate only $20 million annually, and even that minimal measure has little chance of passage.

H.R. 3433 is one of the more costly park and public land bills to be reported by the Natural Resources Committee this session. The proposal to develop a Global Center for social, cultural and environmental awareness at the Presidio of San Francisco is estimated to cost $1.2 billion in construction and operations over the 15-year life of the National Park Service plan.

Supporters of this measure claim that the National Park Service plan, as embodied in the bill before us today provides a great cost-savings to taxpayers. That is certainly not the case. The annual cost of operating the Presidio under the National Park Service plan represents only a 10-percent reduction in cost of operation compared to its operation as a military base and that is after removal of nearly ⅓ of the buildings. The National Park Service plan moves tens of millions of dollars off-budget and requires taxpayer subsidies of bonds for the Presidio Global

Center. In fact, the National Park Service consultant found it would cost the taxpayers less if not a single building was leased than if this legislation is implemented.

Mr. Speaker, there is no definition of a national park written down in law. But, I think the American public knows a park when they see one. And I believe that the public is not buying the fact that the Presidio's hospitals, warehouses, apartment complexes, Burger King, bowling alleys, and pet cemetery are worthy of inclusion in the park system.

The list of supporters of this measure is revealing. Basically, the support for this measure comes first from the bay area, which stands to gain financially from the expenditure of hundreds of millions of Federal dollars, and second from a handful of environmental groups. But this legislation is not an environmental issue. Rather, many of the environmental groups supporting this legislation have already indicated their interest in securing office space at the Presidio; office space which would be subsidized at taxpayer expense.

The list of environmental groups which have indicated an interest in leasing subsidized space at the Presidio include: the Sierra Club, the Sierra Club Legal Defense Fund, Fund for Animals, Greenpeace, and Earthwatch, to name but a few. Many of these groups already have offices in the bay area, but would prefer to relocate to offices subsidized by the American taxpayer.

So Mr. Speaker, when the time comes for amendments, a number of amendments will be offered today which will reduce the responsibility of the Federal Government at the Presidio. I intend to offer an amendment to turn surplus lands at the Presidio over to the city of San Francisco. Opponents of my amendment will compare it to turning Yellowstone Park over to the town of Cody, WY. As the debate unfolds today, it will become clear to everyone who is not already aware that the Presidio is no Yellowstone. I hope this body will act with some restraint before serving up the billion dollar Presidio Global Center which is authorized in H.R. 3433.

Mr. QUILLEN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Ms. SLAUGHTER. Mr. Speaker, again I ask my colleagues to support this rule so that we can proceed with the merits of the legislation.

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.

The SPEAKER pro tempore (Mr. MCNULTY). Pursuant to House Resolution 516 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3433.

□ 1425

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3433) to provide for the management of portions of the Presidio under the jurisdiction of the Secretary of the Interior, with Mr. DURBIN in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to House Resolution 516, the bill is considered as having been read the first time.

Under the rule, the gentleman from Minnesota [Mr. VENTO] will be recognized for 22½ minutes, the gentleman from Utah [Mr. HANSEN] will be recognized for 22½ minutes, the gentleman from Florida [Mr. GIBBONS] will be recognized for 15 minutes, and the gentleman from Texas [Mr. ARCHER] will be recognized for 15 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Mr. Speaker, I yield myself 4 minutes.

Mr. Speaker, I rise in support of this important legislative initiative introduced by the gentlewoman from California [Ms. PELOSI] and scores of cosponsors in the House which provides for the management of the Presidio following the historic transfer of the installation from the U.S. Army to the National Park Service on October 1 of this year.

The Presidio is a 1,480-acre military post located at the base of the Golden Gate Bridge in San Francisco and is literally surrounded by the Golden Gate National Recreation Area, a unit of the National Park System. The Presidio was determined in 1972 to be included in the Golden Gate National Recreation Area by law, the assumption being, as the military left or needed less space, that this important cultural, this important historic, resource over 220 years in age, having served continuously as a military installation, would indeed become part of the Golden Gate National Recreation Area.

Mr. Chairman, this is a logical and consistent proposal. It is one of the most important historical or cultural resources in our Nation. This area consists of lands that have unique ecological characteristics and recreational opportunities. In fact, the Golden Gate National Recreation Area, is one of the most used national park units. It has more visitors than nearly any other national park unit in the Nation.

Mr. Speaker, the Presidio is a complex unit. About half this space is open space. Other parts have buildings and is developed. It has nearly 6,000,000 square feet in 870 buildings and 1,200 housing units. It is an unusual responsibility for the National Park Service, and because of that this legislation puts in place a public benefit corporation known as the Presidio Trust which will have the responsibility to, in fact, go into adaptive leasing and utilization of these buildings and removal of large numbers of these buildings.

The fact is that as a military base the Presidio costs $60 to $70 million a year to operate. Under this legislation that figure would be cut at least in half, and so, as a transfer is occurring, there is a savings to the American public that is represented, but at the same time there is and has been a commitment for 22 years to move this resource into the care of the National Park Service.

This legislation is must-pass legislation. In the absence of its passage, the preparation for nearly 5 years that has gone on with the National Park Service, they would be unable to exercise the responsibility and responsiveness to the needs that are evident to everyone that has looked at it and thought about it at the Presidio.

□ 1430

The bill is an unusual proposal, but it is very important to the community of San Francisco. They are relying upon the Federal Government to be a good partner after 5 years of planning. It is absolutely essential that we in fact provide the tools necessary for the National Park Service and for our Federal Government to respond to the needs of this important parcel of land.

H.R. 3433 is a complex bill, which responds to a number of public policy goals. Many concerns have been raised, and I think most of them have been resolved. But some continue to advocate the abandonment of this area.

It would be impossible to predict what the consequences would be if the Park Service or Federal Government were to try to release this land. It would be tied up for decades in controversy concerning the rezoning of it. So in fact it would have to be mothballed and sitting, of no use to the Federal Government.

We expect that with the actions taken here, the Presidio will largely, based on a private-public partnership, pay its own way. These buildings that will be leased, in fact about half of the space, half of the 6 million square feet, half of that space has already been leased to the State of California and the U.S. 6th Army, which will retain a presence here, but, of course, in a much different mode.

So what is left to do is fund the removal of buildings that have no historical significance, to deal with the housing needs and maintenance of this facility. The legislation before us, one of its primary missions is to set up this special benefit corporation.

The decision on the designation of this area was made in 1972. What we

are doing here 22 years later is responding and putting in place a rational basis in which the National Park Service, and the Department of the Interior, can deal with the responsibility that has been ordained in law, as I said, some 22 years ago.

This bill is subject to appropriations. The Committee on Ways and Means made important changes to the bill. I have some concerns about those changes, but, nevertheless, am willing at this point to continue to work with them.

The Congress will have the opportunity to hold accountable the trust, to hold accountable the Park Service, in terms of review of the dollars being spent. But we need some flexibility.

We have all kinds of speeches in this body about public-private partnerships. This in fact puts in law such a partnership, provides for the expertise of the private sector, and the retention or attainment of the goals that are sought in terms of preservation of this important resource.

This is the cutting edge of what is part and parcel in terms of historical and cultural resource management.

I note my colleagues have complained and pointed out, and rightfully so, the shortfall in terms of the Park Service operating budget. But I would suggest to my colleagues that the answer in that is not by defeating an important resource like this, which I think needs to be addressed. But we need to in fact deal with our priorities and ask ourselves why the parks are not receiving the money that they have been assured through the land and water conservation fund or the historic preservation fund, and why the priorities have not changed, as there is overwhelming support for parks in this country, and why indeed we do not appropriate the proper amounts to the operating funds of these parks.

In terms of trying to address some of the systems, as is being suggested here, does the Park Service really need 5,000 units of housing, when other land management agencies do not find that necessary? We must ask are we getting our fair share of the highway funding and tax dollars that are supposed to flow for roads that help retain and maintain and build the roads to and from and within our parks.

I think there are a lot of questions, and I think very often the Park Service has been shortchanged in these endeavors, Mr. Chairman. But the answer is not in reneging on commitments we made to maintaining and preserving important historic resources such as the Presidio. The answer is in dealing with our priorities and giving the parks the resources they need, not by abandoning those which we are committed to protect.

Mr. Chairman, H.R. 3433 is an important legislative initiative, introduced by Representative PELOSI, and scores of cosponsors in this House, to provide for the management of the Presidio following the historic transfer of the installation from the U.S. Army to the National Park Service on October 1, 1994. The Presidio is a 1,480 acre military post located at the base of the Golden Gate Bridge in San Francisco. In 1972, Public Law 92–589, which established the Golden Gate National Recreation Area [GGNRA], directed that the Presidio be transferred to the National Park Service and administered as part of the GGNRA when it was determined to be excess to the Army's needs. The 1989 Base Realignment and Closure Commission recommended closure of the Presidio because it was excess to the Army's needs. As a result of this recommendation, the Army stated its intention to vacate the Presidio by October 1, 1994, and transfer all property to the jurisdiction of the Secretary of the Interior. Planning for the transition of the Presidio from the Army to the National Park Service has been ongoing since 1990.

The 1,480 acres of the Presidio consists of park lands, distinctive historic features, unique ecological characteristics, and recreational opportunities. Within the Presidio boundary are significant historic resources representing more than 200 years of military history. The site has been a National Historic Landmark since 1962, recognized as a Spanish colonial military settlement founded in 1776 and as a U.S. Army post from 1846 to the present. Buildings, sites, structures, and objects related to Spanish, Mexican, and American military history have been identified as contributing to its landmark status.

During its 200-year history the Presidio has protected commerce, trade, and migration into the area and has been an influence on the settlement and growth of the West. It has played a logistical role in every major U.S. military engagement since the Mexican-American War. The Presidio's coastal and harbor defense structures display the evolution of such technology from the Civil War through World War II.

Other historical activities and events have contributed to the Presidio's national significance. In 1884, San Francisco National Cemetery was established as a resting place for soldiers and their families. Today it contains over 30,000 interments. In 1898, the Army opened its first general hospital at the post—the Letterman Facility—which has remained at the forefront of military medical research and care to the present day. In the 1920's, Crissy Field, the first Army coastal defense airfield on the Pacific Coast, was built along San Francisco Bay.

Of the total land area of the Presidio, about 700 acres are developed and 780 acres are open space. Within the boundaries are 870 buildings representing architectural styles from every major military construction period since 1848. The historic Presidio Forest is a dominant feature on the post. Designed and planted 100 years ago, it covers about 300 acres of the post, primarily on ridges, along boundaries, and at entrances.

Geological formations, favorable climate, water resources, and open space have contributed to the biological diversity of the site. Ten rare plant communities survive within the Presidio that have disappeared in the rest of San Francisco. Sites throughout the Presidio provide views of the Pacific Ocean, the Golden Gate, the Marin Headlands, San Francisco Bay, and the skyline of San Francisco. The Presidio also contains numerous recreational resources where visitors hike, bike, and tour scenic trails and drives. The Presidio currently attracts more than 3.5 million visitors every year. Coastal attractions include Baker Beach and the Golden Gate Bridge, the Crissy Field shoreline and Golden Gate Promenade on San Francisco Bay.

The conversion of the 1,480 acre military base into an urban national park presents a number of challenges. Although the National Park Service has inherited properties from the Department of Defense in the past, it has never received a property as large and complex as the Presidio. The Presidio's 870 buildings contain over 6 million square feet of interior space, 1,200 units of housing and an extensive infrastructure system including roads, water systems and electric utilities. Given the unique nature of the Presidio and its resources, innovative approaches and authorities will be needed to manage the Presidio as part of the Golden Gate National Recreation Area. This is especially true in an era of increasing fiscal constraint for the National Park Service.

Although the National Park Service has experience in adaptive reuse and historic leasing, they have never had to manage a park unit with such a large array of buildings, housing, and infrastructure. Early on in the planning process, the National Park Service recognized that managing the Presidio will require skills not typically held by National Park Service personnel including property management, leasing, real estate and finance. H.R. 3433 provides authority to the National Park Service to establish a public benefit government corporation—the Presidio Trust—to manage certain properties of the Presidio consistent with the purposes of the GGNRA and the approved general management plan.

H.R. 3433 is a complex bill which responds to a number of public policy goals. Concerns have been expressed by Members of Congress and the public about the cost of the Presidio in relation to other units of the National Park System and the fiscal constraints facing the system as a whole. Concerns have also been expressed that the Presidio should be managed no differently than any other unit of the National Park System, whatever the costs may be. The Committee on Natural Resources was mindful of these concerns and attempted to craft legislation that both protects the nationally significant resources of the Presidio while at the same time reducing its costs to the taxpayers. The purpose of establishing the Presidio Trust is to have the Presidio managed in a unique and innovative partnership which makes use of private sector resources to promote the public interest.

With regards to costs, I would note that the transfer of the Presidio to the National Park Service will be a significant savings to the Federal Government in comparison to its operation as a military base. The Presidio was operated by the Department of the Army at a cost of some $60 to $70 million a year. The Army and the Department of the Interior have calculated the annual cost to operate the Presidio as a national park to be $38 million.

Thus the taxpayer will be spending significantly less for the operation of the Presidio by the National Park Service and will have an enhanced ability to enjoy its natural, historical and recreational resources.

I would also note the projections of the National Park Service which show that the total funding needs of the Presidio will go down substantially over time, perhaps the only unit of the National Park System where this is the case. This is due to the increasing revenues to be derived from the leasing of Presidio buildings which are expected to offset the need for additional appropriated funds. The committee certainly understands that there are risks associated with a project of this magnitude. Ultimately, there is no way to predict future economic trends or tenant behavior or other factors which may influence the revenue generating capabilities of the Presidio. Professionals in the field of real estate management are optimistic about the Presidio's ability to attract a critical mass of high quality tenants. We intend to carefully monitor the activities of the National Park Service and the Presidio Trust to see if modifications in authorities are needed. I am aware that some concerns have been expressed about the level of autonomy and accountability of the Presidio Trust. As such, the bill clearly defines the Presidio Trust as a Government corporation subject to all Government laws except those specifically exempted. The Presidio Trust is established within the Department of the Interior, and its budget will be formulated through and in consultation with the Secretary of the Interior. The activities of the National Park Service and the Trust will be monitored closely by the authorizing and appropriations committees of Congress. The bill ensures that the activities of the Trust are consistent with both the purposes of the act establishing GGNRA and the approved general management plan. The Director of the National Park Service will serve on the Board of the Presidio Trust, as do two other Federal officials. The Secretary of the Interior has the authority to review major leases for consistency with the general management plan. The bill also contains a number of other provisions to increase accountability including requirements for public meetings and maintaining liaison with the GGNRA Advisory Commission as well as other financial reporting requirements.

The bill before the House today contains amendments recommended by the Committee on Ways and Means. The amendments will have a significant impact on how the rehabilitation of the hundreds of buildings located on the Presidio will be financed. Rather than obtain loans through direct borrowing from the Treasury, which were to have been paid back from lease revenues, the bill now places such borrowing subject to appropriations. Nonetheless, this bill must move forward in order to place the National Park Service in a position to bring this significant national resource into the National Park System. For regardless of what we do or say here today, the Presidio will become part of the GGNRA on October 1, 1994.

H.R. 3433 is an important measure which provides for the responsible management of the numerous nationally significant resources of the Presidio. I would urge Members to support the bill and resist any weakening amendments that may be offered.

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

Mr. HANSEN. Mr. Chairman, I yield 3½ minutes to the distinguished gentleman from Texas [Mr. DELAY].

Mr. DELAY. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, there is no doubt that the Presidio is one of the most scenic and historic areas in the Nation. Why, then, are we forcing our park system to shoulder the enormous costs of what will certainly be our most expensive acquisition yet, when we cannot make ends meet for other national treasures? Contained in this legislation is Government assistance for movie theaters and bowling alleys while at the same time the Park Service is complaining that it does not have adequate personnel to man park entrances. If that was not enough, the Park Service is cutting 1,200 positions this year. Staffing the Presidio will require 350 additional employees, making an already unacceptable situation worse.

Let us look at the facts. The Park Service is faced with a 37-year, $5.6 billion backlog in its construction budget, a $1.2 billion shortfall in its land acquisition account, and a $400 million operations shortfall. The nearly 1,500 acre Presidio will cost an additional $25 million annually. By comparison, the entire 2.2 million acres of Yellowstone Park, unarguably more of a natural wonder than an old Army base, is appropriated only $17 million. Congress has decided that there will be no increase in money for the Park Service, so why are we loading this legislation on the back of a system which is already overwhelmed?

As an appropriator, I have other concerns which deal with accountability to the American taxpayer. This bill authorizes the creation of a corporation within the Department of the Interior and grants this corporation unprecedented powers to operate simultaneously as both a Government and non-Government entity. This entity is not subject to many Federal controls. How can we authorize any entity to spend taxpayers' money without accountability?

If that was not enough, the bill also inflicts Davis-Bacon requirements on construction projects at the Presidio. While this would not be any big surprise if it were a Federal construction project, the fact is that most of the funds for construction will be private. This legislation is precedent setting in that it extends Davis-Bacon rules and regulations to private money. Davis-Bacon is a Federal law intended to cover Federal projects. There is no basis whatsoever to extend these onerous rules and regulations to the private sector. Davis-Bacon requirements have been proved to add an additional 5 to 15 percent to construction costs for no other reason than to line the pockets of the unions. This is an outrage.

Despite the fact that this park will largely benefit San Francisco and the State of California, this bill neither asks for, nor do the parties offer, any payment or assistance to alleviate the enormous costs. Recently, Californians rejected a referendum that would have approved a State bond issues to finance parks and historic sites. Of course, if the Federal Government wants to spend money for such projects, Californians have no objection whatsoever.

Let us get in tune with what is happening here. We cannot afford to continue designating every historic site and environmentally fragile area as a national park. Those areas that we do designate, we should be able to adequately fund. This bill has serious flaws and I ask all Members to defeat it.

Mr. VENTO. Mr. Chairman, I yield 1 minute to the gentleman from South Carolina [Mr. RAVENEL], a supporter of the bill.

Mr. RAVENEL. Mr. Chairman, I am a cosponsor of this legislation. I do not know how many of you Members have been out there and taken a look at the Presidio. But it would just be unconscionable to me that this Congress does not take this opportunity, which could not be a rarer opportunity, to incorporate 1,400 acres in downtown San Francisco, which is so absolutely starved for open spaces, green spaces in particular.

□ 1440

The concept is innovative and it is a new type concept. It is going to be a public/private enterprise. I do not know how many of my colleagues have taken the trouble to read the brochure that has been brought out on it. It is just simply marvelous.

After I read it, I was absolutely convinced that the bill of the gentlewoman from California [Ms. PELOSI] was the right way to go. Those of us in Charleston, where we have 1500 acres right there on the Cooper River and we are in the throes now of redeveloping that property, we are looking very keenly at what is being done out here in the San Francisco area with the Presidio as a guide for us.

Mr. HANSEN. Mr. Chairman, I yield 2 minutes to the gentleman from Colorado [Mr. ALLARD].

Mr. ALLARD. Mr. Chairman, I thank the gentleman for yielding time to me.

I rise in opposition to 3433, and I think we are talking about priorities in the National Park System. When most of us visit our Nation's parks, we have an idea of what we expect to see in our national parks.

Here we are, we are talking about spending millions and millions of dollars of taxpayers' money on the presidio. Let me show colleagues some of the things that our money is buying.

Right here we have the only pet cemetery in the National Park Service. Is

that what we expect to see when we visit our Nation's parks? Right here we have one of two hospitals totaling 800,000 square feet. Again, I ask my colleagues, is this what we expect as Americans spending all our tax dollars on parks to see in our National Park System. I do not believe so.

Let me talk about another area. We have one of two Presidio bowling alleys. I do not believe that the American people really want to see their tax dollars go for this purpose. Is this really what they had in mind when they were designating those dollars for pristine areas?

Next here is some of the over 400 residences and dormitories, totaling 2.5 million square feet in the Presidio. I do not believe this is what the American people want to see in their park system.

Right here we have the only Burger King in the National Park System. Again, I ask my colleagues, as American taxpayers, is this where we expect our tax paying dollars to be spent? I do not believe so. This is not what I perceive our priorities should be in the National Park System. I do not think the American taxpayer expects to have their dollars spent in this manner. They truly want to see their tax dollars go to parks that are going to preserve a pristine area, that is going to preserve the beauty of this country.

Mr. ARCHER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, first let me stipulate that the Presidio is unusual and historic and, yes, a national treasure. But the troublesome issue with this bill, as it came to us, was the unlimited, direct borrowing authority, not subject to appropriations, that was granted specially and uniquely to the Presidio and to no other park in the United States of America.

In order to be a national park, I looked up the criteria today. I am going to read two of the four requirements, which all must be met in order for any location to be designated a national park.

First, an outstanding example of a particular type of resource. Second, possesses exceptional value or quality. The Presidio meets those criteria. But so do all of the other national parks in this country today, which are suffering, as we have just heard, from lack of resources to do their job, to make them suitable for public enjoyment.

The trust that would be created uniquely for the Presidio under this legislation would have allowed, in effect, that trust to issue public debt without accountability to the budget, without accountability to the appropriations project. And they would do this through a unique creative mechanism whereby the Treasury could off-budget, directly borrow, up to $150 million, thereby directly increasing the national debt.

The basic issue of increasing the public debt through off-budget financing, which, in effect, creates a new entitlement program, should concern all of us. So in committee, I offered an amendment, which was adopted on a bipartisan 18 to 16 vote, to restrict any Treasury purchase of Presidio debt to only those amounts already appropriated within existing Federal spending caps. The Presidio should have to compete with all of the other national parks as national treasures for adequate funding.

That amendment, which remains in the bill before us today, prevented the financing structure of the Presidio from increasing the Federal deficit and debt, which would be left to our children and their children forever, by $150 million over the next 5 years.

If this bill is approved today, it is extremely important that we preserve that important financing restriction throughout the legislative consideration of this measure. I want to serve notice right now that I will personally lead the fight to eliminate any effort, coming back from the Senate or in a conference report, to restore the kind of off-budget financing for the Presidio which my amendment addressed.

The Presidio is truly a beautiful place. I have been there. It will continue to be a beautiful place when the National Park Service takes it over. As I mentioned, it meets the criteria for a national park, but that alone is not sufficient cause to bypass the budget constraints that we have struggled to uphold. As beautiful as the Presidio is, I cannot justify leaving our children and grandchildren with more bills to pay for a brand new specific entitlement program, nor can I justify the enormous precedent this would set for funding other such projects outside the constraints of our budget law.

As it stands now, the Presidio bill will compete for appropriations, along with every other worthy project the Members of this body want to see funded by Federal tax dollars. Members will have to make tough choices, and that is the way it should be. That is what our tax paying public expects of us.

Mr. Chairman, I intend to continue to try to make any of these kinds of programs fiscally responsible. I still question spending another $150 million, even though it might work under the spending caps. And I also question the inclusion of the Davis-Bacon Act.

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

Mr. GIBBONS. Mr. Chairman, I yield myself such time as I may consume.

I rise to support the legislation that we have before us now. It was referred to the Committee on Ways and Means because of some unique financing and tax exemption provisions in here. We worked cooperatively with the Committee on Natural Resources, and I believe we came up with an acceptable arrangement.

We want to make it very clear, though, that the bill, as reported by the Committee on Natural Resources, contained really an exception to the normal funding process. It should never be used in the future for any project that is or is not unique, like the Presidio.

One of the problems we have here is that earlier Congress decided that the Presidio, when it ceased to be used as a military installation, would be made a part of the National Park Service; would become part of the national park system. That was probably a good decision because the Presidio is so unique. However, it requires so much funding that it would completely disrupt the rest of the Park Service budget, if funded in the conventional manner. The Natural Resources Committee arranged unique funding for the Presidio.

In light of the Ways and Means Committee's actions, essentially, we expect that the managers of the Presidio Trust, when they take over, will organize a 501(c)(3) corporation. Any debt obligations that the Presidio trust may issue would be purchased only by the Department of the Treasury. Treasury's purchase of that debt would be limited $150 million outstanding at any one time, and would be at the Treasury's discretion based on their assessment of the creditworthiness of the trust's projects. The Treasury would be there to ride herd over the 501(c)(3) corporation by controlling its borrowing.

□ 1450

Additionally, any borrowing by the Presidio Trust would be fully subject to the customary budget process. Treasury's lending to the Presidio Trust would be subject to advance appropriations. It would be scored as the rest of the budget process is scored.

Mr. Chairman, I think, considering the national treasure that we have in the Presidio, and the fact that this bill attempts to guarantee that the Presidio will always be available to the public as a great national asset, that this is the acceptable method of getting this work done.

Mr. Chairman, the Committee on Ways and Means wants to point out that we hope we will not need to do this again for any other project. That is the reason why we have changed the funding procedure. We recognize the uniqueness of this project.

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

Mr. VENTO. Mr. Chairman, I yield 7 minutes to the gentlewoman from San Francisco, CA [Ms. PELOSI], the principal sponsor of this measure.

Ms. PELOSI. Mr. Chairman, I thank the gentleman from Minnesota for yielding time to me.

Mr. Chairman, it is a proud day for me to be able to come to the floor of this House of Representatives to talk to my colleagues about the Presidio of

San Francisco. I urge them to support my legislation, which outlines a plan for cost savings to the American taxpayers that could, for the first time, actually reduce Federal costs for a national park. I am very proud of the 124 of our colleagues who have placed their names on this legislation as cosponsors. I am also very proud of the fact that I can come here today and say to my colleagues that we have the support of the environmental community and of the business community, of labor, of the academic community, and the arts. The League of Women Voters has lobbied on Capitol Hill for this legislation. I think it is very unusual that we are able to build a national constituency for this national park, and one that is diverse and ardent.

Mr. Chairman, I particularly want to thank the gentleman from California, GEORGE MILLER, Chairman of the Committee on Natural Resources, and the gentleman from Minnesota, Mr. BRUCE VENTO, subcommittee chairman, who have been essential to the success of this legislation. They have contributed immeasurably to bringing it to the floor, and I appreciate their efforts. They are true champions of the Presidio in the tradition of Philip Burton, a colleague of so many of the Members here.

Mr. Chairman, the reason that we are here today is not to see if we can make the Presidio a national park. We are here because the Presidio will become a national park. In 1972, Philip Burton, in his great wisdom, passed legislation designating the Presidio a national park when the properties were in excess of the needs of the Department of Commerce. Under the 1988 base closure law, the Army determined that the Presidio's lands were in excess of its needs, and recommended that the base be closed.

Subsequent to that, Mr. Chairman, BRAC decided that a small contingent of the Sixth Army would remain at the Presidio, so the Presidio will be a park, and the Army will be a tenant of the National Park Service. We are proceeding with this legislation to provide the maximum access for the public to this magnificent area, with a minimum of exposure to the taxpayers.

The Presidio will not only be a park, it will be a park for the 21st century, in which the concepts of environmental sustainability, innovative technology, and environmental education and stewardship can be brought to reality. H.R. 3433 would create a nonprofit, public benefit trust to rehabilitate, lease, and manage the bulk of Presidio properties, while the Park Service would be responsible for the traditional management of open space areas. Cost savings would be achieved by introducing certain private sector management techniques to the administration of the Presidio.

The Presidio Trust will be a reinventing government model of private-public sector management.

Private sector management techniques would be combined with public sector control and accountability to maximize Federal spending at the Presidio.

Mr. Chairman, my full statement for the RECORD goes into more detail about the participation of the private sector and involvement of the Presidio Council, which is a national private group, in obtaining the $2.5 million in paid or pro bono services of independent financial management experts.

The Presidio conversion quite possibly has had the benefit of more outside, objective analysis than any other base closure in history. Mr. Chairman, I would like to submit for the RECORD a list of private organizations, and I referred them earlier, but I will submit that list for the RECORD.

Mr. Chairman, at the conclusion of this process of examining different models, the passage of this legislation, America will have a 21st century national park dedicated to the stewardship of the world's human and physical resources through global cooperation. As a national park, the Presidio will build on the significance of its past to become one of America's most prominent and innovative urban parks.

Mr. Chairman, there are three characteristics that I want to call to our colleagues' attention. The Presidio's historic attributes have been judged so significant that in 1962, the entire base was declared a national historic landmark. It is rich in military history, and I will submit that history for the RECORD.

Second, Mr. Chairman, the post's biological diversity and rare ecosystems caused it to be declared the world's only urban international biosphere reserve. The Presidio's coastal bluffs abut the Nation's largest chain of marine sanctuaries.

Third, Mr. Chairman, the Presidio is located amid some of the most magnificent scenery in the world. Anchoring the Golden Gate Bridge, the Presidio guards the rugged and strategically important confluence of the San Francisco Bay and the Pacific Ocean.

The post is located in this unusual combination of scenic, natural, and historic values that caused Congress to mandate in 1972 that the Presidio should become the centerpiece of the Golden Gate National Recreation Area once it is no longer needed for military purposes.

Now I would like to address some of the statements made by some of our colleagues. The Golden Gate National Recreation Area, of which the Presidio is part, is the most visited park in the nation, with 20 million visitors a year.

The Federal cost per visitor to the GGNRA and the Presidio is $2, while other parks can account for as much as $13 per visitor. More visitors come to the GGNRA each year than Yellowstone, Yosemite, and Grand Canyon combined. I respect those great national parks, but the fact is that more come to the GGNRA than all three of them combined.

Mr. Chairman, I would like to quote from a former Secretary of the Interior, Secretary Hickel, who said "Our existing national parks are unique, strikingly beautiful, and absolutely necessary elements of nature's wild systems, but they are located in areas remote from the less affluent members of our society. Many of our people cannot get to parks. Therefore, we must get parks to the people."

That is what the Presidio does? It is an urban park that is readily accessible to the people. If we are serious about reinventing and streamlining government, if we really want to save the taxpayers money, then I urge our colleagues to support my legislation.

The gentleman from Colorado [Mr. ALLARD] showed some posters there of different aspects of the Presidio, and in fact what he was describing was the morale and recreation program of the Army.

Yes, indeed, we do have a pet cemetery. It is managed by the Boy Scouts. It is an Army facility. I think it is not anything to be mocked, but something that is appreciated by the Army personnel who live at the Presidio.

Yes, they do have bowling alleys, because that is something that the Army wants for its personnel. The Army will be there. The Army will be using those facilities.

What we are talking about is maintaining and operating a national park of national and international significance, one that I say to my colleagues I do not ask you lightly to support. I am asking you to be part of something great for this country. Please vote for this legislation. It is a vote that you will be very proud of.

Mr. Chairman, for the RECORD, I include the material referred to earlier:

SUPPORT FOR H.R. 3433

Governor Wilson, State of California.
State Assembly, California Legislature.
Mayor Jordan, City of San Francisco.
Board of Supervisors, City of San Francisco.
American Federation of Labor and Congress of Industrial Organizations.
American Institute of Architects.
American Society of Landscape Architects.
Asian American Architects and Engineers.
Bay Area Council.
Bay Area Economic Forum.
Brett Harte Terrace and Francisco Street Neighborhood Association.
Earth Island Institute.
Environmental Defense Fund.
Fort Mason Center.
Friends of the Earth.
Golden Gate National Park Association.
Golden Gate National Recreation Area Advisory Commission.
Hispanic Contractors Association.
Laborers' International Union of North America.

League of Conservation Voters.
League of Women Voters of California.
League of Women Voters of San Francisco.
League of Women Voters of the United States.
Los Californianos.
National Audubon Society.
National Park System Advisory Board.
National Parks and Conservation Association.
National Japanese American Historical Society.
Natural Resources Defense Council.
Neighborhood Associations for Presidio Planning.
North Beach Neighbors.
People for a Golden Gate National Recreation Area.
Presidio Council.
Presidio Heights Association of Neighbors.
San Francisco Bay Area Interfaith Coalition.
San Francisco Chamber of Commerce.
San Francisco Hispanic Chamber of Commerce.
San Francisco Chronicle.
San Francisco Examiner.
San Francisco Independent.
San Francisco Planning and Urban Research Association.
Sierra Club.
Sierra Club of San Francisco.
Travel Industry Association of America.
Trust for Public Land.
United Brotherhood of Carpenters and Joiners of America.
Wilderness Society.

THE PRESIDIO COUNCIL,
San Francisco, CA, August 17, 1994.

DEAR MEMBER OF CONGRESS: We are writing once again to urge you to vote for H.R. 3433 when the bill comes to the Floor this week.

H.R. 3433, introduced by Congresswoman Nancy Pelosi, is designed to create savings at the Presidio, which becomes part of the national park system in October of this year. Inclusion of the Presidio in the Golden Gate National Recreation Area was mandated by Congress in 1972. Because the park is already federal land, there will be no acquisition costs associated with the Presidio's transfer to the Park Service.

The bill under consideration would not create a new park; it would establish a more cost-effective management structure for an existing park. The "Presidio Trust" that would be created by the bill is expected to reduce the cost of operating the park substantially by employing private sector property management techniques to rehabilitate and lease facilities to park tenants. Revenues from these tenants will be used to offset federal costs.

H.R. 3433 is a good government approach to managing the Presidio as a national park. The bill's approach is based on recommendations of a wide variety of experienced independent financial and managerial experts.

We believe H.R. 3433 would result in a magnificent national park and savings for the American taxpayer. We urge you to vote YES on H.R. 3433 and against any weakening amendments.

Sincerely,

JAMES R. HARVEY,
Chair, Presidio Council; Chair, Transamerica Corporation.

TOBY ROSENBLATT,
Chair, Golden Gate National Park Association.

For the Presidio Council:

Patrick Foley, Chair and CEO, DHL Airways, Inc.

John Bryson, Chair and CEO, Southern California Edison.

M.J. Brodie, Former Executive Director, Pennsylvania Avenue Development Corp.; Senior VP, RTKL.

Walter A. Haas, Jr., Honorary Chair of the Board, Levi Strauss & Co.

James P. Miscoll, Vice Chairman (Ret.), Bank of America.

Roger Heyns, President, The William and Flora Hewlett Foundation, (Ret).

Bruce Spivey, MD, President and CEO, Northwest Healthcare System.

Richard A. Clarke, Chair and CEO, Pacific Gas and Electric Co.

Virginia Smith, President Emerita, Vassar College.

Herman Gallegos, Chair, Gallegos Institutional Investors Corp.

Gyo Obata, Chairman and CEO, Hellmuth, Obata, & Kassabaum, Inc.

John W. Gardner, Stanford Graduate School of Business and former U.S. Secretary of H.E.W.

Francis Ford Coppola, President, American Zoetrope.

Roy Eisenhardt, Vice Chair, Presidio Council.

John Sawhill, President and CEO, The Nature Conservancy.

Joan Abrahamson, President, The Jefferson Institute.

Carl Anthony, President, Earth Island Institute.

Edward Blakely, Professor, College of Environmental Design, University of California.

Rodger Boyd, Executive Director, Economic Development, Navajo Nation.

Dr. Noel J. Brown, Director, Regional Office for North America, UNEP.

Adele Chatfield-Taylor, President, The American Academy in Rome.

Robert K. Dawson, Vice Chair, Cassidy and Associates.

Tully M. Friedman, Hellman & Friedman.

Jewelle Taylor Gibbs, Professor, University of California.

William Graves, Editor, National Geographic Society.

Antonia Hernandez, President/General Counsel, Mexican American Legal Defense and Education Fund.

Maya Lin, Architect and Designer, Vietnam Veterans Memorial.

Ellen Ramsey Sanger, Coro Foundation.

Lucy Shapiro, Ph.D., Chair, Dept. of Developmental Biology, Stanford Univ. School of Medicine.

Mimi Silbert, President and CEO, Delancey Street Foundation.

Richard Allan Trudell, Executive Director, AILTP/American Indian Resources Institute.

Dr. Robin W. Winks, Townsend Professor and Chair, Yale University.

In 1972, Phillip Burton passed a law designating the Presidio a national park when its properties were no longer required by the Department of Defense.

Under the 1988 base closure, the Army determined that the Presidio's lands were excess to its needs and recommended that the base be closed. In 1993, the Base Closure Commission revisited and revised their decision by recommending that a small contingent of the 6th Army remain at the Presidio. The recommendation was adopted and as a result, the 6th Army headquarters will remain as a park partner at the Presidio. The remaining Army functions at the Presidio will be terminated and ownership of the Presidio will transfer to the National Park Service effective October 1, 1994.

Cost savings would be achieved by introducing certain private-sector management techniques to the administration of the Presidio.

Authorities for the Presidio Trust would include: A reinventing Government model of private-sector management; Relief from some of the regulatory burdens borne by Government agencies; A private sector skill base; Centralized responsibility for building upgrades; and Retention of revenues to continue rehabilitation of properties.

These private sector management techniques would be combined with public sector control and accountability to maximize Federal savings at the Presidio.

The Presidio Council, comprised of prominent professionals from the fields of business, finance, education, architecture and planning, Government and philanthropy, was formed in 1991 to provide the Park Service with assistance in converting the Presidio to a national park. In the past 3 years, the Council has obtained nearly $2.5 million in paid or pro bono services of independent financial and management experts. The list of consultants who have studied this project include Arthur Anderson & Co., McKinsey & Co., Keyser Marston Associates, Mancini-Mills and the law firm of Morrison and Foerster.

The public benefit corporation established in H.R. 3433 is based on the results of this analysis. In developing the blueprint for the Presidio Trust, 19 public-private management models in the United States and Canada were studied. Specific qualities of the Presidio were then considered and a management model and financial strategy developed. The Presidio conversion quite possibly has had the benefit of more outside objectives analysis than any other base closure in the country. H.R. 3433 is the culmination of this process.

As we consider H.R. 3433 today, steps are already underway to secure major tenants in order to generate needed revenues for the park. Negotiations are in progress to obtain an anchor tenant for the park's biggest income producing property—the Letterman-LAIR complex; The University of California, San Francisco, and the Tides Foundation are under active consideration for this space at the Presidio. The Presidio Trust must engage good tenants who will pay fair market value and contribute to the objectives of the park.

The Army will remain on a limited basis as a park partner. It will occupy 1.8 million square feet of the Presidio's total 6 million square feet and contribute to park operations. Other current tenants include: Red Cross, FEMA, the Gorbachev Foundation, U.S. Postal Service, the U.S. Department of Agriculture, the National Oceanic and Atmospheric Administration and Clean Sites.

Altogether, the Park Service has received over 400 responses to the Call for Interest from individuals requesting space at the Presidio.

The Park Service has been preparing for this transfer for almost 5 years. Its General Management Plan for the Presidio will be finalized this month and an agreement will be

signed between Army and Interior for reuse of some military facilities.

In addition to the progress on tenants, a philanthropic plan has been finalized which projects a sizable contribution to the overall financial viability of the Presidio. Under the leadership of the Golden Gate National Park Association, the philanthropic community is being mobilized in an effort to achieve the goal of $30 million in contributions within the next 15 years.

The word that most aptly characterizes the current state of affairs at the Presidio is "momentum." As we approach the official transfer of the post to the Park Service, there is a solid conversion plan based on extensive analysis, a Park Service General Management Plan that is being finalized this month, an accord between the U.S. 6th Army and the Park Service that will maintain a limited Army presence at the park and will reduce Interior Department costs, a major lease for 1.3 million square feet of building space at Letterman/LAIR is under negotiation, and a philanthropic campaign is in progress. H.R. 3433, creating the overarching management structure, is a critical component of the conversion and essential to maintaining the momentum that we are now experiencing at the Presidio.

At the conclusion of this conversion process, America will have a 21st century national park dedicated to the stewardship of the world's human and physical resources through global cooperation. As a national park, the Presidio will build on the significance of its past to become one of America's most prominent and innovative urban parks. Its conversion from a military post to a national park will also demonstrate to America and the world the importance that we place on educating the future by interpreting the past.

We will have also preserved a place unique in American history—a place which has blended history, architecture, biological diversity and scenic beauty in the national interest since it was obtained from Mexico in 1846.

I am convinced of the wide range of possibilities that exist at the Presidio and consider this venture a challenge to our collective creativity. I also believe that the members of this body will meet this challenge and work to develop a national park that will make us proud of its contribution to the national system.

The conversion of the Presidio, from post to park, on September 30, marks an unprecedented opportunity to reshape a cultural and human-made resource into a world-class urban park and global center for seeking solutions to problems of the natural and human environments.

I urge my colleagues to vote for H.R. 3433.

Mr. HANSEN. Mr. Chairman, I yield myself 6 minutes.

Mr. Chairman, I have great respect for the gentlewoman who just spoke, and I can see that she represents her area very well. I know when most of us were elected to this body, we came here to be fiscally responsible, and everybody who campaigned talked about the idea, how they were going to straighten up the budget. They would do everything in their power to live within our means.

Our Founding Fathers gave a lot of great talks in this city about living within our means and not going beyond that. However, now we find ourselves in a huge deficit. It does not come by huge things, it comes by $1 million here, $1 million there, and before you know it, we have trillions of dollars that we are in debt.

Mr. Chairman, we have at this particular time 368 parks. I would hope that Members, as they go this summer, if we get any vacation, if they go to some of these parks, that they go see the superintendent, take time to talk to the superintendent in whatever State they are in.

Go to Yellowstone, go to Yosemite, go to Grand Canyon, Zion, Bryce, Great Smokies, whatever it may be, and ask the superintendent, "Do you have enough money to just handle the infrastructure, the roads, the buildings, the sewer lines, the water lines?" He will say, "No, we are falling apart."

We know ourselves that we have an $800 million operation shortfall. We are 37 years behind on our construction, and we are 25 years behind on our land acquisition.

□ 1500

Here we are, Mr. Chairman. We are standing here today saying to the people, "Hey, we don't care about your tax-paying dollars. We're just going to go spend, spend, spend." That is the theory around here. What is wrong with San Francisco taking this over if they want this so bad?

What we are creating today is a city park for San Francisco paid for by Government funds. I really cannot understand why the other 49 States want a city park or feel that that is the kind of thing that they want.

I really feel that running pell-mell into debt for this tremendous amount of money does not make much sense.

Mr. Chairman, I would hope you would listen to this. We have a Secretary by the name of Bruce Babbitt. Bruce Babbitt is a very liberal man who believes in all of these things. But he was asked a question the other day regarding a Fort Wadsworth. Let me say this about Fort Wadsworth. Recently on the east coast, Secretary Babbitt has adopted an approach identical to what we have got here dealing with surplus military property located within the boundaries of Gateway National Recreation Area in New York. The facts of these 2 cases bear an uncanny similarity. A military base, Fort Wadsworth, entirely within the authorized boundary of Gateway National Recreation Area in New York City within the last year has been declared surplus to the needs of the Navy. Same as the Presidio, surplus to the needs of the Army. It also contains a collection of both historic and nonhistoric facilities, but the major difference is that the facilities at Fort Wadsworth are in very good condition compared to those at the Presidio. Not only is there a minimal development cost but the annual operating costs are only 25 percent of the cost of operating the Presidio.

Keep in mind, Members watching in your offices, look at this comparison. However, on June 15, the Secretary of the Interior wrote to the Secretary of the Navy as follows:

> Increasingly in a period of severely limited resources, the National Park Service must focus on protecting resources directly related to the mission of the agency. After a Department of the Interior review of the Fort Wadsworth acquisition in early June of this year, we are extremely concerned about the inappropriateness of the National Park Service acquisition of facilities not directly related to accomplishing its mission, and further the absence of any specific appropriations or positions for the National Park Service stewardship of this property.

Mr. ARCHER. Mr. Chairman, will the gentleman yield?

Mr. HANSEN. I yield to the gentleman from Texas.

Mr. ARCHER. Mr. Chairman, I ask unanimous consent to yield the balance of my time to the gentleman from Utah to yield as he sees fit.

The CHAIRMAN. Without objection, the gentleman from Utah [Mr. HANSEN] is yielded an additional 10 minutes.

There was no objection.

Mr. HANSEN. Mr. Chairman, I am back on the Wadsworth-Presidio comparison.

> Due to these concerns and the reality that funds will be difficult to obtain in the foreseeable future, we simply cannot afford to manage Fort Wadsworth as a National Park Service site as presently configured.

There is the Secretary of the Interior, Mr. Babbitt. He takes Fort Wadsworth, which is in better shape than the Presidio, and says we cannot afford it.

I just ask my colleagues, if we want to go ahead and dig a deeper hole into debt, go ahead and vote for this. I agree with the gentlewoman from California, it is a beautiful spot, it is an outstanding spot. But can we afford everything, can we buy everything we want? That is the reason we are in debt. I would just respectfully say, let us reject this particular bill and let us let the City of San Francisco take this.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. HANSEN. I yield to the gentleman from California.

Mr. MILLER of California. Mr. Chairman, the gentleman knows that unlike the Presidio where there was a conscious decision and an evaluation of the Presidio for inclusion into the National Park System and a law passed by the Congress to do so, in the Wadsworth situation, what you had was the State of New York trying to foist off onto Fort Wadsworth to prevent other actions from taking place with respect to the housing on the base that they did not want to have happen in their community. They were trying to use

the Park Service to circumvent the law around BRAC and about the use of the facilities in the community. That is what was going on there. That had nothing to do, and the Secretary made the proper decision in that case.

Mr. HANSEN. If I may respond, in 1972, the Gateway Park that was right there was put in the same category as the Presidio, and I think the gentleman can find that in the RECORD.

Mr. MILLER of California. If the gentleman will yield further, the intent in the Wadsworth case was the community trying to avoid having housing opened up to the community generally or to the homeless or what have you. An entirely different intent. Nothing to do with the Park Service. I appreciate that Gateway is a wonderful facility.

Mr. GIBBONS. Mr. Chairman, I ask unanimous consent to reclaim my time.

The CHAIRMAN. Without objection the gentleman from Florida reclaims his 12 minutes.

There was no objection.

Mr. GIBBONS. Mr. Chairman, I ask unanimous consent to yield my time, for purposes of control, to the gentleman from Minnesota [Mr. VENTO.]

The CHAIRMAN. Without objection the gentleman from Minnesota will be given the 12 minutes.

There was no objection.

Mr. VENTO. Mr. Chairman, I yield myself 1 minute, and I would just point out to my colleague, the gentleman from Utah that the taxpayers did elect us to make prudent, fiscal, responsible decisions. The fact of the matter is that by establishing this public-private partnership, Members of Congress can vote for this and in fact can save the Federal Government money. We can make certain that these buildings do not end up boarded up and shut up like some of the buildings in Gateway National Recreation Area. I visited that park and I would point out to the gentleman, they have a movie theater there, and it is boarded up. They have bowling alleys and they are not being used. They have housing units that are empty and not being used. It is a more remote area, it is not a complete corollary, but the point is that that is an example of just transferring things over to the Park Service and then not having anything happen with them. The problem is, what we are trying to do is avoid that particular situation at the Presidio. The best way to save the taxpayers money is to provide for this public-private partnership that the gentlewoman from California [Ms. PELOSI] is advocating in the legislation before us. So the idea that the military has built a lot of facilities that are inappropriate is hardly the issue. The issue is how are we going to take care of the Presidio as we move forward.

Mr. Chairman, I yield 1½ minutes to the gentleman from Hawaii [Mr. ABERCROMBIE].

Mr. ABERCROMBIE. Mr. Chairman, in the context of the general discussion about the Presidio, some commentary has been made by a couple of the Members with respect to the Davis-Bacon Act. I am sure everyone is familiar with it, but nonetheless, let us just go over what is involved here and I hope we will not have this discussion because I think it will only prolong and interrupt what is otherwise a discussion well worth pursuing. The bill's provisions with respect to the projects that are to be funded by the Presidio trust have in them the Davis-Bacon standards. All that is involved in the Presidio trust for Members who may not be totally familiar with the legislation is as a Government corporation, the Presidio Trust is subject to Davis-Bacon and the Davis-Bacon provisions simply establish the prevailing wage standards. Surely with all of the photos that we saw of the various projects including hospitals and everything else that is in the Presidio right now, we would want the prevailing wage standards to be in this legislation. It is consistent with dozens and dozens of national park projects that are federally financed and federally assisted construction projects.

I do hope we will not get into a side discussion at this time about Davis-Bacon. I think that should be saved for Labor-Education Committee activity.

Mr. HANSEN. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from Tennessee [Mr. DUNCAN].

Mr. DUNCAN. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, I rise in opposition to this bill. I have twice offered amendments to hold down the funding for the Presidio or the conversion of it into a national park, not to eliminate funding but to at least hold it down to some reasonable level. I am not leading the charge this time and I have been asked about this, but let me make it clear—I am still very much opposed to this bill. I think it very much shortchanges and will be very harmful to all our other parks.

Our other units of the national park system, some 368, in number, are already underfunded. The National Park Service says there is a $5.6 billion construction backlog. There is a $1.2 billion shortfall in acquisition funding and a $400 million shortage in operating funding each year. There is a portion of the Presidio that should be protected as a national park. The Park Service recommended many years ago that roughly 20 percent along the shore, that that be protected as a park. Certainly I do not think anyone objects to that.

□ 1510

But to convert this entire military base into a national park, the General Accounting Office has estimated it could cost as much as $1.2 billion over the course of the next 15 years. I certainly do not think that the Federal Government should carry this burden alone. As bad a shape financially as our cities are in, still they are in better financial shape than in our Federal Government. As bad as shape financially as our State governments are in, they are not in as bad a shape as our Federal Government. This Federal Government is over $4.5 trillion in debt. We are still losing hundreds of millions of dollars each day on top of that.

So I would say that at least the city could do some part of this, let the State do their share. That is why I particularly support the amendment of my friend, the gentleman from Colorado [Mr. ALLARD]. I also support the amendment by my friend, the gentleman from Minnesota [Mr. GRAMS], that I think he is going to propose to put a cap on this spending at $25 million each year.

The National Park Service has estimated that to operate the Presidio as a park could cost $45 million a year. That is three times what is spent each year on the Yosemite National Park, three times what is spent each year on the Yellowstone Park and five times the rate of spending at Great Smoky Mountains National Park. Even if the amendment to cap the spending at $25 million a year is adopted, that would still make the Presidio the most expensive national park in this country.

All of this is being done to protect areas that include a pet cemetery, a Burger King, an old bowling alley, a movie theater, many rundown acres of 1950's rambler-style housing, and many other things I do not think one would classify as national park material.

I would say I would urge adoption of some of these amendments that would at least make this a little better bill, and I urge defeat of the overall legislation. I think as I said earlier that it would be very harmful to our other national park units in this country, and I thank the gentleman for yielding the time.

Mr. VENTO. Mr. Chairman, I am pleased to yield 2 minutes to the dean of the California delegation, Mr. EDWARDS.

Mr. EDWARDS of California. Mr. Chairman, I thank the chairman for yielding me this time.

Mr. Chairman, this is a very important bill. The Presidio is one of our great national treasures, not just for the West Coast, not just California. It is unique. Its history goes back to 1776 when the first Spanish forts were established, and for the entire time since then it has been very involved in all of the wars that the United States has been involved in.

It is so unique because it is an urban park in the midst of many millions of people, 5 million, 6 million, 7 million people. I know the people from my city

of San Jose, some 30 or 40 miles south of San Francisco, on public transit can come and do come and join the 20 million tourists and visitors that visit this area every single year, as the gentlewoman from California [Ms. PELOSI], author of the bill pointed out, more visitors than the three great parks, Yosemite, Grand Canyon, and Yellowstone have visitors in 1 year. I think that is unique. They get there on public transportation from across the bay, Oakland, Alameda and all of the great East Bay people, children, and classes can come and do come. This must not be lost. This is the only way that it can be handled in an economical way with the Presidio trust, a system, a device that has been used successfully. It is by far the very best way to handle this challenge and promise of the Presidio, which as I said earlier, is not only a State and local treasure, but a great national treasure.

So I would urge an overwhelming vote for this bill and congratulate my colleagues from California, Ms. PELOSI, Mr. MILLER, the gentleman from Minnesota, Mr. VENTO, and all those involved in this great enterprise.

Mr. HANSEN. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Ohio [Mr. REGULA].

Mr. REGULA. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, I rise in support of this bill reluctantly for some reasons, but let us get some of the facts out.

We have heard about pet cemeteries and Burger Kings and so on. Those were put there by the U.S. Army, the Federal Government. They are there. As of October 1 this land will belong to the Park Service. That decision has been made several years ago. So now the question is what do we do on October 1.

There is 1,500 acres of prime land that title is in the U.S. Park Service as of October 1 with all of the warts that might be there, and we have to address the problem. I am concerned about the financing mechanism of this bill. Why? Because the Interior Appropriations Committee is going to be forced to take right off the top of its budget an amount equal to whatever the revenue bonds are that are issued pursuant to the authority in this bill. That means, as the gentleman from Utah pointed out, there will be a lot less money for the other parks. All of the things that he mentioned are true. There are road needs, there are sanitation needs, there are all kinds of needs in our parks.

I would hope that when this bill goes to the other body that we try to find a better financing mechanism, because we have to deal with this problem. I think the trust is the right way to go because it gets a public-private partnership. Otherwise the Park Service gets the whole bill, and they are not going to be that good at managing all of that real estate.

It is there. We have to do something with it. Hopefully we can get a financing mechanism that would perhaps have the revenue bonds needed to repair these buildings and make them leasable, guaranteed by the State of California and/or the city of San Francisco.

It is not that the money will be a direct expenditure, but under the terms of this bill, and I do not fault the Committee on Ways and Means for I think it is a responsible thing to do under the circumstances. We have to set aside an amount equal to the revenue bonds which will restrict our ability to adequately fund the needs of other parks. Hopefully in the long term of things the revenues from these some 800 structures will be more than enough to retire the bonds, plus interest, for that reason it makes a lot of sense. I think that it is a realistic thing that we need to do.

The 6th Army is going to take 30 percent of the Presidio by leasing it back from the Park Service. So it will be used to serve the people by the 6th Army in meeting its needs. The hospital that is there has a couple of different groups interested in leasing it as a research facility. I think in the long term the revenues from the structures will more than offset the costs of rehabbing them and making them useful to the public generally.

In the meantime, we will have a great addition to Golden Gate national recreation area that will be used by people from all over the United States.

Mr. VENTO. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I thank the gentleman from Ohio for his bipartisan support and realistic approach and the work he does in the Interior Appropriations Subcommittee. The gentleman is really a leader and a good ally on national parks and public land issues. I want to associate myself with his remarks and the desirability of dealing with the overall budget in terms of financing.

I would point out that the funding for the rehabilitation of many of these buildings will in fact generate the revenue necessary to pay back the money. The idea is this can be successful, it is in San Francisco. Furthermore, nearly 400 of the 870 buildings that are present are anticipated to be demolished and taken down, so that is part of the process here on some of the buildings they are pointing out. I do not know if it is the Burger King or not, but some of the other buildings.

With respect to the gentleman from Colorado, the veterinarian and our friend and colleague, he will of course address himself to the amendment on the pet cemetery. He has assured me that he had nothing to do with any of the dogs that are present in that cemetery.

Mr. HANSEN. Mr. Chairman, I yield 30 seconds to the gentleman from Ohio [Mr. REGULA].

Mr. REGULA. Mr. Chairman, I think again we need to seek an innovative financing system here. We have a goal I believe on both sides of preserving this for the public. But it is there, and we have to address it as is on October 1 it is ours, the National Park Service's and this body's. I believe we can achieve a program of innovative financing in the other body by working with them on this bill, and I thank the gentleman for yielding me the time.

□ 1520

Mr. VENTO. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from California [Mr. FAZIO].

Mr. FAZIO. Mr. Chairman, I rise in strong support of H.R. 3433. I wish to congratulate my colleague, the gentlewoman from California [Ms. PELOSI], for the very innovative approach which has been taken in this legislation.

The Presidio Trust is new and different and also the "least-cost" approach to providing for one of the most impressive urban national parks anywhere in this land. Today we have seen the beautiful vistas. Most of us have been to the area. We know how unique it is.

This is still a rather pristine area, in some ways; 300 acres of historic forest, 10 rare plant communities, 11 miles of trails for hiking and biking.

There is nothing wrong with having a national park that is close to 7 to 10 million people. This is a unique opportunity, and it will be available to the people of this country and to the West for half the cost of what we were paying for it when it was a military reservation.

Now, what the gentlewoman from California [Ms. PELOSI] has done is put together a concept that allows for the Federal cost to decline over time. What we are providing for here is a method of earning income off the assets of the Presidio so that the taxpayers will have a lessened responsibility as we proceed through the next couple of decades. We do it in a way that, I think, deserves the support of all of us here.

There will be continued review from Treasury, from Interior. This is not an open-ended, unmonitored idea. But I think it goes a long way to meeting the needs of people in cities who have traditionally had to travel long distances to get this kind of access to nature and to opportunities for recreation in pristine places.

This is an augmentation of the already nationally known Golden Gate National Recreation Area, and it does, I think, provide for a model of future conversion of military facilities to public use.

I think the gentlewoman from San Francisco deserves to be congratulated.

Mr. Chairman, H.R. 3433 creates a nonprofit Government corporation, the Presidio Trust, to manage Presidio properties in a more cost-effective manner. The Presidio Trust will have a

long-term leasehold interest in the Presidio's assets. The Trust will manage the rehabilitation of these properties and lease buildings to rent paying tenants.

This measure is fiscally responsible in that it uses the Presidio's assets to help pay for management of the facility. Revenues from leases will be used to offset costs at the Presidio, driving operating costs down and reducing the need for Federal appropriations. These lease revenues will also be used to repay funds borrowed for the initial rehabilitation of the Presidio's historically significant assets.

The bill preserves strong Federal oversight of the Trust by requiring annual reports and independent audits of the Trust's activities. The bill also mandates that the Trust adhere to the publicly supported Park Service Plan for the Presidio. The Trust's budget and borrowing authority will be subject to Interior and Treasury Department review. The oversight features in this bill recognize fiscal realities and offer a less costly, more business-like approach to managing this important Federal asset.

Amazingly, the Presidio as a national park will cost less than half the cost of operating the Presidio as a military base. The financial plan projects declining Federal costs over time due to rent abatement and private sector support.

Mr. Speaker, the Presidio is a unique historical treasure. The Presidio embodies over 200 years of military history in one location. It has played a logistical role in every U.S. military engagement since the Mexican-American war.

I want to congratulate the bill's author, Congresswoman PELOSI, on her fine efforts. She has put together a bill that maximizes our Federal investment in the Presidio and does so in a fiscally responsible manner. I urge my colleagues to support the bill as brought to the floor by the gentlewoman from California and ask for an "aye" vote on H.R. 3433.

Mr. HANSEN. Mr. Chairman, I yield 4 minutes to the gentleman from Colorado [Mr. HEFLEY].

Mr. HEFLEY. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, as we debate whether the Federal Government should spend close to $1 billion in the years ahead to operate an urban park for the city of San Francisco, I think we should take into consideration some remarks made by the gentleman from the other body, Senator WALLOP, a few weeks ago. Senator WALLOP announced he would offer an amendment to every park bill that came through his committee which would defer spending on the new unit unless the Interior Secretary could affirm the Government had the money and really wanted to spend this money on a given project. He also suggested some projects should be delayed until the respective budgets for maintenance and personnel were increased.

I think there is a lot to be said for that idea, and so apparently do many of Senator WALLOP's colleagues in the Senate.

Let me repeat a figure that has been bandied about in the House for at least the last 4 years, and that figure is that the National Park Service has a $6 billion maintenance backlog. A similar backlog exists for land acquisitions. The director of the Park Service has said Park Service employees are living in Third World conditions.

Most of the reforms suggested over the past 10 years for the Park Service have never been implemented.

With all of that, do we really need, or can we afford, the Presidio? Senator WALLOP said it best, "The Federal Government is gaining the reputation of being a bad neighbor, of being someone who buys up land left and right and cannot take care of it." Before we vote to approve this, we should give it a little more thought.

Yes, there are parts of it that are scenic, and there are parts of it that are even historic. I was out there this summer, as the gentlewoman from California [Ms. PELOSI] knows. We have talked about this. I was out there this summer. I particularly went to the Presidio and looked at it, because I knew we were going to be discussing this kind of thing. There are parts of it that are incredibly beautiful and ought to be preserved as a park. But the great majority of it is composed of what you have heard here today. It is composed of the bowling alleys and the office buildings and the housing and parking lots and those kinds of things.

I think we should consider giving the park to the city of San Francisco. It is a city park, after all. That is what it will amount to. I think we maybe should consider giving the beautiful parts and the historic parts, give it to the city of San Francisco, make a gift to them. But the part that has the commercial enterprises and the housing and so forth, let us sell that. Let us sell it to developers or whoever and let us get money back for that.

We simply cannot afford this project. And this, with me—I am often up here making amendments to cut this or cut that out of the budget. But this, to me, this is not a cost-saving effort that I am making here today.

Because I would love to take every dime we can make off of selling much of the Presidio and put it back into the Park Service to take care of the deficits we have within the Park Service. Even if we do not save a penny on the overall Park Service thing, let us put it into some of the jewels of our system. Let us put it into the Yosemites, the Yellowstones, and Grand Canyons that are going begging right now because we do not have the budget to actually keep it up.

Let me quote from that great American, that great Senator from the State of Arkansas, Senator BUMPERS, who, by the way, happens to be the Senate Park Subcommittee chairman. When he is talking about the Presidio, Senator BUMPERS says, "And in any event, the thing—obviously this is a highly desirable thing to do, but I must confess to you, despite my very best efforts, I have not been able to reconcile myself to these costs." And I have to say, my friends, that I agree with Senator BUMPERS.

Mr. VENTO. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. FARR], a member of the committee.

Mr. FARR of California. Mr. Chairman, I rise in support of this measure. I think those that speak in opposition to it really do not understand it. Because this is really best management practices.

There are those who would say that we ought to sell this. It is Federal property. It might be used for purposes of a locale. That same concept could be used for this building. We could sell this room. It could be used for convention centers. This is a national asset.

We think of the east coast; you think of New York City, and you think of the great Federal Statue of Liberty which is a symbol to our country on the east coast. The Presidio, San Francisco, is the symbol to the Pacific rim. It began in 1776. It has been in military ownership.

Yes, there are a lot of buildings there, and they are out of code. Military does not build buildings by going before boards of supervisors and city councils and getting building permits. They build it their own way, and when it comes to using them in an area that is prone to earthquakes, you have to rehab those buildings. It takes money.

The best way to do that is to set up a management structure that will allow the loans to be repaid through the process of leasing and selling and managing those buildings. That is what this bill does. This is good management practices. It is used in all smart activities by this Government and State governments.

It would be absolutely ludicrous to defeat this bill. The best thing for the United States is to preserve this in public trust for public use under sound public-private management.

I urge an "aye" vote.

Mr. HANSEN. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. REGULA].

□ 1530

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

Mr. Chairman, I would like to point out to the Members that there is a trust arrangement in this plan, and it is a public-private arrangement. Many people in San Francisco are interested in contributing private funds to the trust. I think we will be surprised at the broad support, at least I get that feeling from talking with some of the leadership in San Francisco, that will exist in the city, in providing private money to help address this problem. In the long term I believe the trust should

appeal to our Members because it does achieve a nonprofit private-sector arrangement. That is what we seek to accomplish.

I think, likewise, it would generate a lot of matching funds that would be helpful in converting the Presidio to a very useful purpose for the people of this Nation.

Mr. VENTO. Mr. Chairman, I yield 3 minutes to the gentleman from the Virgin Islands [Mr. DE LUGO] a member of the committee.

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

Mr. Chairman, I want to commend the gentlewoman from California [Ms. PELOSI] for this legislation. I had the pleasure of serving in this House back in 1972, while Phil Burton had the great vision about the Presidio. At that time he had the vision to say, and to put into legislation, that at such time as the military would no longer need the Presidio, it should be turned over to the national park.

I know a little about the Presidio. During the occupation of Japan I used to ship out from Fort Mason nearby and I trained at the Presidio. And when I went out recently for the dedication of the statue in memory of Phil Burton, I visited the Presidio then and I visited it again on a recent trip, because to me I think thank everyone who is connected with this legislation should be commended.

Mr. Chairman, this shows the type of creativity that can hold precious resources for our people for all time. Yes, it will cost money; but they have put together a private-public plan here that makes it financially possible to retain this precious piece of property.

As I walked in the Presidio last time down by the bay, I thought, "Why, Phil, you really knew what you were doing to preserve this for the people."

Mr. Chairman, I want to commend the gentleman from Minnesota, BRUCE VENTO, chairman of the subcommittee, and I commend the gentleman from California, GEORGE MILLER, my chairman, and I want to commend those on the other side of aisle who support this legislation. This is a good bill, and I urge its support.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. DE LUGO. I yield to the gentleman from Minnesota.

Mr. VENTO. I thank the gentleman for yielding.

Mr. Chairman, I want to commend the gentleman from the Virgin Islands. I think many words have been spoken on this floor, but I think the essence of what this is about has been captured by our esteemed colleague, Congressman DE LUGO. This is like, if we had the fate of Central Park before us today, would we be talking about breaking it up and selling it? Mr. Chairman, the Presidio is in the middle of San Francisco, and obviously the history that it has, from early Spanish settlement, and the natural, cultural, and recreational resources and so forth are a vital and significant public asset. I would hope that my colleagues would recognize that and support this legislation.

Mr. DE LUGO. One of the things that impressed me the most on my visits to the Presidio were the numbers of visitors to this area. Not only American citizens but people from all over the world were visiting this area. This is a great piece of legislation, and I urge all of the Members to support it.

Mr. Chairman, I rise in support of H.R. 3433, legislation to provide for the management of the Presidio, and to commend the gentlelady from California [Ms. PELOSI] for her efforts and dedication to the preservation of this most spectacular area.

Mr. Chairman, the Presidio is an approximately 1,500-acre military base located at the foot of the Golden Gate Bridge in San Francisco. When the Golden Gate National Recreation Area was established, in 1972, my good friend and our former colleague, Phil Burton, recognizing the uniqueness and magnificence of the area, provided that if the Presidio was ever determined to be excess to the needs of the Army, it would be turned over to the National Park Service and would become a part of the Golden Gate National Recreation Area.

Because of concerns that operating and repairing the Presidio would drain money from the other national parks, even though millions of dollars would be transferred from the DOD budget to the Park Service, H.R. 3433 would establish a public benefit corporation to manage certain properties at the site to generate income to support park operations.

H.R. 3433, Mr. Chairman, is supported by the National Parks and Conservation Association, the Sierra Club, the National Audubon Society, the Wilderness Society, the Friends of the Earth, the National Trust for Historic Preservation, the National Conference of State Historic Preservation Officers, the AFL–CIO and several other national organizations.

This is a good bill, Mr. Chairman. The gentlelady from California deserves our support. I urge my colleagues to support passage of this bill.

Mr. HANSEN. Mr. Chairman, I have no further speakers, and I yield back the balance of my time.

Mr. VENTO. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. DELLUMS], chairman of the Committee on Armed Services.

Mr. DELLUMS. I thank the subcommittee chairman for yielding this time to me.

Mr. Chairman and members of the committee, first of all, our former colleague, Phil Burton, has been referred to on a number of occasions during the course of this discussion and debate. He has been alluded to as a visionary. He was a very clear and substantive thinker. If anyone believes that Phil Burton did not understand exactly what he was doing, living in a never-never land, did not understand him. He understood it very clearly and unequivocally.

Mr. Chairman and members of the committee, on the 9th of August a notice was sent to every Member of the U.S. Congress from the Department of the Army office of the Secretary of the Army, laying out the agreement that the Department of the Army and the Department of the Interior announced that they had agreed upon terms and conditions by which the Army will retain the headquarters, 6th U.S. Army, at the Presidio of San Francisco to perform its defense mission while maximizing public use of the Presidio as an urban national park. What the gentlewoman from California's legislation simply seeks to do, Mr. Chairman, is to establish a public interest corporation to manage the assets there.

Let me, in that regard, make a couple of important points. That corporation would have a wide range of borrowing authorities, including private borrowing, limited public borrowing, and the ability to negotiate lease terms that encourage third-party borrowing for the purposes of upgrading Presidio properties.

These financial tools, Mr. Chairman, and the authority to retain lease revenues at the park will greatly reduce the need for Federal funding. I underscore that for the purpose of emphasis.

Finally, this bill represents a new reinventing government approach to the management of public assets, combining private and public sector techniques to enhance responsiveness at lower cost to the taxpayer. Again, I underscore that, because a number of my colleagues have marched into the well speaking to the magnitude of the cost of what this transfer is all about. It is in this gentleman's humble opinion, Mr. Chairman, good government approach, it recognizes financial and fiscal realities, it is fiduciarily sound yet provides for the protection of the historic, scenic, and ecological treasure not only for the bay area in California, not only for this Nation, but indeed the world, and for the benefit of all of our people.

For all of these reasons I urge my colleagues to enshrine and enframe and to put into significant frame the vision that Phil Burton had to make sure that we transferred this land for higher and better use, and that is to serve the people of our country.

I ask my colleagues to resist the effort to diminish, to reduce, to significantly harm or, in any other way, compromise the legislation that is before us.

Mr. VENTO. Mr. Chairman, I yield 2 minutes to the gentlewoman from California [Ms. WOOLSEY].

Ms. WOOLSEY. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise today in strong support of H.R. 3433. I commend my colleague, the gentlewoman from California [Ms. PELOSI], for crafting this excellent legislation.

The district I am proud to represent, the Sixth Congressional District of

California includes part of the Golden Gate National Recreation Area, which is soon to be home to the Presidio. I have received letter after letter from my constituents urging the House to ensure that the Presidio is transferred to the National Park Service in its entirety, and to pass H.R. 3433.

The House recognized the national significance of the Presidio in 1972, when it passed Phil Burton's legislation specifying that the Presidio would be transferred from the Department of Defense to the Department of Interior. The House must continue to recognize the significance of the Presidio, in 1994, by passing Congresswoman PELOSI's bill today.

In this time of base closures, Mr. Chairman, it is important that we support and encourage smooth transitions from military use to peace-time purposes. H.R. 3433 is a model for a smooth transition of the Presidio lands from military to peace-time purposes.

In addition, H.R. 3433 will ensure that the Presidio is managed in a cost-effective manner. This bill establishes a nonprofit government corporation, known as the Presidio Trust, which will reduce Federal operating costs by aggressively recruiting tenants that will pay fair market rent for Presidio space. This innovative approach will result in a valuable national park, to be enjoyed by future generations at a significantly reduced cost to the Federal Government.

Mr. Chairman, I urge my colleagues to preserve this national treasure and save American taxpayer dollars by passing H.R. 3433.

□ 1540

Mr. VENTO. Mr. Chairman, I yield the remainder of our time to the gentlewoman from California [Ms. ESHOO].

Ms. ESHOO. Mr. Chairman, I rise in strong support of H.R. 3433, which provides for the smart and sound management of the Presidio.

As the Nation's oldest continually operated military post, the Presidio is a national historic landmark—it has played a logistical role in every U.S. military engagement since the Mexican-American War.

This unique landmark which is at the heart of the Golden Gate National Recreation Area is the most visited national park in our Nation. It is characterized by acres of historic forest, historically significant buildings, a national cemetery, and scenic views.

The Presidio will be transferred by statute from the Army to the National Park Service on October 1. This bill is designed to reduce the cost of managing the Presidio under the Park Service by creating a nonprofit Government corporation known as the Presidio Trust.

The Trust would manage the rehabilitation of the Presidio's properties and would lease buildings to rent-paying tenants. Revenues from leases would be used to offset costs at the Presidio driving operating costs down and reducing the need for Federal appropriations. Lease revenues would also be used to repay funds borrowed for the initial rehabilitation.

The Trust brings to the Presidio a proven successful model of public-private partnership. It offers a less costly, business like approach to managing Federal properties.

Indeed, heads of the academic and business communities which comprise the Presidio council have stated that the Presidio Trust is "essential to the success of this * * * conversion project."

Mr. Chairman, the Presidio as a national park will cost less than half of what was spent on it as a military base. It's financial plan projects declining Federal costs over time due to rent abatement and private sector support.

I urge my colleagues to support this smart and sensible approach to management and support this critical legislation.

Mr. PICKLE. Mr. Chairman, I rise to compliment Chairman GIBBONS for his leadership in the Committee on Ways and Means consideration of H.R. 3433, relating to the management of the Presidio. I also appreciate to concerns of Mr. ARCHER, for his efforts to ensure that the funding of the improvements to the Presidio, which are authorized by this legislation, are provided for in a manner that does not subject this important legislation to a budget point of order.

As the result of the amendments supported by Chairman GIBBONS and Mr. ARCHER, the bill before us today will allow for the orderly transfer of the Presidio from the Department of Defense to the Department of the Interior. It will also promote a unique public-private partnership which will allow for certain portions of the Presidio to be commercially developed in a manner consistent with its very special historical and environmental characteristics.

While I support this effort to manage the Presidio in a way that takes full advantage of its public and private sector assets, I have been concerned with the financing approach that was originally proposed. In my judgment, Congress must be very careful that efforts to promote creative solutions to unique problems do not undermine established appropriations, budget, and debt management procedures. If such exceptions to the normal spending and borrowing procedures are allowed, we risk doing great damage to the system of budget discipline that we have established in recent years.

As the result of the modifications to H.R. 3433 which were adopted during its consideration by the Committee on Ways and Means, this important legislation is now in compliance with all of our debt management rules and policies. It is my hope that this legislation will receive favorable consideration, and that the Presidio will become a vital part of our great National Park System. We also must be vigilant that the other body does not try to circumvent the decisions of the Ways and Means Committee.

Mr. FALEOMAVAEGA. Mr. Chairman, I rise in strong support of H.R. 3433, a bill to create a nonprofit Government corporation to manage specified portions of the Presidio under the jurisdiction of the Secretary of the Interior.

Most Americans do not know what the Presidio is and I have been asked on a number of occasions to explain not only what it is, but why I feel it is important to protect this national treasure.

First established in 1776 as a military post, the Presidio's history reads like a page out of American history. As a military installation, the Presidio has played a critical role in providing for our national defense and international security and it is no accident that its history coincides with our country's emergence as a world leader.

Now that the military has determined it no longer needs to maintain the Presidio as a military facility, the responsibility now falls to us to establish a public trust to manage the facilities of the Presidio of San Francisco in a manner befitting its proud history.

Mr. Chairman, H.R. 3433, sponsored by the gentlelady from California, NANCY PELOSI, will do precisely that.

In addition to its other important provisions, H.R. 3433 will establish the Presidio Trust to manage the leasing, maintenance, rehabilitation, repair, and improvement of the property that is transferred to the National Park Service.

Opponents of the Presidio have fought to sell all but 200 of its 1,400 acres to private developers. This would not only rob our future generations of this magnificent resource—but the sight of condominiums on this site would degrade the memory of those who have proudly served our country at this national treasure.

Mr. Chairman, I would like to commend the gentlelady from California, NANCY PELOSI, for sponsoring this important legislation, and also pay tribute to the late Philip Burton, who long ago recognized the importance of preserving this vital piece of American history.

I urge my colleagues to support H.R. 3433.

Mr. LAUGHLIN. Mr. Chairman, I urge my colleagues to vote for H.R. 3433 when it comes to the House this week. The bill provides a more cost-effective management structure for the Presidio in San Francisco, one of the most significant historic sites in our Nation.

The Presidio has guarded against invasion from the Pacific since 1776. It has played a major role in every American engagement since the Mexican-American War. Now, by an earlier act of Congress, the Presidio, a national historic landmark, is slated to become part of the Golden Gate National Recreation Area.

In addition to its historic importance, the Presidio's national, scenic and recreational resources qualify it as a national park. It is an international biosphere reserve, a home for threatened species and a neighbor to the largest chain of marine sanctuaries in the country.

There should be no question about the Presidio's significance to the United States—by now, its value is established fact.

H.R. 3433 would enable us to protect the Presidio while saving money for the American taxpayer. The bill establishes a Presidio Trust

with streamlined management and operations to manage leasing and rehabilitation at the Presidio. This management structure would result in significant savings for the Presidio over traditional park management.

H.R. 3433 is responsible legislation which addresses taxpayers' concerns while protecting a very important national resource for the enjoyment of future generations. I strongly urge the Members to vote for H.R. 3433 and to oppose any amendments to weaken the bill.

Mr. FAWELL. Mr. Chairman, I rise in opposition to H.R. 3433, which includes a wage requirement provision, adopted as an amendment to the bill in the Committee on Natural Resources. Section 3(v) provides that the labor standards provisions under the Davis-Bacon Act and the Service Contract shall apply to the activities of the Presidio Trust. This new provision represents an unwarranted expansion of the requirements under both acts to contracts for services which are paid for primarily, or entirely, through private funds.

Under the Davis-Bacon Act, contractors on construction or renovation projects funded by the Federal Government must pay Government mandated, inflated wages to laborers and mechanics employed on these projects. The procedures used by the Department of Labor for determining the wages in the area of a construction project, as well as the classifications of workers who receive them, favor union wage rates. The General Accounting Office has estimated that Davis-Bacon requirements increase the cost of construction projects by 5 to 15 percent. Likewise, Davis-Bacon reduces the opportunities for the employment of less-skilled workers, women, and minorities.

H.R. 3433 would expand the impact of the wage requirements to projects which would be funded wholly or partially through private sources. If only $1 of Federal funds is contributed to the project, Congress is going to mandate that Davis-Bacon requirements must apply. Under the bill, the Presidio Trust would have the flexibility to negotiate a lease agreement which would allow the tenant to finance the repair or rehabilitation of part or all of the building it is occupying. Clearly, in this type of situation, we are not talking about a Federal project where Federal mandates should apply. We are talking about private construction funded entirely by private sources.

The Service Contract Act, on the other hand, sets basic labor standards for employees on Government contracts whose principal purpose is to furnish labor, such as laundry, custodial, and guard services. Contractors covered by this act generally must provide their employees with wages and fringe benefits that are at least equal to those prevailing in their locality, or, those contained in a collective bargaining agreement of the previous contractor.

In 1983, having reviewed the application of the Service Contract in 1978 and 1982, the GAO recommended repeal of the act. The report stated that the Department of Labor's principles and methods for making wage determinations under the Service Contract Act resulted in inaccurate, inflationary, and unrealistic determinations. Once a prevailing rate is established in a wage determination as the minimum that can be paid, it then becomes the floor for adjusting the wage differentials for higher skilled and more experienced workers in the same job class and for later revising that rate in future determinations. This can quickly escalate wages paid to service workers on Federal contracts and further widen the gap between the federally mandated rates on Service Contract Act contracts and those rates paid to private sector workers in the same jobs.

Both the Service Contract Act and the Davis-Bacon Act, in the years since their adoption, have been used to bring under Federal wage-setting requirements, workers who do not need, and industries which do not require Federal regulation. In all applications, the wage requirements increase the cost of contracted services over what similar work would cost on the open market. Additionally, where the financial contribution by the Federal Government is minimal or nonexistent, Congress has no business mandating Federal wage requirements for work that is being funded by the private sector, the States, or other localities.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the bill shall be considered for amendment under the 5-minute rule for a period of debate not to exceed 3 hours.

Pursuant to the rule, the amendment in the nature of a substitute recommended by the Committee on Natural Resources printed in the bill, modified by the amendments recommended by the Committee on Ways and Means printed in the bill, and by the amendments printed in House Report 103-696 is considered as an original bill for the purpose of amendment and is considered as read.

The text of the committee amendment in the nature of a substitute, as modified, is as follows:

H.R. 3433

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FINDINGS.

The Congress finds that—

(1) the Presidio of San Francisco, located amidst the incomparable scenic splendor of the Golden Gate, is one of America's great natural and historic sites;

(2) the Presidio is the oldest continually operating military post in the Nation dating from 1776, and was designated as a National Historic Landmark in 1962;

(3) preservation of the cultural and historic integrity of the Presidio for public use would give due recognition to its significant role in the history of the United States;

(4) the Presidio in its entirety will transfer to the jurisdiction of the National Park Service on September 30, 1994, in accordance with Public Law 92-589;

(5) as part of the Golden Gate National Recreation Area, the Presidio's outstanding natural, historic, scenic, cultural and recreational resources must be managed in a manner which is consistent with sound principles of land use planning and management, and which protect the Presidio from development and uses which would destroy the scenic beauty and natural character of the area;

(6) activities and management at the Presidio must be consistent with both the Act establishing the Golden Gate National Recreation Area (Public Law 92-589) and the General Management Plan for the Golden Gate National Recreation Area, as amended;

(7) the Presidio will be a global center dedicated to addressing the world's most critical environmental, social, and cultural challenges and a working laboratory at which models of environmental sustainability shall be developed;

(8) the Presidio, as an urban park, will be managed in a manner that is responsive to the concerns of the public and cognizant of its impact on the local community, and as a public resource, will reflect, in both activities and management, of the diversity that exists in the surrounding community; and

(9) the Presidio will be managed in an innovative public/private partnership that minimizes cost to the United States Treasury and makes efficient use of private sector resources that could be utilized in the public interest.

SEC. 2. AMENDMENT OF ACT ESTABLISHING GOLDEN GATE NATIONAL RECREATION AREA.

(a) STATEMENT OF PURPOSES.—Section 1 of the Act entitled "An Act to establish the Golden Gate National Recreation Area in the State of California, and for other purposes", approved October 27, 1972 (Public Law 92-589; 86 Stat. 1299; 16 U.S.C. 460bb), is amended by inserting the following after the second sentence: "In addition, the Secretary may utilize the resources of the Presidio of San Francisco to provide for and support programs and activities that foster research, education or demonstration projects, and relate to the environment, energy, transportation, international affairs, arts and cultural understanding, health and science.".

(b) ADMINISTRATION.—Section 4 of such Act is amended by adding the following new subsection at the end thereof:

"(g) INTERIM AUTHORITY.—(1) In addition to other available authorities, the Secretary may, in his discretion, negotiate and enter into leases, as appropriate, with any person, firm, association, organization, corporation or governmental entity for the use of any property within the Presidio in accordance with the General Management Plan and any of the purposes set forth in section 1 of this Act. The Secretary may further, in his discretion, negotiate and enter into leases or other appropriate agreements with any Federal agency to house employees of the agency engaged in activities or programs at the Presidio.

"(2) In addition to other available authorities, the Secretary may, in his discretion, enter into—

"(A) interagency permitting agreements or other appropriate agreements with the Secretary of Defense and the Director of the Federal Emergency Management Agency, and

"(B) leases with the American Red Cross, to house their activities and employees at the Presidio.

"(3) Any leases or other appropriate agreements entered into under this subsection shall be subject to such procedures, terms, conditions and restrictions as the Secretary deems necessary. The Secretary is authorized to negotiate and enter into leases or other agreements, at fair market value and without regard to section 321 of chapter 314 of the Act of June 30, 1932 (40 U.S.C. 303b), fair market value shall take into account the uses permitted by the General Management Plan and this Act. The preceding sentence shall not apply to any interagency permitting agreement entered into between the Secretary and the Secretary of Defense regarding the housing of activities and employees of the Sixth United States Army. For purposes of any such lease or other agreements, the Secretary may adjust the rental by taking into account any amounts to be expended by the lessee for preservation, maintenance, restoration, improvement, repair and related expenses with respect to the leased properties.

"(4) The proceeds from leases under this subsection, and from concession and other use authorizations and from other services that may be provided by the recreation area under this subsection shall be retained by the Secretary for 5 years after the date of enactment of this paragraph or until the leased property is transferred to the Presidio Trust and shall be available without further appropriation and used to offset the costs of preservation, restoration, maintenance, improvement, repair and related expenses including administration of the above, incurred by the Secretary with respect to Presidio properties, with the balance used to offset other costs incurred by the Secretary in the administration of the Presidio.

"(5) Each lessee of a lease entered into under this subsection shall keep such records as the Secretary may prescribe to enable the Secretary to determine that all terms of the lease have been and are being faithfully performed. The Secretary and the Comptroller General and their duly authorized representatives shall, for the purpose of audit and examination, have access to financial records pertinent to the lease and all the terms and conditions thereof.

"(6) The Secretary shall annually prepare and submit to Congress a report on property leased under this subsection.

"(7) In addition to other available authorities, the Secretary may, in his discretion, enter into cooperative agreements and permits for any of the purposes of the recreation area set out in section 1 of this Act.".

SEC. 3. THE PRESIDIO TRUST.

(a) ESTABLISHMENT.—There is established within the Department of the Interior a nonprofit public benefit government corporation to be known as the Presidio Trust (hereinafter in this Act referred to as the "Trust"). The Trust shall manage, in accordance with the purposes set forth in section 1 of the Act entitled "An Act to establish the Golden Gate National Recreation Area in the State of California, and for other purposes", approved October 27, 1972 (Public Law 92-589; 86 Stat. 1299; 16 U.S.C. 460bb), and with this Act, the leasing, maintenance, rehabilitation, repair and improvement of property within the Presidio which is transferred to the Trust by the Secretary of the Interior (hereinafter in this Act referred to as the "Secretary"). The Trust may participate in the development of programs and activities at the properties that have been transferred to the Trust.

(b) TRANSFER.—Except as provided in this subsection, the Secretary shall transfer to the Trust, under such terms and conditions as the Secretary deems appropriate, a leasehold in the following properties within the Presidio under the control of the Secretary: the Letterman-LAIR complex, Fort Scott, Main Post, Cavalry Stables, Presidio Hill, Wherry Housing, East Housing, the structures at Crissy Field, and such other properties, within the Presidio as the Secretary and the Trust deems appropriate. Any such property shall be transferred within 60 days after a request is made by the Trust. The leasehold shall be of sufficient term to enable the Trust to obtain necessary and beneficial financing arrangements and to carry out the purposes of this Act. The Secretary may withhold transfer to the Trust of any buildings necessary to house or support activities of the National Park Service. The Secretary may not transfer to the Trust any property irrevocably permitted to the Department of Army. The Secretary shall transfer, with any transferred property, all leases, concessions, licenses and other agreements affecting such transferred property. The Secretary may transfer any properties within the Presidio to the Trust not requested by the Trust subject to terms and conditions mutually agreed to by the Secretary and the Trust. All proceeds received by the Presidio Trust from the leasing of properties managed by the Trust within the Presidio shall be retained by the Trust without further appropriation and used to offset the costs of administration, preservation, restoration, operation, maintenance, repair, and related expenses incurred by the Trust with respect to such properties.

(c) BOARD OF DIRECTORS.—(1) The powers and management of the Trust shall be vested in a Board of Directors consisting of 13 members, as follows:

(A) The Director of the National Park Service.

(B) Secretary of the Army.

(C) Administrator of the Environmental Protection Agency.

(D) Ten individuals, who are not employees of the Federal Government, appointed by the Secretary within 6 months after the date of the enactment of this Act, 6 of whom shall have knowledge and experience in one or more of the fields of the environment, energy, transportation, international affairs, health, science, education, or any other such field related to the activities at the Presidio; 4 of whom shall have knowledge and experience in one or more of the fields of city planning, finance, real estate, labor or historic preservation. With respect to the 10 individuals, 5 shall meet the additional requirement of possessing extensive knowledge of the region in which the Presidio is located.

Each member of the Board of Directors specified in subparagraphs (A) through (C) paragraph (1) may designate (through written notice to the Secretary and Chairman of the Board) an alternative senior official (classified as Senior Executive Service) of his or her department or agency who may serve on the Board in his or her stead. The Secretary of the Army shall serve on the Board until such time as the Sixth Army Headquarters ceases to maintain a presence at the Presidio. In such an event, the Secretary of Energy shall replace the Secretary of the Army on the Board.

(d) TERMS OF BOARD MEMBERS.—Each member of the Board of Directors appointed under subparagraph (D) of subsection (c)(1) shall serve for a term of 5 years from the expiration of his or her predecessor's term; except that the Secretary, in making the initial appointments to the Board under subparagraph (D), shall appoint 3 Directors to a term of 2 years and 3 Directors to a term of 3 years. Any vacancy on the Board of Directors shall be filled in the same manner in which the original appointment was made, and any member appointed to fill a vacancy shall serve for the remainder of the term for which his or her predecessor was appointed. Each member shall continue to serve after the expiration of his or her term until his or her successor is appointed. No appointed director may serve more than 10 years in consecutive terms.

(e) ORGANIZATION AND COMPENSATION.—(1) The Board of Directors shall elect at the initial meeting a Chairman and a Vice Chairman from among the members of the Board of Directors. The Director of the National Park Service shall serve as Chairman until such time as the Board holds such election.

(2) The Board of Directors may establish an Executive Committee within the Board and other such committees within the Board as it deems appropriate, and delegate such powers to such committees as the Board determines appropriate to carry out its functions and duties. Any such committees established by the Board may meet and take action on behalf of the Board between meetings to the extent the Board delegates such authority. Delegations to such committees shall not relieve the Board of full responsibility for the carrying out of its functions and duties, and shall be revocable by the Board in its exclusive judgment.

(3) Members of the Board of Directors shall serve without pay, but may be reimbursed for the actual and necessary traveling and subsistence expenses incurred by them in the performance of the duties of the Trust.

(4) The Board of Directors shall meet at the call of the Chairman, who shall require it to meet not less often than once every 6 months. A majority of the members of the Board of Directors (or their designated alternates) shall constitute a quorum. The Board shall hold at least one public meeting per year at the Presidio at which time the Board shall report on its operations, accomplishments and goals for the upcoming year.

(5) Members of the Board of Directors shall not be considered Federal employees by virtue of their membership on the Board, except for purposes of the Federal Tort Claims Act and other statutes defining legal liability.

(f) STAFF.—The Board of Directors shall have the power to appoint and fix the compensation and duties of an Executive Director and such other officers and employees of the Trust as may be necessary for the efficient administration of the Trust. Officers and employees of the Trust may be appointed and compensated without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51, and subchapter III of chapter 53, title 5, United States Code (relating to classification and General Schedule pay rates), except that no such officer or employee may receive a salary which exceeds the salary payable to officers or employees of the United States classified a level IV of the Executive Schedule.

(g) EXPERTS AND CONSULTANTS.—The Board of Directors is authorized to procure the services of experts or consultants, or organizations, including but not limited to urban planners, architects, engineers, and appraisers.

(h) AUTHORITIES.—In exercising its powers and duties, the Trust shall act in accordance with both the approved General Management Plan, as amended (hereinafter in this Act referred to as the "Plan") and the Act entitled "An Act to establish the Golden Gate National Recreation Area in the State of California, and for other purposes", approved October 27, 1972 (Public Law 92-589: 86 Stat. 1299; 16 U.S.C. 460bb), and have the following authorities:

(1) The Trust shall manage, maintain, improve and repair those properties within the Presidio which are transferred to the Trust by the Secretary.

(2) The Trust shall publish and disseminate information and make known to potential occupants, by advertisement, solicitation, or other means, the availability of the property within the Presidio which the Trust manages.

(3) The Trust may prepare or cause to be prepared plans, specifications, designs, and estimates of costs for the rehabilitation, improvement, alteration, or repair of any property managed by the Trust, and from time to time may modify such plans, specifications, designs, or estimates.

(4) The Trust may negotiate and enter into contracts, including leases, cooperative agreements, or other agreements with any person, firm, association, organization, corporation, or governmental entity for the occupancy of any property within the Presidio which the Trust manages. Such leases may be entered into without regard to section 321 of chapter 314 of the Act of June 30, 1932 (40 U.S.C. 303b).

(5) The Trust shall establish procedures to be used for the issuance of leases and contracts under this Act.

(6) The Trust shall establish (through easements, covenants, regulations, agreements, or otherwise) such restrictions, standards, and requirements as are necessary to assure the maintenance, protection, and aesthetic character of the property managed by the Trust.

(7) The Trust may make commercially reasonable loans to the occupants of property managed by the Trust for the preservation, restoration, maintenance, or repair of such property.

(8) The Trust may provide technical assistance to the occupants of property managed by the Trust, to assist such occupants in making repairs or improvements to the property or applying for loans under paragraph (7) of this section.

(9) The Trust and the Secretary may solicit and the Trust may accept donations of funds, property, supplies, or services from individuals, foundations, corporations, and other private entities, and from public entities, for the purpose of carrying out its duties.

(10) The Trust may retain any revenues from leases or other agreements concerning property managed by the Trust, including preexisting leases or agreements and any donations, and use the proceeds without further appropriation to offset any costs for any function of the Trust authorized by this Act, except for those moneys transferred to the Secretary as stipulated in paragraph (11).

(11) The Secretary and the Trust shall agree on an amount of revenues received by the Trust to be transferred to the Secretary, to be applied by the Secretary, without further appropriation or offset to appropriation, for common operating and maintenance expenses at the Presidio.

(12)(A) The Trust may not (directly or indirectly) borrow funds from any source other than the Secretary of the Treasury as provided in this paragraph.

(B) Except as provided in subparagraph (F), if at any time the funds available to the Trust are insufficient to enable the Trust to discharge its responsibilities under this Act, the Trust may issue obligations to the Secretary of the Treasury, but only if the Secretary of the Treasury agrees to purchase such obligations after determining that the projects to be funded from the proceeds thereof are credit worthy.

(C) The aggregate amount of obligations issued under this paragraph which are outstanding at any one time may not exceed $150,000,000.

(D) Obligations issued under this paragraph—

(i) shall be in such forms and denominations, bearing such maturities, and subject to such terms and conditions, as may be prescribed by the Secretary of the Treasury, and

(ii) shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration current market yields on outstanding marketable obligations of the United States of comparable maturities.

(E) No funds appropriated to the Trust may be used for repayment of principal or interest on, or redemption of, obligations issued under this paragraph.

(F) The Secretary of the Treasury may purchase obligations issued under this paragraph only to the extent provided in advance in appropriation Acts.

(13) Upon the request of the Trust, the Secretary of the Treasury shall invest excess moneys of the Trust in public debt securities with maturities suitable to the needs of the Trust, as determined by the Trust, and bearing interest at rates determined by the Secretary of the Treasury, taking into consideration current market yields on outstanding marketable obligations of the United States of comparable maturity.

(14) The Trust may enter into and perform such contracts and other transactions with any person, firm, association, organization, corporation or governmental entity as may be necessary or appropriate to the conduct of activities authorized under this Act.

(15) The Trust may execute all instruments necessary or appropriate in the exercise of any of its functions under this Act, and may delegate to the Executive Director such of its powers and responsibilities as it deems appropriate and useful for the administration of the Trust.

(16) The Trust may obtain by purchase, rental, donation, or otherwise, such goods and services as may be needed to carry out its duties. In the event of the termination of the Trust, all property and unexpended funds shall be transferred to the Department of the Interior, except that such funds shall only be expended for the purposes of this Act.

(17) The Trust shall procure insurance against any loss in connection with the properties managed by it as is reasonable and customary; and shall procure such additional insurance for losses arising out of any of its authorized activities as is reasonable and customary.

(18) The Trust may sue and be sued in its name. All litigation arising out of the activities of the Trust shall be conducted by the Attorney General; the Trust may retain private attorneys to provide advice and counsel on transactional issues.

(19) The Trust may adopt, amend, and repeal bylaws, rules, and regulations governing the manner in which its business may be conducted and the powers vested in it may be exercised.

(20) The Trust shall have perpetual succession.

(21) The Trust shall have an official seal selected by the Board which shall be judicially noticed.

(22) The Trust shall have all necessary and proper powers for the exercise of the authorities invested in it.

(23) For purposes of complying with section 106 of the National Historic Preservation Act, the Trust may work directly with the National Park Service, the State Historic Preservation Office, and the Advisory Council on Historic Preservation and enter into programmatic agreements, where appropriate.

(i) USE OF FEDERAL PERSONNEL, FACILITIES, AND SERVICES.—The Secretary and the heads of other Federal departments and agencies may provide personnel, facilities, and other administrative services to the Trust to assist it in carrying out its duties under this Act. Furthermore, the Secretary and the heads of other Federal departments and agencies may loan or donate to the Trust excess or surplus personal property deemed necessary for the management of the Presidio.

(j) TAXES.—Since the exercise of the powers granted by this section will be in all respects for the benefit of the people, the Trust is hereby declared to be devoted to an essential public and governmental function and purpose and shall be exempt from all taxes and special assessments of every kind of the State of California, and its political subdivisions, including the City and County of San Francisco.

(k) VOLUNTEERS.—The Secretary may accept, without regard to the Civil Service classification laws, rules, or regulations, the services of the Trust, the Board, and the officers, and employees and consultants of the Board, without compensation from the Department of the Interior, as volunteers in the performance of the functions authorized herein, in the manner provided for under the Volunteers in the Parks Act of 1969 (16 U.S.C. 18g et seq.).

(l) SAVINGS CLAUSE.—Nothing in this section shall preclude the Secretary from exercising any of his or her lawful powers within the Presidio.

(m) AFFIRMATIVE ACTION.—The Trust shall ensure that affirmative steps are taken, consistent with other Federal law, to afford equal access and equal opportunities for leases, concessions, contracts, subcontracts, and other contracting and employment opportunities to minorities, women, and other socially and economically disadvantaged individuals, commensurate with local availability.

(n) FINANCIAL RECORDS.—The financial records of the Trust shall be available for inspection by the Secretary, the Inspector General of the Department of the Interior, and the Comptroller General at any time and shall be audited by a reputable firm of certified public accountants not less frequently than once each year. Such audit shall be made available to the Secretary and the Congress. The Trust shall be subject to the provisions of the Government Corporation Control Act (31 U.S.C. 9109 et seq.), including the budget and credit provisions, except that the Trust shall submit its budget through and in consultation with the Secretary.

(o) LEASING.—In managing and leasing the properties transferred to it, the Trust should consider the extent to which prospective tenants maximize the contribution to the implementation of the General Management Plan and to the generation of revenues to offset costs of the Presidio. If the Trust has difficulty securing a tenant for a property under its control, it may enter into negotiation with a prospective tenant whose proposed use may be inconsistent with the approved General Management Plan. The Trust may not enter into a lease which is inconsistent with the approved General Management Plan unless the Secretary makes a finding that the proposed lease will not have a detrimental effect on the natural, historical, scenic and recreational values for which the Golden Gate National Recreation Area was established. For major leasing actions, the Trust shall submit the proposed lease to the Secretary of the Interior or his designee for a period of 10 working days for his review of the lease for consistency with the General Management Plan. Before executing the lease, the Trust shall consider issues of consistency raised by the Secretary or his designee.

(p) APPLICATION OF OTHER LAWS.—(1) All general penal statutes relating to the larceny, embezzlement, or conversion of public moneys or property of the United States shall apply to the moneys and property of the Trust.

(2) With respect to the public or Federal contracts for the acquisition of goods and services, the Trust shall be exempt from the following laws and attendant regulations:

(A) The Federal Property and Administrative Services Act (40 U.S.C. 471 et seq. and 41 U.S.C. 251–260).

(B) The Office of Federal Procurement Policy (41 U.S.C. 401 through 424).

(C) Section 111 of the Act of June 30, 1949 (40 U.S.C. 759).

(D) The Contract Disputes Act of 1978 (41 U.S.C. 601–612).

(q) GOLDEN GATE NATIONAL RECREATION AREA ADVISORY COMMISSION.—The Trust shall maintain liaison with the Golden Gate National Recreation Area Advisory Commission in matters relating to the General Management Plan, and shall meet with the Commission at least annually.

(r) REVERSION.—In the event of failure or default, all interests and assets of the Trust shall revert to the United States to be administered by the Secretary.

(s) REPORT.—The Trust shall transmit to the Secretary and the Congress, annually each January, a comprehensive and detailed report of its operations, activities, and accomplishments for the prior fiscal year. The report also shall include a section that describes, in general terms, the Trust's goals for the current fiscal year. The portion of the report containing the audited financial statement may be submitted at a later date, but no later than the first day of March of such year.

(t) AUTHORIZATION OF APPROPRIATIONS FOR PRESIDIO.—For purposes of the Presidio, including the Presidio Trust, there is authorized to be appropriated to the Secretary such sums as may be necessary, but the aggregate of funds appropriated for purposes of the Presidio (excluding the Presidio Trust) under this subsection and

under the Act entitled "An Act to establish the Golden Gate National Recreation Area in the State of California, and for other purposes", approved October 27, 1972 (Public Law 92–589; 86 Stat. 1299; 16 U.S.C. 460bb) may not exceed $25,000,000 in any one fiscal year. Funds appropriated under this Act (other than funds appropriated for operations) remain available until expended.

(u) SEPARABILITY OF PROVISIONS.—If any provisions of this Act or the application thereof to any body, agency, situation, or circumstance is held invalid, the remainder of the Act and the application of such provision to other bodies, agencies, situations, or circumstances shall not be affected thereby.

(v) The provisions of the Act of March 3, 1931 (40 U.S.C. 276a et seq.; commonly known as the Davis-Bacon Act), and the provisions of the Service Contract Act of 1965 (41 U.S.C. 351 et seq.), shall apply to the Corporation. All laborers and mechanics employed on the construction, rehabilitation, reconstruction, alteration, or repair of projects funded in whole or in part by the Corporation and projects financed in whole or in part by loans, grants, loan guarantees, or any other assistance by the Corporation shall be paid wages at rates not less than those prevailing on projects of a similar character in the locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (40 U.S.C. 276a et seq.; commonly known as the Davis-Bacon Act). The Secretary of Labor shall have, with respect to the labor standards specified in this section, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267) and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c).

The CHAIRMAN. No amendment directly or indirectly changing section 3(h)(9), section 3(h)(12), section 3(h)(13) or section 3(j) of the substitute, as modified, is in order.

Are there any amendments to the bill?

AMENDMENT OFFERED BY MR. VENTO

Mr. VENTO. Mr. Chairman, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. VENTO: Page 5, line 24, strike "The" and all that follows through page 6, line 2.

Page 26, Subsection 3(v), strike the word "Corporation" wherever it appears in the subsection and insert in lieu thereof the word "Trust".

Mr. VENTO (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The Chairman, is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. VENTO. Mr. Chairman, I shared this amendment with the minority, and those interested in the bill. This amendment strikes authority of the Secretary to negotiate Federal agency housing for various employees of an agency engaged in activities or programs of the presidio. The amendment retains the two specific references which provides authority for housing for the Department of Defense, and for the Federal Energy Management Agency, and for the Red Cross, so there are other provisions in the bill that adequately meet the needs of housing. The concern here is that without this amendment it could end up resulting in a significant amount of housing resources used for other Federal employees. As justifiable as some may think that is, I have very significant concerns about that and so seek to eliminate that particular authority, and furthermore the amendment deals with a technical change when we change the management entity, the Public Benefit Corporation, to a trust. We left the word "corporation," so this changes that particular phrase and is clearly technical in nature.

Mr. HANSEN. Mr. Chairman, will the gentleman yield?

Mr. VENTO. I yield to the gentleman from Utah.

Mr. HANSEN. Mr. Chairman, I appreciate the gentleman from Minnesota [Mr. VENTO] yielding to me.

Mr. Chairman, we have looked at the amendment, we have no problem with it, and we accept it on this side.

Mr. VENTO. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. VENTO].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ALLARD

Mr. ALLARD. Mr. Chairman, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. ALLARD: Page 26, strike line 3 through 14 and insert the following:

"(t) AUTHORIZATION OF APPROPRIATIONS FOR PRESIDO.—(1) For development of the recreation area within the Presidio as is necessary to meet the essential administrative and resource protection needs of Golden Gate National Recreation Area, there is authorized to be appropriated an amount not to exceed the development ceiling authorized in section 6 of the Act entitled "An Act to establish the Golden Gate National Recreation Area in the State of California, and for other purposes," approved October 27, 1972 (Public Law 92–589; 86 Stat. 1299; 16 U.S.C. 460bb).

"(2) For management of lands and facilities within the Presidio, there is authorized to be appropriated $25,000,000 for fiscal year 1995. For each fiscal year thereafter, funds authorized to be appropriated to the Secretary for management of visitor use programs and development of visitor use facilities at the Presidio shall be expanded in the ratio of $1 of Federal funds for each $1 of funds contributed by State, city, and other non-Federal sources.

"(3) Except as provided in section 3(h)12 of this Act, no funds may be appropriated for operation or development of facilities within the Presidio which are not directly related to the administration of Golden Gate National Recreation Area or general public use programs.".

Mr. ALLARD (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. VENTO. Mr. Chairman, I reserve all points of order against the amendment.

Mr. ALLARD. Mr. Chairman, my amendment that is before us has several goals that I would like to go over with the Members of the House.

This amendment will reduce the cost of implementing the Presidio plan for both the taxpayer and the National Park Service budget. It will cut the National Park Service cost by $200 million to $300 million over the 15-year life of the plan. This amendment asks for a 50–50 split between the Federal Government and the local and State government for visitor use programs, operations and the development of a visitor use facility at the Presidio. It ensures State and local participation in the funding of the visitors services. It precludes the Federal Government from subsidizing the Presidio Global Center for Social, Cultural, Environmental Awareness.

Mr. Chairman, the impact of H.R. 3433 on the Park Service will be staggering. The annual cost of the Presidio is greater than the combined total annual cost of all 30 new parks established by Congress since 1980. The funding allocated to the Presidio in fiscal year 1995, $25 million, is greater than the total increase in the operational funding provided to all other 367 areas managed by the National Park Service. The Park Service already faces an enormous backlog of 37 years for construction, 25 years for land acquisition, and $400 million for park operations.

Now cost sharing is common at other national parks, and I would like to share a few examples:

The State parks within the Federal parks like Indiana Dunes and the Assateague in Maryland, the State pays 100 percent of all costs.

The Golden Gate National Recreation Area, which passed last year, the land acquisition of the Flagler property in this area is a 50–50 split between the Federal and non-Federal source.

The Jefferson Arch, passed last Congress, lands were added to the park on the other side of the river in Illinois. The State of Illinois pays a portion of land acquisition, at least 25 percent of the development costs.

The Everglades in Florida, passed in the 101st Congress, in the State of Florida is to contribute 50 percent of the costs for that land acquisition.

Congress required the State to fully fund acquisition of such parks such as Shenandoah, the Great Smoky Mountains, and Mammoth Caves, and in this case the States paid 100 percent of the costs.

If we look at some of the broad legislation, such as the land and water conservation fund, they require a Federal-State match, and it is a cost sharing program using a 50–50 match.

I would like to look a little bit at who is using the park.

□ 1550

The Presidio gets an estimated number of 3.4 million visitors a year. As detailed in the NPS environmental impact statement on the Presidio, visitor use of the Presidio is almost exclusively local. According to the National Park Service environmental impact statement, the tourists that are nonlocal usually come visit the northern and western segments of the Presidio along the 49 mile scenic drive, which includes Fort Point National Historic Site that already has a $300,000 annual budget. The EIS states, "Many people stop for a short time, and their focus is the Golden Gate Bridge and the bay, not the Presido." Despite the enormous costs of the Presidio, it ranks only 17th in visitation of national park areas.

So who are the beneficiaries? Well, according to the National Park Service environmental impact statement, conversion of the Presidio to a national park area would have a positive cumulative effect on the local and regional economy. There will be positive effects on employment opportunities, income, and local businesses and tax revenues.

Let us look at jobs and payroll. By the year 2010, more than 5,400 jobs would be created and the annual payroll would increase by $57 million. Total employment, construction, and other employment in the city would increase by 9,100 jobs, and in the region by 12,020 jobs. Total earnings in the city would increase by somewhere around $281 million, and in the region by $411 million. There would be an increase in sales and tax revenues.

The city of San Francisco would generate revenues from a number of sources. It will make over $4 million a year in taxes, property, sales, business, and hotel, by the year 2000. Yet H.R. 3433 has no requirement that the city contribute anything to the cost of taking care of the Presidio.

Mr. VENTO. Mr. Chairman, I withdraw my point of order.

Mr. Chairman, I rise in strong opposition to the amendment. I would explain to my colleague the amendment or line numbers or page numbers are different, and that is the basis. Unless I have the amendments here, I will reserve points of order.

Mr. Chairman, I would say I rise in opposition to the amendment. This really takes us back to 22 years ago.

The CHAIRMAN. The Chair would like to make sure it is clear.

Mr. VENTO. Mr. Chairman, I was saying I will reserve points of order for the benefit of my colleagues, unless I have current copies of the amendment. This amendment is offered on page 26. The amendment they shared with me was page 23, line 10. This gentleman has withdrawn his point of order.

The CHAIRMAN. The gentleman's reservation is not to this amendment.

Mr. VENTO. Mr. Chairman, I have been recognized in opposition to the amendment.

Mr. ALLARD. Mr. Chairman, if the gentleman will yield, I believe we have provided the current amendment, and if Members do not have it on that side, we will be glad to pass it over.

Mr. VENTO. Mr. Chairman, I rise in opposition to the amendment. With the right page numbers or the wrong page numbers, it is the wrong amendment at this time.

Mr. Chairman, this amendment takes us back to 22 years ago, to the development ceiling which was appropriate, I guess, then for he GGNRA. This would vitiate the effect of this particular bill. This would undercut and negate the purposes of the bill that we have before us. It would limit the development of the area to $48 million. It would limit the annual appropriation overall to $25 million for the appropriation and require matching funds. We do not limit operating funds in any national park or require matching funds on a one-to-one match.

Mr. Chairman, the assumption that we are making in the bill is that the State, the city government, the nonprofit sector, that the private philanthropic sector, will in fact participate significantly in the development and other activities for this park.

But, nevertheless, this amendment restricts funds appropriated for the operation and development of facilities, those directly related to the administration of the GGNRA or public use programs. That would in essence mean that the efforts of the Presidio Trust, the public benefit corporation that is being moved forward here, could not use any of the leverage or dollars that are anticipated to be appropriated for them to in fact accomplish their purpose. This is, as I say, again, negating the effect of having a public benefit corporation.

Now, the fact of the matter is that the public-private partnership cannot go forth unless we provide the resources and the flexibility for them to in fact invest and take the actions that are necessary to take down the buildings that are nondesirable, to keep and repair the buildings that are necessary, and will be leasable, and over half of which already has been leased to the State of California and to the 6th Army. This would in essence stop that process.

In addition, it would unnecessarily tie the hands of the Trust from bringing the facilities up to code and to standards that would assure their being leased and reducing to the cost to the Federal Government of operating the Presidio.

Further, it is patently unfair to tie the Presidio's operations to a development ceiling that was established over 20 years ago for a much smaller park unit that does not include the Presidio's nearly 1,500 acres and nearly 900 buildings.

Finally I would note that the bill as amended already places a dollar cap on the trust borrowing authority. That was by virtue of the action of the Committee on Ways and Means. It certainly is a development cap that is much different than the cap that is being proposed here.

Mr. Chairman, it is just this type of amendment which I think has resulted in actually having the Federal Government spend more money. We are asking for a private-public partnership. But the first thing that happens is that Members get up on the floor and they want to renege. They want to renege on the ability of the national government to respond to or engage the private sector.

Here you have a 5-year plan that was put forth. For 5 years, the National Park Service has been planning in good faith with the city of San Francisco, with the other entities that are interested, and with the private sector. And what this does is throw out this plan and start over with some idea, and I think a flawed idea, that is being presented on this floor in order to change how we are going to run the park.

They want to have it both ways. If you want to engage in a public-private partnership, then you have to do so in good faith. You cannot at the first hand abandon that particular process before it even has a chance to be tried. We have plenty of controls, plenty of accountability. This amendment is harmful and deleterious. I urge Members to defeat it.

Mr. Chairman, I rise in opposition to the Allard amendments to H.R. 3433. The amendments strike section 3(t) of the bill, which is the authorization of appropriations for the Presidio in its entirety and inserts: No. 1, limits on development of recreation area to $48 million; No. 2, limits annual appropriation of $25 million, beginning in fiscal year 1996, to $1 of Federal funds for each $1 of funds contributed by State, city and other non-Federal sources, and No. 3, restricts funds appropriated for operation or development of facilities to those directly related to administration of GGNRA or general public use programs.

Extensive studies have been done identifying rehab costs for each structure and area of the Presidio. To arbitrarily limit the amount of funding associated with rehab or the Presidio would negate the ability of the NPS and trust to achieve the goals and very purpose of the act. In addition, it would unnecessarily tie the hands of the trust from bringing the facilities up to code and standards that would assure their being leased and reducing the cost to the Federal Government of operating the Presidio. Further, it is patently unfair to the Presidio operations to a development ceiling that was established over 20 years ago for a much smaller park unit that did not include the Presidio's 1,400 acres and 870 buildings. Finally, I would note that the act as amended already places a dollar cap on the trust's borrowing authority.

With regards to the second amendment, the amount of funds expended by a local, State,

or other non-Federal source on a unit of the National Park System cannot be used as a measuring stick as to how much Federal funds should be appropriated to assure the continued operation of that unit. Furthermore, there is no assurance that a local or State government will provide any funds to a unit of the National Park System. In this case, if the city of San Francisco or the State of California provided no funds in any given year to the Presidio then no Federal appropriation could be expended for visitor use programs or visitor use facilities.

Finally, I would point out that the act already provides that all activities and management of the Presidio must be consistent with the establishment of the GGNRA, the general management plan of the GGNRA, and the general management plan amendments for the Presidio. Therefore, the third amendment restricting the use of funds is unnecessary and appears to be an attempt to thwart the management of the Presidio.

Mr. HANSEN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I yield to my friend, the gentleman from Colorado [Mr. ALLARD].

Mr. ALLARD. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, this amendment is just merely an attempt to try and bring some common sense and some local participation in this park. It is a park that is mainly used by the local inhabitants of the area.

I would like to share with the House some additional figures that I have on the cost-per-visitor to this park. I would like it to do some comparisons.

The majority report states the cost of the Presidio is similar to that of other parks. However, when considering the actual costs of operating the Presidio, the number of visitors each year, we see the Presidio is not similar to costs in our great national parks. Rather, it is more than five times the cost.

The Yosemite figures out on a per visitor basis of $4.47; the Grand Canyon, $2.67; Gettysburg, $2.67; Cape Cod, $.74; Rocky Mountain National Park, $2.53; and yet the Presidio is figured out at $7.35 per visitor.

The costs of the Presidio are driven up because the Federal Government is having to subsidize all the tenants at the Presidio which have nothing to do with the mission of the National Park Service.

The cost of construction of the Presidio is $600 million. The cost of operations is $40 million a year. And over 15 years, this is an additional $600 million, bringing the total cost to $1.2 billion.

The cost of operating the park today is $25 million, which has already been provided for in the next budget year. Today the National Park Service is managing 150 acres of the park with the most intensive visitor use for only $700,000. No justification has been provided to this body suggesting that the cost of managing visitor use on the other less-visited portions of the Presidio will be five times more expensive.

Finally, this amendment precludes the secretary from subsidizing tenants at the Presidio. This is probably the real reason that costs are so high. Although the National Park Service budgets are so obscure by smoke and mirrors, it is difficult to be certain.

I believe that this is a common sense approach. I do not believe that we are asking too much by asking San Francisco to be a participant in a park that is used by local residents.

□ 1600

Ms. PELOSI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the Allard amendment. Before talking about the contribution of the city of San Francisco, I want to point out that the Golden Gate National Recreation Area, of which the Presidio will be a part, gets visited by 20 million people per year, that is more than Yosemite, Yellowstone, and Grand Canyon combined, combined, and that the cost per visit is $2 per visit for the GGNRA.

Mr. ALLARD. Mr. Chairman, will the gentlewoman yield?

Ms. PELOSI. I yield to the gentleman from Colorado.

Mr. ALLARD. If we talk just about visitation, the gentlewoman's figures include the Golden Gate Bridge Park and all the parks in that area. But if we talk just about the park itself, the Presidio Park, we are talking about 3.4 million.

Ms. PELOSI. It becomes a park on October 1.

Mr. ALLARD. That Presidio area, that is what our visitation is right now, 3.4 million.

Ms. PELOSI. I appreciate the gentleman's point, but we are talking about a park that will not come into existence until October 1 and the park facility, of which it is a part, receives that many visitors now. We anticipate that with the designation of park and all of the amenities and interpretations that the Park Service will be providing at that time, that the visitations will increase.

Mr. ALLARD. I thank the gentlewoman for yielding. I just wanted to clarify for the record that we actually have 3.4 million visitors to the Presidio area itself.

Ms. PELOSI. Again, I call to my colleague's attention that the gentleman is talking about what is happening now. I am, too, in terms of the GGNRA. When the Presidio becomes a national park, the visitation for both the GGNRA and its component, the Presidio, will even be greater than three times Yosemite, Yellowstone, and Grand Canyon. It is greater now but it will even be greater than those remarkable and incredible monuments in our country, of which we are all very proud.

I would like to get to the point that first of all I would like to rise in opposition to the Allard amendment. It would, in fact, gut our legislation. It would undermine our attempts to have maximum use for the park, a magnificent park with minimum exposure and cost to the taxpayer. That is our goal, our responsibility for the taxpayers, what drives this. This is the most cost effective way to proceed. We have studied 19 models. We have considered every possible option.

We are very proud of the proposal that we are putting forth. It would be seriously undermined by the Allard amendment.

The gentleman from Colorado [Mr. ALLARD] mentioned in his comments, what is the contribution of the city. Mr. Chairman, I would like to place in the RECORD a letter from the mayor of San Francisco to the gentleman from Minnesota [Mr. VENTO], chair of the subcommittee, spelling out the city's commitment. It is a reiteration of what the mayor presented to the House subcommittee in hearings as well as the Senate subcommittee.

It talks about utility services and improvements, the contributions from the city are pages long. Time would prevent me from reading all of it, but it talks about the city's role for operation and maintenance of the Presidio's water, electrical, and sewer systems, which could help reduce Presidio's operating costs. It talks about a reclaimed water plan to supply 1 million gallons of treated reclaimed water per day to meet the Presidio's irrigation needs.

It talks about an extension of the Richmond transport project, which we are hoping to do, which would eliminate a sewer out fall at the Presidio's Baker Beach. It goes on to the cost savings involved in that. Talks about transit and traffic improvements, community transit planning process for capital and operational improvements will incorporate the needs of the Presidio. The city and county will pursue potential funding sources for increased capital, capital and operating costs for the Presidio. And longer range plans to extend bus, light rail and water taxi service to the Presidio as described in the draft Presidio plan.

Talks about public safety, services, the city and county will provide backup assistance from our police department, fire department and emergency medical services, technical assistance and services for the Presidio, which go into great detail.

I urge our colleagues who are concerned about this, the city's contribution, to make reference to the mayor's letter. The city has a strong commitment to do its share, but the recognition is that this is a national park and, therefore, we have a national responsibility as spelled out by the law.

Mr. Chairman, I include for the RECORD the letter to which I referred.

OFFICE OF THE MAYOR,
San Francisco, CA, March 24, 1994.

Hon. BRUCE F. VENTO,
House of Representatives,
Washington, DC

DEAR CONGRESSMAN VENTO, Thank you for your recent letter on the conversion of the Presidio to National Park Service management. On behalf of the people of the City and County of San Francisco I want to thank you for your ongoing efforts to preserve the Presidio of San Francisco. I truly believe that the successful transformation of the Presidio from a military installation to a national park will be a project that will be appreciated by generations to come.

I also want to express my strong support for H.R. 3433, the legislation that would create a public benefit corporation at the Presidio. I believe that this type of creative legislation represents the type of partnership between the public and private sector that will be necessary to make this project work.

As I stated in my testimony to the Golden Gate National Recreation Area Advisory Commission on December 11, the City and County of San Francisco's commitment to the transformation of the Presidio to a National Park is very strong. City officials and department staff have devoted hundreds of hours over the past three and a half years to help facilitate the smooth conversion of the Presidio and the planning for its future management.

We are very aware of the importance of reducing costs and generating revenues at the Presidio. We understand the difficult economic climate faced by all levels of government, as San Francisco confronts continuing budget shortfalls and the need to make painful cuts in City services. Despite our current economic difficulties, the City and County is committed to providing a range of critical services and valuable technical assistance to the Presidio which will help assure its successful conversion.

Some of these contributions to the Presidio by the City and County of San Francisco are described below.

UTILITY SERVICES AND IMPROVEMENTS

The San Francisco Public Utilities Commission and Department of Public Works are currently assisting the Park Service to explore potential roles for the City in operation and maintenance of the Presidio's water, electrical and sewer systems which could help reduce Presidio operating costs. One possibility would be for the City to assume responsibilities for specific aspects of these utility systems and help implement the ambitious program of conservation and resource management outlined in the Plan, which includes many conservation programs already in place in the City.

The City is currently preparing a Reclaimed Water Plan which includes spending approximately $25 million to supply 1 million gallons of treated reclaimed water per day to meet the Presidio's irrigation needs. Serving the Presidio has required a significant increase in the capacity of the City's planned reclaimed water treatment plant and delivery system to a total of 14 million gallons in flow capacity. The reclaimed water will reduce the Presidio's potable water demand and treatment and distribution costs and enable restoration of groundwater levels and surface water flows in Lobos Creek. The $25 million to serve the Presidio represents over 12% of the total City project cost, which is anticipated to be funded from revenue bonds and State loans to be repaid through local sewer service and water rates.

While the rate structure for reclaimed water has not yet been established, it will be set at or below that of potable water. Since the cost of producing reclaimed water will exceed that of potable water, and the Presidio will be consuming primarily reclaimed water, this reclaimed water will be provided at a significant discount.

In addition to the reclaimed water investment, the City is currently constructing an extension to its Richmond Transport project which will eliminate a sewer outfall at the Presidio's Baker Beach. The extension, which added $2.2 million to the cost of designing and constructing the City's Richmond Transport project, will completely eliminate the possibility of wet weather sewer overflows at the beach, which previously occurred roughly 40 times per year, protecting the health of the public and the natural environment. As with the reclaimed water, these expenditures were funded with bonds repaid from local sewer service charges. Additional City investments made on Presidio land as part of the project include $300,000 for revegetation and a restoration study of Lobos Creek and $120,000 for new restroom facilities at the beach.

TRANSIT AND TRAFFIC IMPROVEMENTS

The Draft Presidio Plan and EIS rely on a number of extensions and realignments of existing San Francisco public transit lines to increase service to the Presidio and reduce the impacts of dramatic increases in Presidio visitors. We will incorporate these recommendations in the San Francisco's MUNI transit planning process for capital and operational improvements.

The capital costs of the recommended service extensions of MUNI's 41 and 45 Union lines from the Presidio boundary to the Main Post alone are estimated at $1.7 million. MUNI estimates its increased operating costs for extending service on the various lines serving the Presidio to be $300,000 annually. The City and County will pursue potential funding sources for these increased capital and operating costs so these Presidio transit service improvements can be made.

The Park Service and their consultants have concluded that increased express transit service between the Presidio and downtown is also needed to help attract Presidio tenants. A number of options to provide such service are being studied, including expanding MUNI express service. The annual operating cost of such additional service for the county's MUNI transit service would be approximately 41 million. A large portion of these operating costs are subsidized by the City's general fund.

Longer-range plans to extend bus, light-rail and water taxi service to the Presidio as described in the Draft Presidio Plan would require millions in capital costs and ongoing operating subsidies from MUNI and other operators. The City and County will continue to coordinate transportation planning with the Park Service to realize plans for transit improvements to serve future Presidio visitors.

Traffic improvements to City streets and intersections near the Presidio to accommodate the traffic increases projected in the Plan EIS will cost the City and County an additional $2.5 million, according to estimates by the Park Service.

PUBLIC SAFETY SERVICES

The City and County will be providing backup assistance from our Police Department, Fire Department and Emergency Medical services staff to the Presidio's public safety operations. We are currently exploring the potential for lease of Presidio facilities by the City's police and fire department. This arrangement could help preserve and upgrade historic buildings while providing Park Service fire and law enforcement personnel with assistance from specially trained City staff and their equipment.

TECHNICAL ASSISTANCE AND SERVICES

The City will continue to provide substantial technical assistance from experts in a wide range of City departments to Park Service staff in reviewing infrastructure requirements, overseeing toxic remediation efforts, planning transportation improvements, operating facilities and utility systems, projecting staffing requirements, meeting environmental requirements, and numerous other areas. Over the past three years this collaboration has required an average of one meeting each month by the 85 designated department representatives involved, at a cost of over $300,000 in senior staff time. This collaboration is expected to extend well into the future given the multitude of operational and planning decision to be made and coordinated between the two agencies.

OTHER CITY AND COUNTY SERVICES

In addition to these services of specific value to the National Park Service management of the Presidio, the Presidio's residents, employees and visitors will benefit from a whole range of City and County services which increase the attractiveness of the Presidio as a place to live, work and visit. Among City services provided to residents are public schools, parks and recreation facilities, libraries and public health services. Among services provided to employees are child care services, transit service and City street improvements and employment programs. Among services provided to visitors are convention facilities and services, the San Francisco International Airport, and an unparalleled collection of publicly maintained tourist attractions which make San Francisco a favorite destination for national and international travelers. Because the Army provided many of these services to Presidio employees and residents, and generated far less visitor traffic than is projected under Park Service management, use of these kinds of City and County services and facilities by Presidio residents, employees and visitors is likely to be significantly higher in the future.

I look forward to working with Congresswoman Pelosi and Park Service representatives to identify opportunities for revenue growth to help support both Park Service and City capital and operational expenses related to the Presidio. Although setting aside local revenues for Presidio services, as you suggested, is constrained by both State law and the City Charter, I am willing to assure City services and improvements to serve the Presidio are a priority in my budget proposals. We will also examine the potential for the City to provide financing assistance.

In closing, I want to reiterate the City's commitment to the transfer of the Presidio to become part of the Golden Gate National Recreation Area, completing the late Philip Burton's vision for a great national park at the Golden Gate. The 1972 federal legislation has helped to preserve for public use some of the most spectacular historic and natural areas in the Bay Area. The City has been a partner with GGNRA in realizing the park's potential since the park's inception. The City recently purchased a key parcel linking

Ocean Beach and Land's End with over $3 million dollars in open space acquisition and sewer project funds for transfer to GGNRA. This land donation was the latest of many City contributions to GGNRA's necklace of waterfront open space which include much of Ocean Beach and Land's End.

We know you share our strong belief that the Presidio's extraordinary historical, natural and scenic resources, coupled with its accessible location, guarantee that it will be a national Park of truly international significance. Its preservation and successful conversion to civilian use in a project which will benefit all Americans. Please let us know if we can be of any further assistance to you in this important effort. Thank you again for your support.

Sincerely,

FRANK M. JORDAN,
Mayor.

Mr. VENTO. Mr. Chairman, will the gentlewoman yield?

Ms. PELOSI. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, I would point out that there is no requirement on any national park for a matching contribution in terms of operating funds. This is a completely unprecedented addition that would be placed on this unit.

Furthermore, the Presidio itself, there is an expectation with regards to operation and maintenance that the projected costs that are in the materials that have been presented would be expected to decrease, down to 15 million over a period of 20 years. So that the actual cost would actually go down.

So I think it is very important to recognize the commitments that have been made. But to mandate them would be completely unprecedented. I think we expected the contributions to be made, but we do not mandate this for any other park. It may be a new innovative thing. We ought to do it for each park. There is no reason to treat this particular park, even today the dollars that are going to GGNRA, the park portion that is already in the park system would have this applied to it.

So I thank the gentlewoman for yielding and for permitting me to make that point.

Mr. CUNNINGHAM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the amendment and I rise in strong opposition to the amendment. I will explain myself a little bit.

I came here on the House floor wanting to fight against the Presidio proceedings. I will explain why. I look at most of the Members that are supporting this, and I think the gentlewoman from California [Ms. PELOSI], who I have worked with and have immense respect for, has gotten to the tail end of the California desert plan, which most of the Members supporting this thing totally disagree with property rights and some of the other issues that we fought on the California desert plan.

I look at base closures and I know that almost everyone in this room, Mr. Chairman, in base closures fought for their bases. That BRAC delegation looked at the value of closing a base and saving taxpayer dollars.

I also know that this body has not fully funded BRAC, has become an immense burden on our Armed Forces, which causes the existing money that they have in the defense bill to be dwindled even more. I have talked to the gentlewoman from California [Ms. PELOSI].

I would like to enter into a dialog with the gentlewoman, if she would. The reason I am for and against this, I have not made up my mind on how I am going to vote on this blasted thing.

On one side of me, I know that the parks are going to have problems because of the funding, but yet I am told there are more people going into the Presidio than any other park. It looks like it ought to be able to pay for itself. Yet I know that we are going to tear down a lot of those buildings. That costs money. But yet the gentlewoman has told me, and I would like her to assure me, that this money is a loan and not a grant and will be repaid.

I would like the gentlewoman to speak to that.

Ms. PELOSI. Mr. Chairman, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentlewoman from California.

Ms. PELOSI. Mr. Chairman, I thank the gentleman for yielding. I would like to back up to some of his previous remarks.

First of all, as the gentleman knows, the Army has been a good neighbor to the San Francisco Bay area, to California for over 100 years. It was with great dismay that we learned that the Army would be closing the Presidio. My colleague, Senator BOXER, and I, when she was a congresswoman, fought very hard to say to the Army, please stay, "it would be more cost effective if you stay than if you leave." As a matter of fact, not one member of the BRAC commission or the base realignment and closing commission came to the Presidio, not one staff person walked the grounds.

We think that if they had, they might have seen that the teaching hospital there and the mission of the 6th Army that was there, they might have kept the Presidio open and I would have been pleased with that. The mission was not eliminated but reduced at the Presidio, so the Army will be the major tenant, occupying 30 percent of the Presidio.

That leaves the Park Service two thirds, 70 percent of the Presidio to maintain.

So what we have come up with is, I think, a very cost effective way to protect the taxpayer. We have that interest as well as the gentleman has that interest. We have our credibility on the line on this.

We have come up with a way where the Presidio Trust will be formed. It will not receive grants from the Federal Government. It will have the borrowing authority. The money borrowed will be used to rehab or take down facilities in order to rent these properties. It will produce a revenue stream which will, in turn, repay the loans and also reduce the cost of the Presidio to the Federal Government, because on the ongoing cost of maintaining the grounds. And that would be reduced over time.

Mr. CUNNINGHAM. Mr. Chairman, once the loan is paid off, would the dollars from the residents and constituents coming into the park be used to pay for the park itself once the loan is paid off?

Ms. PELOSI. Mr. Chairman, if the gentleman will continue to yield, according to our plan, as the loans are paid off, then the operating cost of the Presidio would then be reduced as well by the funds that we will have coming in. But once we pay off our loans, we are in a whole other arena. That is about 10, 12, 13 years from now.

□ 1610

At that time, all of the costs to the taxpayer will be reduced, even beyond—we see the Presidio becoming a park as drastically reducing the cost to the taxpayer immediately, but once we pay off the loans and we have a revenue stream coming in and we pay back the loans, then the costs will even go down further than they are now.

Mr. CUNNINGHAM. Does the gentlewoman have an estimate of when that loan will be repaid, based on the revenue coming into the park?

Ms. PELOSI. If the gentleman will continue to yield, the fact is the more authority that the Congress—we will be able to do this most expeditiously to the extent that Congress will enable us to. That is why this legislation is so important. To the extent that we are able to invest in rehab and tearing down of properties and bringing tenants on and producing a revenue stream, then we can reduce it faster. I would imagine that in 15 years we will be at that point.

Mr. CUNNINGHAM. Reclaiming my time, I still have not made up my mind on the vote on this thing, but I think we need to support national parks. However, I also look, as I said, at the California desert plan, in which the extremes were used and extreme arguments, and what little bit of my negative feeling carries over to this thing because of what we went through in the California desert plan.

Mr. MILLER of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think it is important that the membership focus on what is

taking place here today. We have an opportunity with the passage of this legislation to react to a situation that is forced upon us already because of current law.

That is a decision made by the Congress of the United States in 1972 that, should the Army vacate the Presidio, it would become part of the national park system of this country. It is clearly, as people on both sides of the aisle have said, worthy of that designation, and deserves that designation. That is going to happen. The Army has concluded its negotiations. It is reserving a small portion for itself, and the rest of it is to be turned over to the park system.

Anticipating that, Mr. Chairman, for the last 5 years—for the last 5 years the Park Service has undertaken a study to determine how they can absorb the Presidio into the system. A private and public effort has been made to see how we could do that in the least costly fashion.

The principles that are being used here are to minimize the public exposure and maximize the private exposure for the renovation and the conversion of the Presidio from an Army base to a park and to some commercial development that will support the park on an ongoing basis. That has involved the leading citizens of San Francisco, leaders in the financial community, banks, insurance companies, and others that have lent their time, lent their staffs, their computers, to try to figure out how to do this.

What they have come up with is now what the gentlewoman from California [Ms. PELOSI] has presented to our committee, passed by our committee, where we had this same amendment and some of the other amendments, all of which were determined by the Park Service to be more expensive than the way the committee and the people of San Francisco, the Park Service, and the private sector determined this should be done.

Mr. Chairman, that is the choice, to pass the committee bill and transfer this property and utilize this property as a national park in the most cost-efficient way possible. As Ms. PELOSI just said in response to the gentleman from California [Mr. CUNNINGHAM], the point here is to borrow some money to do some up-front venture capitalism, some infrastructure work.

We have many, many people who are interested in being tenants in that limited part of the park where we are going to have that kind of development, because of the preexistence of these buildings and the opportunity to help pay for this park. Then, Mr. Chairman, we will use the receipts from that development to help defray the cost of this park.

If we choose any of the other alternatives that will be presented here today, either in this amendment or in the other amendments, they all become more expensive, because the city of San Francisco is not going to take this as a city park, because it is a national park.

If the National Park System gets this property without this authority, we will start simply cocooning these buildings, boarding up these buildings, and they will start to deteriorate, and the expenses will go on with no visible means of supporting those expenses. Mr. Speaker, in that case we will lose the opportunity to form a public and a private venture to support the rest of the park system for the utilization and the enjoyment of millions of Americans and citizens from around the world.

The gentleman talks about the people who visit The Presidio. I dare say that most people do not believe that they have public access to the Presidio today if they are not on official Army business. Most people do not realize that there is a great ability of the public to utilize that Army base even today, as an Army base. They do not go there. They do not go there because there is a guardhouse and a sign and restricted hours of use, the whole thing. Let us not compare it as an Army base to how it is going to be as a park.

Finally, Mr. Chairman, let me say on this notion of local contribution, the city of San Francisco is going to be contributing tens of millions of dollars, some in one-time cases for infrastructure work in response to the Presidio becoming a park, and millions of dollars on an ongoing basis to provide the services, police, fire protection, health, all of those kinds of services, that we do not ask Estes Park to provide to Colorado. No, we provide fire protection for the people living in Estes Park, outside, as part of the national parks.

The CHAIRMAN. The time of the gentleman from California [Mr. MILLER] has expired.

(By unanimous consent, Mr. MILLER of California was allowed to proceed for 4 additional minutes.)

Mr. MILLER of California. The point is what the gentleman says he wants to be done, no other park in the country is required to have that burden placed upon them. We do not ask the citizens of New York to cost-share the cost of the Statue of Liberty. This is a national park. It happens to be an urban national park. The people in urban centers ought to be able to enjoy that experience, especially when they have an asset the caliber of that.

The point, however, is this: That I appreciate that there are a lot of good ideas floating around on the floor today with some of the amendments, but none of them make this a less costly venture for the Federal taxpayer. It makes it a different venture, a different kind of venture. None of them make it less expensive for the taxpayer than the committee bill.

This was not chosen by me as chairman of this committee. This effort was not chosen by Ms. PELOSI or the gentleman from Minnesota, Mr. VENTO, or anyone else. This was chosen by the Park Service, along with a public panel, to make a determination about what was the best and the most effective way to get this park up and running, and to be able to sustain it on a long-term basis.

The way that that could be done, Mr. Chairman, was with this plan to try to maximize the private participation to the extent that is consistent with this designation as a national park, and the values that the national park designation brings to this park and to the expectations of the citizens of this country.

Mr. ALLARD. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from Colorado.

Mr. ALLARD. Mr. Chairman, I would just like to clarify for the record that the city of Estes Park is outside of the Rocky Mountain National Park. The Rocky Mountain National Park provides their services. The Estes Park city provides their services as far as sewer and water and police protection.

It just seems to me that if there is a concern about the cost of government and what is happening in that area, we ought to just privatize it. The Burger King, let them own the property and pay the taxes. It benefits the local school districts, it helps the local taxes.

Mr. MILLER of California. Reclaiming my time, the whole point is, ordinarily that would be fine. The fact is we are looking like a smart landlord. People always come up to you in your townhall business and say, "Why don't you run it like a business?"

We are trying to use those business principles. That is why we asked the business community of San Francisco and people across this country to donate their time, to donate their understanding of real estate, to develop this trust, because the Park Service does not have the capability or the expertise to do this, so we could start thinking smart on behalf of our taxpayers, so we could use the revenues of the Burger King as the landlord in that portion of the park to defray the expenses in the rest of the park, to get these other buildings up to code where necessary, to tear some down that will make part of the park more attractive, to do all of that, to think smart, instead of just thinking, inherit this, inherit this as a burden of the Federal Government.

□ 1620

We have gone out and tried to share this. This is a very, very Republican plan—a very Republican plan, in the context of trying to utilize the business community.

Mr. ALLARD. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from Colorado.

Mr. ALLARD. The Republican plan does not include government ownership of business.

Mr. MILLER of California. If I may reclaim my time, there is no support for a Republican plan that says you are going to sell off the national parks. Let us not put a different burden on the Presidio National Park than we would put on any other park. If the gentleman wants to put it to a debate in Colorado about selling off Rocky Mountain Park, if he wants to let the citizens of Boulder and Estes Park and Denver who enjoy that, and he talks about the fact that they use the park to a great extent, he is right, they do. The citizens of Colorado use it to a greater extent than anyone else.

The CHAIRMAN. The time of the gentleman from California [Mr. MILLER] has again expired.

(By unanimous consent, Mr. MILLER of California was allowed to proceed for 2 additional minutes.)

Mr. MILLER of California. Mr. Chairman, the citizens of Utah use the national parks in Utah to a greater extent than do citizens in Colorado and in California use their parks. So let us not use rhetoric to try to denigrate what is taking place here with one of the most incredible assets in this country and a decision that was already made by this Congress to make this a national park.

This amendment should be defeated because it simply guts the ability to incorporate the private sector into the financing and the support of this park. It guts the ability of the Park Service to hold on to the remaining part, and it leaves us with simply a sort of an old military ghost town. That is not what this bill is about and that is not what should be allowed to take place.

All of this borrowing, all of this has to be screened by the Secretary of the Treasury. It has limitations on it because we are trying to encourage the private sector to participate.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from Ohio.

Mr. REGULA. Two questions. One, to your knowledge, is there any other park where a portion of the operating cost is paid by another level of government than the Federal Government?

Mr. MILLER of California. There are local communities that contribute to the purchase of land for the park. They sometimes contribute services, but as a condition of that park existing, would we require that contribution, no. But we use those same things throughout the country, where we try to get people to help us.

Mr. REGULA. The second question. The trust arrangement which I think will be a unique arrangement to move the private sector into a position of responsibility here that has not been historically the case. Would that be correct?

Mr. MILLER of California. That is exactly the case. I appreciate the remarks the gentleman made earlier. This is sort of ground-breaking in terms of how the Park Service has developed the park, the involvement of the private sector. We have witnessed as taxpayers who have been taken to the cleaners sometimes because of bad deals the Park Service made on concession contracts and what have you. We are trying to redo that policy. Now we are trying to redo this one, where we can take the best of the private sector and the protection of public ownership for the assets of the park and combine those.

The CHAIRMAN. The time of the gentleman from California [Mr. MILLER] has again expired.

(By unanimous consent, Mr. MILLER of California was allowed to proceed for 1 additional minute.)

Mr. MILLER of California. Mr. Chairman, I think there are going to be three or four amendments here, but let me just say, none of them make it less expensive for the Federal taxpayer to maintain this park, to protect this park, and to open it up to the citizens of this country and to the citizens of the world. The view that is over here of the bridge and the Presidio is one of the most famous views in the entire world. We have an opportunity with a very unique, first time-ever public-private partnership to maintain that for the future generations of this country.

We ought to reject this amendment and the other amendments that will be offered to this bill.

Ms. PELOSI. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentlewoman from California.

Ms. PELOSI. I thank the gentleman for yielding.

Mr. Chairman, one point I want to make in response to the question of the gentleman from Ohio [Mr. REGULA] is that the proposal that we have put forth, we wrote with the Treasury Department in terms of the borrowing power and the rest and signed off on by OMB. Although it is an innovative and fresh approach, public-private cooperation and the rest, it is not in a vacuum, it was with the cooperation of the Treasury Department and OMB that we brought this legislation to the committee.

The CHAIRMAN. The time of the gentleman from California [Mr. MILLER] has again expired.

(By unanimous consent, Mr. MILLER of California was allowed to proceed for 30 additional seconds.)

Mr. MILLER of California. Finally, if Members are concerned that somehow San Francisco is getting a free ride, they are welcome to examine the letter from the mayor that outlines millions of dollars that San Francisco is going to have to expend on behalf of the utilization of this park by all of our citizens, all of our constituents, that that is what the city has committed itself to do. We should reject the Allard amendment and reject the other amendments to make this a more expensive effort.

Mr. Chairman, I submit four letters for the RECORD regarding consideration of H.R. 3433, as follows:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON NATURAL RESOURCES,
Washington, DC, July 29, 1994.

Hon. WILLIAM D. FORD,
Chairman, Committee on Education and Labor; House of Representatives, Washington, DC.

DEAR CHAIRMAN FORD: Thank your for your letter dated July 27, 1994 regarding HR 3433, a bill to provide for the management of the Presidio by the Secretary of the Interior.

As noted in your letter, Section 3(v) of the legislation as reported by the Committee on Natural Resources provides that the Davis-Bacon Act and the Service Contract Act apply to the activities of the Presidio Trust. I recognize that the Committee on Education and Labor has jurisdiction over matters pertaining to the Davis-Bacon Act and the Service Contract Act. I understand that your decision not to seek action on HR 3433 does not waive your right to jurisdiction over section 3(v) of the bill, as reported, nor does it hinder your right to pursue conferees on that section, should a conference committee convene.

I will request that our exchange of letters on this matter be printed in the Congressional Record during the floor consideration of HR 3433.

Thank you for your Committee's cooperation in this matter which will expedite the consideration of this legislation by the House.

Sincerely,

GEORGE MILLER,
Chairman.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON EDUCATION AND LABOR,
Washington, DC, July 27, 1994.

Hon. GEORGE MILLER,
Chairman, Committee on Natural Resources, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: This week the House of Representatives is scheduled to consider H.R. 3433, a bill to provide for the management of the area known as the Presidio by the Secretary of the Interior. Section 3(v) of the proposed legislation, which was adopted at full Committee markup, provides that the Davis-Bacon Act and the Service Contract Act shall apply to construction contracts at the Presidio which are federally assisted.

The scope of coverage of the Davis-Bacon Act and the Service Contract Act are matters which are within the Rule X Jurisdiction of the Committee on Education and Labor. The Committee, however, has no objection to the language of the amendment of these issues which was adopted at the full Committee markup. Accordingly, the Committee on Education and Labor has no reason to take action with regard to H.R. 3433. Our decision to forego action should not be construed as a waiver of the Committee's Rule X jurisdiction. We would appreciate it if this letter and your response could be printed in the Congressional Record with the debate on H.R. 3433.

With kind regards,
Sincerely,
WILLIAM D. FORD,
Chairman.

HOUSE OF REPRESENTATIVES, COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION,
Washington, DC, August 18, 1994.

Hon. GEORGE MILLER,
Chair, Committee on Natural Resources, House of Representatives, Washington, DC.

DEAR GEORGE: It is my understanding that H.R. 3433, to provide for the management of the Presidio under the jurisdiction of the Secretary of the Interior, is to be considered by the House in the near future. It is also my understanding that the bill, as reported, contains a provision that affects matters under the jurisdiction of the Committee on Public Works and Transportation and that did not come to our attention until well after the report on the bill was filed.

While we recognize that any claim we have to sequential referral is no longer timely, we are concerned that our jurisdiction regarding this bill be protected. Specifically the bill would in Section 3(h)(4) authorize the Presidio trust to negotiate and enter into leases "without regard to section 321 of chapter 314 of the Act of June 30, 1932 (40 U.S.C. 303b)." Pursuant to Rule X, clause 1(p), our Committee enjoys jurisdiction over this provision of law. There may be other provisions in the bill which are also under our jurisdiction.

Therefore we would appreciate your acknowledging our jurisdiction regarding this bill. We also reserve our right to pursue conferees on the bill. Lastly, we request that you include our exchange of correspondence on this matter in the CONGRESSIONAL RECORD during debate on the bill.

Thank you in advance for your cooperation in this matter.

Sincerely yours,
NORMAN Y. MINETA,
Chair, Committee on Public Works and Transportation.

HOUSE OF REPRESENTATIVES, COMMITTEE ON NATURAL RESOURCES,
Washington, DC, August 18, 1994.

Hon. NORMAN Y. MINETA,
Chair, Committee on Public Works and Transportation, House of Representatives, Washington, DC.

DEAR MR. CHAIR: Thank you for your letter regarding consideration of HR 3433, to provide for the management of the Presidio under the jurisdiction of the Secretary of the Interior.

I acknowledge your Committee's jurisdiction over section 3(h)(4) of the bill and any other program of the bill which may be under your jurisdiction. I also recognize your right to pursue conferees on the bill.

I thank you for your cooperation in this matter, and will gladly include our exchange of correspondence in the Record during general debate on the bill.

Sincerely,
GEORGE MILLER,
Chair, Committee on Natural Resources.

Mr. MINETA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise, in opposition to the Allard amendment and in support of H.R. 3433—a bill to provide for efficient and effective management of the Presidio.

Mr. Chairman, the Presidio Army Base in San Francisco is one of our Nation's most significant historic sites.

Designated as a National Historic Landmark in 1962, the Presidio holds the distinction of being the oldest continually operating military base in the country.

The base was established by the Spanish in 1776, was later controlled by Mexico, and came under the command of the United States in 1846. It also holds special significance for Americans of Japanese ancestry.

It was at Crissy Field that the U.S. military started the Military Intelligence Service Language School, just prior to our entry into the Second World War.

The Japanese-American instructors and students at the school were to play a crucial role in our ability to fight the war in the Pacific. General McArthur's Chief of Intelligence estimated that their efforts shortened the war by as much as 2 years.

The Presidio trust—established by this legislation—will ensure that the precious natural, cultural, and historic resources at the Presidio are managed in the proper way.

H.R. 3433 will streamline the operation of the Presidio. It will transfer operation of the Presidio from the Park Service to a Public Benefit Corporation and is projected to save the Federal Government millions of dollars.

The Presidio is a national treasure that must be preserved. I urge my colleagues to suppport sound management of the Presidio and support H.R. 3433, and to vote "no" on the Allard amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado [Mr. ALLARD].

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

RECORDED VOTE

Mr. ALLARD. Mr. Chairman, I demand a record vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 171, noes 244, not voting 24, as follows:

[Roll No. 409]

AYES—171

Allard
Andrews (NJ)
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barrett (NE)
Bartlett
Bateman
Bentley
Bilirakis
Blute
Boehner
Bonilla
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Clinger
Coble
Collins (GA)
Combest
Crane
Crapo
DeLay
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Emerson
Everett
Ewing
Fawell
Fields (TX)
Fish
Fowler
Franks (CT)
Franks (NJ)
Gallegly
Gekas
Geren
Gingrich
Goodlatte
Goodling
Goss
Grams
Grandy
Greenwood
Hall (TX)
Hancock
Hansen
Hastert
Hayes
Hefley
Herger
Hobson
Hoekstra
Hoke
Hunter
Hutchinson
Hyde
Inglis
Inhofe
Istook
Jacobs
Johnson (CT)
Johnson, Sam
Kanjorski
Kasich
Kim
King
Kingston
Klug
Knollenberg
Kyl
Lambert
Lazio
Leach
Levy
Lewis (FL)
Lewis (KY)
Lightfoot
Linder
Livingston
Lucas
Machtley
Manzullo
McCandless
McCollum
McCrery
McHugh
McInnis
McKeon
McMillan
Meyers
Mica
Michel
Miller (FL)
Minge
Molinari
Myers
Nussle
Orton
Oxley
Packard
Paxon
Penny
Peterson (MN)
Petri
Pickett
Pombo
Portman
Poshard
Pryce (OH)
Quillen
Quinn
Ramstad
Ridge
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Royce
Santorum
Sarpalius
Saxton
Schaefer
Schiff
Schroeder
Sensenbrenner
Shaw
Shays
Shuster
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stenholm
Stump
Talent
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (WY)
Torkildsen
Upton
Vucanovich
Walker
Walsh
Weldon
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—244

Abercrombie
Ackerman
Andrews (ME)
Andrews (TX)
Applegate
Bacchus (FL)
Baesler
Barca
Barlow
Barrett (WI)
Becerra
Beilenson
Bereuter
Berman
Bevill
Bilbray
Bishop
Boehlert
Borski
Boucher
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Byrne
Cantwell
Cardin
Carr
Chapman
Clay
Clayton
Clyburn
Coleman
Collins (MI)
Condit
Conyers
Coppersmith
Costello
Cox
Coyne
Cramer
Cunningham
Danner
Darden
de la Garza
de Lugo (VI)
Deal
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Edwards (TX)
Engel
English
Eshoo
Evans
Farr
Fazio
Fields (LA)
Filner
Fingerhut
Flake
Foglietta
Ford (MI)
Frank (MA)
Frost
Furse
Gejdenson
Gibbons
Gilchrest
Gillmor
Gilman
Glickman
Gonzalez
Gordon
Green
Gunderson
Gutierrez
Hall (OH)
Hamburg
Hamilton
Harman
Hastings
Hefner
Hilliard
Hinchey
Hoagland
Hochbrueckner
Holden
Horn
Hoyer
Huffington
Hughes
Hutto
Inslee
Jefferson
Johnson (GA)
Johnson (SD)
Johnson, E.B.
Johnston
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Klink
Kolbe
Kopetski
Kreidler
LaFalce
Lancaster
LaRocco
Laughlin
Lehman
Levin
Lewis (CA)
Lewis (GA)
Lipinski
Lloyd
Long
Lowey
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McCurdy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Montgomery
Moorhead
Morella
Murphy
Murtha
Nadler
Neal (MA)
Neal (NC)
Norton (DC)
Oberstar
Obey
Olver
Ortiz
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Pickle
Pomeroy

Porter	Serrano	Torricelli
Price (NC)	Sharp	Towns
Rahall	Shepherd	Traficant
Rangel	Skaggs	Tucker
Ravenel	Skeen	Underwood (GU)
Reed	Skelton	Unsoeld
Regula	Slaughter	Valentine
Richardson	Smith (IA)	Velazquez
Roemer	Spratt	Vento
Romero-Barcelo (PR)	Stark	Visclosky
Rostenkowski	Stokes	Volkmer
Roukema	Strickland	Waters
Rowland	Studds	Watt
Roybal-Allard	Stupak	Waxman
Rush	Swett	Wheat
Sabo	Swift	Whitten
Sanders	Synar	Williams
Sangmeister	Tanner	Wilson
Sawyer	Tejeda	Wise
Schenk	Thompson	Woolsey
Schumer	Thornton	Wyden
Scott	Thurman	Wynn
	Torres	Yates

NOT VOTING—24

Barton	Faleomavaega (AS)	Moran
Blackwell	Ford (TN)	Owens
Bliley	Gallo	Reynolds
Bonior	Gephardt	Rose
Brewster	Houghton	Sisisky
Clement	Klein	Slattery
Collins (IL)	Lantos	Sundquist
Cooper	McDade	Washington

□ 1648

The Clerk announced the following pair:

On this vote:

Mr. Barton for, with Mrs. Collins of Illinois against.

Mr. SOLOMON, Mr. KIM, and Mrs. SCHROEDER changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Chairman, I offer an amendment.

□ 1650

The Clerk read as follows:

Amendment offered by Mr. TRAFICANT:

Page 25, after line 13, add the following new sections:

SEC. 4. COMPLIANCE WITH BUY AMERICAN ACT.

No funds appropriated pursuant to this Act may be expended by an entity unless the entity agrees that in expending the assistance the entity will comply with sections 2 through 4 of the Act of March 3, 1993 (41 U.S.C. 10a–10c, popularly known as the "Buy American Act").

SEC. 5. SENSE OF CONGRESS; REQUIREMENT REGARDING NOTICE.

(a) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—In the case of any equipment or products that may be authorized to be purchased with financial assistance provided under this Act, it is the sense of the Congress that entities receiving such assistance should, in expending the assistance, purchase only American-made equipment and products.

(b) NOTICE TO RECIPIENTS OF ASSISTANCE.—In providing financial assistance under this Act, the head of each Federal agency shall provide to each recipient of the assistance a notice describing the statement made in subsection (a) by the Congress.

SEC. 6. PROHIBITION OF CONTRACTS.

If it has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a "Made in America" inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, such person shall be ineligible to receive any contract or subcontract made with funds provided pursuant to this Act, pursuant to the debarment, suspension, and ineligibility procedures described in section 9.400 through 9.409 of title 48, Code of Federal Regulations.

Mr. TRAFICANT (during the reading). Mr. Chairman, I ask unanimous consent the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. TRAFICANT. Mr. Chairman, this is a Buy American amendment. It provides for a notice to those who would receive funds under the act, and encourages them to buy American-made products. It is similar to the other amendments passed on the floor.

As you know, Mr. Chairman, offering buy American amendments is a standard procedure for me.

The Traficant amendment to H.R. 3433, The Presidio Management bill, is composed of three subsections. The first subsection simply ensures compliance with the buy American Act of 1933, by requiring a contract recipient under H.R. 3433 or to comply with sections 2 through 4 of buy American Act. The second subsection would provide for a notice to be sent to a recipient of funding under H.R. 3433. The notice expresses that it is the sense of Congress to encourage all recipients of funding to purchase American-made equipment and products. The third subsection in the Traficant amendment prohibits the fraudulent use of made in America labels on any products or equipment purchased through contractual agreements or funding under this Act or amendments made by this Act.

Entities in violation of the fraudulent label section would be ineligible to bid for contracts.

I believe that it is imperative that buy American measures, such as this one, be incorporated into all bills that reach the House floor for consideration.

Mr. Chairman, I thank my colleagues for their continued support.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from Minnesota.

Mr. VENTO. I thank the gentleman for yielding.

Mr. Chairman, we have no objection to this amendment. I think it is applicable to this bill. I do not anticipate any problems with it.

Mr. HANSEN. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the ranking minority Member, the gentleman from Utah.

Mr. HANSEN. I thank the gentleman for yielding.

Mr. Chairman, we have examined the amendment, we have no problem with it, and we accept it on the minority side.

Mr. TRAFICANT. Mr. Chairman, with that, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. TRAFICANT].

The amendment was agreed to.

The CHAIRMAN. Are there further amendments?

AMENDMENT OFFERED BY MR. CLINGER

Mr. CLINGER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CLINGER: In section 3(h), amend paragraphs (4) and (5) to read as follows:

(4)(A) The Trust may negotiate and enter into agreements, including contracts, leases, and cooperative agreements, with any person (including any governmental entity) for the occupancy of any property within the Presidio which the Trust manages.

(B) Agreements under this paragraph shall be subject to procedures established by the Secretary under paragraph (5).

(C) Agreements under this paragraph may be entered into without regard to section 321 of the Act of June 30, 1932 (40 U.S.C. 303b).

(5) The Secretary shall establish procedures for agreements under paragraph (4), including a requirement that in entering into such agreements the Trust shall obtain such competition as is practicable in the circumstances.

In section 3(p), amend paragraph (2) to read as follows:

(2)(A) Except as provided in subparagraphs (B) and (C), Federal laws and regulations governing procurement by Federal agencies shall apply to the Trust.

(B) The Secretary may authorize the Trust, in exercising authority under section 303(g) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 253(g)) relating to simplified purchase procedures, to use as the dollar limit of each purchase or contract under that subsection an amount which does not exceed $500,000.

(C) The Secretary may authorize the Trust, in carrying out the requirement of section 18 of the Office of Federal Procurement Policy Act (41 U.S.C. 416) to furnish to the Secretary of Commerce for publication notices of proposed procurement actions, to use as the applicable dollar threshold for each expected procurement an amount which does not exceed $1,000,000.

In section 3(i), in the second sentence, strike "donate" and insert "transfer".

Mr. CLINGER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. CLINGER. Mr. Chairman, I offer an amendment to H.R. 3433 as reported by the Committee on Natural Resources. The bill establishes a Government corporation called the Presidio Trust within the Interior Department for the management of the numerous properties that are part of the Presidio. But it provides authority for the trust

to be exempt from major Federal procurement laws. The special circumstances that would face the trust in disposing of leasehold interests in many buildings at the Presidio and in procuring property and services required in the management activities have been cited by the bill's proponents as justification for these sweeping exemptions.

But these exemptions go too far. Adequate justification has not been made for such a separation from current procurement controls.

My amendment, Mr. Chairman, would provide flexibility to the trust in out leasing building space and in contracting for goods and services and yet would maintain much of the current law.

With regard to the outleasing of space in Government's buildings, my amendment would set a standard of obtaining such competition as is feasible in the circumstances.

In addition, my amendment would relax certain provisions of Federal procurement statutes in order to expedite the making of awards. Current law provides for simplified acquisition procedures to promote efficiency and economy in contracting and to avoid unnecessary burdens for agencies and contractors. The law provides a ceiling of $25,000 for purchases under this authority. My amendment would permit the trust to use these simplified acquisition procedures for each contract under $500,000 and would reduce certain other administrative requirements with respect to purchases under $1,000,000. These are very sizable steps.

Mr. Chairman, the Committee on Government Operations, which has jurisdiction over matters relating to Government procurement, must be vigilant in ensuring the basic integrity of Federal procurement laws and regulations in order to protect the taxpayers' dollars. As the ranking minority member of that committee, I believe the flexibility afforded by my amendment maintains that basic integrity yet properly recognizes the unusual, one-time need that establishment of the trust is intended to address. I strongly urge my colleagues to support this amendment.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. CLINGER. I yield to the gentleman from Minnesota.

Mr. VENTO. I thank the gentleman for yielding.

Mr. Chairman, I support the amendment. I think the improvements are workable improvements to the procurement provisions. I understand the gentleman's concerns, and I think that these improvements satisfactorily resolve them and give some necessary flexibility to the trust corporation.

Mr. CLINGER. I thank the gentleman from Minnesota for his statement.

Mr. HANSEN. Mr. Chairman, will the gentleman yield?

Mr. CLINGER. I yield to the gentleman from Utah.

Mr. HANSEN. I thank the gentleman for yielding.

Mr. Chairman, we have looked at this amendment. We feel it is a good amendment. We find it is interesting that this is the very thing we raised in our dissenting views. So we are glad to see the gentleman carried it out so that it becomes part of this bill. We felt all along that it should be, and we accept the amendment.

Mr. CLINGER. Mr. Chairman, I thank the gentleman very much for his support.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. CLINGER].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. GRAMS

Mr. GRAMS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GRAMS:

Page 26, line 12, strike "year." and insert the following: "year, which amount may not be adjusted upward for inflation before the end of fiscal year 2009.".

Page 26, after line 14, insert the following: Of such aggregate amount, not more than the following amounts may be made available for operations for the fiscal year indicated:

(1) $24,100,000 for fiscal year 1996.
(2) $20,400,000 for fiscal year 1997.
(3) $19,100,000 for fiscal year 1998.
(4) $16,500,000 for fiscal year 1999.
(5) $16,100,000 for fiscal year 2000.
(6) $15,900,000 for fiscal year 2001.
(7) $14,300,000 for fiscal year 2002.
(8) $12,600,000 for fiscal year 2003.
(9) $12,400,000 for fiscal year 2004.
(10) $12,600,000 for fiscal year 2005.
(11) $12,700,000 for fiscal year 2006.
(12) $12,600,000 for fiscal year 2007.
(13) $12,500,000 for fiscal year 2008.
(14) $13,000,000 for fiscal year 2009.

Mr. GRAMS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. GRAMS. Mr. Chairman, polls show that the American people are rapidly losing faith in the integrity of their Government. This phenomenon is triggered by the results of people for years hearing one thing from their elected officials and then finding out later that they have been deceived.

There is no area of Government where this problem is as prevalent as it is on issues related to congressional budgeting. Only recently have American taxpayers been alerted to the fact that the budgets they see are not what they seem. Congress has played too many tricks, too many gimmicks and covered up their actions for too long.

It is time to change the way Congress and Federal agencies prepare their budget. This House made a step in the right direction by rejecting the use of inflated baselines in the budget process. But now just one week later we have a bill before us which does just that, contrary to what its supporters may claim.

The language in H.R. 3433 claims that the aggregate level of funding for the Presidio will be capped at $25 million per year. Yet the conference report accompanying this bill would enable the National Park Service to adjust this cap upward for inflation.

□ 1700

Assuming a minimum 3 percent annual inflation rate, Mr. Chairman, this legislation would allow the Park Service to spend $40 million or more by the year 2009, if they choose to do so while claiming to cap such spending at $25 million. In other words, Mr. Chairman, this clever piece of legislation is not intended simply to fool the American people. It is also intended to fool us, the elected Representatives of the people.

Then another budget gimmick contained in this legislation is one we have seen before, and that is the so-called $25 million cap is an aggregate figure comprising of both operating expenses and repair/rehabilitation costs. Now in the past standard operating procedures have been to low-ball the operating expenses and then to use other sources of funding to cover repair/rehab costs, and that includes funding from other parks. Now this little budget trick has resulted in annual operating shortfalls for parks in all 50 States, and it has meant that the Park Service has to return to this Congress for supplemental appropriations to cover the shortfalls. Now that is pretty clever because it is one thing to ask for more money for one park which affects one congressional district and one Member of Congress, but to compound these shortfalls so they affect every State in the Union, that is something only the Federal Government can do, and it is called abusive budget practices, and it must come to an end.

Mr. Chairman, my amendment today would do just that. It establishes specific caps for operating expenses of the Presidio at the levels estimated, estimated for the National Park Service. In other words, it holds the Park Service's feet to the fire by making them live by their own numbers. If 25, 15, or 13 million is all they said they will need for operating expenses in any given year, that is all they will receive, and this change is not without precedent. Just 3 weeks ago a similar amendment was adopted by the House to the California Desert Protection Act. There is no reason why we should not adopt this same policy today.

My amendment would also prohibit the use of upward inflationary adjustments for the management of the Presidio, and in doing so it would put an

end to the budget gimmickry in this bill, and it would show the American people that what they see is what they will get, and that is honest budgeting for a change, and I realize this may be a new concept here in Washington, but it is the way the Federal Government should conduct its business, and under my amendment it is how it will be doing so in the future, at least for this portion of the NPS.

Now for the sake of honesty in congressional budgeting I urge my colleagues to support this amendment today, and by doing so we will begin the process of restoring the American people's faith in their elected officials, a difficult——

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. GRAMS. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, the gentleman referred to the conference committee report. Does the gentleman mean the committee report?

Mr. GRAMS. That is right.

Mr. VENTO. I would point out to the gentleman the bill provides for no inflationary increase. The committee report talks about 1994 dollars. The gentleman said there is an inflationary increase, that would lead this to be $40 million in annual costs. Could the gentleman explain what he means by that? There is no inflationary factor in the bill or in the committee report. Could the gentleman point out those specific provisions in the bill or in the committee that he is referring to?

Mr. GRAMS. Yes. It is on page 24 of the committee report, section 3t which says: "authorizes appropriations of no more than $25 million annually."

But then it goes on, if one reads down a couple of lines. It says: "The ceiling refers to 1994 dollars, and it does not apply to the Golden Gate National Recreational Area——"

Mr. VENTO. If the gentleman would yield further, would the gentleman yield?

Mr. GRAMS. Yes.

Mr. VENTO. Well, that reference is, of course, to the Presidio. Does the gentleman understand that there are two entities that we are dealing here, the Presidio and the Golden Gate National Recreational Area?

Mr. GRAMS. That is correct.

Mr. VENTO. And that there is no limitation on the Golden Gate National Recreational Area? Now does the gentleman understand that?

Mr. GRAMS. That is correct.

Mr. VENTO. And that under the park enabling laws that we do not have operating ceilings in any of our national parks; does the gentleman understand that?

Mr. GRAMS. But this is asked for specifically in this bill——

Mr. VENTO. If the gentleman would yield further, I will be happy to ask for additional time, if the gentleman needs it, but I would just point out there is a development ceiling in this bill, there is an operating ceiling in this bill to the Presidio.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. GRAMS] has expired.

(On request of Mr. VENTO and by unanimous consent, Mr. GRAMS was allowed to proceed for 2 additional minutes.)

Mr. VENTO. Mr. Chairman, if the gentleman would yield further, I would just point out that whatever the other differences the gentleman and I or others may have with regard to this, I just want to point out that the $25 million development in operating ceiling is absolute to the Presidio, that there is no suggestion that somehow there is a $40 million ceiling with regard to the Presidio, that is not correct. There are separate provisions in here for the Golden Gate National Recreational Area.

So the policy we have before us is in the bill to put a development and operating ceiling on the Presidio.

Mr. GRAMS. What we want to make very clear is that where some of the budget gimmickry comes into because what we are talking about is the bill specifically says: this would be capped at $25 million a year, including operating expenses and rehab as well, and what we are saying is that in the bill, if this is to be even a friendly amendment——

Mr. VENTO. Well, if the gentleman would yield——

Mr. GRAMS. Go ahead; I will yield.

Mr. VENTO. Yes, the bill, of course, does it. I would agree to that. Obviously the gentleman then goes off in a different direction with regards to policy. At least at the starting point there ought to be no difference in terms of view with regard to it, but there are other provisions to the gentleman's amendment. His amendment then takes this ceiling down in a descending order without any adjustment for inflation to $12.5 million by the year 2008 and then begins going back up, I guess, for the year 2009 and beyond.

Mr. GRAMS. These are just the operating expenses, and these are the expenses that the Park Service asked for in the bill that was approved, and what we are saying is we would just like to hold the National Park Service's feet to the fire and say:

> If this is what you asked for in the bill, these are the numbers that you have requested, we're just saying that we want to put these numbers or clarify the amendment to ensure that operating expenses will not exceed these dollars and will not eat into the capital or rehab expenditures in the future over the period of these 15 years.

Mr. VENTO. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Minnesota [Mr. GRAMS].

Mr. Chairman, first of all I would say that to my colleague from Minnesota that the Park Service did not request a limitation on its operating expenses with regard to Presidio. It did, Mr. Chairman, specifically project what the cost would be, but these are merely that. They are projections.

Mr. Chairman, they did not seek that type of limit. As I said, and I would call my colleague's attention to it, that in fact there are not operating limitations on park units across the Nation, even those that have relatively high operating costs, such as the Steamtown National Historic Site in Scranton, and others do not have these limitations. The fact is that they have to come before the Appropriations committee each year. The budgets, which include the operating budget for the National Park System, they make actual recommendations on that. The reason the Committee placed a limitation on the Presidio is to make certain that we do have limitations on this.

The committee has already anticipated this and put on an operating and development ceiling on the Presidio because we are concerned about the costs of this particular project. What Mr. GRAMS is attempting to do here is absolutely unique, and, of course, what it does is put into a straitjacket the limitations that would be put on place in terms of operating the Presidio. We do not know. There may be exceptional expenses from one year to another. One year the operating expenses may go down, but there may be other activities or expenses that increase in a different year.

So, while it is, I think, important to recognize the descending costs as the leases and other types of private and public partnership activities benefit the Presidio take place. As they get a greater flow of revenue, it is quite likely that they will be able to reduce these costs, but because this amendment offers no flexibility, no opportunity to deal with the various problems, the various challenges that may arise, I am forced to oppose this amendment.

□ 1710

I understand the gentleman's concern and those that might share it with him. But this makes it impossible by tying the Park Service's hands. The Committee on Appropriations each year brings before the House an overall operating budget for over 300 national parks that we have. We have not got this type of limit on the St. Croix, or on the Mississippi, or on any other park, because it comes before the Congress each year. And we need to have that flexibility to deal with the types of problems that they face. The bill already has a limitation, and that is unprecedented.

Mr. GRAMS. Mr. Chairman, will the gentleman yield?

Mr. VENTO. I yield to the gentleman from Minnesota,

Mr. GRAMS. Mr. Chairman, what this does is set into law that they do not have to be accountable for the budget. They can overspend and come back to Congress and ask for further funding.

I would just like to point out in the closing minutes here that when you call for flexibility and to give the Park Service the flexibility, that is fine. But what we are talking about, mainly, or what usually happens, is that flexibility results in more dollars being asked from the taxpayers to supplement a budget that has gone over budget. We are trying to put into the law a friendly amendment.

Mr. VENTO. Mr. Chairman, reclaiming my time, I appreciate the gentleman's friendly amendment and assistance here. But the effect of this is to severely limit and tie the Park Service's hands. Most other parks do not have an operating ceiling. We put a ceiling in this bill because we are concerned about passing this responsibility to the National Park Service. So the gentleman fails to understand the nature of the limitations that already are present in the bill.

The fact is here that the amendment's type of limitation simply is not desirable or workable. Every year this comes before the Congress. We can make decisions on what parks receive. Some parks receive or need more or less operating expenses because of unforeseen events that occur, in Yellowstone when they had the fire. They may have other types of problems.

I am not talking about construction. We have an overall ceiling on this park because of the nature of the work and what is going on. To further restrict this is unworkable in terms of what the gentleman is proposing, and that is why I oppose the amendment. I think the gentleman has a solution in search of a problem. There is no problem yet, and you are trying to solve it. This is the sort of micro-management that results in mismanagement of a park and mismanagement and destruction of the private-public partnership which this legislation tries to establish.

So the gentleman really has a faulty policy amendment, and I urge a rejection of this amendment.

Mr. HANSEN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, we have heard all afternoon about how this public-private partnership will save funds. All day we have been hearing about the projections that would make the park cost-effective. Now we have got a reversal on our hands. I hope the body realizes this. Now we want got to reject the same assumptions and estimates that we have supported all day.

I remain unconvinced in that regard. However, I strongly support this amendment because it does hold the National Park Service accountable to the claims that the costs will do down.

Here is the brochure they talk about about this area, and the exact figures that are in here are in the gentleman's amendment. So all we are saying is they have said, look, we can do it for that amount. We stand up and tell the Congress we can do it. And now all we are saying is let us freeze that into law. If you can say you can do it, put your money where your mouth is.

So I support the gentleman's amendment.

I yield to the gentleman from Minnesota [Mr. GRAMS].

Mr. GRAMS. What this does, the way the bill is written, it allows a big door for a bus to be driven through. We can appreciate the flexibility that one park needs at a certain time or all the parks need. But when we set an overall budget, what we have allowed the Park Service to do is abuse this budget by taking money from one fund to another, from present operating funds to rehabilitation funds, from one park to another park. Then they can come back after draining these funds in excess and ask for a supplemental appropriation.

I can appreciate what the gentleman mentioned about disasters or extra dollars needed, but we do have supplemental bills that also pay for that. So to say this is coming out of the park budget is not true.

Again, this is not without precedent. Three weeks ago a similar amendment was adopted by this House dealing with the California Desert Protection Act. We should close the loophole. If we are going to have an overall budget that the National Park Service says they can live by, we should make them live by this budget.

This amendment just corrects some of the technical amendments.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. HANSEN. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, what we did in the California desert is not what we have here. That was an aggregate ceiling. This amendment puts a year-by-year operating ceiling. It would point out that what we did in California was put an aggregate ceiling on the operating and development costs. We did not put a year-by-year operating ceiling in place. So this is a step further. We already have an operating ceiling in the bill. That has already been addressed.

The ceiling, of course, prevents the moving of any additional money into the park. You cannot spend beyond the $25 million ceiling. The appropriators may appropriate less. I think that is likely to happen. It is unprecedented to put this type of limitation on a year-by-year basis.

I would further point out to my colleague from Utah, while that is in the plan based on the number of leases and the revenue flows, much of that is uncertain as to how readily that plan and how fully the objectives will be accomplished. I would point out that the National Park Service and the Department of the Interior did not request those dollar amounts in each of those years. That was simply an extrapolated number that may or may not be achieved in a given year.

I think they are reasonable, but I do not think they are likely. You would have to have a lot more flexibility if you are trying to show a general reduction in the operating expenses over that period of time.

Mr. GRAMS. Mr. Chairman, will the gentleman yield?

Mr. HANSEN. I yield to the gentleman from Minnesota.

Mr. GRAMS. Mr. Chairman, with the time remaining, I would like to ask the gentleman from Minnesota [Mr. VENTO] to answer one quick question. How can you account for shortfalls in operating budgets in all 50 States of the National Park Service? In Minnesota alone, in your district alone, it is $1.2 million in shortfalls in operating expenses, this year alone.

Now, you take that in all 50 States. If we do not start putting a cap on this and stop this runaway spending, how are we going to bring the National Park Service budget under control, without allowing them to come back to this Congress in all 50 States, putting more pressure to supplement this money, and ask for a supplemental appropriations bill?

This calls out a real need for my amendment, when you look at a shortfall in every State of the Union. I think it is time to put a cap on this and make sure the National Park Service lives up to what they state.

Mr. VENTO. Mr. Chairman, if the gentleman will continue to yield, I would just point out the wish-list of the park superintendents with regard to what they would like with regard to operating dollars is not necessarily a valid shortfall, first of all. I think those numbers, I am sure the gentleman from Minnesota, my colleague, if he had the responsibility to go through them, would not fund every request of a superintendent or of a park.

I would admit that I think there are problems in meeting park needs, but they are not necessarily related to the lack of or the need of a ceiling with regard to the Presidio or those parks. I think the gentleman is adding together apples and pineapples in terms of trying to come up with a solution.

This is a solution in such of a problem. There is no problem. The ceiling is already on this park. No other parks have that type of ceiling. We think it is necessary because we want to send a message to the private-public partnership. We want it to function, and this amendment will effectively vitiate the ability of the private-public partnership to function.

Mrs. MINK of Hawaii. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I want to redirect the debate to the essence of the legislation that we have before us. Obviously there are budgeting problems in the National Park Service.

□ 1720

I think it would be a real mistake to use the errors and difficulties of the overall system and try to adjust them in this pending legislation. All of us have put forth many requests for funding for our national parks that have not been able to be satisfied by the Congress. But the point is that the Congress does meet in appropriations committees each year and they can decide as to what the priorities ought to be.

In this instance, we are embarking upon a new project, upon a new proposal which is coming to pass on October 1, 1994: the creation of a whole new park addition to the Golden Gate Natural Recreation Area.

It seems to me we ought to give the parties that have brought forth this idea a chance for success. We are being preached at constantly about the importance of a public/private partnership in all of these huge enterprises and endeavors for the public good. This is not a park for San Francisco. This is a park for the enjoyment of all of the people of the United States.

It is a national park, and it is one where we do not have to spend one additional cent for the acquisition of lands. It is in a gorgeous, beautiful area, where already millions of people come to visit.

Now, when the Presidio will be open as part of a national park, there will be tens of millions of people that will come to enjoy its beautiful setting, its historic place of over 200 years as a military site.

We have to trust in the analysis that has been poured over the last 4 years by private and public individuals in coming forth with this public/private venture, their estimates of the kinds of investments that will be forthcoming to make this into a productive, profitable venture in the National Park System.

It is unique. It is remarkable. It is visionary. And we ought to really stand up and applaud the gentlewoman from California [Ms. PELOSI] for coming forth with this bold idea which captures the sentiment of the people and the Congress of the current moment, that the private sector ought to be enlisted to come forth to help us save these great areas for the national public to enjoy.

We should not put any kind of hamstrings and restrictions on the possibility of this park to grow, to enable the private sector to use the charitable contributions that are going to be forthcoming, to allow it to flow with whatever the estimates are. Estimates of the national park should not be engaged in some ironclad provision in legislation. Those are estimates based upon economics, upon the flow of generosity, of a huge amount of considerations that may not be as predicted in these reports on a year-to-year basis.

Therefore, I urge this body not to adopt this straitjacket, not to adopt these restrictions and to allow the private/public partnership that we are engaging for the first time in the history of the National Park Service to be able to come forth with the evolution of a beautiful park which will be to the great credit of the United States.

Mr. GRAMS. Mr. Chairman, will the gentlewoman yield?

Mrs. MINK of Hawaii. I yield to the gentleman from Minnesota.

Mr. GRAMS. Mr. Chairman, I am not here to argue about the beauty of this park or what we want to accomplish under this bill. What we are arguing is that we have to be responsible for the taxpayers. And we have said this is what we are going to do for this many dollars.

The gentlewoman is standing there and arguing that no matter what the cost, that we have to go ahead. The taxpayers will write us a blank check. I do not think that is fair. Let us hold the feet to the fire. Let us live within the budget that the gentlewoman or this bill asks for.

Mrs. MINK of Hawaii. Mr. Chairman, reclaiming my time, the point is that the legislation does an unusual thing. It puts a limit on the annual authorizations at $25 million. It seems to me that is more than good faith on the part of the committee, given the limitations of our budget situation and our deficit problem. It has taken that into consideration. And going beyond that, it has embraced the idea of a Presidio trust, which will bring in charitable contributions and engage the private sector into the development of what I believe will be one of the most beautiful, most visited national parks on the west coast, to the great tribute of the taxpayers and the people of this country.

I urge that this amendment be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. GRAMS].

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

RECORDED VOTE

Mr. GRAMS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 190, noes 227, not voting 22, as follows:

[Roll No. 410]

AYES—190

Allard	Goodlatte	Orton
Archer	Goodling	Oxley
Armey	Goss	Packard
Bachus (AL)	Grams	Paxon
Baker (CA)	Grandy	Payne (VA)
Baker (LA)	Greenwood	Penny
Ballenger	Gunderson	Petri
Barca	Hall (TX)	Pickett
Barcia	Hancock	Pombo
Barrett (NE)	Hansen	Porter
Bartlett	Hastert	Portman
Bateman	Hefley	Pryce (OH)
Bentley	Herger	Quillen
Bereuter	Hobson	Quinn
Bilirakis	Hoekstra	Ramstad
Blute	Hoke	Regula
Boehlert	Holden	Ridge
Boehner	Hunter	Roberts
Bonilla	Hutchinson	Rogers
Brewster	Hyde	Rohrabacher
Browder	Inglis	Ros-Lehtinen
Bunning	Inhofe	Roth
Burton	Istook	Roukema
Buyer	Jacobs	Rowland
Callahan	Johnson (CT)	Royce
Calvert	Johnson, Sam	Santorum
Camp	Kanjorski	Sarpalius
Canady	Kaptur	Saxton
Castle	Kasich	Schaefer
Chapman	Kim	Schiff
Clinger	King	Sensenbrenner
Coble	Kingston	Shaw
Collins (GA)	Klug	Shays
Combest	Knollenberg	Shuster
Cox	Kolbe	Skeen
Cramer	Kyl	Smith (MI)
Crane	Lambert	Smith (NJ)
Crapo	Lazio	Smith (OR)
Cunningham	Leach	Smith (TX)
DeLay	Levy	Snowe
Diaz-Balart	Lewis (FL)	Solomon
Dickey	Lewis (KY)	Spence
Doolittle	Lightfoot	Stearns
Dornan	Linder	Stenholm
Dreier	Livingston	Stump
Duncan	Lucas	Swett
Dunn	Machtley	Talent
Edwards (TX)	Manzullo	Taylor (MS)
Ehlers	McCandless	Taylor (NC)
Emerson	McCollum	Thomas (CA)
Everett	McCrery	Thomas (WY)
Ewing	McHugh	Torkildsen
Fawell	McInnis	Upton
Fields (TX)	McKeon	Vucanovich
Fish	McMillan	Walker
Fowler	Meyers	Walsh
Franks (CT)	Mica	Weldon
Franks (NJ)	Michel	Wolf
Gallegly	Miller (FL)	Young (AK)
Gekas	Minge	Young (FL)
Geren	Molinari	Zeliff
Gilchrest	Moorhead	Zimmer
Gillmor	Myers	
Gingrich	Nussle	

NOES—227

Abercrombie	Cardin	Durbin
Ackerman	Carr	Edwards (CA)
Andrews (ME)	Clay	Engel
Andrews (NJ)	Clayton	English
Andrews (TX)	Clyburn	Eshoo
Applegate	Coleman	Evans
Bacchus (FL)	Collins (MI)	Farr
Baesler	Condit	Fazio
Barlow	Conyers	Fields (LA)
Barrett (WI)	Coppersmith	Filner
Becerra	Costello	Fingerhut
Bellenson	Coyne	Flake
Berman	Danner	Foglietta
Bevill	Darden	Ford (MI)
Bilbray	de la Garza	Frank (MA)
Bishop	de Lugo (VI)	Frost
Blackwell	Deal	Furse
Borski	DeFazio	Gejdenson
Boucher	DeLauro	Gibbons
Brooks	Dellums	Gilman
Brown (CA)	Derrick	Glickman
Brown (FL)	Deutsch	Gonzalez
Brown (OH)	Dicks	Gordon
Bryant	Dingell	Green
Byrne	Dixon	Gutierrez
Cantwell	Dooley	Hall (OH)

Hamburg
Hamilton
Harman
Hastings
Hayes
Hefner
Hilliard
Hinchey
Hoagland
Hochbrueckner
Horn
Hoyer
Huffington
Hughes
Hutto
Inslee
Jefferson
Johnson (GA)
Johnson (SD)
Johnson, E.B.
Johnston
Kennedy
Kennelly
Kildee
Kleczka
Klink
Kopetski
Kreidler
LaFalce
Lancaster
LaRocco
Laughlin
Lehman
Levin
Lewis (CA)
Lewis (GA)
Lipinski
Lloyd
Long
Lowey
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McCurdy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Montgomery
Morella
Murphy
Murtha
Nadler
Neal (MA)
Neal (NC)
Norton (DC)
Oberstar
Obey
Olver
Ortiz
Pallone
Parker
Pastor
Payne (NJ)
Pelosi
Peterson (FL)
Peterson (MN)
Pickle
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Ravenel
Reed
Richardson
Roemer
Romero-Barcelo (PR)
Rostenkowski
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Sawyer
Schenk
Schroeder
Schumer
Scott
Serrano
Sharp
Shepherd
Skaggs
Skelton
Slaughter
Smith (IA)
Spratt
Stark
Stokes
Strickland
Studds
Stupak
Swift
Synar
Tanner
Tauzin
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Tucker
Underwood (GU)
Unsoeld
Valentine
Velázquez
Vento
Visclosky
Volkmer
Waters
Watt
Waxman
Wheat
Whitten
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates

NOT VOTING—22

Barton
Billey
Bonior
Clement
Collins (IL)
Cooper
Faleomavaega (AS)
Ford (TN)
Gallo
Gephardt
Houghton
Klein
Lantos
McDade
Moran
Owens
Reynolds
Rose
Sisisky
Slattery
Sundquist
Washington

□ 1743

The Clerk announced the following pair:

On this vote:

Mr. Barton for, with Mrs. Collins of Illinois against.

Mr. BACHUS of Alabama, Mr. HEFLEY, and Ms. KAPTUR changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Ms. PELOSI. Mr. Chairman, I move to strike the last word.

I thank the Chair for presiding over this debate today, and I thank the chairman of the full committee, the gentleman from California [Mr. MILLER]; the chairman of the subcommittee, the gentleman from Minnesota [Mr. VENTO]; and the ranking member, the gentleman from Utah [Mr. HANSEN] for his courtesy in the debate today.

There is a saying attached to the Presidio, Mr. Chairman, that a shot has never been fired in anger from the Presidio and I think that that has carried over into this debate today. As different as our opinions are on the subject, I want to thank the minority for their courtesy in the course of the debate.

Mr. Chairman, I sought recognition to acknowledge the fact that one of our colleagues is not present today and that is TOM LANTOS, with whom I share representation of the city of San Francisco and who has worked very hard on this Presidio issue. The gentleman from California [Mr. LANTOS], as Members know, has had surgery, he is resting well, he is a strong supporter of the Presidio and he sends his support to us today.

In closing, I want to say that I hope that many of our colleagues will visit us at the Presidio, to visit the African-American Buffalo Soldier exhibit, to visit the Presidio and its Spanish heritage, to visit the magnificent ecological place that it is.

In closing, in addition to thanking the chairman and the ranking members, I want to acknowledge the hard work of Judy Lemons, John Lawrence, Rick Healy, Mark Trautwein, Sandy Scott, and Michael Yaki.

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as modified, as amended.

The committee amendment in the nature of a substitute, as modified, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. MCNULTY) having assumed the chair, Mr. DURBIN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3433) to provide for the management of portions of the Presidio under the jurisdiction of the Secretary of the Interior, pursuant to House Resolution 516, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

he SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. HANSEN. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 245, noes 168, not voting 21, as follows:

[Roll No. 411]

AYES—245

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Bacchus (FL)
Baesler
Baker (CA)
Barlow
Barrett (WI)
Becerra
Beilenson
Bereuter
Berman
Bevill
Bilbray
Bishop
Blackwell
Boehlert
Bonior
Borski
Boucher
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Byrne
Cantwell
Cardin
Carr
Clay
Clayton
Clinger
Clyburn
Coleman
Collins (MI)
Condit
Conyers
Coppersmith
Costello
Cox
Coyne
Cunningham
Danner
Darden
de la Garza
Deal
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Ehlers
Engel
English
Eshoo
Evans
Farr
Fazio
Fields (LA)
Filner
Fingerhut
Flake
Foglietta
Ford (MI)
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Glickman
Gonzalez
Gordon
Green
Gutierrez
Hamburg
Hamilton
Harman
Hastings
Hayes
Hefner
Hilliard
Hinchey
Hoagland
Hobson
Hochbrueckner
Holden
Horn
Hoyer
Huffington
Hughes
Hutto
Inslee
Jefferson
Johnson (GA)
Johnson (SD)
Johnson, E.B.
Johnston
Kennedy
Kennelly
Kildee
Kim
Kleczka
Klink
Kolbe
Kopetski
Kreidler
LaFalce
Lambert
Lancaster
LaRocco
Laughlin
Lehman
Levin
Lewis (GA)
Lipinski
Lloyd
Lowey
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McCurdy
McDermott
McHale
McKinney
McMillan
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Montgomery
Morella
Murphy
Murtha
Nadler
Neal (MA)
Neal (NC)
Oberstar
Obey
Olver
Ortiz
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Pickle
Pomeroy
Porter
Poshard
Price (NC)
Rahall
Rangel
Ravenel
Reed
Regula
Richardson
Roemer
Rostenkowski
Roukema
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Sawyer
Schenk
Schumer
Scott
Serrano
Sharp
Shaw
Shepherd
Skaggs
Skelton
Slaughter
Smith (IA)
Spratt
Stark
Stokes
Strickland
Studds
Stupak
Swift
Synar
Tauzin
Tejeda
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Traficant
Tucker
Unsoeld
Valentine
Velazquez
Vento
Visclosky
Volkmer
Walsh
Waters
Watt
Waxman
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates

NOES—168

Allard
Archer
Armey
Bachus (AL)
Baker (LA)
Ballenger
Barca
Barcia
Barrett (NE)

Bartlett	Hansen	Parker
Bateman	Hastert	Paxon
Bentley	Hefley	Penny
Bilirakis	Herger	Peterson (MN)
Blute	Hoekstra	Petri
Boehner	Hoke	Pickett
Bonilla	Hunter	Pombo
Brewster	Hutchinson	Portman
Bunning	Hyde	Pryce (OH)
Burton	Inglis	Quillen
Buyer	Inhofe	Quinn
Callahan	Istook	Ramstad
Calvert	Jacobs	Ridge
Camp	Johnson (CT)	Roberts
Canady	Johnson, Sam	Rogers
Castle	Kanjorski	Rohrabacher
Chapman	Kaptur	Ros-Lehtinen
Coble	Kasich	Roth
Collins (GA)	King	Royce
Combest	Kingston	Santorum
Cramer	Klug	Sarpalius
Crane	Knollenberg	Saxton
Crapo	Kyl	Schaefer
DeLay	Lazio	Schiff
Dickey	Leach	Schroeder
Doolittle	Levy	Sensenbrenner
Dornan	Lewis (CA)	Shays
Dreier	Lewis (FL)	Shuster
Duncan	Lewis (KY)	Skeen
Dunn	Lightfoot	Smith (MI)
Edwards (TX)	Linder	Smith (NJ)
Emerson	Long	Smith (OR)
Everett	Lucas	Smith (TX)
Ewing	Machtley	Snowe
Fawell	Manzullo	Solomon
Fields (TX)	McCandless	Spence
Fish	McCollum	Stearns
Fowler	McCrery	Stenholm
Franks (CT)	McHugh	Stump
Franks (NJ)	McInnis	Swett
Gallegly	McKeon	Talent
Gekas	Meyers	Tanner
Geren	Mica	Taylor (MS)
Gingrich	Michel	Taylor (NC)
Goodlatte	Miller (FL)	Thomas (CA)
Goodling	Minge	Thomas (WY)
Goss	Molinari	Upton
Grams	Moorhead	Vucanovich
Grandy	Myers	Walker
Greenwood	Nussle	Young (AK)
Gunderson	Orton	Young (FL)
Hall (TX)	Oxley	Zeliff
Hancock	Packard	Zimmer

NOT VOTING—21

Barton	Hall (OH)	Owens
Bliley	Houghton	Reynolds
Clement	Klein	Rose
Collins (IL)	Lantos	Sisisky
Cooper	Livingston	Slattery
Ford (TN)	McDade	Sundquist
Gallo	Moran	Washington

□ 1815

The Clerk announced the following pair:

On this vote:

Mrs. Collins of Illinois for, with Mr. Barton against.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter, on H.R. 3433, the bill just passed.

The SPEAKER pro tempore (Mr. MCNULTY). Is there objection to the request of the gentleman from Minnesota?

There was no objection.

REMOVAL OF NAME OF MEMBERS AS COSPONSOR OF H.R. 3222

Mr. GORDON. Mr. Speaker, I ask unanimous consent that my name be withdrawn as a cosponsor of H.R. 3222.

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

There was no objection.

LEGISLATIVE CALENDAR

(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, I take this time for the purpose of inquiring of the Chair whether or not we have any idea what the program might be for tomorrow and the balance of the week. I am trying to ascertain whether or not the Chair can inform the House what we are going to be doing tomorrow, you know, how long the Members might expect to be in town tomorrow, whether or not this session is going to extend into the weekend, whether or not Members might be expected to cancel schedules for early next week.

Mr. Speaker, there are an awful lot of questions floating around the floor and many, many rumors to go with those questions. It would be extremely helpful at this point to at least have some idea where we might be tomorrow.

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

Mr. WALKER. I would be pleased to yield to the distinguished Speaker, the gentleman from Washington [Mr. FOLEY], so that he might update the House a bit in that regard.

Mr. FOLEY. Mr. Speaker, I will say to the gentleman that, in the absence of the majority leader, who is off the floor for a moment, we intend to be in communication with the gentleman's leadership tonight on the schedule. We are meeting tomorrow. The House will be in session tomorrow.

We hope that we can conclude the pending business of the House, which is the consideration of the crime legislation, perhaps if not late tomorrow night, on Saturday. But we are going to be in discussion with the gentleman's Members about that and about how we can best effectuate the most expeditious way to proceed in a way that provides the Members with the ability to have some plans for what will happen next week.

Mr. WALKER. I thank the Speaker for that because the real issue is there are a number of rumors running around that we might quit as of tomorrow, we might come back next week, and Members are trying to figure out whether or not to hold the weekend open or whether or not to begin to open up their schedule next week.

Mr. FOLEY. At this juncture the only thing I can tell the gentleman is that we will be in session tomorrow and we intend to communicate with the gentleman's leadership tonight and tomorrow as well. We will have some additional information for Members early tomorrow.

Mr. WALKER. But the feeling is at this time if we did stretch it, it would probably go into the weekend rather than next week?

Mr. FOLEY. I would not rule that out. It depends, to some degree, again, on the recommendations made by the gentleman's side as to how they feel it best to proceed as well. We intend to have very cooperative consultation on that question for the mutual advantage of Members on both sides. We understand the concern of Members with respect to planning for this weekend and what might happen next week.

We want to give Members the maximum opportunity to know, as best we can, how to plan their affairs.

Mr. WALKER. My assumption is that we will proceed with the hydrogen fusion bill tomorrow, is that right? That was scheduled for tomorrow.

Mr. FOLEY. The gentleman is correct.

Mr. WALKER. And that we would do that tomorrow. As ranking member on that committee, it does appear as though that would be a relatively noncontroversial bill that would move fairly quickly at this point, so that that probably will not take a lot of Members' time if that proceeds forward. And we would then, as I gather, hope that by that point we will be able to take up the crime bill, is that it?

Mr. FOLEY. Well, I cannot promise the gentleman exactly when the crime bill will be taken up. But I certainly will say that we will have a better idea tomorrow when we are in session and advise the Members on the schedule for the remainder of the week and/or the possibility as to whatever might happen next week.

Mr. WALKER. I thank the Speaker, and I thank the Chair.

AMERICANS WANT PUNISHMENT FOR CRIMES, NOT MORE SOCIAL PROGRAMS

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

Mr. COX. Mr. Speaker, for the last 30 years America has lived through a prolonged failed liberal social experiment that has explained away and justified criminal behavior; indeed, subsidized it with ever more Federal programs. Like the war on poverty, the Great Society war on crime has failed.

These words contain mistaken premises: First, insufficient federally mandated welfare is the cause of crime; second, more welfare would reduce crime; third, more Federal programs will reduce crime.

In California where I come from, we have nearly 400 convicted murderers on

death row. They are awaiting their executions and have been for decades. We have not executed but one convicted murderer since the 1960's.

The American people want swift, certain, and severe punishment for crimes, and by the way, they want that punishment to be accomplished as inexpensively as possible. Instead, this crime bill takes $9 billion away from working families through taxes, it takes $9 billion that could have been used to actually punish crimes and deter them in that fashion, and spends it on things like midnight basketball.

We have heard some defense for it. Let me explain why midnight basketball was fine point of light when it was a locally organized program, but why it will not work when it is a new Federal social program.

Mr. Speaker, it is clear: Midnight basketball is about to become the next victim of Federal regulation.

Mr. Speaker, I will include for the RECORD the following information:

SUBTITLE F—MIDNIGHT SPORTS

The Secretary of Housing and Urban Development, in consultation with the Attorney General of the United States, the Secretary of Labor, and the Secretary of Education, shall make grants, to the extent that amounts are approved in appropriations under subsection (k) to the following entities:

(A) Entities eligible under section 520(b) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 11903a(b) for a grant under section 520(a) of that Act.

(B) Nonprofit organizations providing crime prevention, employment counseling, job training, or other educational services.

(C) Nonprofit organizations providing federally assisted low-income housing. . .

Any eligible entity that receives a grant under subsection (a) may use the grant only—

(1) to establish or carry out a midnight sports league program under subsection (d);

(2) for salaries for administrators and staff of the program;

(3) for other administrative costs of the program, except that not more than 5 percent of the grant may be used for such administrative costs; and

(4) for costs of training and assistance provided under subsection (d).

Each eligible entity receiving a grant under subsection (a) shall establish a midnight sports league program as follows:

(1) The program shall establish a sports league of not less than 80 players.

(2) Not less than 50 percent of the players in the sports league shall be residents of federally assisted low-income housing.

(3) The program shall be designed to serve primarily youths and young adults from a neighborhood or community whose population has not less than 2 of the following characteristics (in comparison with national averages):.

(a) A substantial problem regarding use or sale of illegal drugs. . . .

(c) A high incidence of persons infected with HIV or sexually transmitted disease.

Mr. Speaker, It is clear: Midnight basketball is about to become the next victim of Federal regulation.

□ 1820

SPECIAL ORDERS

The SPEAKER pro tempore (Mrs. THURMAN). 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.

WE HAVE GOT TO GET TOUGH WITH FIDEL CASTRO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. GOSS] is recognized for 5 minutes.

Mr. GOSS. Madam Speaker, we are coming along from Florida, and we discover another crisis today having to do with refugees. Today it is not Haitians. It is Cubans. The Florida delegation is of very much the same mind on what the problem is, and we agree very much on two things. The problem is Fidel Castro, and the people of Florida cannot solve the problem alone, nor can they afford to pay the bill of solving the problem, nor can they afford to pay the single-handed bill of taking care of all of the people who are now being allowed unconscionably to come across the Florida Straits in inadequate boats, life rafts, rafts and other devices, basically trying to get to the magnet that is offshore, the life saving of the Coast Guard, or the American Navy, or any ship that is out there to get them out of the clutches of Fidel Castro's Cuba.

Of course there is a magnet. Things are very terrible in Cuba, and of course we need to do something about that. But I do not think that it is a reasonable proposition to encourage people to go to sea in boats that we know are going to sink or might not make it, where lives are not only going to be lost, they have been lost tragically, and more lives inevitably will be lost if this keeps up.

Why has this suddenly become serious? This is nothing new. People have been hearing about this for a long time.

Not so. There is a new policy by Fidel Castro. It is basically to let people go and, in fact, to sort of encourage people to go to sea in these unsafe conditions in the idea that he is going to make a problem for the United States of America, another Fidel Castro tactic.

Fidel Castro is not our friend. He has never been our friend. He is our avowed enemy. He is a Marxist, and maybe not a Marxist of the European style, maybe more a Marxist of the Latin style, but nonetheless he is an avowed enemy of the United States of America who has pledged to do his best to do us all in. Now that he no longer has the muscle of his Soviet Union friends and their client states, obviously his threats are not as serious, but he is still the avowed enemy of the United States willing to make mischief and trouble for us wherever he can, even to the extent of victimizing Cubans to make his point. That is unconscionable, and it is probably the essence of human rights violations.

Is this serious? You bet it is serious. We picked up 574 Cubans escaping yesterday. They have, of course, come to Florida. Governor Chiles, and this is many days in a row going on, and it is accumulating so we are now dealing with thousands of people I understand, Governor Chiles has declared an immigration emergency. The Members of the Florida delegation have asked President Clinton to implement the Federal mass immigration emergency plan. This plan has never been tested. Now is the time we need to test it because we know we have got thousands of Cubans fleeing, on the move, more to come, and inevitably this is a crisis that is escalating, not going away, and, if you remember Haiti, it is sort of deja vu all over again.

We have created this magnet for people to come off shore because they think, if they can just get outside these territorial waters, we will pick them up and bring them to a life of well-being and prosperity in Miami. Unfortunately it does not quite work that way, and that is why the administration needs to get serious and have a plan that works a whole lot better than what they did in Haiti—I guess I should say what they did not do in Haiti which led to a serious crisis there with refugees, and now, interestingly enough, has left a refugee camp on Guantanamo which is nothing more than a tent city of some 16,000 people where they have had not one, but two, riots in the past few days because conditions are so bad, and just as an unnecessary, unwanted wrinkle, we have got a hurricane bearing down, coming across the Atlantic. You can imagine what that is going to do to a tent city of 16,000 people in Guantanamo Bay, to say nothing of those ships that we have, our Navy ships, our amphibious assault ships loaded with Marines, rattling the sabre, flying the flag off of the shores of Haiti, which has been a friendly neighboring country, or to say nothing of what that hurricane might do to our other ships in the Florida Straits who are now out there on patrol duty.

So, we have got a series of problems on our hands, and I think it is time the administration got serious about dealing with this thing.

The first point is the problem of Fidel Castro. This is not a problem of dealing with Cuban people. It is a problem of Fidel Castro. He is the enemy. The leaders of Haiti are not our enemies in the sense that they have decided war or mischief on the United States. Yes, they violated democratic principles, and, yes, they brutalized human rights, but Fidel Castro makes

them look pretty much like kindergarten compared to what he has done.

We have got to get tough with Castro, we have got to have sanctions, and we have got to focus on that problem, and the administration needs to do it now.

HEALTH CARE QUOTES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee [Mr. DUNCAN] is recognized for 5 minutes.

Mr. DUNCAN. Madam Speaker, one of our larger daily newspapers, and in fact a Democratic paper, said it all at the top of its front page this past Sunday.

The Headline said: "Health Bill Hides Big Pricetag."

The sub-headline read: "Middle-class takes the hit in all plans."

Later in the story—but unfortunately not until page A–8, where many people would not read them, were these words:

Whatever is chosen, the pain is likely to wind up hitting the pocketbooks of average working families earning $25,000 to $40,000 a year: Whether they pay the bills as workers, taxpayers or consumers, they are footing most of the costs of health reform.

The middle-class pays no matter what.

Another important thing to remember: Employer mandates really mean higher prices or job layoffs, or both.

Sometimes, I think that some people hear about opposition to employer mandates and they think that person is siding with big business..

Not true—employer mandates are most harmful to small business and simply result in higher prices and/or job layoffs.

Time Magazine reported several months ago that the administration itself has an internal report that estimates their plan could cost as much as a million jobs lost over the next 5 years.

No matter how good something may sound on the surface, if its going to result in a million jobs lost, this Congress should not pass it.

Also, no matter how good something may sound on the surface, we should not pass it unless we can afford it.

This sounds like simple common sense—yet this Congress has passed all kinds of things we could not afford in recent years.

This is why our Federal Government is over $4½ trillion in debt and losing hundreds of millions on top of that every day, even as I speak.

I wish the Federal Government could afford to buy everybody a $200,000 house and a fancy new car each year, but it cannot.

There are limits to what government can do, and there is no way we can afford the most expensive social programs ever when we are already spending many billions each year more than we take in.

We cannot even afford to do what we are already doing, much less adding new programs every week.

Already our health care costs almost three times more as a percentage of our gross national product than it did before the Federal Government got involved in our health care system in a big way a little over 30 years ago.

Now, if we pass the Gephardt bill, or some version thereof, costs will go way up from where they are now.

In last Friday's Washington Post, Charles Krauthammer, a very moderate columnist, wrote this:

It was clear and much remarked that expanding coverage to 37 million Americans now uninsured, by increasing demand, would substantially raise health care costs.

Later in the same column, he wrote this:

In the end, there is no way out of the dilemma: Both extending health care coverage and improving health care quality will increase health care costs. We must pay for that cost by pushing yet health care's share of GDP.

Or we must ration. No one, of course, dares speak the word. There is not a politician who does not recoil from it. But after this debate—If it produces any bill, costs will increase—we will have the rationing debate. Having boosted medical costs even beyond the bank-breaking level of today, we will have to begin deciding which people with which diseases at which ages will be denied the public provision of which medical producers.

Then Mr. Krauthammer noted that in Britain, if your kidneys fail and you are over 55, you are routinely denied life-saving dialysis, among other things. And he says: "Others have done it * * * and so will we."

But I say, why? Sure, we have problems with our heath care—mainly that it costs way too much.

But it costs too much because of too much government involvement already—not too little.

When has the Federal Government ever done anything more cheaply or more efficiently than the private sector?

George Will, in his column on Monday, quoted Senator ROCKEFELLER who told a newspaper in West Virginia that "We're going to push through health care reform regardless of the views of the American people."

This is the same Senator ROCKEFELLER who was quoted in the Washington Post a few months ago as saying that Medicaid, another Federal medical program, was "a horrible program, a vile program, and it ought to be abolished."

Then, George Will summarized our current situation in this way:

Many Democrats profess to believe that they must pass something, anything, lest they face punishment at the polls. But Clinton and the diminishing cohort of Democrats willing to be associated closely with him really want to force health care legislation now for the same reason Clinton does not want to seek congressional approval for any invasion of Haiti: He and his allies are struggling to govern against the American grain.

RATIONING—JUST WAIT

(By Charles Krauthammer)

Ever since the Clinton health care reform was unveiled 11 months and a dozen plans ago, it has been dogged by an obvious contradiction: It promised both universal coverage and control of exploding health care costs, now 14 percent of American gross domestic product. It was clear and much remarked that expanding coverage to 37 million Americans now uninsured, by increasing demand, would substantially raise health care costs.

More care means more cost. That is obvious. But there is another, less obvious and quite perverse contradiction buried at the heart of the health care debate: Better care makes for more cost too. The ordinary progress of modern medicine—quite apart from the cost of high-tech machines and tests and procedures—makes health care more and more of a fiscal drain.

"It is often difficult for lay people to appreciate that good medicine does not reduce the percentage of people with illnesses," writes physician-philosopher Willard Gaylin in a brilliant critique of the health care debate (Harper's, October 1993). "It increases that percentage." Good medicine keeps sick people alive, people with heart disease, diabetes, hypertension and other chronic diseases. And sick people are expensive. The dead are a burden to no one.

Even preventive medicine, that sacred health care cow, increases costs, points out Gaylin. Diphtheria and whooping cough, once the two leading causes of childhood death, have ceased to exist. "But they were rarely expensive. The child either lived or died, and, for the most part, did so quickly and cheaply," Now that child "will grow up to be a very expensive old man or woman."

Because of these hard truths, the great health care debate of '94 will turn out to have been both preliminary and peripheral. Consider: Among the welter of disagreements now highlighted in the Senate debate, there is a clear national consensus for some reforms. Even the Dole plan mandates that health care insurance be portable (you retain it when you change jobs) and accessible (you cannot be denied it for a pre-existing condition).

Inevitably, however, such guarantees must increase health care costs. If the currently screened or dropped out are to be included and cared for, someone will have to pay for their care. There is no free lunch. Either insurance premiums go up, taxes go up or business pays through "employer mandates."

In the end, there is no way out of the dilemma: Both extending health care coverage and improving health care quality will increase health care costs. We must pay for that cost by pushing yet higher health care's share of GDP.

Or we must ration. No one, of course, dares speak the word. There is not a politician who does not recoil from it. But after this debate—if it produces any bill, costs will increase—we will have the retaining debate. Having boosted medical costs even beyond the bank-breaking level of today, we will have to begin deciding which people with which diseases at which ages will be denied the public provision of which medical procedures.

Others have done it, and so will we. In Britain, if your kidneys fail and you are over 55, you are routinely denied life saving dialysis by the National Health Service. If you cannot afford private insurance or the out-of-pocket expense, chances are you die.

Even the Clinton plan had some rationing, though it had to be kept covert. It would, for example, have severely restricted the number of medical specialists. This is indirect rationing. If you reduce by, say, one-third the number of people who can do brain surgery, then many people who need it and would now get it will not be able to.

The Clintons defended that measure, tellingly, not as rationing but as an effort to promote currently fashionable primary care over "specialization." No one is ready to talk now about rationing. That talk is too unpleasant, the tone too pinched, the vision too Carteresque.

Instead, the politicians are holding a picnic and giving away the food. The Democrats are offering "health care that cannot be taken away," a new fundamental right of, literally, untold cost. Even the limited Republican reforms would subsidize health care for more than 35 million Americans.

That costs money. Where do we get it? Gaylin is right: When this round is over and we are quite through giving away what we cannot afford, the real health care debate, the debate about rationing, will have to begin. And if, like Hillary Clinton, you think Round 1 was nasty, just wait for Round 2.

DUG IN TO FIGHT RADICAL EXPANSION OF GOVERNMENT INTO HEALTH CARE

(By George Will)

WASHINGTON.—George Mitchell, master of the Senate's health-care revels, spoke in a voice mingling reproach and regret. Republicans, he said have been violating the democratic spirit by filibustering promiscuously.

The next day, Texas Republican Phil Gramm and Alabama Democrat Richard Shelby promised to oppose, like Horatius at the bridge, and with a filibuster if necessary, any radical expansion of government control of health care.

So, within the health-care debate there is a debate about the ethics of obstructing. The latter debate illuminates the former by revealing the political weakness that is dictating the Democrats' desperate dash to pass a radical program before the November elections register the public's desires.

The idea that filibusters have become a serious problem is preposterous. Can anyone name anything of significance that an American majority has desired, strongly and protractedly, but has not received because of a filibuster? Who believes that insufficient activity is a defect of modern government?

It takes 60 votes to end a filibuster. Newsweek's entirely plausible poll shows 65 percent of Americans wanting Congress to delay health-care reform until next year. So Democrats sound strange when they say that it is an offense against majority rule to make them get 60 votes before they can override the wishes of 65 percent of the public.

Mitchell says that, in the 19th century, "there were only 16 filibusters" and "for three-fourths of this century, there were fewer than one filibuster a year." And: "In this Congress alone, I have had to file motions to end filibusters 55 times." But Mitchell's numbers about filibusters, like his numbers about health care, are misleading.

In the 19th century, before there was a cloture process for curtailing Senate Debates (before 1917), the mere hint of a filibuster often sufficed to kill a bill. And Mitchell files cloture motions promiscuously, often merely in anticipation of a slight possibility of delaying tactics.

Filibusters, although important in protecting minority rights and indispensable in registering intensity as distinct from mere numbers in controversies, can be trivialized when used against mild policy proposals. The filibuster Mitchell orchestrated against President Bush's proposal to cut capital gains taxes was trivializing.

However, Mitchell's 1,400-page health-care bill is not mild. It would produce a more sweeping and intrusive expansion of government than has been produced by any permanent measure in American history. Clearly, Mitchell's bill involves large issues of freedom, privacy and prudence. So a filibuster is a reasonable, proportionate recourse for opponents.

They believe, reasonably, that Mitchell's bill would be literally lethal as law. For example, by slowing development of new pharmacological and other technologies, it would disrupt the pain-relieving, life-prolonging therapeutic revolution that America's health-care system has produced in our lifetimes.

Many Democrats profess to believe that they must pass something, anything, lest they face punishment at the polls. But Clinton and the diminishing cohort of Democrats willing to be associated closely with him really want to force health-care legislation now for the same reason Clinton does not want to seek congressional approval for any invasion of Haiti: He and his allies are struggling to govern against the American grain.

Recently William Kristol, a Republican strategist, discerned "the opportunity to turn the health-care debate into liberalism's Afghanistan—the over-reaching that exposes liberalism's weaknesses and causes its collapse." And the debate has indeed high-lighted the spirit of modern liberalism, as when Democratic Sen. John Rockefeller IV of West Virginia, with a hauteur that would have made his great-grandfather proud, said, "We're going to push through health-care reform regardless of the views of the American people."

The liberals' strategy is to pass bills—almost any bills will do—in both houses, then go to conference and write a third bill as liberal as they can make it and still win final passage in both houses. By then, Democrats will be eager to pass something and go home to campaign, so a bill more liberal than even Mitchell's might pass.

A conference report cannot be amended. It would have to be physically filibustered—stopped with nonstop talking, rather than with the scores of amendments that many Republicans and some Democrats will propose in the next few weeks in order to illuminate the myriad perversities lurking in Mitchell's bill.

Any filibuster will cast a Senate minority in the role of defenders of the desires of a large American majority. Filibusterers will risk being accused of "obstructionism"—obstructing the largest peacetime expansion of Government in history.

That is a risk they should relish running.

PERMISSION TO UTILIZE SPECIAL ORDER TIME OF ANOTHER MEMBER

Mr. WAXMAN. Madam Speaker, I ask unanimous consent to exchange time with the gentlewoman from Hawaii [Mrs. MINK]

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

There was no objection.

□ 1830

THE GUARANTEED HEALTH INSURANCE ACT OF 1994

The SPEAKER pro tempore (Mrs. THURMAN). Under a previous order of the House, the gentleman from California [Mr. WAXMAN] is recognized for 5 minutes.

Mr. WAXMAN. Madam Speaker, I'm proud to have this opportunity to speak on behalf of the health reform legislation submitted by the majority leader—and its vital importance to the Nation's children. We owe Mr. GEPHARDT a great debt for his leadership in bringing this bill before the House.

We are at a critical turning point. We can choose to continue down the same path we've been on: More Americans will lose their health insurance. Health care costs will escalate. Health programs for children, the elderly, and the poor will be cut back more and more. And providers will continue to shift their losses from caring for uninsured and vulnerable people onto their private patients and their employers.

That is basically the direction the Republican and bipartisan proposals will take us.

Or, we can decide to end our national embarrassment and guarantee every American coverage for basic health care. That's the path the majority leader believes the country should take, and I vigorously agree with him.

This is a particularly important point for the Nation's families and for the Nation's children. Almost 39 million Americans are uninsured. Eight million of them are children.

Think of that—in a country as rich as ours, 8 million children without insurance. And most of them are the children of working parents, because the sad fact is that most Americans who are uninsured work.

The Gephardt bill has put together a basic benefits package for all children, services that every child in America should be guaranteed to ensure their best chance at a healthy future: prenatal care, well-baby care, immunizations, lead screening, infectious disease screening, and the regular checkups that are needed for every growing child.

And, in addition to this package of screening and preventive services, the Gephardt bill also provides ongoing coverage and special services for children with chronic illnesses and disabilities.

Earlier this year, the Cacho family from Berkeley, CA—Ann and Bernard and their 8-year-old son Philip with cerebral palsy—testified before my subcommittee.

Their struggles to get real health care to raise their son at home with dignity are unforgettable. They told of not only fighting the disease that was disabling their child but also fighting the very system that was supposed to help them. They told of insurance premiums that rose from $3,000 a year to over $10,000. They described the limitations of the insurance that they could buy even at that price. And they told of the ongoing effort to get their child the care that everyone agreed that he needs.

Their testimony was compelling. Everyone who attended the hearing was moved by their story. I told them we would work to make their future secure. Mr. GEPHARDT has put together a bill that does that for the Cacho's and

for all American children and their families, both those with special needs and disabilities and those who simply need the routine care that all children deserve.

The Gephardt bill assures that most Americans who now have insurance coverage through their jobs will be able to keep that coverage. Health insurance paid for by employer and worker contributions is the way most Americans get coverage today, and the Gephardt bill builds on these arrangements. That's the most practical and direct way to achieve universal coverage. And we owe our children that coverage.

In closing, I just want to ask the opponents of the Gephardt bill to answer one question for me. As you argue for incremental approaches, as you settle for less than universal coverage, as you plan to go slower and slower—

Which children do you want to leave uncovered?

Which of the newborns do you want to leave without screening?

Which of the children with cerebral palsy do you want to leave without home care?

Which of the next generation do not deserve our help?

The only honest answer to that question from any Member of Congress should be none "None." And the only real way to reach that goal is the Gephardt bill.

I thank my colleagues.

□ 1840

WHO IS GOING TO RUN THE HEALTH CARE SYSTEM?

The SPEAKER pro tempore (Mrs. THURMAN). Under a previous order of the House, the gentleman from Michigan [Mr. EHLERS] is recognized for 5 minutes.

Mr. EHLERS. Madam Speaker, the previous speaker spoke about the desire for health care on a national level.

Frankly, his desire is shared by many in this Chamber on both sides of the aisle. I suspect that is not the real issue.

I think the real issues before us are, who is going to run the health care system and who is going to pay the bill. And it is the first one of those questions which I would like to address this evening. Who is going to run the health care system.

Because, you see, the proposals submitted by the administration and most of the bills that we have had presented in this House and in the Senate have assumed that the Federal Government will have a major role in running the health care system. I think that is going to be a problem.

I have in my hands this evening a document furnished me by a physician in my district. Notice the size of this. And this document was prepared in response to a survey, a request, a questionnaire by the Health Care Financing Administration, asking this physician and his colleagues to fill out this document, to let the Federal Government know what they were doing in their office. They were supposedly randomly selected. They were told they did not have to fill it out. But it was implied that if they did not, they might lose the Medicaid approval for their particular facility.

That certainly is a strong arm approach to ensuring that they better fill it out. It took them over 120 hours of staff time. They had to work some weekends to get it done on time. They were given very little time. They estimated it cost them $10,000 in total to complete this survey form.

When you look at the survey and you look as some of the issues that were dealt with, they had to, as an example, list all the supplies that were used in the various procedures done in that office. When you look at the things they had to list, they had to include disposable supplies, such as a tonopen tip cover for 25 cents; a temo probe cover, 3 cents; chart forms at 11 cents each; gonio lens at 22 cents. They had to list pharmaceuticals. And in this case they used A-K Dilate, two drops, they estimated approximately 10 cents for that; Alcaine, 3 drops, at about 12 cents. And then on to head covers at 6 cents, shoe covers at 15 cents a pair, masks at 30 cents, surgeons gloves at 48 cents and on and on.

I really wonder if this makes economic sense for a Federal agency to be requiring physicians to fill out forms in such great detail, with such minutiae. What is going to be done with that information? I hope something useful, but I would not be too sure of that.

What is even worse is the information that was not asked for. Presumably this is being done to determine what the costs were for providing health care and trying to get a handle on this so that perhaps health care costs could be reduced. But, for example, they did not include information about whether or not the facility, cost of the facility was amortized or not. So these physicians, who have a relatively new facility and are still paying it off, are put in the same bag as other facilities which have their property totally paid off and depreciated. No differentiation was made on that score.

That is a very important piece of information that should be included. The reason I bring this here and the reason I discuss this issue is getting at the question, who is going to run the health care system. My concern about a number of the proposals that have been proposed have nothing to do with universal access, which I think we should all have. They have nothing to do with dealing with preexisting conditions, which I think we should ensure are covered by all insurance plans.

The issue of who is running the system, I think, is crucial, because if we have a Federal Government running the system, it is going to involve more and more and more of this.

I believe we have to stay with the type of system we have. We have to, in the legislation we develop, ensure that we continue to have an efficient, well-operating health care system that provides good service, as the current system does, and makes sure that it is available to everyone. That should be our goal.

HEALTH CARE REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. SAXTON] is recognized for 5 minutes.

Mr. SAXTON. Madam Speaker, I, too, would like to talk for just a few minutes about health care reform and the health care system that we have and what is good about it and perhaps what is not good about it.

And I would like to particularly point out to my friends from the other side of the aisle that there is a great deal of good that we have done, and I know we all can agree on this in our current health care system. Very few people complain about the capabilities that we have, very few people complain about the modern facilities and the great technology that we have been able to develop in our country. We have developed it through the free enterprise system and the system that we know as our current immediate care system, medical care system.

But not everything is good about our medical care system. I would like to suggest to my friends that it is really the economics of medical care that do not work and the economics of medical care that need attention and the economics of medical care that need to be fixed.

That is what needs attention. The big question for me is, how do we fix the economics of medical care without disrupting the great medical care system that we currently have. We can cure diseases that we could not cure not long ago. We keep people in hospitals less time for various procedures than we did not long ago. Doctors are more skilled today than they were not long ago. The same goes for other medical providers.

I have traveled a little bit around the world in places where they have different types of systems. I would much prefer to take part as a patient in our system than anyplace else in the world that I can think of. But you are right about one thing: The economics of medical care is not working the way it should.

Our country, as we all have said over and over again, has been successful economically because we have a free enterprise system. As a matter of fact,

85 percent of our economic system, our free enterprise system, works quite well. It is the 15 percent of our economic system that is involved with medical care that does not work very well. So the real question is, what can we do with that 15 percent of our economy that does not work like it should and why is it that it does not work the way we would like it to?

If we look at the activities that take place in our economic system generally, we can begin to get a pretty good idea about what makes us work. We manufacture goods and we provide services throughout our economy, we have activities that involve buying and selling of goods and services throughout our economy. That all works. We have marketing programs and advertising programs for goods and services, and that all works. And that is all part of our free enterprise system. And health care fits within those types of activities as well.

Implicit in all those activities, manufacturing, buying, selling, marketing, advertising, and all the other economic activities that we take place in, competition is implicit in all of those things that work in the 85 percent of our economy that work, competition is implicit in all of those activities.

When we as American business entrepreneurs begin to look at how to make a business successful, we look at locations for our businesses, because it is important in competition to have the right location. We look at the aesthetics of our plan, particularly retail stores, because it is important to attract customers, and that is part of competition.

We have stocks and inventories that are developed. To get the right inventory is important because of competition. And we set prices fairly, we set prices fairly because of competition.

□ 1850

Competition is missing today in health care. It is missing for a very simple reason. Eighty-three percent of our medical bills, yours and mine and all of America's all Americans', is paid by someone other than the consumer. We go to our employers and say "We want to negotiate benefits." That means we want to negotiate how you, Mr. Employer, are going to pay for our health care benefits.

When we retire, we have a Medicare program that pays for our benefits. If we are not wealthy, if we are poor Americans, we have a Medicaid program that pays for our benefits. That is right, 83 percent of the time, of the services that we receive in medical care, 83 percent are paid by somebody else, so we don't have to care.

When we go to the doctors, if the doctor says "You need four tests," we don't ask if two will do or if one will do, because 83 percent of the time we don't have to care. Somebody else pays for it.

If the doctor says "This is going to take six visits," we don't have to ask "Can't you do it in three?" because 83 percent of the time somebody else is going to pay for it.

If the doctor says "You need to go the hospital for a procedure," we don't have to ask "Can't we do this as an outpatient?" because 83 percent of the time somebody else pays for its.

There are some ways that we can restore competition to our health care system through a variety of programs which will be discussed in legislation that I'm going to introduce either before we leave here or in September when we come back.

These will take as their essence principles that are encompassed in two dynamic and creative plans I have studied in my home region. The first is a program already put in to place at Forbes, Inc.; the second is a plan Jersey City Mayor Bret Schundler has enacted for municipal employees. Both plans have built-in incentives for employees to select as good and as much health care as they need.

I enclose the statement Mayor Schundler delivered before the Republican Joint Economic Committee Forum held August 16.

HEALTH CARE REFORM TESTIMONY TO THE JOINT ECONOMIC COMMITTEE

I'd like to thank Representative Saxton and all the Republican members of the Joint Economic Committee for inviting me to share my thoughts about health care reform in America. This is an important issue that affects every American, and I believe it is vital that we have a thorough public debate before approving my legislation.

We now have two Democratic proposals before us. The Gephardt bill promises universal coverage by 1999, with employers mandated to pay 80 percent of their employees' health insurance costs. Low income workers would be covered through a huge new entitlement called "Medicare Part C", which the New York Times estimates would soon cover over 100 million Americans. Make no mistake about it, passing the Gephardt bill means turning over the health care needs of every American to the federal bureaucracy. Anyone who lives in public housing knows how frustrating that will be.

The Mitchell bill differs only slightly from the Gephardt bill. If we pass it, we don't get Gephardt's government-run health care system until 2002. Clearly, the fundamental difference between Mitchell and Gephardt is that Mitchell pulls the 'trigger' a few years further into the future. But both bills are guns aimed at the heart of American medicine.

Under no circumstances should Congress pass either bill.

Rather, I propose that Congress should keep what works and reform what does not. President Clinton, Senator Mitchell, and Representative Gephardt believe that our current health care problems arise from market failures, i.e. the failures of a free society. I believe that government failures are the problem. Any health care reform bill should move away from government control and third party payment, and move towards empowering patients to choose their own doctors, make their own decisions, and control their own health care costs.

Just over two weeks ago, President Clinton came into Jersey City to campaign for his version of reform. He challenged his opponents to come up with a constructive alternative to his bureaucratic quagmire. The alternative has already been offered in both the House and Senate, but the President doesn't want to talk about it. It is a system of refundable tax credits to enable Americans to be able to afford to purchase their own combination of catastrophic health insurance and Medical Savings Accounts (MSAs).

In Jersey City, I am working to change how we provide health insurance to our workers. Under the Jersey City plan, the City will purchase catastrophic insurance with a $2,000 deductible, and then deposit $2,000 into a Medical Savings Account to cover 100 percent of employees' out-of-pocket medical expenses. This money can be used to cover routine physical examinations, which are not covered under most traditional health care policies, and will improve our employees' access to prevention care. But since our employees will get to keep as income any money not spent in the MSA, they will also have an incentive to spend their health care dollars more prudently.

Through this approach, not only are our employees likely to stay healthier, but they will be able to take some money home on December 31st, and the City will be able to save money too.

Let me expand on this latter point. First, the City will save money because the combined cost of the catastrophic premiums and the MSA deposits already in the first year will be less than its current health care premiums for its present traditional coverage. (This is because there are immediate administrative savings to be achieved since the insurance carrier really does not have to examine bills closely until a family's expenses exceed $2,000 in a single year.) Second, increased preventative care will make for healthier employees who are a better risk for insurance carriers. Third, there will be reduced cost-shifting when our employees are incentivized to negotiate with their doctors for lower prices and doctors are less like to cost shift onto our employees when they know that our employees will be personally affected by a padded bill. Fourth, because the insured stand to keep money not spent from the MSAs, this plan almost totally eliminates fraudulent claims.

This plan will work for Jersey City employees just as it has worked for employees of Forbes, Inc., where insurance premiums have dipped almost 30 percent in the first two years. Perhaps more importantly, it can work for Americans nationwide.

We can create a federal MSA system by replacing the current system of tax deductions for employer-provided health care with a system of refundable tax credits for individually-purchased insurance and MSA coverage. This would allow every American, regardless of income or employment status, to buy basic health insurance for less than what we spend as a nation right now.

Under this plan, all Americans with an income would use their tax credits to buy a health plan from any carrier they choose, whether through their employer, church, or even their bowling league.

Those who are unemployed or without sufficient income to benefit from a tax credit would receive a voucher to purchase their own health insurance and MSAs in the same way.

Finally, for that 1 percent of Americans whose severe health problems make them

uninsurable, we could establish a very high premium, government subsidized risk pool for basic health coverage.

This simple plan expands access, contains costs, and maintains quality care. Perhaps more importantly, it enhances freedom. It will give Americans the freedom to leave a job without fear of losing their benefits by detaching health insurance from one's employer, thus eliminating the "job lock" so prevalent in our current system. It will free people to get off welfare by eliminating the risk that they will lose medical coverage if they take an entry level job. And it will do all of this without bureaucrats and centralized health boards telling us what treatments shall be covered and when we may get them and from whom.

It seems that there are two broad sides in this debate: those who want government control over the health care decisions of the American people, and those who want we the people to have the power to make the decisions that could mean our life or death. I believe we should empower the people to choose what is best for their own health.

President Clinton deserves credit for starting the debate on health care reform. Now we must ensure that change comes in the proper form.

The President claims it is the moral obligation of government to make sure that every American can obtain affordable health care. I totally agree. But then the President passes the buck. He says to businesses, "You do it!"

His approach takes as its foundation every thing that is wrong with the current health care system and builds upon it. The result of his approach will be to increase costs, decrease quality, and very significantly increase unemployment—all serving no interest save for one: that is, expanding opportunities for government bureaucrats.

My proposal will decrease costs, increase quality, and expand private sector job creation and acceptance. But through the tax credits or vouchers expended, and through the replacement of Medicare and Medicaid with self-purchased private insurance, it will surely reduce government jobs in the federal and state bureaucracies.

Perhaps this is the reason the President refuses to opt for this approach. He seems to have forsaken being the President of the People, and has chosen instead to be the President of Government. In fact, it seems to me that instead of proactively using government to empower all, including the poor, he is choosing to use government to disempower all—including the rich.

I seriously doubt that the America people will stand for this, and I hope that you will do everything in your power to reject it.

Thank you again for giving me the opportunity to address the members of this committee, and I ask permission to enter a prepared statement of my remarks and my Wall Street Journal article concerning this subject matter into the written record.

BRET SCHUNDLER,
Mayor, Jersey City, NJ.

HEALTH CARE REFORM FOR AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Connecticut [Ms. DELAURO] is recognized for 5 minutes.

Ms. DELAURO. Madam Speaker, before I make the comments that I was going to this evening, I would like to make a couple of comments about my colleague who just spoke before I came up to the well.

I agree with my colleague that the United States has the best health care in the world. It is the reason why so many people come from all over the world to avail themselves of the medical care that we have here.

I further agree that the issue is cost, and that in fact, while we have the best medical care in the world, many people today in this Nation cannot avail themselves of that health care because of the cost of that health care.

I further agree that what we need to do is to address this issue of cost, and in fact the Gephardt plan does that very, very well, and helps to look at bringing that cost down by making sure that all Americans are covered, that all Americans have private, guaranteed health insurance that is affordable and that can never be taken away from them.

Part of the Gephardt plan is to make sure that, because all are covered, and we have what is known in this effort as cost shifting, that someone else pays the bill for those who are not now covered, and most of those folks who are now not covered are working Americans, working, and in my State of Connecticut they work in small businesses of less than 25 people and do not have insurance coverage.

If we were able to cover all of those people through the shared responsibility, as our current system is today, where the employer pays a portion, the employee pays a portion, 9 out of 10 people who are insured today in this Nation receive their health care coverage through their place of employment. The Gephardt plan builds on that system, and says that employers and employees who are now not participating in this shared responsibility need to do that, in fact, to help pay for the cost of health care which today, while they are not paying for it, everyone else is paying for them.

Madam Speaker, I want to agree with my colleague on some of these issues, and say that the way in which we can correct this is a piece of legislation that the majority leader of this House, the gentleman from Missouri, DICK GEPHARDT, has put together, and that we ought to come together and support that for the American public.

Madam Speaker, let me move on to the issue that I wanted to discuss today, that has, again, to do with health care.

Madam Speaker, 2 days ago, the other body took the first step in moving the health care reform process forward by adopting an amendment which would make sure that insurance policies offer prenatal care for women and well-baby and immunization services for children. I applaud my colleague from Connecticut, Senator DODD, for his sponsorship of that action, and am proud to be joined by several of my colleagues here tonight who support comprehensive health care reform that includes guaranteed coverage for children and pregnant women.

In a country as wealthy as ours, with the world's best health care system, it is disgraceful that 17 million American children are uninsured for all or part of the year. In my home State of Connecticut alone, more than 40,000 children are uninsured, 8,000 in my district. During some of the most critical years of a child's development, between birth and their sixth birthday, one out of 10 American children is uninsured.

Of the children that do have health insurance, many are woefully underinsured. Only 42 percent are covered for routine immunizations. Only one-third of health insurance policies provided in medium and large firms cover well-baby care. Millions of children have private insurance that fails to cover preventive services. Millions of children have private insurance that fails to cover special treatment for those with physical and emotional disabilities.

Who are these children left out in the cold by our current health care system? The significant majority of them, 58 percent, are dependents of parents who work full-time, every day of the year. According to the Children's Defense Fund, for two decades, employer cost-cutting and the rising cost of health insurance have forced millions of children out of the private health insurance system. Had coverage for children stayed at even the 1987 rates, an additional 3 million children would have had employer-based insurance in 1992.

And if we do nothing to make sure that every working parent receives health insurance through his or her workplace, this trend will only get worse. By the year 2000, only 50 percent of our children will receive health care through insurance provided by employers.

These figures speak for themselves and should be enough to spur Congress to act. But if all these statistics leave any of our colleagues in doubt, then let them listen to what the children themselves are telling us.

Ian Cook, a 12-year-old boy from Lake Charles, LA, has told us that his mother's health insurance doesn't cover all the costs of the liver screenings he needs every 3 months and his medicine—without which he cannot attend school—that costs $173 per month.

Jennifer Bush, a 7-year-old girl from Coral Springs, FL, lost her hearing in one ear due to chronic infections. Her insurance company dropped her because her medical bills exceeded $2 million.

And Asha Thune, an 11-year-old girl from Austin, TX, has juvenile diabetes. Her family is afraid they may lose their insurance as a result.

Madam Speaker, now is the time to correct this intolerable situation. We have made great strides recently in this House to invest more in our children. We have increased funding for Head Start. We have increased funding for WIC. And we are on the verge of enacting a crime bill that will help make our streets safer for our children.

Now let us give our children proper health care—perhaps the most important thing they need to ensure that they grow up healthy and able to learn. Let us give their parents the peace of mind that if their children do get sick they will be taken care of and that their insurance won't be taken away. Let us pass the Gephardt bill which guarantees that every child will get newborn and well-baby services and that every woman will get pre-natal care, all with no cost sharing. We have given enough speeches about our support for children—let us stand and deliver.

A TRUE CRIME BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina [Mr. TAYLOR] is recognized for 5 minutes.

Mr. TAYLOR of North Carolina. Madam Speaker, a surprising thing took place in this Chamber. We passed a crime bill in the Commerce, Justice, and State appropriation bill, 322 to 98. That was a true crime bill.

It is true, this conference report that we passed did not abolish capital punishment, as the President wanted to do in his crime bill. It did not release 16,000 drug pushers from the Federal prisons, as the crime bill desires. It did not abolish mandatory minimum sentences for drug kingpins, as the President's crime bill calls for. It did not weaken the second amendment rights, called for in the present crime bill.

It did, however, restore funding for the Drug Enforcement Agency, which the President had sought to reduce; it provided some 400 new agents, as well as removing 600 agents from desk duty and reassigning them to the field.

It provided funds for activating 11 new or expanding prisons facilities. It provides $54.5 million for new border patrol guards, providing almost 1,000 new agents in the field. It gives $24.5 million for boot camps, punishing small-time offenders, while leaving prisons open for violent offenders.

It supports increased drug courts, $29 million, permitting swifter action against drug offenders. It grants $26 million to combat violent crime against women, which will support battered women's shelters, promote rape awareness education, and establish a national family hotline service. It restores the Byrne formula grants, and will give States and local governments some $450 million.

In total, Madam Speaker, this bill provides over $15 billion for prevention of crime and the judiciary. It prioritizes the needs. It does not include the President's social spending. It is a real crime bill.

□ 1900

It was put together on a bipartisan basis and passed this House and when it clears the Senate tomorrow and goes to the President, it can be our crime bill.

I would like, Madam Speaker, at this time to yield to the distinguished gentleman from North Carolina [Mr. COBLE] who is a member of the Committee on the Judiciary, for further remarks in this area.

Mr. COBLE. Madam Speaker, I thank the gentleman from North Carolina for yielding. I was scheduled to speak on this bill last Thursday pending passage of the rule. Of course the rule was defeated and this is the first time I have had a chance to address matters concerning the crime bill.

What bothers me, I say to my colleague from North Carolina and to you, Madam Speaker, when it first came to the Senate, to the other body, as best I remember, there was a price tag of $16 billion. When it cleared the other body and came to us, it was $21 billion. After it sailed through the House, it reached the figure of $28 billion. It then was assigned to a conference where, you guessed it, continuing upward, now it is in excess of $33 billion.

That is not the way it is done in the real world. In the real world, if you have to renovate your home or your small business and you start at $25,000, you try to work downward. Here on the banks of the Potomac, it works in just the opposite way. The moral of the story, Madam Speaker, is simply this: It is easy to spend money that belongs to others, and we in this Congress do it every day. I am afraid that we do it recklessly and imprudently.

I am concerned, I say to the gentleman from North Carolina, about some of the accusations that have been made directed to those of us who voted against the rule last week, and the accusations have been, "Well, you only voted no just simply to embarrass the President." This is poppycock and ludicrous. I voted no because the meter continued to run.

Now, when you go from $16 billion to in excess of $33 billion spending public moneys, spending your constituents' moneys and mine wrapped in the package titled crime bill, something is indeed wrong. I say to the gentleman from North Carolina, I would like to see us prior to adjournment in October to instill and restore, if there ever was any before, some sort of fiscal sanity in the manner in which we spend taxpayers' money on this river and on this Hill. I think our constituents deserve better and I think we owe it to ourselves to do better.

I thank the gentleman from North Carolina, and I yield back to him.

Mr. TAYLOR. Madam Speaker, in closing, I think we see that this costly crime bill, so-called, is kind of like side pockets on a hog as far as its benefit in fighting crime. The bill we passed today is a solid crime-fighting bill and it can be one we can all be proud of for this Nation.

CHANGE OF SPECIAL ORDER

Mrs. MINK of Hawaii. Madam Speaker, I ask unanimous consent that I may take the place of the gentleman from California [Mr. WAXMAN].

The SPEAKER pro tempore (Mr. THURMAN). Is there objection to the request of the gentlewoman from Hawaii?

There was no objection.

SUPPORT THE CRIME BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Hawaii [Mrs. MINK] is recognized for 5 minutes.

Mrs. MINK of Hawaii. Madam Speaker, today I rise in strong support of the crime bill, and I want to take just a few minutes to elaborate on the reasons why I think it is so urgent that the Congress come to some agreement and allow this bill to become law.

One of the very strong provisions in the bill has to do with violence against women. Sometimes this Nation comes to a point of wanting to do something about a terrible situation in our country when there are acts of violence that commend our attention. This is a time when people are focused on this issue and I think it is important to realize that the Congress for the first time is allocating substantial sums of money, $1.8 billion, for this particular problem in our society. I like most Members of Congress have received dozens of phone calls. Most of them argue that we should support the crime bill and put it into law. Some of them say what would also echo the phrases that we have heard on radio and television about the soft social programs and other measures that have been added that have been frequently referred to as pork. The pork that people are fingering in the crime bill has to do with prevention. I would like to say that this is a crime control and prevention proposal. It is not simply to act after the fact when criminals are caught and convicted and to find new prisons and more punitive measures to deal with them. Crime in this country has to be dealt with from two perspectives, and one is to be tough on the criminals that have been caught and convicted, but also to look to our society to find ways to prevent violence and crime in our society. That is the situation with violence against women.

It is too late to look upon the men who have created the violence and have assaulted women and battered women and killed women and say, "What are

we going to do with these individuals" with respect to the trial and the conviction and the imprisonment. What we need to pay attention to is what we are going to do to prevent this violence. All too long in our society women have called the police, complained, noticed situations that were aggravating their lives, and people have simply ignored it, paid no attention. A woman could be on the kitchen floor bleeding to death with her husband standing over her and the police would do nothing if she refuses at that particular moment to file a complaint against her husband. In many cases, she has no choice.

This provision in the crime bill for the first time recognizes that prevention of violence against women is really the way to go. They have put in a substantial amount of money, supported by both sides of the aisle. As a matter of fact, the provisions on violence against women was in the Republican proposal submitted in July 1994 at $1.8 billion. We are in agreement on this.

But the point I am trying to make is not that this provision is in agreement but that the concept of prevention is the key to the substantiation of this entire program of $1.8 billion. It will provide for the establishment of centers for women and do counseling and establish ways in which we can sensitize police officers and prosecutors as to what they must do under these circumstances to afford greater protection to women who file complaints regarding violence. By all agreeing on the $1.8 billion in the crime bill, we have acknowledged that prevention is a very important part of any crime bill.

Going back, then, to the public excitement with respect to prevention programs, given that the provisions for violence against women are substantiated and agreed to by everybody, let us look at some of the other provisions which have been included that deal with youth offenders, with youth at risk. We note with great interest that although almost with unanimity those who are opposed or have voted against the rule or voted against the crime bill argue that there is just too much pork in it, let us see where the pork came from. I have a very interesting analysis here which says that, for instance, this much-touted midnight basketball provision which is funded at $40 million was acknowledged by President Bush as one of the outstanding points of light in his program. It is included in some of the Republican measures. The same thing is true for the community schools program. We have Senator HATCH and Senator DOLE being sponsors for a $630-million program for youth programs in our schools, tutoring and so forth.

I ask those who oppose the bill on these frivolous grounds to look to the sponsors of some of these prevention programs and agree that they belong in any crime bill that this House passes.

A CALL FOR UNIVERSAL HEALTH CARE COVERAGE

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Georgia [Mr. MCKINNEY] is recognized for 5 minutes.

Ms. MCKINNEY. Madam Speaker, health care reform without universal coverage is no reform at all.

I am pleased to join with my colleagues as we underscore the need for health care coverage for everyone.

I would like to remind my colleagues of the six principles of health care reform: First, security; second, simplicity; third, savings; fourth, quality, fifth, choice; and sixth, responsibility. They are included in the Gephardt bill and must be a part of any reform that is meaningful.

After waiting for so long, hard-working families from Georgia's 11th District and throughout America can no longer wait for health security—their interests will not be served by tinkering at the margins.

Mr. Speaker, we were sent here to Washington with a mandate from the people—to change the business as usual politics into a government that looks after the needs of its people. We anticipated resistance from the obstructionist, divisive Republican Gridlock Gang, and we have been fighting them with full force every step of the way.

Politics, gridlock, and partisan positioning can no longer keep us from accomplishing what is within our grasp: Health care reform that guarantees that health care will be there when we need it.

Without universal coverage, "health care reform" is a meaningless phrase. We must not fall short of our promise. Health care reform, after all, is for the people.

I applaud the Senate on putting people first by passing the Dodd amendment this week. The amendment will put children and pregnant women at the top of the list to be covered under health care reform. Nothing should be of greater importance than the health and well being of our children. Unfortunately, the Gridlock Gang does not care about America's children and pregnant women.

About 6 years ago, I took my 2-year-old son to Scottish Rite Children's Hospital in Atlanta for a procedure. As expected, health care providers ran their standard tests for a child that age.

What I did not expect, however, were the results to come back saying that my son carried the gene for sickle-cell anemia.

I was shocked. This disease that predominately strikes African-Americans and wiped out so many—how could it have found its way into my son's little body?

After more tests, it was determined that he only carried the trait and he does not have the disease. He is a happy healthy boy who plays soccer and baseball and does well in school. But in the back of my mind, every time he has stomach pains or his arms and legs ache, I worry of what it might be. And I get angry that still today there is not enough research on sickle cell anemia.

At the National Institutes of Health, researchers are working to find effective treatment for sickle cell. However, without access to health care, hundreds of thousands of uninsured African-American children will not reap the benefits of this research. We need to pass health care reform now. Our kids must not be forgotten.

The Gephardt bill does not forget the importance of research in meaningful health care reform. Mr. GEPHARDT's bill will put a 1 percent tax on health insurance premiums, which will go into a trust. A portion of that trust will go to NIH research that will find new cures and treatments, giving hope to those who battle diseases such as sickle cell and breast cancer. The funding from this trust for NIH will begin at one-half billion dollars and will grow to three-quarters of a billion over 10 years.

I urge all Members of this House to do the right thing for the people of America. Passage of the Gephardt bill assures health care reform that puts people first. And health care reform without universal coverage is no reform at all.

□ 1910

ORDER OF BUSINESS

Mr. HOYER. Madam Speaker, I ask unanimous consent that I might go out of order at this time.

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

There was no objection.

DEMOCRATS AND REPUBLICANS SUPPORT THE CRIME BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland [Mr. HOYER] is recognized for 5 minutes.

Mr. HOYER. Madam Speaker, I rise today to commend the bipartisan—indeed nonpartisan—exchange of views on the crime bill during last night's special order.

If you did not hear it, I suggest you read the transcript in the CONGRESSIONAL RECORD. There was one brief, shining moment of high-minded discussion on the issues before us in this crime bill.

Mr. SHAYS, Republican from Connecticut, and Mr. WYDEN, Democrat from Oregon, cast aside the partisan rancor that has all but consumed debate on this issue. They did not agree on every issue, but they did agree on this: We must pass this "punish and prevent" anticrime bill now.

I share the Connecticut gentleman's "real concern that in the process of debating this bill, a lot of misinformation has been discussed that has distorted the issue."

I share his hope that "in the next day or two we get to focus back on how we can deal with crime both from an enforcement and a preventative side and what we can do to help our cities."

That is what this bill is about. Protecting our families. Putting more police into our streets. Ensuring that our children are safe from the violence that plagues too many of our communities.

This bill will punish criminals.

This bill will prevent crime from happening in the first place. That is what the American people want from this legislation. This is what they demand that we do.

Some would turn this serious issue into a political football. You see, there is an election coming in November. Every seat in this House is up: Some of us will return, some will not. Some feel that their return ticket and political fortunes hinge on their political gamesmanship with this critical legislation.

But the people on the frontlines know that crime is no game. They know that this bill will make a difference in people's lives.

On Tuesday, I quoted President Bush's prescient remarks about the value of the prevention program this bill provides for. Today, I am pleased to quote from a letter signed by 13 mayors from across the Nation:

Ashe of Knoxville,
Riordan of Los Angeles,
Mystrum of Anchorage,
Smith of Newark,
Drinkwater of Scottsdale,
Turner of Dayton,
Mullins of Palatine,
Lashutka of Columbus,
Johanns of Lincoln,
Helmke of Fort Wayne,
Gardner of Jefferson City,
Stewart of Provo,
Norick of Oklahoma City.

Mayors from across the continent. Mayors on the frontlines. They know what works. They think that this bill will work. And they are all Republicans. They write:

Last fall, a bipartisan group of mayors worked with police chiefs to draft the National Action Plan to Combat Violent Crime. Many of the elements of that plan are included in this crime bill: 100,000 officers; local flexibility; more prisons and alternative forms of incarceration; strong prevention measures; enhanced penalties; and strengthened Federal drug control efforts.

They continue:

The conference agreement provides important help to us, important tolls in our efforts to prevent and control crime. * * * As the elected officials closest to the people, we know that crime has been and will continue to be the most important concern of our citizens. They are looking to all of us for help, the kind of help that we can deliver through this crime bill.

They are not alone in urging that this bill be passed. Bipartisan support for this crime fighting bill seems to be breaking out all over the country if not within this Chamber.

My colleagues on the other side of the aisle were rightly proud when two Republicans gained the highest office in the Nation's two largest cities—New York and Los Angeles.

New York's Mayor Giuliani, a well-known crime fighter and one of the Republican Party's brightest stars, got it right when he said that this "crime bill is as much my bill as it is anyone else's * * * It reflects my philosophy. It reflects my sense that there has to be a balance between enforcement and prevention."

Mayor Riordan of Los Angeles said that this "crime bill is the boost that we've all been waiting for to make our cities safe."

Ultimately, this comes down to one question: How does this affect Americans who play by the rules and pay the bills?

Carolyn McCarthy is someone who plays by the rules. Her husband was killed and son wounded last December on the Long Island Railroad. Mrs. McCarthy issued a clarion call to every Member in this Chamber yesterday: "Congressmen need to put aside their differences. This is for the common good of all of us. Children are shooting children. Something is wrong."

Something is wrong, Madam Speaker. We can do something about it: If we tone down the rhetoric; if we turn away from partisan bickering; if we listen to those Americans on the frontlines, in our communities, in our neighborhoods who want this anticrime package.

□ 1920

The SPEAKER pro tempore (Mrs. THURMAN). Under a previous order of the House, the gentlman from Oklahoma [Mr. ISTOOK] is recognized for 5 minutes.

ORDER OF BUSINESS

Mr. KINGSTON. Madam Speaker, I ask unanimous consent that I be allowed to proceed out of order with my 5 minutes.

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

There was no objection.

TRIBUTE TO PAUL ANDERSON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. KINGSTON] is recognized for 5 minutes.

Mr. KINGSTON. Madam Speaker, today, in the city of Vidalia, located in the First Congressional District, Paul Anderson was remembered in a Memorial Service. There will be many testaments and many memories of his spiritual heart, which will continue to beat for many generations.

Because he was a native and life-long resident of Georgia, thousands of my fellow Georgians will pause today to remember Paul and the remarkable story of his life—a life that brought him world-wide attention and acclaim.

Paul Edward Anderson was born on October 17, 1932 in Toccoa, GA. He suffered from kidney inflammation and rheumatic fever before he was six, however, he overcame problems with these childhood problems and was awarded a football scholarship to Furman College in Greenville, SC. It was at Furman that he began to lift weights. Finding that he had the physical and mental strengths necessary for such a demanding activity, he began a routine of training that found him lifting heavier and heavier weights and starting his own high-protein diet to put on more weight.

His weight lifting talents helped him to be selected as a substitute on a United States team going to the Soviet Union to compete against the best Soviet lifters in 1955 in the first athletic competition held solely between the two countries since World War II. The heavyweight lifters were to provide the climax event for the competition.

The top Russian heavyweight lifter tied the Olympic record with a lift of 330 pounds in the two-hand press. Paul Anderson followed with an unheard of lift of 402.4 pounds, 20 pounds over the existing world record. This lift was to catapult him into overnight international fame as the Strongest Man in the World. Paul Anderson had spent years of dedication, hard work, and faith to become this overnight success. He knew all along he could outlift any other human. He only needed the opportunity to prove it.

This fame was further validated when he broke two world records in winning the World Championships in Munich later that year. In the 1956 Olympics in Melbourne, Australia, he could clean and jerk over 414 pounds and become the first person ever to lift a combined 1,102 pounds in the three Olympic weightlifting events. Paul was awarded a gold medal in the super heavyweight division—a division no American has won since; he became an instant hero in America, a country that needed a man of action, of physical power to counter the Soviet Union's domination in international athletic competition.

He not only brought home the gold medal with him, he brought a renewed commitment to God. During his Olympic winning lift, he initially failed at the first two lifts needed to win. On his third—and final—attempt, Paul related that he asked God for the little extra help he needed to push the weight up over his head. He made the lift that literally set the direction for the rest of his life. As an Olympic hero, he made many demonstration tours. During one

of these tours, he saw youths incarcerated with hardened criminals. He found his way to fulfill his promise to God by serving others through the establishment of a youth home for delinquent boys.

With his accomplishments and his size, Paul Anderson was not an easy man to miss. His olympic size was 5 feet, 9 inches tall, 375 pounds, a 58-inch chest, 36-inch thighs and a 22-inch neck. Using his booming voice, Paul began a series of speaking engagements that saw him witnessing for God and then performing some kind of demonstration lift, such as lifting people from the audience on a table, that would prove to be a crowd pleaser and help bring in the money needed to get the youth home started.

In 1957, Paul made the ultimate lift in his hometown when he piled weights onto a specially constructed table. He lifted this table—a total of 6,270 pounds—with the strength in his back and legs. This lift is still listed in the Guinness Book of World Records as the greatest weight ever lifted by a human.

In 1959, he met and married his wife Glenda who shared his vision of a home for troubled youth. In 1961, they founded the Paul Anderson Youth Home in Vidalia with the purpose of providing a Christian home for young men between the ages of 16 and 21 who would otherwise be confined to penal institutions. They developed a daily routine that includes spiritual guidance, academic training, physical fitness, emotional development, social awareness, and work assignments. In 1976, an on-campus school began operation to give students the opportunity to earn a high school diploma. The staff at the home provides counseling for the boys as well as their families.

Since the Paul Anderson Youth Home began, 2,000 young people have benefited from Paul's philosophy of life: "Give more than you get and lend you ability in any way you can to help somebody else". Teaching young men to work hard and diligently at any task is a foundation stone of the home's philosophy. The obligation for carrying out work assignments instills in the hearts of young people a sense of responsibility and the personal satisfaction of a job well done. This social awareness is something that is sorely missing in many of today's young people and had helped to lead to many of the criminal problems we see daily.

Paul's wife, Glenda Anderson has overseen its operation. She supervised the staff and the boys while Paul was on his speaking tours; and she continued to provide leadership when later health problems prevented him from his daily activities at the home. Glenda has provided administrative leadership, given personal counseling and attention, and maintained day-to-day contact with alumni and families of the boys. All this while being a mother of their daughter Paula, born in 1966.

Even as he used his life to help others, Paul Anderson faced a personal struggle as his health declined because of his battle against kidney failure. In 1983, Paul's sister gave him a kidney; in 1984, a ruptured colon caused him to be in a coma for 10 days. In 1986, he required double hip joint replacements, and then became confined to a wheel chair. Throughout all these physical ailments, his faith in God never wavered.

Many public honors were presented to Paul Anderson. These are too numerous to be listed now, but I will ask that they be entered into the CONGRESSIONAL RECORD along with just a few of many articles written about the life of this dedicated Christian gentleman. With the 1996 Olympic Games coming to Atlanta, Georgia, Paul was the subject of some recent articles about what has happened since the last time there was much attention to the Olympics in the State, that time being when Paul won his medal. I also wish to share two letters sent to Mrs. Anderson by Billy Payne, the President of the Atlanta Committee for the Olympic Games, and by Lindsay Thomas, the Director of Government Relations for the Committee. Lindsay served as Paul's Congressman from 1983–1992 and came to know him well.

Madam Speaker, I rarely utilize printed space in the RECORD for the inclusion of such articles, but Paul was such a special individual, with such a special story, that I would like to make these stories available to those who want to learn more about this unique person.

Paul Anderson's legacy will be in the thousands of lives that he touched, in the thousands of lives that he and his family changed. His words will be available through the video and audio messages he produced and the books that he wrote. In my congressional office, I have copies of such materials that tell about the life of Paul Anderson, including this copy of his autobiography, "A Greater Strength", which tells the story of the real power behind the world's strongest man.

I look forward to reading this book in its entirety. Before coming to the House floor tonight, I quickly looked through its contents and two passages of Paul Anderson's own words caught my eye. Both of these come from public remarks that he made. After talking about some of his weight lifting feasts, he told one crowd:

> They call me the strongest man in the world. I want you to know, ladies and gentlemen, that all these things are secondary in my life. I, Paul Anderson, the strongest man on the face of the earth, can't get through a minute of the day without Jesus Christ. The greatest thing in my life is being a Christian.

At another public event in his hometown, just prior to his kidney replacement operation, he was being honored on Paul Anderson Day with the dedication of a granite marker in his honor. In part, the monument was inscribed with this message: All our strengths come from God: to achieve—to excel—to succeed—to serve—to share—to forgive—to live and die—to gain eternal life through Jesus Christ.

When he departed this banquet to face the uncertainty of an operation that could take his life—or prolong his life of service, Paul Anderson left the gathering by saying:

> If someday you hear that Paul Anderson is dead, he's not dead. He's gone to live with God. He can't live anymore in this tired old vehicle. Don't weep for Paul Anderson.

Today, in Vidalia at the Memorial Service and in many other places where Paul Anderson's accomplishments are known, there will be weeping by those who were privileged to know him personally or to see the great good that he did with his God-given talents. With tears in their eyes and joy in their hearts, they will remember a saying once written by a reporter who wrote a feature story on Paul: "Paul Anderson is the strongest man in the world and he lifts weights too."

The Kingston Family and our Congressional office extend our prayers to his wife, Glenda Garland Anderson; his daughter, Paula Dean Anderson Schaefer; his sister, Dorothy Anderson Johnson; and his aunt, Betty Anderson Guest. We also send our prayers of thanksgiving to God for sending Paul Edward Anderson to share his time on earth with so many.

Mr. Speaker, I am including at this point in the RECORD two letters and a letter to the editor concerning Paul Anderson and a list of the medals and honors earned by Paul Anderson, as follows:

ATLANTA COMMITTEE,
FOR THE OLYMPIC GAMES,
Atlanta, GA, August 16, 1994.

Mrs. PAUL ANDERSON,
Paul Anderson Youth Home, Vidalia, GA.

DEAR MRS. ANDERSON: I was certainly very saddened by the news of Mr. Anderson's death. There are very few people in this state who have enjoyed the very high acclaim and wide recognition that Mr. Anderson attained. Being a gold medal winner in the Olympics and the "strongest man in the world" are truly unique accomplishments. The great thing is that Mr. Anderson took his fame and ability and turned it into a life dedicated to doing good for others.

I think, often, of the lives that he touched and the many great inspirations he left for others. To me, the mark of a truly great person is measured in the person's influence on others. In Mr. Anderson's case, these persons, too, are doing great things for the lives of others as well. And so, his great tradition is passed on from generation to generation.

I will always have fond memories of Mr. Anderson and I claim some sort of personal friendship with him, although we were often not in close contact. My acquaintance with him, in addition to reading about him in the news, goes back to Athens "Y" Camp in the late 1950's when, as a young camper, I saw him duplicate the world record press that he later performed in the Olympics.

It was a pleasure this past year when I helped in some small way to see that he received the very special Olympic tag that commemorated the year of his great performance. He was the only person who received such a tag.

I hope you will share my feelings and my condolences with your entire family and all of Mr. Anderson's many friends. He will be an inspiration for generations to come.

Sincerely,

LINDSAY THOMAS,
Director, Government Relations.

ATLANTA COMMITTEE
FOR THE OLYMPIC GAMES,
Atlanta, GA, August 16, 1994.

Mrs. PAUL ANDERSON
Paul Anderson Youth Home, Vidalia, GA.

DEAR MRS. ANDERSON: It was with sincere regret that I learned of the passing of your husband on Monday of this week, and on behalf of all of the employees of The Atlanta Committee for the Olympic Games I extend to you and your family our deepest sympathy.

As a young person in the late 1950's I, like many other Georgians, shared a special, great admiration and respect for the many accomplishments attributed to Paul Anderson as an athlete, and most especially as a gold medal Olympian. As I have grown older, however, and learned more about Paul Anderson, the man and humanitarian, those athletic feats, though impressive by any measure, pale in comparison to his many contributions to the youth of our society who for various reasons needed special attention and a friend.

Like the true Olympian that he was, Paul Anderson reached beyond himself in every phase of life and in doing so set an example for the rest of us that will live forever. We have lost a truly great person, but the legacy that he leaves behind is one that can only be measured in Olympic proportions. In his memory it would be most appropriate that those of us who remain strive to follow that legacy and touch the lives of our fellowman in the positive way that Paul Anderson demonstrated for us.

God bless you and your family, and thank you for sharing your wonderful husband and father with us.

With best regards, I am

Sincerely,

WILLIAM PORTER PAYNE,
President and Chief Executive Officer.

[From the Advance-Progress, Sept. 16, 1992]

PAUL ANDERSON IS THE STRONGEST MAN IN THE WORLD AND HE LIFTS WEIGHTS TOO

With the announcement that Atlanta will host the 1996 Olympics, newspapers throughout the state, including our own Advance-Progress, have begun running numerous articles concerning the upcoming games. Though a good four years away, the impact these games will have on our state has already begun to take shape, creating a tremendous interest among Georgians. With this in mind, I thought the local readers would enjoy learning more about Vidalia's own Olympic hero Paul Anderson.

Paul Anderson was born in 1932 in the midst of The Great Depression in Toccoa, Georgia, where he spent the majority of his early life, graduating from Toccoa High in 1949. In 1952, at twenty years of age, the young man from Toccoa appeared on the weightlifting scene where he immediately gained the attention of lifters throughout the United States, breaking records that had taken old time lifters dozens of years to establish. Anderson, who stood 5'9" tall, weighed around 300 pounds and sported huge 21" biceps, 16" forearms, 58" chest, and massive 34" thighs. Those who witnessed his lifts in person, described the young man as a new strength sensation. The stories coming back from his competitions were so amazing that for some time many of the magazines refused to believe he actually existed.

Between 1952 and 1955, however, magazines and newspapers throughout the United States and then overseas saw the new sensation in person as he quickly took control of the heavyweight division, smashing record after record. Lifting magazines described the young man as one of the greatest lifters of all times.

Paul gained worldwide attention, however, in 1955, when he shattered the egos of the Russians, who had ruled the heavyweight division for years. Paul's performance behind the iron curtain in Moscow was far beyond a simple win. He dominated the competition with such ease that the Russian newspapers labeled him a wonder of nature. One elderly Russian stated, "I can die happy now, I have seen the greatest thing on earth". Throughout the world Paul Anderson was recognized unquestionably as the strongest man in the world. Paul continued his march through the record books right up to the 1956 Olympics in Melbourne, Australia, where, despite a horrible fever, he won a gold medal in the then heavyweight division.

1996 will mark forty years since Paul's Olympic performance. It also marks forty years since an American has won a gold medal in the heavyweight division. Nine Olympic games have passed since Anderson's performance, yet the ever elusive Olympic gold medal remains only a dream to the many American heavyweight lifters who have trained and competed for the last four decades.

For many athletes this would be their top achievement. For Paul Anderson, however, his life had only just begun. The gentle giant from Georgia yearned for more, and in 1961 Paul and his wife Glenda established The Paul Anderson Youth Home in Vidalia.

For over thirty years The Paul Anderson Youth Home has provided thousands of homeless and troubled teenagers, most of whom would otherwise be in juvenile or adult institutions, a home where academic training, physical fitness, emotional development, and spiritual guidance are instilled. Their unique approach has been duplicated in numerous other homes throughout the nation by those wishing to accomplish the tremendous results achieved by the home in Vidalia. The Andersons, who are devout Christians, attribute their success to the spiritual guidance they give to the young men. One only has to talk to present and past students to realize the wonderful results the Vidalia home achieves.

Anderson is known throughout this country and even the world, however, not just for his athletic abilities, but for the tremendous Christian values he has carried with him over the years, and for his untiring devotion to helping his fellow man. That untiring devotion had him traveling untold hundreds of thousands of miles where he appeared before as many as five hundred audiences a year. During those appearances Anderson would astound his audiences as he lifted objects that no other human could lift and then, with a booming voice that very rarely required a microphone, shared with his audiences his love of God, country and the free enterprise system.

Over thirty years later one only has to ride out highway 297 to the north end of town where the beautiful Paul Anderson Youth Home stands to see that one man can make a difference, and that true heroes do, indeed, exist. Anderson's unselfish giving and his tremendous spiritual devotion has propelled him into a category very few athletes ever achieve.

Though Anderson plays down the many records he set years ago, instead wanting to discuss the youth home and his many Christian achievements, lifting experts throughout the world continue to discuss his legendary strength. Many believe Paul Anderson is the strongest man who has ever walked on earth. This was no more apparent than in February of this year when at the first ever held Power and Strength Symposium in Orlando, Florida, his peers recognized him as the strongest man of the century. One only had to be there in person to feel the tremendous respect these athletes hold for the man they have loved for years. Once again, however, the talk around the tables after Anderson left for his return trip home was not just of his athletic strength, but centered around the tremendous Christian principles he has shared with untold thousands over the years.

Those close to Anderson have adopted a saying once written by a reporter who spent some time with Paul for an upcoming feature story. Though the reporter's name has long been forgotten, his words have not: "Paul Anderson is the strongest man in the world and he lifts weights too."

Sincerely,

LARRY COLEMAN.

PAUL ANDERSON

1955—Won World Championship in Munich, Germany, by breaking two world records.

1955—Appointed Lieutenant Colonel, Aide De Camp, Governor's staff by Georgia's Governor Marvin Griffin.

1955—Georgia's Governor Marvin Griffin proclaimed July 5 "Paul Anderson Day."

1955—Goodwill Ambassador for America through the United States Information Service.

1956—Olympic Gold Medalist, last American to win in the super heavyweight division.

1961—Founder of Paul Anderson Youth Home, alternative to juvenile and adult penal institutions for boys between the ages of sixteen and twenty-one.

1964—Helms Athletic Foundation—Helms Hall of Fame Award.

1966—Appointed Lieutenant Colonel, Aide De Camp, Governor's staff by New Mexico's Governor Jack M. Campbell.

1966—Named one of Five Outstanding Young Men in Georgia by Georgia Jaycees.

1970—Governor Jimmy Carter appointed him to State Physical Fitness Council.

1971—District Toastmasters International Georgian of the Year.

1974—Inducted into the Georgia Athletic Hall of Fame.

1975—Appointed member Advisory Committee on Juvenile Justice and Delinquency Prevention by Governor George Busbee.

1975—Presented Branch Rickey Memorial Award, highest honor presented to laymen by Fellowship of Christian Athletes.

1977—Recipient of the Golden Plate Award presented by the American Academy of Achievement.

1983—Appointed Lieutenant Colonel, Aide De Camp, Governor's Staff, by Georgia's Governor Joe Frank Harris.

1983, May 25—Citizens of Toccao, Georgia, placed a permanent marker at his original home in Toccoa.

1983, May 25—Governor Joe Frank Harris proclaimed "Paul Anderson Day" in Georgia.

1983, May 25—Congressional Record paid tribute to Paul Anderson.

1983—Granted the Honorary Presidential Sports/Fitness Award for his contribution to sports in the USA by President Ronald Reagan.

1984—National Powerlifting Hall of Fame.

1984, May 30—Awarded Father of the Year by Southeast Farther's Day Committee.

1986, October 5—Declared "Paul Anderson Day" by Governor Joe Frank Harris in commemoration of the Paul Anderson Youth Home's twenty-fifth anniversary.

1990, June 29—Awarded Honorary Doctorate of Education from Piedmont College, Demorest, Georgia.

1992, February 14—Inducted into the Fellowship of Christian Athletes Hall of Champions.

1992, February 29—Presented "Strongest Man of the Century" award at the 1992 USA Power and Strength Symposium.

Awarded keys to cities including: Memphis, Tennessee; Salisbury, Maryland; Anniston, Alabama; Gainesville, Georgia; Toccoa, Georgia; Shreveport, Louisiana.

Listed in "Guinness Book of World Records" ". . . raised the greatest weight ever lifted by a human—6,270 pounds."

Member National Board FCA.

Author of three books, weightlifting courses, and poetry, as well as numerous newspaper and magazine articles.

Philanthropist whose speaking engagements and weightlifting exhibitions have provided a majority of the funding for the Paul Anderson Youth Home.

Highly acclaimed speaker for churches, Christian organizations, colleges, universities, high schools, corporations, and civic organizations.

Serves on the Board of Advisors of the Fellowship of Christian Athletes (FCA).

HEALTH CARE REFORM AS IT AFFECTS THE 85 PERCENT WHO ARE NOW COVERED—THOUGH NOT FULLY

The SPEAKER pro tempore. (Mrs. THURMAN). Under a previous order of the House, the gentleman from California [Mr. BECERRA] is recognized for 5 minutes.

Mr. BECERRA. Madam Speaker, I was going to devote a few minutes to talk about health care reform, but rather than do that I would like to just address some of the points made by some of my colleagues a little earlier today.

First, let me say a little bit about health care reform. I want to do that because I look at things from the context of what has happened to my family. I will speak most specifically about my mother and, if I have a chance, I will talk about my child, who is now about 15 months old.

I know a few of the gentlemen, my colleagues who came up before me, talked about the system and how it does not work. I think all of us would agree there are things about our health care system that do not work and dramatically do not work. But when one of my colleagues, Mr. SAXTON, from New Jersey, mentioned that 85 percent of the system works well because 85 percent of Americans are covered and 15 percent are not covered and it is that 15 percent that we have to address, this is a very major point. The 85 percent or so of the people who are insured are not getting the best type of coverage they deserve, whether it is my mother or someone working out there in the world or someone working in a business.

Talk to them, and they will tell you. They are right now concerned about whether or not they are going to keep their coverage or whether or not they are going to be able to afford it. That is what we have to address. Not just the 15 percent of America, which constitutes 39 million Americans, who are not insured, though we have to take a comprehensive approach to reform of our health care system.

Why do I say that? Well, I look at my mother. Years ago she had an operation in which she was in and out of the hospital within 24 hours. She was receiving some treatment because she was having calcification in her ears and was losing some of her hearing.

The doctor said it was a fairly routine procedure. It was surgery, they did have to go inside. But they said if all goes right, she would be out within 24 hours. Well, sure, she was in and out within 24 hours, with a bill of about $13,000. Now my mother had health insurance because my father was employed as a laborer for about 27 years of his life in road construction and he had partial coverage, 50 percent coverage—50 percent of $13,000, which they had to pay out of pocket is a lot of money for anyone, especially for someone who never earned more than $20,000 or $23,000 in his or her life before retirement. When my mother tried to deal with the situation and figure out why it was $13,000, she called, and she called not just the hospital but she had to call the insurance company. I must tell you my mother quickly learned what it is like to be an attorney, because she had to become her own attorney because she did not want to spend another $7,000 trying to, now, get an attorney to help her resolve the problems with her bill.

Interestingly enough—and I am her son, so she calls her son, who happens to be an attorney—when we finally had a chance to get access to that bill, let me tell you it was like extracting teeth to finally get the insurance company to give us copies of the bill.

I see why we have people complaining all the time about $5 aspirin tablets, because some of the expenses, some of the charges on that bill were ludicrous. Yet, she is someone who is covered. She is considered among the 85 percent of Americans who receive health insurance because she is able to get it through my father's employment, now in retirement.

Yet, can she afford to pay out $7,500, $6,000, even $1,000 in any given year for health care? It is tough. It is tough for anyone.

Now, put on top of that the fact that most people are seeing their deductibles go up, their copayments go up, their overall cost of premiums go up, and you see that the 85 percent who are covered do not have it easy.

On top of that, take a look at the 12 to 14 percent rate of inflation for medical costs, and you see something is wrong when the rate of inflation overall is about 2 or 3 percent.

Something is wrong.

Then I look back at my father's experience, and I had a chance to work with him when I was trying to pay my way through college, working out in road construction as well, more and more you find people who are working, working men and women who are constantly having to negotiate down their salaries to maintain their health care benefits.

That to me is not a sign of a system that is working. That is why we have to change, not only for the 15 percent who are not insured but for everyone, because sooner or later those who are insured are going to find themselves in the category of those who are not.

Interestingly enough, one of the reasons we have gridlock in this House is because people are saying, mostly on the other side of the aisle, that we cannot have what is being called the employer mandate or, as some would call it, shared responsibility, where the employer would pay a percentage, normally 80 percent, and the employee would pay a percentage, 20 percent, of the insurance.

Strangely enough, we are having a debate over something that goes on in America every day. Most of those 85 percent of Americans who are covered right now by insurance get it through their employer. They get it because the employer pays a good percentage of it right now, employer mandate or not. That is why I think what we have to do is understand that there is some good and some bad and make sure we deal with it for everyone, not just those who have it now.

I would hope that the debate on health care deals with those small issues, whether it is not those who—those who are not covered or the issue of those who are seeing too much bureaucracy, and we see there is a greater good in getting universal coverage.

HEALTH CARE REFORM: THE IMPACT OF TAXES

The SPEAKER pro tempore. Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, the gentleman from Pennsylvania [Mr. WALKER] is recognized for 60 minutes as the designee of the minority leader.

Mr. WALKER. Thank you very much, Madam Speaker.

I am going to talk a little bit about health care myself this evening. I am going to talk, and hopefully be joined by some of my colleagues in this effort,

about the taxes that are included in a variety of health care bills that are before this Congress, and try to put into perspective why some of us are concerned about how health care will be paid for, if in fact some of those particular measures pass.

But what I really want to do is begin by putting this into a little larger context because I believe the debate about health care also characterizes the debate going on in the country and a number of other arenas.

In Washington today the debate is often characterized as between conservatives and liberals or Republicans and Democrats or varieties of other kinds of groupings and that we have these battles that involve those kinds of political factions.

In my belief, that is not the real battle that is going on here. The real battle in Washington today and in the Congress is between those who believe that Government is too big and spends too much and another faction that believes just as sincerely that bigger Government means a better America.

Now, I number myself among those who believe that Government is too big and spends too much. Many of my Republican colleagues, I think, would probably be in that same category, although not all. Even some Republicans would agree that bigger Government means a better America.

But the health plans that we are considering here are very much involved with those two kinds of philosophies. In one case you have some health plans that stem from the idea that Government is too big and spends too much, and they are plans oriented toward keeping the present system of private care, private choice, and having the free enterprise system have a chance to work in health care. That particular system has produced the best health care system in the world. Many of us think it ought to be kept.

Those who believe that bigger Government means a better America have fashioned some new bills in Washington, some of which are coming before us in the form of the Clinton-Mitchell bill and the Clinton-Gephardt bill. In those cases they are also not only remaking the health system but they are figuring out ways to pay for it that involve new taxes, which is the subject of our special order this evening. This is happening in the context of an America where more and more people are coming to the conclusion that they need to take more responsibility for their own lives and that other people need to take more responsibility for their own lives. They also believe Government needs to have more accountability. It should not grow bigger; as a matter of fact, it ought to get smaller and be more accountable to the people.

And they want some idea of a hopeful future. They want some hope about what future generations are going to have in this country. In fact, many Americans think that one of the goals that we should be pursuing is the renewal of the American dream.

Now, I would contend that it is very, very difficult for more people to assume responsibility for their own lives if you raise their taxes, if you cut their wages and you take away their jobs.

I would also contend that it is very difficult to hold people more accountable within their own communities and hold the Nation more accountable if what we are doing to Americans is raising their taxes, cutting their wages and taking away their jobs.

And I would suggest there is very little hope involved in any kind of measures that pass the Congress that in fact raise the taxes of Americans, cut the wages of Americans, and take away the jobs of Americans.

□ 1940

And yet, and yet, the proposals that have been brought to us in the form of the Clinton-Mitchell health care plan and the Clinton-Gephardt health care plan would have exactly that impact on the country.

I am not going to discuss the problems that it would create for health care. I believe that these are plans that would create massive problems in the delivering of health care in the country, but I am not going to talk about those this evening. I am going to talk about the economics of the plans, and in those plans I am going to suggest that those plans have the potential for raising taxes, cutting wages, and taking away American jobs, and that is, in fact, a major concern, I think, for all of us if that is, in fact, what this Congress is going to do. I believe it is, and that will be a part of our discussion this evening.

What I would like to do is yield, first of all, to my colleague from Colorado [Mr. ALLARD] who is working with me on a task force looking into this whole problem of the tax problem within the health care plans and how those taxes can lead to cutting wages, increasing the tax burden on Americans, and taking away their jobs, and I yield to the gentleman.

Mr. ALLARD. Madam Speaker, I thank the gentleman from Pennsylvania [Mr. WALKER]. I would also like to compliment you, Mr. WALKER, on your fine work on the floor and your fine work on this issue because unfortunately there are too many Members of Congress that do not want to talk about the cost of health care, who want to continually talk about the benefits, but somehow or the other this is going to end up in a free ride. Nobody is going to have to pay for it, and every American knows that you are not going to get something for nothing, that the costs have to come from somewhere, and that is why this discussion is so very critical.

The focus that I would like to bring to this discussion is as somebody who has been in business for himself. I came to the Congress as a small business man. I was a veterinarian, started my own business, and I understand how sensitive small businesses are to just small changes in tax rates, and here we are, for example, with the Mitchell-Gephardt plans that are talking about tax increases that are going——

Mr. WALKER. That is Clinton-Mitchell and Clinton-Gephardt.

Mr. ALLARD. That is right. We got the Clinton-Mitchell and the Clinton-Gephardt plans that have been put out before us.

We are talking about increases of revenue. Most of them are tax increases that are going to be applied to the insurance policy, going to amount somewhere to a hundred billion dollars. That is a 20-percent increase in the income tax. Now——

Mr. WALKER. Now wait. Let us clarify that. You are suggesting that the tax increases involved in these two health care plans could amount to as much as a hundred billion dollars a year, which is the equivalent of a 20-percent increase in income taxes in the country.

Mr. ALLARD. A 20-percent increase in personal income taxes in this country, and what that does is that takes away from the spendable resources that individuals have.

Many small business people are individuals because they do not have a large enough company or large enough business to incorporate or to get organized, so they fall under this individual, and this is money that is going to be taken from their net profit and sent to Washington——

Mr. WALKER. But you are not suggesting that any of these plans actually come right out and include a 20-percent increase in the income taxes for Americans; are you?

Mr. ALLARD. Well, the effect——

Mr. WALKER. Effect is that, but in actuality what they have done is they have nicely hidden down in a lot of these bills a lot of taxes that they then do not want to discuss; is that not the case?

Mr. ALLARD. There is a lot of little taxes hidden in all these proposals. One of them has 12 taxes, and another one has somewhere around 17 taxes. But the biggest composite of all this is what we call premium taxes.

Now I had a proposal in the Committee on the Budget that said that any mandated revenues and mandated expenditures had to be on budget. Now the reason that is so very important to this discussion and so very important to the American people is that, when we talk about premiums, people get the impression that we are talking about premiums, people get the impression that we are talking about something that is voluntary, you go down and decide you need your insurance, you pay

for this voluntary assessment so you can get your coverage, but in this case it is a mandated revenue. In other words, you are going to be required to pay it by the Federal Government, and, if you do not pay it, there is going to be some kind of dire consequences.

That in my mind is a tax. That is so important to why we framed this discussion about what is going to have an actual impact on budget and not off budget. If it is off budget, there is no accountability on expenditures, no accountability on revenues, and the American people, I believe, want accountability on the health care system. That is part of their concern today.

Mr. WALKER. The gentleman from Georgia [Mr. KINGSTON] would like to join us here, and I would be happy to recognize him at this point.

Mr. KINGSTON. Madam Speaker, I thank the gentleman from Pennsylvania [Mr. WALKER] for yielding to me.

The question that I had when you were talking about this, you are basically talking about the old payroll tax concept, but has a few fancy slick titles, but it is still the payroll tax; is that correct?

Mr. ALLARD. In my view it is going to have an impact on the bottom line on what the employee is going to take home. It is going to have an impact on the bottom line, what the employer has available to create new jobs and to buy new equipment——

Mr. WALKER. The gentleman from Georgia makes an interesting point here, and it is an important point. Every time you hear someone talk about an employer mandate, that is a fancy word. What it means is payroll tax because when you say employer mandate, a lot of people say, "Well, that's not me. I'm not an employer. I work for an employer. Sounds to me as though my employer is going to get stuck for more money. Maybe that is a bad thing or good thing, but it really doesn't affect me."

What they have not heard is that employer mandate is an 80–20 split, which means that 20 percent of the cost of this they are going to pay. Employer mandate is really an employer-employee mandate with employees picking up 20 percent of the costs of all of these programs——

Mr. KINGSTON. If the gentleman would yield, now I understand a lot of unions have 100 percent of it paid by their employer, so what you are saying, if I have constituents who are members of a union, they are actually going to lose 20 percent.

Mr. WALKER. Right. At the present time anybody that has 100-percent health coverage at their place of work will now be required to pay 20 percent under the plan that has been put fourth here called the Clinton-Gephardt plan because they have an 80–20 split, and so it becomes a 20-percent payroll tax or—or 20 percent of the overall payroll is going to be paid by those union workers in your district. That is absolutely correct.

Mr. KINGSTON. So a rank and file union member working in a papermill in south Georgia who is maybe making $20,000 to $25,000 a year better be aware that he is about to lose a substantial portion of his payroll if this socialized medicine plan ever passes.

Mr. WALKER. If Clinton-Gephardt passes, there is absolutely no doubt that that employer is going—employee is going to end up with an additional payroll tax, and most employees now have awakened to the fact that that is real money. For most employees out there at the present time, for most middle class employees, for most average families in this country, they pay more in Social Security payroll taxes than they pay in income taxes, and so this is a very, very real expense in the pocketball when you start talking about that level of payroll tax.

But let me tell the gentleman the gentleman from Colorado was mentioning another thing. There is a premium tax. If you go over to the Clinton-Mitchell bill, there they do not have the payroll tax in it as such. Over there what they have done is they have put in place a 1.75, 1¾-percent tax on all private and self-insured health care plans, a premium tax on your actual health insurance. So, get this:

If you are buying health insurance, what they are now going to do is tax the health insurance that you are buying to take care of your health, and so what they are going to do is raise the price of all health insurance all across the country that not only then affects the employee and the employer, but it also has a massive inflationary impact on the society because all of a sudden you have raised the cost of health care all the way across the board by taxing the premiums on your health care policy.

□ 1950

To those union workers in your district that have particularly good health care plans, guess what? They are going to pay particularly more, because this is an 1.75-percent tax on the entire premium of the insurance.

Mr. ALLARD. If the gentleman would yield, obviously you are not going to get something for nothing. We talk about the current payroll taxes for Medicare, and then we have Medicaid. We are talking about 60 million people covered by both. We have now got a program that is going to bring in another 60 million people. And no matter whether you do something to try and keep yourself healthy, right now there are incentives in the system to be healthy. If a business sets up a health plan for regular checkups, exercise, and whatnot, they can do things to try and control their health care costs.

This is an uncontrollable cost that is going to go to individuals. It is going to go to the business people. It is a payroll tax that hits both sides. It hits the employer and the employee, no matter what you do, and I think that is devastating.

Mr. WALKER. You know, that is kind of interesting. We wanted to make certain we are bipartisan in some of this. I want to quote here from a Dear Colleague letter we recently got from one of our Democratic colleagues who tells us that when all these premium taxes are added up, it really is not going to pay for better health care. He makes the point, quoting from Congressman TIM PENNY, "Over half of the new taxes in the leadership bill," which is the Clinton-Gephardt bill, "come from premium payments for non-enrolling employees." Listen to this. "These are fees the employers pay for employees covered somewhere else, through their spouse, et cetera. Until the year 2003, the Treasury keeps this money to finance the cost of the legislation, thereby helping the 10-year outlook tremendously. After 2003, this money would be returned to the employer who provides the insurance."

Why isn't this money given to the employer who provides the insurance immediately? Because the money is needed to cover the higher health costs in the first 10 years.

So they are boosting the health care cost. They are charging the employees. We are going to collect the money here, use it to make the books look better, and everybody loses. The employee loses, the employer loses, everybody loses, and we get tremendously more expensive health care in the country.

Mr. KINGSTON. If the gentleman will yield, the thing that I have been told about Medicare during its first 5 years is that it was 70 percent over projection. So the cost of that, and when we are talking billions and billions of dollars, it is so important to remember, 70 percent over projection, when as the gentleman from Colorado says, we are talking about a $100 billion cost, we have absolutely no idea what we are talking about in truth, because we cannot predict over-utilization.

Another thing, my office is getting bombarded by provider groups saying "I want to be in on the standard benefit package." The history of these State-run programs in places like Hawaii is that new provider groups every year have come in and said include this, include that. And as they do, that $100 billion that the gentleman talked about goes through the roof. Then the payroll tax will not be just the end of it. There will be more and more taxes.

Mr. WALKER. The history of payroll taxes is every time you have one, it keeps increasing. It is always for

things that look like they are good reasons. But the bottom line is that they have a tremendous impact on the pocketbook of the average American family, and it keeps that American family from being able to be responsible for itself. It keeps that family from being able to pursue the things that it regards as most important, because too much of its money is headed back to Washington or someplace else in payroll taxes, that they end up not being able to afford.

Mr. ALLARD. On this discussion on the cost to the employer and the cost to the employee, I am looking at a study here put out by the Heritage Foundation. They are talking about the impact on both the employer and the employee. Here is a chart that talks about the wage effects of the Gephardt bill, for example. It applies to my State of Colorado.

It states here the net change in wages per employee is $705. In other words, that employee is going to take home that year $705 less than what he has been all along, without a salary increase.

Then let us look at the other side and how that is going to impact the small businessman or the employer. It says here that we are looking at a cost per employee to the business person of $802. So we have the employer facing a cost of $802, additional cost per year per employee, and then we are looking at each employee is going to be looking at taking home $705 less. That is just in the State of Colorado.

It is going to have an impact on all employers and employees.

Mr. WALKER. The gentleman raises an interesting point. Recently I was contacted by the National Federation of Independent Businesses, the small business organization in Washington, who has done some studies of their own. I was shocked to find out that if the Clinton-Gephardt health reform bill were to pass, 66,120 Pennsylvanians would end up losing their jobs.

Now, I looked at that figure, and it stunned me. And then all of a sudden I realized if you divide that out, that is on an average 3,150 people in my congressional district that are going to lose their jobs as a result of this. It is not just the wages are going to go down, it is the fact that actual people are going to lose their jobs, 3,150 people in my district.

Then to go along with what the gentleman just said, NFIB looked and figured out how many jobs were going to get wage cuts if we passed the Gephardt bill. This is a pretty stunning figure. In my State, 539,754 people are going to end up having their wages cut as a result of this bill. That is almost an entire congressional district in my State that is going to have their wages cut under this bill.

In my district, if you average it out, in my district under this, 25,700 people in my congressional district are going to have their wages cut if this bill passes and becomes law.

Now, I do not know a lot of people in my district that can afford to take wage cuts at this point. I sure do not know people who can afford to lose their jobs.

Mr. KINGSTON. Especially after the tax increase they were hit with last year.

Mr. WALKER. They are already paying increased taxes.

Mr. BECERRA. Would the gentleman yield?

Mr. WALKER. I yield to the gentleman from California.

Mr. BECERRA. I am interested in the discussion. I had spoken a little earlier on some of the issues on health care. I do not know if the gentleman from Colorado's figures are accurate or not. We always hear figures. Assuming there might be some accuracy in the figures of $705 less in take-home pay, it seems to me those Coloradans who will now be given full coverage at an expensive $705, which is probably 2 month's worth of premiums in this day and age, might be benefited by having the Gephardt plan if that is the case.

In terms of the gentleman from Pennsylvania's point that there might be 3,000 or so people who might lose their jobs in his congressional district, which is again, of course, about the same size as my congressional district, I know that the Department of the Treasury has told me according to their surveys and studies, and again we can question whether they are accurate or not, but that there are 179,000 people in my congressional district who are not insured. A third of those are children. Eighty-five percent of those 179,000 people are working, but they do not have insurance.

Mr. WALKER. Let me tell you how phony those figures are. One of the things the figures included in my districts are the Amish. They do not have insurance because they do not believe in insurance. Yet they are carried as part of the figure here that is told to us about uninsured Americans. So I have real questions about whether or not those figures reflect much beyond a decision that we ought to have a bigger government that provides health care for everyone.

I do not believe, to begin with, that that is possible to happen. But second, I also question whether or not the cost is too enormous. For many of those people that the gentleman from Colorado was talking about, their employers cover them pretty fully with health care insurance right now. What you are saying to them is you ought to give up $705 so that other people who are not covered can get health care coverage.

Mr. BECERRA. I think the gentleman has misconstrued the plan that Mr. GEPHARDT has presented. The majority leader's plan does not say that an employer cannot continue to fund 100 percent of a plan. It says the employer is only required to fund 80 percent of a plan. If we have generous employers who wish to fund 100 percent, that is great. I think employees would rather have an employer that would like to fund 100 percent of a plan. We have too many employers who cannot afford to fund 80 percent.

Mr. COX. I assume that the gentleman is aware that the Clinton-Gephardt bill proposes $7 billion in new taxes on health care premiums themselves, a direct tax on individuals who buy health insurance, if they happen to be self-employed, and obviously a pass-through tax for anyone who gets insurance through their employer.

□ 2000

That explicit $7 billion tax is just the base of what Martin Feldstein has determined is a $100 billion annual tax increase. You cannot have a tax increase of this magnitude on the American economy without destroying jobs.

So the real question is not how many people right now are without health insurance and how many people right now are at the margin. The question is, after this enormous new tax plan passes, $100 billion a year, according to the former chairman of the Council of Economic Advisors, how many more people will be without jobs and how many more people will be on the margin and what overall for America will be the reduction in the quality of care and the availability of care?

If fewer people are working, if we destroy as many jobs as it is estimated we shall with this magnitude of tax increase, what will be the availability to the Government of revenues necessary to run what is obviously the largest expansion of entitlements in American history?

Mr. WALKER. Just to emphasize the gentleman's point, the total job loss under the Gephardt plan, Clinton-Gephardt plan, is 1,323,961 jobs, according to NFIB. The numbers of people who will have their wages cut under the Clinton-Gephardt plan is 10,986,106 people. Those are enormous figures. Imagine, 10 million Americans are going to have their wages cut as a result of this plan.

Mr. BECERRA. The gentleman is being very gracious with the time.

We do not know if the numbers that we are all talking about are accurate or not.

Mr. WALKER. These are NFIB numbers.

Mr. BECERRA. Whatever the source might be, we all have to just assume that what we are saying is somewhat accurate. But if in fact 10 million Americans will now see their wages decrease as the gentleman has explained it, is that not as a result of trying to provide these Americans who do not have health insurance coverage with coverage?

I would ask the gentleman from Pennsylvania, how much is he paying a month right now for his health insurance?

Mr. WALKER. I personally pay, I think, about $100 a month.

Mr. BECERRA. So in 7 months, you would recoup the $705 that you are saying the people in your State or the State of Colorado will pay?

Mr. WALKER. I personally pay that. I do not think anybody, I do not think anybody is going to reduce that for me. It is not going to be reduced. I still have to pay it right now. Right now I pay 25 percent. My guess is that that is exactly what I will end up paying in the end. I am not going to have that reduced and no one else is either.

What the gentleman from California is making the point, and he is absolutely right, in addition to that, you are now going to put a premium tax on that insurance that is going to cost me more. The cost of my insurance is now going to go up because of the premium tax that is included in these bills. So you are going to charge me more for my insurance now. I am not going to get any break. Maybe some additional people are going to get covered, but it is not going to help me.

Mr. KINGSTON. Let me say this, if you lose your job, even for a good intention, like to get health care, you still lose your job. I do not think it is the Government's right.

I want to back up a little bit, because in some way we are talking about the paint of a car, the color of a car that we are going to buy, but we do not have the money to buy the car. We have all somewhat agreed, and if I could paraphrase the gentleman from the other side of the aisle, you said we are not sure about these figures, which I agree with. We are not sure about these figures at all.

The reason why we are here, the reason why we were all sent from 435 congressional districts is to know the figures, know the facts.

If you all remember political science 101, whatever your background is, you know that when a bill is introduced, how a bill becomes law. It is read on the floor of the House. It is referred to a committee. The committee assigns it to a subcommittee and sometimes three or four subcommittees, sometimes it goes to two or three major committees. Then it is reported out of it. It goes to the House floor, comes back for a vote.

During that period of time there are countless hearings, countless letters, countless studies done to find out, are we talking 600,000 jobs or 11 million jobs. How many jobs are we talking about? How much money. This is how a bill becomes law.

If you took it in political science 101 in college, you learned you did not need to buy Sominex ever again because this gave you all the facts.

Now, what we are doing with one-seventh of the economy is a little bit different. We are talking about the Clinton-Gephardt bill, which we do not have, unless any of my colleagues have got the bill. Is there anybody here that has a bill?

Mr. BECERRA. It was printed up as of last week in the CONGRESSIONAL RECORD, every single word.

Mr. KINGSTON. Has that been distributed to all the Members?

Mr. BECERRA. It is available now.

Mr. WALKER. Let me just say, it is available. The problem is, the cost estimates are not. A lot of what we are talking about here is cost estimates. The cost estimates are not, because it has not been through the process. We do not have any idea what some of these provisions cost.

Mr. KINGSTON. And remember, Mr. GEPHARDT has already said he is going to rewrite Clinton's bill. So if you have one right there, that is not the bill that your leader has said he is going to rewrite. So here is where we are. We are in a position that a bill has been introduced, read into the RECORD, and that is supposed to be it. I do not know any other bill that has gone through a process like that. We are voting on it because we have been held hostage in Washington, DC.

The President is going to sign it and, presto, rather than this going through a deliberative process and knowing the real numbers on the taxes, how we will pay for it and all of that, we are going to have this. As a result, the American people are going to have this.

Mr. COX. If the gentleman will continue to yield, I think we have to focus on the numbers we do have. The gentleman is right. We are operating in an environment of uncertainty.

Over in the Senate I understand Senator MITCHELL went down to the White House tonight to say that his Clinton-Mitchell bill is in trouble. We are obviously spinning our wheels here waiting for the majority leader to try and put together enough votes on the Democratic side so he might be able to bring his bill here to the floor. That is why the bill is constantly changing. Because in order to get the votes, it has to change.

But notwithstanding that there is no health care bill that has a rule to come to the floor, the Clinton-Gephardt bill that was submitted to CBO, that was printed in the CONGRESSIONAL RECORD that our colleague is holding up in the air, has been scored by CBO in such a fashion that there are $63 billion per annum, per year, in new taxes on top of current levels in addition to the stated taxes in the Clinton-Gephardt bill. Those $63 billion have been understated, according to Professor Feldstein of Harvard and the National Bureau of Economic Research, by yet another $40 billion, getting us to $100 billion.

Let me illustrate where some of these billions and billions in annual new taxes on American working families are coming from.

Medicaid is nearly abolished by the Gephardt-Clinton bill, a fact of which the majority leader is quite proud. We are going to save, he believes, all sorts of money by requiring private insurance companies to provide Medicaid benefits. But here is the rub, the standard benefit plan in the Gephardt bill is much less generous than Medicaid. So what poor Americans are now being guaranteed by Medicaid is better than what all Americans will get out of the standard benefit package.

And under the Clinton-Gephardt bill, the Government is going to guarantee to the private insurance companies that are now responsible for Medicaid only the same subsidy that they are going to pay to all Americans for the Government standard benefit plan, even though the private companies are going to continue, under the Gephardt-Clinton bill, to have to provide the higher level of care that is currently guaranteed to Medicaid recipients.

That is $29 billion of difference outlined in this piece by Professor Feldstein and the National Bureau of Economic Research.

What do you think happens to that $29 billion that insurance companies have to pay out but that they do not get from the Government for Medicaid recipients? They shift that entire $29 billion cost onto the premium payers that are private.

Mr. WALKER. Over and above the premium tax.

Mr. COX. This is $29 billion that gets sucked out of working Americans' pockets because private insurance companies are mandated by law to provide the Medicaid benefits that the subsidies do not cover. The money has to come from someplace. That is $29 billion of it right there in an annual new tax that is quite nicely hidden inside the Clinton-Gephardt bill.

Mr. BECERRA. I thank the gentleman for yielding. You are right, it is difficult to read through this. I would not encourage anyone to have to read such small print. That is the case with just about any bill you pass, because are you dealing with so much language. One thing I did not learn in poli sci 101 is politics. For anyone to come to the floor of this House and say that we have not had a chance to discuss the guts of what is health care reform, I think it is unfair.

Because my predecessor, I just came in, this is my first year in Congress, my first session in Congress, my predecessor, who was here for about 30 years, constantly, for years, tried to push through health care reform, major health care reform. He was not able to do it.

We can go back to the early 1970's when President Nixon tried to push

through similar health care reform as we see on the floor being debated today. It is there. Clearly a lot of the components of the Gephardt bill were not in language that was seen 4 months ago, 3 months ago. But we have debated just about every component of it. Now it is a matter of ways to get it scored to see how much it costs so we can have an honest debate. But to say that we have not had a chance to discuss meaningfully just about every component, I think is an unfair statement for the American people to hear.

□ 2010

Mr. KINGSTON. If I may respond, I find it appalling that you are suggesting that cost is not a major component. Listen, we are not talking about letting the Government run it. We already know that the purpose of the Clinton-Gephardt-Mitchell approach is to let the Government run health care. That is not right. We are talking about the cost of it, and what you have just said, if I heard you correctly, is we have talked about all the major components.

We believe on this side of the aisle, and I believe most of our constituents do, too, that a major component of health care is cost. That is what we are talking about here tonight, and we all know we do not have any idea what it is truly going to cost. That is why we have not even had a bill.

Mr. WALKER. The gentleman from Colorado [Mr. ALLARD] has been very patient, and I will yield to him.

Mr. ALLARD. We are throwing billions of dollars here and a billion dollars there, Madam Speaker, and I think back to my small business background, every $10 made a big difference. I was in the State senate and we ran things off to the closest thousand. Here we are talking about billions and billions of dollars.

The bottom line is, is this going to cost us more? It is going to cost us jobs and it is going to be reflected in tax rates, the amount of taxes people have to deal with.

Mr. WALKER. All of these billions we are talking about is 3,150 jobs in my district that are going to be lost. The people of Lancaster and Chester Counties in Pennsylvania are going to lose 3,150 jobs that we cannot afford to lose. That is what the billions of dollars mean. That means that practically every community in my district will lose at least one job, and maybe several. We can talk about the billions, but those kinds of specifics do need to be debated here.

Mr. BECERRA. Are not the four gentlemen on the floor here debating one major piece of legislation?

Mr. ALLARD. We have a lot of people working part time who are going to be impacted. They may hold down two or three or four part-time jobs. Those are part of the loss that we are going to—that is going to make it more difficult for these hard-working Americans on the lower end of the pay scale to keep a job, and then to have the revenue that they need to support their families.

Mr. WALKER. I do not think it is going to be the chairman of the board of one of my major industries that is going to lose his job. My guess is it is going to be people who can ill afford to lose their jobs, who are going to be those who are out jobs as a result of this.

Mr. BECERRA. If the gentleman will continue to yield, and I thank the gentleman for yielding again, it seems to me that one of the important things that the four gentlemen here are excluding or omitting from their discussion in talking only about the Government taxes that may be increased, is what I would call private taxes that are already increasing upon all Americans, either insured or uninsured.

We have a system where close to $1 trillion right now is being spent on health care, yet we have about 39 million Americans who are not yet covered. If we let things continue the way they are going, in the next 6 years, by the time we hit the next century, we are going to see that the cost will have increased dramatically on Americans.

So whether we call it a tax from the Government or a tax from private industry which has not been able to corral its costs, there is still a tax. Whether it is paid out to the Government or paid out to an insurance company in a premium or a copayment or a deductible, it is still coming out of the pocket of the American people. We have to take the whole picture into account.

Mr. WALKER. I say to the gentleman, before yielding to the gentleman from California, private industries pay taxes, they do not create taxes. Taxes are that which is coerced out of people's pockets by government. That is what is happening here. I will tell the gentleman, that is very specifically what this special order is all about.

We are talking here tonight about what is going to end up being coerced out of the pocketbooks of working Americans as a result of the passage of the Clinton-Gephardt plan. In our view, that is a legitimate subject, because the Clinton-Gephardt plan is in fact a big-Government plan that relies on big-Government taxes.

We want the American people to understand that those big taxes are going to impact on them; that when many people on your side of the aisle talk about employer mandates, the American people need to really know that is a payroll tax. We are talking about a payroll tax, a payroll tax that is not only going to take more money out of their pockets but is going to cost some of them their jobs.

I yield to the gentleman from California.

Mr. COX. I think the gentleman is quite right to focus on this very euphemistic term, "employer mandate." It is a payroll tax, and it is a substantial one. Of course, a payroll tax is a tax on jobs. It is not only a tax on people who currently work, but it is the worst of all, a prohibitive penalty tax on people who do not yet have jobs, because it raises the cost of creating that new job.

If you are trying to get your first job, if you are unemployed and you are looking for work, would it not be a shame if that job that you might have gotten is destroyed because a new tax was placed on that job that made the cost of hiring you prohibitive, and the employer could not hire the margin worker?

What we are looking at with $100 billion in annual new taxes, according to professor Martin Feldstein, again, at Harvard, the former chairman of the President's Council of Economic Advisers, and the National Bureau of Economic Research, is the equivalent of raising personal income taxes 20 percent across the board.

Mr. WALKER. Can you imagine the outcry that would happen if they actually put that in the bill, that they were going to raise personal income taxes 20 percent to pay for all of the things they want to do?

Mr. COX. If the gentleman will yield, of course that is exactly what is in the bill. The fact that we have not had time to read it in committee, as has been pointed out so eloquently, is the only reason that more people are not aware of the fact that we do in fact have such an enormous increase in taxes in this bill.

Let me just explain where $13 billion of that new annual tax burden comes from. It comes from Medicare cuts. Again, the majority leader is proud of the fact that his bill cuts Medicare. The bill actually requires that hospitals and other providers continue to provide the same level of Medicare services, no reduction in the services that they are required to provide, but it cuts billions of dollars, $13 billion a year, out of what they can get for it.

Naturally, the hospitals and the providers are going to have to shfit that cost onto their paying patients and onto people who are privately insured, so that those people, working Americans who are not getting the Government subsidies, are going to pay 100 percent of this new $13 billion annual tax.

That, taken together with the $29 billion annual tax from the Medicaid shift to private insurance without an accompanying sufficient subsidy, and the $7 billion in explicit new taxes on health care premiums, of all things—obviously we were supposed to be reducing the cost of health care in this exercise, and now we are levying a tax directly on the health care insurance itself, and

that is on all health insurance, I should add, in the Gephardt bill. Over in the other body the Mitchell bill has a 25-percent tax, a huge tax on any insurance plan that does not fit the prescribed form of the national benefit plan.

Mr. WALKER. So in other words, if you get one of these good plans that some people around here call the Cadillac plan, the Mitchell-Clinton bill would actually tax those plans?

Mr. COX. That is exactly right. But here the Gephardt plan is going to tax you even if you do conform with the standard benefit plan, the one-size-fits-all plan for America. When you add all these taxes together, that is where $7 billion, the premium tax, $20 billion, the Medicaid tax, $13 billion, the Medicare annual tax that I explained, $27 billion in additional tax burden on the American people that Professor Feldstein explains will be caused by people changing their behavior to, in essence, game the system, so they qualify for more subsidies, all that adds up to $100 billion a year in new taxes, or the equivalent of a 20-percent income tax increase across the board for all Americans. It is just extraordinary to think of the economic impact this will have on America. It will destroy jobs.

Mr. WALKER. I yield to the gentlewoman from Texas [Ms. EDDIE BERNICE JOHNSON].

Ms. EDDIE BERNICE JOHNSON of Texas. Could I just get a clarification, Madam Speaker?

Are you speaking about the working people that have no opportunity to be covered on their jobs by private insurance, those people that other working people have to take care of, simply because they have no mechanism by which to pay their insurance? Is that the population you are speaking about?

Mr. WALKER. What I'm talking about is the fact that the increased taxes that are in the Clinton-Gephardt bill are going to, in fact, cost a lot of those people their jobs. In fact, I gave a figure earlier, before you came here: 3,150 people in my area, according to the National Federation of Independent Businesses, are going to actually lose their jobs; 25,700 people in Lancaster and Chester Counties, PA, are going to have their wages cut as a result of this bill. A lot of those are people who can ill afford to have their wages cut.

Ms. EDDIE BERNICE JOHNSON of Texas. Are you telling me that businesses would rather lay people off than share the cost of their insurance?

Mr. WALKER. What I am telling you is that the cost of the taxes that are included in this bill are in fact going to have impact. I realize there are a lot of people in the Congress who think we can pass taxes and they have no economic impact. The fact is they do have economic impact, and it causes people to lose jobs.

In this particular case the enormity of the taxes is going to cause literally, according to NFIB, 10,968,106 Americans to have their wages cut, and over 1 million Americans will lose their jobs.

Ms. EDDIE BERNICE JOHNSON of Texas. What is this going to cost the working people, unless they have the opportunity to pay for their own insurance? A lot of working people do not have the opportunity to pay for their own insurance.

□ 2020

Mr. WALKER. Our point has been the working people are going to pay a terrible price here.

Ms. EDDIE BERNICE JOHNSON of Texas. They already are, paying for those people who have no opportunity to pay for their own private insurance because their companies will not offer them a plan. These are the companies that are pulling out of the taxpayers' pockets because they will not offer an opportunity to people to pay for their own insurance.

Mr. WALKER. The gentlewoman has a rather strange view of the American economy, but I would say that I thoroughly agree—as I said to begin my remarks, I thoroughly believe that there are many people on your side who believe that bigger Government leads to a better America. That is exactly what I am hearing.

Ms. EDDIE BERNICE JOHNSON of Texas. We are not talking about a bigger Government. We are talking about an opportunity to stop paying so many taxes for working people. We want them to have the opportunity to pay the taxes for themselves by having an opportunity to have their own insurance.

Mr. WALKER. Your opportunity is more taxes on both employees and employers.

Ms. EDDIE BERNICE JOHNSON of Texas. You like saying that. But that is not the truth.

Mr. WALKER. It is.

Mr. KINGSTON. Is it not true that the Michel and Rowland-Bilirakis plan does address the working poor, that $5-an-hour brick mason who may work 8 months a year, he is serviced by the Rowland-Bilirakis plan without a tax increase? He gets to keep his job and his insurance.

Mr. WALKER. There are a number of options around here other than the Clinton-Gephardt big Government plan.

Ms. EDDIE BERNICE JOHNSON of Texas. You want to protect those businesses who do not want to protect their employees.

Mr. WALKER. Madam Speaker, I think I have been very generous in terms of yielding time here on both sides, and I am willing to do that, but I think that we ought to be given the courtesy of pursuing the issue that we brought to the floor. I will be very happy to yield to the gentlewoman and allow her to have some time, too, but I wish she would allow my colleagues to make their points without trying to outshout them. It seems to me we ought to have a dialogue here that is helpful and does not become a shouting match. I will be very happy to yield in a way that makes that happen.

Mr. COX. I think I can answer the gentlewoman's question directly from the Congressional Budget Office report that we have seen on the bill that we are discussing. The CBO's report, and I am reading from it, and this is a quote, acknowledges that the effective marginal levy on labor compensation, and now we are talking about, in other words, the effective marginal tax on labor compensation could increase by as much as 30 to 45 percent for workers in families eligible for low-income subsidies, the very people we are supposedly trying to help, so that "some low-wage workers would keep as little as 10 cents of every additional dollar earned." This is a quote from the Congressional Budget Office report on the bill. This is how steep the effective marginal taxes are on low-wage workers. Of course the ultimate tax is losing your job.

Virtually all economists agree that if there is a new payroll tax, it is going to have to come out of either employee wages or other fringe benefits or it will result in reduced employment. All of the studies presented to the Joint Economic Committee, whether it is from the Rand Corporation, the State of California or what have you all show that that is where the money comes from. That is how the cost is paid. And the only tradeoff is some people say that you lose a few more jobs and you do not reduce wages quite as much. Other studies say, no, you reduce wages a lot and you do not lose quite as many jobs. Everybody agrees that you lose jobs and you cut wages. Of course if the magnitude of the tax is $100 billion a year, it is just absolutely mind-boggling to contemplate what an enormous tax increase this is. It makes last year's largest tax increase in history pale by comparison. It is absolutely certain that we are hurting low-wage working Americans. The Joint Economic Committee found in a report by our staff economists that the people bearing the greatest burden from this so-called employer mandate, the new health care payroll tax, are people with annual incomes of $14,000 to $24,000. Those are the people that are bearing the burden.

Mr. ALLARD. The bottomline is we are pulling in 60 million Americans over and beyond the 60 million that are covered by Medicare and Medicaid. We have to pay for this additional coverage some way. The only way we are going to do that is we are going to have to apply a tax. I was looking at some figures here that is looking at somewhere around $100 billion.

Mr. WALKER. That is $100 billion a year.

Mr. ALLARD. One hundred billion dollars a year. We are talking about part-time employees. I am trying to think here. Who are part-time employees? It might be the neighborhood fellow over here that cuts your lawn. It may be someone you hire to come in and clean your house. It might be someone you are paying to baby-sit your pet or even baby-sit your child. So when you stop to think about the myriad of part-time jobs that we have in this economy, it is not hard to understand how you lose jobs when you have these expenses that go over—we are not talking about large corporations, these are individuals who hire people to come in and do work for them on a part-time basis. When both parties get hit with these types of tax increases, it reduces productivity, it has an adverse impact on revenue to the Federal Government, to everybody. And there is a limit there on how high we can go on taxing people, and I think that is a lot of what this discussion is about.

Ms. EDDIE BERNICE JOHNSON of Texas. I just want to clarify with my colleagues. When working poor, marginal workers, whatever way you want to define them, have no opportunity to pay for their own insurance, are you not keenly aware that taxpayers pay that bill? Are we not going to look for an opportunity for them to have a way to pay their own way with it being shared by the employer? Or do you expect that the working people are going to continue to pick up the tab for both the employer and the employee?

Mr. WALKER. I would say to the gentlewoman, that is exactly what we attempt to do in both the Michel bill that is here and the Rowland-Bilirakis bipartisan bill.

Ms. EDDIE BERNICE JOHNSON of Texas. That is what is being done in the Gephardt bill.

Mr. WALKER. One of the provisions in there is aimed at providing the kinds of encouragement that employers need in order to provide that kind of broad-based insurance, and we believe that that will help in the situation. Does it solve the entire situation? No, it does not. But it provides coverage for millions more Americans than now have coverage. But it does so without raising taxes.

What the gentlewoman is suggesting is, it seems to me, that the country is better off if we simply raise taxes, grow Government bigger, because that will help these people.

Ms. EDDIE BERNICE JOHNSON of Texas. You have grossly misunderstood me. May I clarify my point?

Mr. WALKER. Sure. Go ahead. I yield to the gentlewoman.

Ms. EDDIE BERNICE JOHNSON of Texas. I know that it is important to you to label my side of the hall here as tax-and-spend. That seems to be quite important. But the truth of the matter is the Gephardt bill is attempting to take some of the burden off middle-class America so that persons who are working can have an avenue by which to help pay for their own insurance.

Mr. WALKER. I would say that I think we are attempting that in the proposals that we will put forth as alternatives.

Ms. EDDIE BERNICE JOHNSON of Texas. We are talking about people taking on their own responsibilities. Not raising taxes.

Mr. WALKER. Once again, I remind the gentlewoman that I control the time and I would like an opportunity to answer without her outshouting me.

Ms. EDDIE BERNICE JOHNSON of Texas. I am listening.

Mr. WALKER. We think that we do provide the opportunity within the alternative bills that we have put forward for people to have those kinds of plans and that we do so without raising taxes, but I would simply say to the gentlewoman that the tax plans that are a part of the Gephardt-Clinton plan that you endorse in fact will lead most of those low- and middle-income Americans or for many of them to a situation that is going to raise their taxes, cut their wages, and take away their jobs. We simply say that that is unacceptable, that is unacceptable as national policy. You may think that there is a common good at the end of that process that justifies doing that, but I suggest to you, when you raise people's taxes, cut their wages, and take away their jobs, you have done something wrong.

Ms. EDDIE BERNICE JOHNSON of Texas. Are you assuming that employers are just that unscrupulous? It sounds to me that you are assuming that the employers are irresponsible, that they do not want to take on their proper share.

Mr. WALKER. I am not assuming that at all. I am assuming that if you give them the kind of incentives that they have in the Rowland-Bilirakis bill that they will be very happy to step forward and do this and in fact will do much more than the initial estimates suggested. But right now we have provided disincentives within our State for that. We want to reincentivize the economy to allow employers to step up to that plate and we think that is possible, and you can do so without raising taxes, without cutting jobs, and without cutting wages.

□ 2030

It seems to me that is the right thing to do. Let me yield to the gentleman from Georgia [Mr. KINGSTON].

Mr. KINGSTON. I think it is important for us to recognize that there are philosophical differences as to what the role of Government should be in private industry, in health care, in individual people's lives. I think that less Government is better Government. I think often the Government goes into this picture of the struggling middle class who wakes up in the morning and hopes Government will do something for him or her, and I find that kind of like getting fish out of the water to keep them from drowning when the Government gets involved. I do not think the middle class sits forlornly and says only the Government is going to get me out of this one.

You know we have a good bill that does not turn health care over to the Government in the Michel bill.

But there is also the bipartisan Rowland-Bilirakis bill with many of the same things like eliminating preexisting illness, doing away with some of the antitrust problems with the hospitals and health care providers, some tort reform and no tax increases.

But there are philosophical differences here, and really what we are debating as much as anything is that there are good alternatives here. There are two fundamental questions to health care. First, who is going to run it? In the Gephardt bill it already says the Government is going to run it in its entirety because that is the bottom line of universal care. The second question is, Who is going to pay for it? The debate here tonight is really we are not willing to engage in the first question because we have already made up our mind and the other side of the aisle has made up their mind on that. But what we are talking about is who is going to pay for it, and that is why it is so important we talk.

Mr. BECERRA. Madam Speaker, will the gentleman yield?

Mr. WALKER. I want to do a summation and I am told I am down to about my last 3 minutes.

Mr. BECERRA. I will be brief.

Mr. WALKER. I yield briefly to the gentleman.

Mr. BECERRA. Madam Speaker, I think it is important to point out that the bills that the gentleman has referred to, all three gentlemen have referred to, the Republican proposals and the Rowland-Bilirakis bill do not cover anyone, in fact probably leave close to 25 million Americans without insurance, which means, as my colleague from Texas tried to point out, which means again middle-class taxpayers will again have the burden of the problem of paying for the health care costs for those uninsured.

Mr. WALKER. Let me say to the gentleman if I can just take back my time, we simply do not agree with that. That is your analysis of the bill designed to try to say that these bills are going to fail. I agree with what the gentlewoman from Texas told us here a minute ago, that employers, given the right incentives, will step up to the plate, and if they do, we will cover far more than the numbers of people the

gentleman suggests in some of these wild kinds of figures that he gives us.

Mr. BECERRA. This is actual fact. If the gentleman will yield, there was a study done in New York based on incremental reform. This was done in New York which showed that very few people became insured. As a result, the middle-class taxpayer still held the burden of paying the bills for the uninsured, and that is what happens when you have 25 million Americans who remain uninsured. The middle-class taxpayer always has the burden.

Mr. WALKER. Let me say to the gentleman, there can be no study made of the Rowland-Bilirakis plan or the Michel plan because they simply were not introduced in this House until a couple of days ago. There is no way that there can be a study that covers all of the various component parts of those bills that we think add up to an incentive system. There is no plan across the country that does that. The gentleman simply does not have a study that is relevant to the plans that are before us.

Mr. BECERRA. We have a case study of New York, if the gentleman will yield.

Mr. WALKER. You have a case study of New York and a plan that is much different than anything that has been introduced in this House. So it seems to me it is not a relevant kind of program.

The point of this special order tonight, let me just make the point again, the point of this special order tonight is to suggest that you never get something for nothing. If the American people want to assume responsibility for their own lives, they do not want the Clinton-Gephardt plan because the Clinton-Gephardt plan is in fact more big Government interfering in their lives. The Clinton-Gephardt plan then not only interferes in their lives in terms of health care coverage, it takes money specifically away from them, and it does so in increased taxes that go across the board in many, many different ways. Those increased taxes will in fact not only come out of their pocketbook and reduce the amount of money that they have to spend on themselves, but it will in fact cut their jobs and cut their wages.

For most middle class Americans that I am aware of, the thing that they can ill afford at the present time is to have their taxes raised, their job cut and their wages cut. Yet those are the impacts of the Clinton plan on America.

We are simply suggesting that whatever good you hear about the things that you are going to get out of the plan, remember that there is a cost to the Clinton-Gephardt plan. The Clinton-Gephardt plan is aimed not at improving health care for most Americans, because most Americans are very satisfied with the health care that they now have. It is aimed at, as some people have mentioned here tonight, kind of spreading the cost, redistributing the money, and in the redistribution what they end up doing is raising taxes, cutting jobs and cutting wages.

Now I think that America has to make a choice. Middle-class America cannot afford to have their job cut, cannot afford to have their wages cut, and cannot afford to have their taxes raised. That is what the Clinton plan promises, and it is something which we think America needs to fully understand.

I yield briefly to the gentleman from Georgia.

Mr. KINGSTON. All I want to say is I think one of the big differences tonight is the figures of 25 million jobs, or uninsured people, or 100 million in costs, whatever. That is why I think it is in our own judicial interest to have a good process with a health care bill, with all of the facts and figures laid out on the table.

I also want to thank our friends on the other side of the aisle for joining us tonight. As your favorite talk show host, Rush Limbaugh says, it is like hitting the ball over the net without an opponent when you do not have anyone to talk to.

Mr. BECERRA. I thank the gentleman for yielding me so much of his time.

Mr. WALKER. I thank the gentleman.

THE CRIME BILL AND HEALTH CARE REFORM

The SPEAKER pro tempore (Mrs. THURMAN). Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, the gentleman from South Carolina [Mr. CLYBURN] is recognized for 60 minutes as the majority leader's designee.

Mr. CLYBURN. Madam Speaker, I want to begin by thanking my fellow Members of the freshman class for joining me in this special order for the evening.

Madam Speaker, this week the hot topics on the minds of our constituents are the crime bill and health care.

The crime bill took a beating on the floor of this House last week, when its opponents voted against it on a rule.

The one-two punch was delivered by those who objected to the crime bill for one reason or another. Some said they voted against the rule because of the assault weapons ban. Others said they voted against the rule because the crime bill was laden with pork.

Let us take a closer look at these two so-called sticking points in the crime bill.

First, let us take up the argument against the assault weapons ban. When we here in the U.S. House of Representatives initially voted on the assault weapons ban back in May, my office was inundated with calls and letters from people who both supported and opposed my vote.

I received a lot of angry letters from gun owners and constituents who saw a vote for the assault weapons ban as a vote against what they view as their constitutional right to bear arms.

Let me say that this ban does not tamper with those rights. I support the second amendment and that for which it stands. The assault weapons ban prohibits the future sale of only 19 types of assault weapons, while protecting the right of the American people to own at least 650 other types of guns.

Let me also add that for every angry call or letter I received opposing my vote, I have received just as many calls in support of the ban. These calls are coming from people, who, like me are finding it difficult to understand why anyone would fight so hard to keep these deadly weapons on our streets.

As you know, Madam Speaker, I represent a mostly rural district in South Carolina. Unfortunately my district's demographics do not make it immune from the ravages of crime.

I remember back in January, when the President was winding up his State of the Union Address, a shoot-out was occurring at a college in my district. Two students were injured.

Earlier that day, a high school student lay dead in the hallway outside his classroom—shot by a fellow classmate with a .22-caliber semi-automatic weapon and a grudge to settle.

The student told police he purchased the gun for $90 from a man in a nearby apartment complex. I don't have to reach as far back as January to recall instances of violence involving semi-automatic weapons in my district. All I have to do is turn on the local news or open the local newspaper.

And all I have to do is listen to the constituents who talk to me when I go home to my district every weekend.

My constituents are becoming increasingly appalled by these violent acts. These are constituents who are afraid to leave their neighborhoods, attend community functions, or participate in family outings. These people, in short, have become prisoners in their own homes.

And what about our children? It breaks my heart to get letters like the ones I recently received from fifth grade students complaining about drugs and the rise of violence in their communities.

What do I say to youngsters who write to me asking for more jails in their communities? What do I say to youngsters who fear the rising tide of violence will engulf the Earth?

I would like to be able to say to them that Congress did its part by passing the crime bill, which represents the most comprehensive and balanced legislative initiative ever undertaken by the Congress to prevent crime and punish those who commit crime.

It is especially for these young people—our future—that I support a crime bill that will provide half of the 100,000 new officers to small cities and rural counties. Each State will be eligible for a minimum of 500 new police officers or equivalent sized grants.

It is for my frightened constituents that I support a crime bill that will work to combat drug trafficking in rural areas by authorizing $250 million for rural law enforcement agencies and specialized drug enforcement training for rural law enforcement officers.

These are the types of programs in the crime bill that have come under attack by some who see it as only so much pork.

Let us look more closely at this complaint. The crime bill went into conference at $27 billion and came out at $33 billion. Why? The crime bill was increased by $6 billion to provide more funds for police officers, FBI and drug enforcement agents, and local prosecutors, to combat violence against women.

In fact, 85 percent of the $33 billion in the crime bill is for police, Federal and State law enforcement, prisons, and detection facilities.

The so-called pork programs account for the other 15 percent. These programs were actually cut in conference by $478 million.

One so-called pork program in particular that has taken a severe beating from the opposition is the midnight basketball program, which has been allocated $7 million—a mere drop in the bucket when compared to the total $33 billion allocated for the crime bill.

I want to talk about midnight basketball, because the program has been ridiculed for being nothing more than a Government-funded recreational outlet for thugs.

To the young people who participate in and benefit from midnight basketball programs around the country, it is so much more.

A midnight basketball program has been operating in my district on the East Side of Charleston, SC since 1991.

The program began as a result of a resident's desire to participate in meaningful recreational activity in an area where residents are often stigmatized by the criminal activity occurring in their community.

This year, the Charleston Inner City Midnight Basketball Association ended its most successful season ever with a total of 530 inner-city youth participating in a program designed to build their self-esteem and character, and to enhance a dream that they can improve their lives.

These are children who did not get to go to summer camp, these are children who didn't get a summer job. These are children who are readily written off by the larger society because of where they live.

A program like the one in Charleston goes one step further. During the school year, many of these academically at-risk youngsters participate in the educational aspect of the program—Project Rescue.

According to the program's senior organizing director, the Rev. Dallas Wilson, thanks to Project Rescue, 11 midnight basketball participants will be attending prep schools this fall. Several are currently in college.

This program is heavily supported by the State and local community. But many more youngsters could benefit from midnight basketball and other so-called pork programs—that are instrumental in redirecting the energies of our young people away from the false attractions of drugs and crime and toward the positive lessons of team work, hard work, and school work.

Although crime is first up on our agenda, the health care debate still rages and we must not forget this legislation or the millions of American people it will affect.

In our country today, there are currently 37 million uninsured people in the United States. If we pass health care legislation without universal coverage, there is no way to guarantee that these Americans and their families will have health coverage they can never lose.

Take a look at this pie chart. It is a very simple chart and the message is very clear. The gold portion represents the 1.1 million currently uninsured Americans that will receive coverage under a plan with insurance market reforms. That's a very small piece of the pie.

If you look at the blue portion, you will see about 40 percent or 13.8 million of the uninsured Americans who will receive insurance when subsidies are added for low-income populations.

After taking these two pieces of the pie, there is still an enormous red slice containing 22.3 million Americans who will remain without health care coverage. This piece of the pie is too big to think we can get away with passing any kind of legislation with less than universal coverage.

In my State of South Carolina 406,632 working people do not have health care protection. Over 97,000 children do not have health care coverage.

These people are no different from the millions of others in our country who work hard to make a living for themselves and their families. They deserve affordable health care insurance that can never be taken away.

In my district alone, there are 94,000 people from working families who have no health insurance. This means, almost 79 percent of all of the uninsured in my district are from working families.

On top of this astounding figure—of the lucky ones who have coverage—33,000 people living in the State of South Carolina lose their health insurance each month. Of the uninsured in my district, 26,000 of these people are young children.

Madam Speaker, the uninsured are people just like you and me who may have unexpected medical emergencies and need attention in the middle of the night, the uninsured are persons who need preventive care, they are school-aged children who have ear infections, they are children whose required immunizations should be covered under their families health insurance plans.

Under a plan with universal coverage, 5,424 2-year-olds will have improved coverage for immunization in my district; 40,355 women will have better opportunities for breast cancer screening; 160,801 people will no longer have lifetime limits on their coverage, and, 84,632 people will no longer have preexisting condition exclusions in their insurance.

Madam Speaker, I remind you that these are real numbers, and there are real people behind the numbers.

I recently received this letter from a lady in Florence, SC. She is the mother of two children, one of whom has a pulmonary condition she has had since 3 months old. The daughter has never taken any medicine for her condition, nor does she require any special needs. In fact, she runs 3–5 miles a day.

This young woman's father purchased health insurance for their family while he was self-employed. However, the insurance offers no coverage whatsoever for their daughter, simply because of this preexisting condition.

This young woman is a college graduate, and doesn't have a full-time job yet. She maintains three part-time jobs—none of which offer her health insurance.

In other words, Madam Speaker, this is one of millions of deserving people who will gain health insurance with universal coverage. This is one of 1,142,949 South Carolinians with a preexisting condition who will not be discriminated against any longer if we pass comprehensive health care legislation with universal coverage.

As this debate continues, we hear from a lot of people on each side of the argument. We hear about how the elderly will be affected, the young mothers and children, and many other vital sectors of our population.

However, I believe we often overlook the monetary affects that what we do or don't do will have on the so-called middle class, the working people that make up the core of America, the ones that are currently insured.

If you are a middle class, working taxpayer, making between $20,000 and $75,000 a year in the Sixth Congressional District of South Carolina—or any other Congressional district in the country, for that matter; and if we pass a plan which covers only 91 percent, such as that under the Cooper, Managed Competition bill, you can expect to see an increase in your yearly premium.

Let us take a look at the figures on this chart.

The columns represent changes in health care premiums, if we only do incremental reform, as many opponents of universal coverage are advocating.

You can readily see that the biggest increase in premiums is the column which represents those who make over $30,000 but less than $40,000 a year. And if you make between $20,000 and $30,000 a year, you can expect an increase of over $200 per year in your annual premiums.

If you make over $40,000 a year, but less than $50,000, you will experience an increase of $137 per year. Under this plan, you will only experience a decrease if you make less than $20,000 or between $75,000 and $100,000 a year.

Now, I do not know about you, but to me and the people of my district, that could mean a car payment for those who make between $30,000 and $40,000 a year, or child care payments for those who make between $20,000 and $30,000 a year, and a college student's textbooks for those who make between $40,000 and $75,000 a year. In my district alone, this increase would hit 89,376 families. My fellow colleagues, I wager my bet that you have many people who fit into this average-American household category living in your districts as well.

This information, as you all can see, shows that the managed competition concept of health care reform delivers devastating body blows to middle-income Americans at almost every level.

If you are a middle-class, working taxpayer and we pass a health care reform bill with universal coverage, you can expect to pay less than you are currently paying for health insurance premiums each year.

Let us look at another chart, the other picture, if you please.

What you can readily see is that the same people who would see a dramatic increase in their premiums under the incremental reform plan would experience a large decrease in their annual premiums under universal coverage.

If you make between $30,000 and $39,000 a year, your savings could be as much as $165 each year. Again, that's $165 hard-earned dollars that you could save with universal coverage.

Under universal coverage, everybody in America making less than $100,000 a year will experience dramatic savings.

And those making over $100,000 a year would experience only a $210 increase in their annual premiums.

Health care reform, without universal coverage, will mean significantly higher—not lower—health care costs for middle-class Americans who presently have health insurance.

By implementing universal coverage, the increase in average premiums is averted because, not only would the sick and medically needy be included in the insurance pool, but also the young and healthy people who don't require as much medical service.

By including everyone, the people who don't regularly use the insurance services drive down the premiums for everyone.

Just think of this concept in simple terms. If the only people in the pool are the elderly and medically needy who require excessive amounts of medical attention, the premiums will be high because these "high use" patients will be supporting the costs of others just like themselves.

However, if universal coverage is implemented, many more young, healthy people will be in the insurance pool. When this diversity is reached in the pool, the picture is quite different.

The low use people who rarely use medical services will cause the costs to drop dramatically because the total dollar amount of medical care required by all of those in the pool is much lower. When this happens, the premiums dramatically go down for all of those in the pool. That's the beauty of universal coverage.

Besides, without universal coverage, young, healthy people will opt out of the insurance market when premiums are raised, thus causing higher premiums for the medically needy who remain.

Also, without universal coverage, many employers who presently provide health insurance for their workers are likely to reduce coverage or stop coverage altogether.

With 9 out of 10 insured Americans currently receiving health care through their employers, we cannot afford to risk reducing their share of health care coverage. When dealing with the employer share of the costs, it is important to notice the significant savings, once again, by passing health reform legislation with universal coverage.

Madam Speaker, we continually hear people from all walks of life ask: "Where is the promised middle-class tax cut?" I maintain it is right here in health care reform with universal coverage, and those of us who fail to recognize or acknowledge it are either shortsighted or a bit disingenuous.

The middle class of America is deserving of universal coverage and the men and women of this Congress, in my opinion, are duty-bound to grant it.

Madam Speaker, I thank you for allowing me and my colleagues the time to participate tonight in these special orders. As we contribute to this ongoing conversation for the Chamber where decisions affecting each and every one of us will be made in the coming days.

The mother who wrote me a letter from my district which I quoted from earlier, reminded me the America people hear lots of talk about health reform from both sides of the aisle—but she and her families and many others are ready to see some concern shown and pass universal health coverage.

Madam Speaker, with that I remind you and my colleagues once again, universal health care coverage which can never be lost should be guaranteed to every American, because there is no such thing as a lifetime guarantee of good health.

□ 2050

Madam Speaker, I have with me tonight some others of my colleagues who would like to participate in this special order.

First I want to call upon the president of the freshman class for the first session, the Honorable EVA CLAYTON of North Carolina. Mrs. CLAYTON is going to share with us some of her feelings on the crime bill and what we ought to be doing. She is going to be followed by EDDIE BERNICE JOHNSON, the congresswoman from Texas, who, as many know, is a professional nurse. She is going to share with us some of her feelings about health care, and then we will move to Congressman HINCHEY, who will talk about whatever he wants to, but I think it will be health care.

I now yield to the gentlewoman from North Carolina [Mrs. CLAYTON].

□ 2100

Mrs. CLAYTON. Madam Speaker, I appreciate the fact that the gentleman from South Carolina [Mr. CLYBURN] has organized this special order, and, Madam Speaker, facts and figures have been tossed around during our debate on the crime package ad nauseam, but facts and figures are not the issues at hand here—the issues are the amount of crime and the number of young Americans at risk and how to fight crime.

In regard to crime, there are those in this Chamber that would like to have you believe that locking people up and throwing away the key is the toughest and most effective means of curbing crime, while prevention programs are just a waste of taxpayer dollars.

It is a myth that this crime bill has allocated most of its funds to social programs—more than $7 out of every $10 dollars in the bill is for law enforcement, prisons and detention facilities—not social programs.

Those same members would also have you believe that the Midnight Basketball Program especially is the most egregious waste of Federal money. That is simply not the case. For example, a midnight basketball league was awarded a Point of Light by then President George Bush in 1990.

A professor at the University of North Carolina, Chapel Hill, was kind enough to provide me with a copy of just-completed study on a Milwaukee midnight basketball league. The facts are: 74 percent of the participants feel that there are not enough recreational opportunities for children, teens, and young adults; 65 percent of the participants in the program believe that the

league is helping to reduce crime in the community; and 78 percent of the participants feel that midnight basketball is a much-needed recreational outlet for young black men.

It has been documented that black youths under the age of 18 are the group most frequently involved in violent activity. Why should we not reach out to those youngsters at risk?

Many of the proposed prevention programs contained in the crime bill are already implemented and working on the State level.

According to the North Carolina Governor's Commission on Crime: The three different boot camps are working; the youth employment and skills program incorporated into the Cities in Schools Program is working, and anticrime youth councils are working.

These programs are making a significant difference. So why shouldn't Federal funds be allocated to programs that work? Being tough on crime and prevention programs are not mutually exclusive. It is possible to be strong, smart and tough on crime and support prevention.

It makes much more sense to nip crime in the bud through prevention programs, to get those young adults before they become criminals and are locked into the criminal justice system.

If we head the young adults at risk off at the pass through prevention programs, it just might be possible to help them to be productive, contributing members of society instead of people supported by society.

Mr. CLYBURN. Madam Speaker, I thank the gentlewoman from North Carolina [Mrs. CLAYTON] for that very insightful analysis of the prevention side of our crime bill.

□ 2110

I think that you are right to raise an old adage that so many of us were raised on. I find it very strange sometimes that we tend to go off and get all of these degrees and all this learning, and really what is basic is what our grandparents taught us: An ounce of prevention is, in fact, worth a pound of cure. And if we can just apply that to those simple, everyday things that we do here in this hall, I do believe that we would come with much better legislation. And that is something that I hope we will apply to this crime bill. Thank you so much for your insight.

Let me at this time yield to the gentlewoman from Texas, the Honorable EDDIE BERNICE JOHNSON, who will talk to us a little bit about the second aspect, health care.

Ms. EDDIE BERNICE JOHNSON of Texas. Thank you, Mr. Leader of the hour, and Madam Speaker.

To my colleagues, let me just comment very briefly on crime before I move to health care. I represent District 30 in Dallas, TX. Our statistics indicate that crime is going down, but you cannot tell that by the newspapers. Every day most of the headlines have to do with crime, and they really are crimes committed by young people.

School has only been open less than 2 weeks now, and already teachers have had guns in their faces. They found a gun arsenal under the side of the building. It is overwhelming, but we must do something about it.

The presence of all these weapons and drugs and gangs will continue to terrorize our communities and our schools, unless we take a hand to do something about it. And if we do not put a hand in to alter this activity by young people, they will commit crimes with these weapons. That is a proven fact.

We are no longer safe in our homes. We do not even use parks anymore for what they were intended because no one feels safe walking through parks.

We simply must do something about crime, and it must be balanced.

We have to prevent, as well as punish and then treat, because we have learned that 70 percent of the crimes committed are committed under the influence of drugs. All of us know that the influence of drugs simply does not just disappear. It must be a treatment modality, and there must be after-care, and then there must be activities that will prevent the need to fall back into a gang and that environment that starts this cycle again and causes what we call recidivism.

We simply must do something about what is going on. We have that responsibility. We are responsible to the citizens of this country, and we must do something about it.

We must fund the additional police. You know, I used to fear policemen, before I got to know who they really were. Now I would not live in a neighborhood, on a block, that I did not feel had some attention from the police. They are really our friends. But we have put them out there with not much protection as well. We must have more, and they must be trained properly, and we must supply that need.

Our communities, our inner-cities, and our rural areas, are overcome with this influx of activity that they have not been accustomed to dealing with. The money that will help put the additional cops on the street, an almost 20-percent increase in the Nation's 504,000 local police officers, will go a long way in addressing this area.

I cannot understand why there is so much opposition and so much rhetoric and so much demagoguery surrounding the bill that will address these issues. It is unfortunate that the NRA has so many people hostage. It is almost like holding them hostage with a gun.

You know, I have noticed television recently with Charlton Heston, a very well-known popular actor, but, unfortunately, he does not have a clue about crime and how to fight it. His commercial, sponsored by NRA and the Republican party, is not only unbelievable, it is filled with untruths about funding police officers. It is unfortunate that we cannot tell the real truth to the public. But they are not fooling them. It is clear to me they understand very well about what is going on in their own communities.

So when we say all of this and we avoid the truth, we are simply fooling ourselves. The ban on assault weapons has been endorsed by every major law enforcement group in the country, and police across America report that semiautomatic weapons are the weapons of choice for drug traffickers and street gangs. There is really no real legal use for all of these handgun assault weapons. We must stop the flow. And the only way we can do that is take on our rightful responsibility.

People across America, police officers, ministers, students, are pleading for us to give them some attention.

You know, in my district was a 5-year-old boy sitting on his grandmother's porch one Sunday afternoon eating ice cream, and a stray bullet took his life away. And I received a letter from his aunt recently that pleaded for something to be done. She said I will never forget seeing my nephew. And more than that, I see my son every day, who is afraid every time he moves around. He will not go on the porch. He is afraid to go to school, because all he can think about is his cousin sitting innocently eating an ice cream cone and glancing up to take his last glance at his parents, and then being hit by a bullet and his life snuffed away.

I appreciate my colleague taking this time to address the issue of crime, and I would encourage all of my colleagues to let us have a swift passage of the crime bill. I do not agree with everything that is in the crime bill. Clearly no legislation that we pass do I agree with every bit of it. But that is the process we are in, and it is called a democracy.

Madam Speaker, I would like to include a statement by the African-American religious leader who supports the crime bill.

STATEMENT OF AFRICAN-AMERICAN RELIGIOUS LEADERS

Washington—The White House today released the following statement by African-American religious leaders supporting the crime bill.

"In the words of an African proverb 'It takes an entire village to raise a child.' We believe there is no more important responsibility of society than to raise its children to become upstanding adults. Parents and families must shoulder the burden of this duty, but all of society—including government—must pitch in. that is why we support the President's crime bill.

While we do not agree with every provision in the crime bill, we do believe and emphatically support the bill's goal to save our communities, and most importantly, our children.

We believe and support the $8 billion in the bill to fund prevention programs such as grants for recreation, employment, anitgang and comprehensive programs to steer our young people away from crime.

We believe in drug treatment to help get federal and state inmates out of the cycle of dependency.

We believe in programs to fight violence against women.

We believe in banning assault weapons, and preventing these deadly devices from falling into the hands of criminals and drug dealers.

We believe in putting 100,000 well-trained police officers on the streets of our most violence-plagued communities and urban areas.

We believe in that 9-year-olds like James Darby of New Orleans, who was killed by a stray bullet only days after writing a plea to President Clinton to stop the violence, must have the opportunity to live and learn and grow in safe, decent communities.

For all these reasons, we support the crime bill and we urge others to join us in this crusade."

Charles Adams, National Progressive Baptist Convention, President, Detroit, Michigan.

Bishop H.H. Brookins, AME Denomination, Los Angeles, California.

Rev. Dr. Amos Brown, Third Baptist Church, San Francisco, CA.

Bishop E. Lynn Brown, Christian Methodist Episcopal, Los Angeles, California.

Rev. John A. Cherry, Full Gospel AME Zion Church, Temple Hills, MD.

Rev. Howard Chubbs, Providence Baptist Church, Greensboro, N.C.

Father George Clements, The Alliance for Rights and Responsibilities, Washington, D.C.

Bishop J. Clinton Hoggard, AME ZION Church, Washington, DC.

Rev. John Doggett, Superintendent, United Methodist Church, St. Louis, MO.

Rev. Jerry Drayton, New Bethel Baptist Church, Winston-Salem, N.C.

Rev. Walter Fauntroy, New Bethel Baptist Church, Washington, D.C.

Bishop Louis Ford, Church of God in Christ, Chicago, Illinois.

Bishop William Graves, Christian Methodist Episcopal Church, Memphis, Tennessee.

Rev. Joe Hardwick, Praises of ZION Baptist Church, Los Angeles, CA.

Rev. Calvin A. Harper, Morning Star Baptist Church, Cincinnati, OH.

Bishop Fred James, AME Denomination, Washington, DC.

Dr. T.J. Jemison, President, National Baptist Convention USA, Baton Rouge, LA.

Rev. E. Edward Jones, Galilee Baptist Church, Shreveport, LA.

Rev. Odell Jones, Pleasant Grove Baptist Church, Detroit, Michigan.

Rev. William A. Jones Jr., Bethany Baptist Church, Brooklyn, NY.

Rev. W.B. Lewis, President, North Carolina General State Baptist Convention, Raleigh, NC.

Bishop S.C. Madison, United House of Prayer, Washington, DC.

Bishop Haskell Mayo, African Methodist Episcopal, Fourth Episcopal District, Chicago, Illinois.

Rev. Randall McCaskill, Concerned Black Clergy of Philadelphia, President, Philadelphia, Pennsylvania.

Dr. John Miles, Morning Star Missionary Baptist Church, Kansas City, Missouri.

Rev. James E. Milton, Southern Baptist Church, Cincinnati, OH.

Rev. Dr. Frank Pinkard, Evergreen Baptist Church, Oakland, CA.

Bishop Norman Quick, Church of God in Christ, New York, New York.

Dr. W. Franklyn Richardson, General Secretary, National Baptist Convention USA, Mt. Vernon, NY.

Joseph L. Roberts Jr., Ebenezer Baptist Church, Atlanta, GA.

Bishop J.H. Sherman, Church of God in Christ, Charlotte, North Carolina.

Rev. Dr. E.E. Stafford, Mt. Tabor Baptist Church, Los Angeles, CA.

Rev. Charles Stith, Union United Methodist Church, Boston, Massachusetts.

Bishop Frederick Talbot, African Methodist Episcopal, Arkansas/Oklahoma.

Dr. M.T. Thompson, Berkeley Mount ZION Baptist, Berkeley, CA.

Wyatt T. Walker, Canaan Baptist Church, New York, NY.

Bishop George W. Walker Sr., AME Zion Denomination, New York, NY.

Bishop L.T. Walker, Church of God in Christ, Little Rock, Arkansas.

Dr. Kenneth Whalum, Olivet Baptist Church, Memphis, Tennessee.

Rev. Frederick Williams, Episcopal Church of the Intercession, New York, NY.

Bishop Milton Williams, AME Zion Church, Washington, DC.

You win some, and you lose some. But you try to do the best you can for the people of this Nation.

Now, Mr. Leader, I want to talk a bit about health care, and just a bit, because that is my profession. I could talk all night on health care. I want to talk a little bit about what was talked about earlier, and that is the overburden on businesses.

Mr. Leader, I believe that the Gephardt bill is giving an opportunity to businesses to take on their rightful responsibility. You know, I am a small business owner, and I could not afford a policy. After I paid worker's compensation in Texas, I could not afford a policy to cover my employees. I do not have more than 11. But with the insurance approach that is being offered by the Gephardt bill, an opportunity for small businesses to be able to afford to offer insurance coverage for their employees is the best opportunity that my small business has had.

You see, we understand clearly that when people have access to insurance, they will go for the preventive measures, they are in better health conditions, they are better workers, and they are more stable. Because when they come on to a job that does not offer insurance, they are constantly looking for another job. And they will not take preventive care, because they cannot afford it. All of us know that prevention is much less costly than sick care.

I am standing here because of prevention. You know, that is why I believe so much in research. I had a pap smear over 30 years ago that was positive, and I had surgery. It was a routine physical examination. But if I had not had that surgery, if I had not had access to going for a routine physical without it costing me more than I was making, I would not have had the opportunity to keep myself in good health by having early detection, early surgery, and then back to work.

If I had not had that surgery, I would have probably had to go through a long modality of some kind of chemotherapy, going through lots of misery, putting a lot of strain emotionally on my family, and then not being able to perhaps go back to work, and then maybe losing my life at a time when my young son was less than 3 years old. Then he would have had to grow up without a mother.

There is real value in having access to health care, health care coverage, for preventive measures.

□ 2120

Even young children that do not have immunizations against measles will cost. For every dollar that an immunization costs, we save $14, because if they do not have them, they are subject to be blind and all kinds of complications and side effects that might come from having measles.

It is so simple to me because I have lived the life of watching people be sick and be well, depending on what is offered to them. Clearly, we must move rapidly to address the issue of health care coverage for all Americans, and we certainly ought to see that the people who are working have an opportunity to have access to affordable health care coverage.

We are attempting to do that, and we hope that the big insurance companies and the big businesses that hire lots of people that do not pay them very much will not spend so many millions of dollars trying to sway the public away from health care reform. We simply must have it.

Mr. CLYBURN. Madam Speaker, I thank the gentlewoman so much for her very comprehensive talk on both crime and health care. I thought that crime would be 1 minute, but I wish she had taken the whole time for that since that is the most immediate thing upon us.

Let us move now to our distinguished colleague, the gentleman from New York [Mr. HINCHEY], for his remarks.

I yield to the gentleman from New York [Mr. HINCHEY].

Mr. HINCHEY. Madam Speaker, I really appreciate the opportunity to spend this time with you and appreciate your yielding this time so that I can engage in this discussion with you about the two issues confronting the American people and the two issues which we are discussing this evening, which are, of course, our efforts to deal with the problems of crime as well as our efforts to ensure that every American has adequate health care coverage.

I would like to touch just very briefly on both of those subjects, following your example, but doing it in a much more abbreviated form. I think this

crime bill, although as has been mentioned by previous speakers, it contains some elements which are questionable and, frankly, with which I do not agree, nevertheless, on balance, this crime bill makes an extraordinary contribution to our efforts to deal with the problem of crime in this country.

It does so, of course, in a variety of ways. It does it by increasing the number of police officers who will be available in our communities, whether those communities are urban communities or rural communities, such as the ones that you and I represent for the most part, although I do have some urban areas in my district as well.

The additional police officers which will be available through this bill will be available in both rural and urban communities. That, of course, is a major factor.

But quite frankly, the portion of the bill which intrigues me the most and which I think, frankly, is the most valuable is that which focuses on prevention, because as has been said here a number of times already this evening, prevention is much more appropriate, much more efficacious, it works much better than dealing with the problem after it occurs.

I learned that old axiom at my mother's knee, just as did you, an ounce of prevention is worth a pound of cure. That is true with regard to health care as it is true with regard to many of the kinds of social problems we face in this country, including and specifically, perhaps particularly, the problem of crime.

In the connection of this bill with its efforts at prevention, we have heard a lot of criticism about that particular aspect of the bill. As you mentioned in your address a little bit earlier, that aspect of the bill has been labeled pork. One wonders why. Because it is not that at all. It is simply an effort to direct resources at a serious problem in a way that is appropriate so that it can be dealt with effectively.

One of the aspects of this attempt at prevention which has gotten the most criticism is so-called midnight basketball. I would just like to read a statement that was made a couple years ago, in 1991, by President Bush. He said then, in 1991, President Bush said this:

> The founders of the midnight basketball program in Hyattsville, Maryland contribute to the struggle against crime and delinquency. This country is finally catching on to the fact that whenever drugs are involved, everybody loses. But here everybody wins. And some may get better at basketball, but everyone gets a better shot at life, every participant.

That particular point of view, I think, represents a much more enlightened attitude about the way that we need to deal with the crime problem that has been expressed by many of the Members of this House who are in the minority party in this Chamber.

I think that it is unfortunate that they did not learn more from President Bush while he was in office about this particular problem, because I think what he said there is really on target.

Prevention is what is important. If we spend a little bit of our energies and resources on preventing crime, then we are going to have to spend a lot less in the future on dealing with the problems of crime after they occur. I think that ought to be obvious to everyone.

I would like to turn for a couple minutes to the problem of health care. I would like to begin by saying that I was fascinated by the discussion that took place here earlier this evening, which was led by the deputy whip of the minority party, the gentleman from Pennsylvania, when they attempted to deflate the Gephardt health care bill, a bill which will provide universal health care coverage to all Americans.

Frankly, I could not help thinking that those Members who were trying to oppose universal health care coverage for all Americans here in this House this evening, as they have been for weeks and months and, frankly, over the course of the last year, that those folks who currently inhabit this House and who are opposed to universal health care are in a real way the philosophical and political descendants of a previous group of people who tried to defeat the passage of Social Security in 1935, who tried to defeat the passage of benefits for returning veterans after the Second World War, who tried to defeat the passage of Medicare in 1965. And some of the arguments that we have heard in this House against universal health care coverage resound in a very familiar way back and harken back to the kinds of arguments that were made against Social Security and against the GI bill and against Medicare coverage, health care coverage for older people in this country.

It is the same attitude. It is the same philosophy. And it is the same arguments that were used against those very important programs. But you can be sure that not one of them would have the audacity to stand up today and oppose Social Security or the GI bill or Medicare. No, they focus their attention now on what we are trying to achieve for people in this decade, the decade of the 1990's, the last decade of the 20th century, to try to ensure that every American, regardless of their stature, regardless of their station in life, regardless of their past experiences, regardless of what will happen to them in the future, will have good, solid quality health care.

I would like to read to you, if I may, an excerpt from a letter than I received recently from a constituent of mine.

He said, "Dear Congressman Hinchey, I am one of many Americans, after 32 years of employment with one company, terminated due to 'corporate downsizing.' As of today," he says, "I must convert to an individual health conversion policy. Under COBRA," which was available to him, of course, after he was laid off as a result of the corporate downsizing of his company, "I was paying a premium of $848 per quarter. My premium now," now that COBRA has expired for him, "will be $1661 per quarter. This is a 96-percent increase. I have been insured by the same company for almost 34 years and have had no major health problems. I am now facing one of the hardest decisions of my life, to pay the mortgage payment or the health insurance premium. This would not be a decision that citizens of most other countries would have to make. What has happened to the American dream?"

□ 2130

We talk about the 40 or so million people currently without health care in this country, but we ought to also recognize that every single day in this country someone else, large numbers of people, lose their health care coverage. They fall into the kind of condition that this gentleman finds himself in currently.

After paying into an insurance company for 34 years, without ever having any problems of health care, after having worked for a company for 32 years, giving his energy, his sweat, his intellectual and physical resources to that company, he has now been laid off, now been put out in the street, and he has to worry about whether he is going to spend what little resources he has left to keep a roof over his head for himself and his family, or use that money to pay the premiums on his health insurance so that if he gets sick or someone else in his family becomes ill, that they at least will have health coverage.

As he observes, that decision would not confront any other person in any other advanced, civilized country on this planet, and it ought not to afflict citizens of this country, either. We need to pass universal health care. We need to do it this term.

We need to have the courage and foresight that our predecessors in this House had when they passed Social Security, when they passed the G.I. bill, and when they passed Medicare. Those ought to be the banners which we follow. They ought to lead us on to overcome the unenlightened opposition which is offered by the minority party in this House, not all of them, but unfortunately, many of them, and which was exemplified by the discussion we heard earlier this evening.

I thank the gentleman very much for giving me this opportunity, and I think it is important that we get on with this work.

Mr. CLYBURN. Thank you so much, Mr. HINCHEY, for your contributions to this special order tonight. I think that on both counts they were very enlightened.

Madam Speaker, I would like to say, I do not think we have to go back to

Social Security and to Medicare and the G.I. bill in order to see the shortsightedness that we are getting from the other side. In fact, you need to only go back 1 year.

In fact, the same people who we heard here tonight talk about the dangers of the job losses that we will get if we do something about health care, those are the same people I think I heard in August of last year, who told us that if we pass the President's budget, that the economy would end up in the ditch; that in another year, we will all be back here doing something to get the economy going again, trying to bail the Nation out.

The fact of the matter is that anybody who can read and anybody who can see and feel, and especially those people who are going to work every day, we see that what has happened is the creation of now over 4 million new jobs. We see home building increasing, and we see that it is working.

In fact, I think I read, I think it was Al Hunt's column in the Wall Street Journal, and nobody can call the Wall Street Journal any kind of a fan of this administration or the party we represent, but the fact of the matter is, that they say it is working. So those people who last year said that we are going to have all these dire consequences, what we are finding this year is that they are passing it off, saying that this is a lucky President, and we are a lucky party.

I always learned that the harder you worked, the luckier you get. The fact of the matter is, this President works hard; he is visionary. This party is working hard to show leadership, and I think that you are right to talk about the history, but you do not have to go back that far.

Mr. HINCHEY. Will the gentleman yield?

Mr. CLAYBURN. I yield to the gentleman from New York.

Mr. HINCHEY. I just wanted to say how right you are. I remember that column on the op ed page of the Wall Street Journal a week or 2 ago by Al Hunt, and he made the point that you have just made so well: that those persons who are giving the same kind of argument about job losses with regard to the passage of health care, were trying to argue with us over a year ago when we passed the President's economic program, back last year, that we would see those same kinds of job losses, and we would see utter destruction of the economy coming about as a result of the passage of that economic program which was designed to reduce the annual budget deficit, and has succeeded enormously, and beyond even our expectations.

The budget deficit is down now substantially below even where we expected it to be as a result of the passage of that program; no job losses. As a matter of fact, there have been more jobs created across the country in the last 18 months than were created in the previous 4 years.

So the same kind of scare tactics that they are trying to use now against health care were used against us and against the American people a year ago when we, fortunately, had the ability as a party, without one vote from the other side, to pass an economic development program which has succeeded in reducing the annual budget deficit substantially, and placing this country and its economy back on a steady, level footing once again.

Mr. CLAYBURN. Thank you so much for joining me tonight.

EXAMINING THE CENTERPIECE OF THE CRIME BILL

The SPEAKER pro tempore (Mrs. THURMAN). Under a previous order of the House, the gentleman from Illinois [Mr. MANZULLO] is recognized for 30 minutes.

Mr. MANZULLO. Madam Speaker, crime is serious. It is very serious in this country. We have been wrestling with a crime bill for some time in the U.S. Congress. It has been touted that the centerpiece of the crime bill are the cops on the beat and the prisons.

Tonight I want to take a look at this in depth, to describe exactly what this means. The crime bill states on its face that there will be 100,000 new cops on the beat, and they will be involved in community policing, but nowhere is community policing defined. The bill states what the cops must be doing. They must be involved in community policing, but we wrestle with the definition, and then find out in Title I, part Q, section F, "Technical Assistance," subparagraph 2, model, which states, "The Attorney General defines what is community policing," how it will be implemented. This means a Federal bureaucrat decides what a community means, as opposed to a community.

For example, cities may use the funds in the following ways: They can go to enhance police officers' conflict resolution, mediation, problem solving, service, and other skills needed to work in partnership with members of the community; to develop new technologies; to assist State and local law enforcement agencies in reorienting the emphasis of their activities from reacting to crime to preventing crime; and to develop and establish new manage administrative and managerial systems to facilitate the adoption of community oriented policing as an organization-wide philosophy.

Madam Speaker, this means that a Federal bureaucrat can tell local police officers how to resolve conflicts and solve problems. It also means a Federal Bureaucrat could tell a community that instead of apprehending criminals, it should be preventing crimes from taking place. Granted, both are necessary, but why should the Federal Government be involved in telling the police force what it needs to do?

Second, the bill sets up a quota system for hiring police. Section 1702(c)(11) states the hiring guidelines by the Attorney General must "provide assurances that the applicant will, to the extent practicable, seek, recruit, and hire members of racial and ethnic minority groups and women in order to increase their ranks within the sworn positions in the law enforcement agency."

That quota section speaks for itself.

Third, the Clinton crime bill provides only seed money for a community that wants to hire police officers. Here is the irony. For a community to get a grant to hire police officers, it must show a specific financial need. The grant runs out in equal stages over 5 years.

However, a community must also show that as a grant runs out in steps, the community must be able to afford to keep the cops permanently. This does not make sense. A community applies for a grant because it needs the money, but must show that as the money runs out, it has the financial ability to continue the program.

□ 2140

If a community has the money in the first place, then it could not receive the grant, yet it has to show it has the money in order to continue the program.

Fourth, the actual amount of money allocated in the crime bill for cops will hire 20,000 at most, not 100,000 cops. The reason is in the application. The Clinton administration itself estimates it will cost $75,000 per year to hire one cop. So if you stretch out the money allocated for the program over 5 years, it comes out to $14,500 per cop. That is why we have police officers all the way from down in Florida from a city that employs 17 police officers, to say that we are in a tight budget now, so why should we hire more policemen on this program when the money will be whittled away in a short period of time, essentially leaving us with an unfunded mandate? These are the words of Terry Chapman, acting police chief of the Brooksville, FL police department.

And Paul Logli, the State's attorney for Winnebago County, IL, which I represent, the county that leads the State in crime, and he is saying we have all these programs and yet the money that is held out is just seed money and after a few short years, it is reduced on a periodic basis, still leaving the city and the municipalities involved with the prospect of raising all this money, essentially an unfunded mandate, to keep the programs going.

Who runs community policing? Do local law enforcement agencies or social agencies? We have probably never

heard this argument before. The application and the proposed statutory language show how little emphasis is placed on the crime rate in a community.

Here are some of the 11 mandatory requirements to get a grant. The police department has to have a long-term strategy that is devised not by the police but by "community groups and appropriate private and public agencies."

What does that mean? Those words are not defined. It means the Federal Government is saying the sheriffs and chiefs of police do not know how to use police officers but "community groups and appropriate private and public agencies"—which are never defined—do. And the police department has to identify related governmental and community initiatives which complement or will be coordinated with a proposal.

This is the United States Congress empowering the Attorney General and bureaucrats to micromanage local police departments. This application process demonstrates the hoops through which a municipality must jump to get the money that already belongs to the citizens.

Madam Speaker, there is no Federal money, only money provided by the ordinary taxpayer that is sent to Washington, legally shrunk and then waved by a Federal bureaucrat in the face of local officials who fight like heck to get back money that already belongs to them.

Sixth, to implement the cops on the beat, the bill states the Attorney General shall have access over the purpose of audit and examination to any pertinent books, documents, papers or records of a grant recipient under this part and to the pertinent books, et cetera or records of State and local governments, persons, businesses and other entities that are involved in programs, projects or activities for which assistance is provided under this part. "The Attorney General may promulgate regulations and guidelines that carry this out."

This is called red tape. This conceivably means that a businessperson who has a contrast with the local or State police could have their entire operations audited by the Federal Government if the law enforcement agency participates in this program.

What is the other half of the centerpiece of this crime bill? Prisons. The Clinton crime bill claims that $10.9 billion will be spent on building prisons. But a closer look shows that $2.2 billion is authorized but not funded. $8.7 billion would then be left allegedly for building prisons. However, $1.8 billion of that goes toward refunding States incarcerating illegal aliens. That leaves the bill with a total of $6.5 billion for prison construction. Or is it really for prisons?

Title 2 Prisons authorizes funding with the following language:

The Attorney General may make grants to individual States and to States organized as multistate compacts to develop, expand, operate or improve correctional facilities and programs including boot camp facilities and programs and other alternative confinement facilities and programs that can free conventional prison space for the confinement of violent offenders to ensure that prison space is available for the confinement of violent offenders and to implement truth-in-sentencing of violent offenders.

At this point it appears the Clinton crime bill will allow the States to spend the prison money the best way the States see fit. However, a further reading of the bill shows the Federal strings attached to it. For example, if a State qualifies for assistance to build a prison, it must still come up with 25 percent of the funding.

The Federal Government must approve the manner in which the State prison is operated or in which the local jail that applies for these grants is operated.

From Section 20101, Grants for Correctional Facilities, B–4, the States must have a "comprehensive correction plan which represents an integrated approach to the management and operation of correctional facilities and programs which include diversion programs, particularly drug diversion programs, community correction programs, prison screening, security classification systems, appropriate professional training for corrections officers in dealing with violent offenders, prisoner rehabilitation and treatment programs, prisoner work activities, jobs skills programs, educational programs, a pre-release prisoner assessment to provide risk reduction management, post-release assistance and an assessment of recidivism rates."

This means once the Federal Government gives money to a State to build that prison or to a locality to build a jail, then the Federal Government will determine through approving the comprehensive correctional plan the following: These are the new powers, the nine new powers of the Federal Government when it comes to these prisons.

No. 1. The Federal Government will determine, No. 1, how to manage and operate a correctional facility.

No. 2. The Federal Government will determine all the drug programs.

No. 3. The Federal Government will define and determine and make sure they are enacted a "community corrections program."

No. 4. The Federal Government will determine the security systems of the State and local secured facilities.

No. 5. The Federal Government will set forth the requirements and oversee and approve the training of officers who work with violent offenders.

No. 6. The Federal Government will determine the prisoner rehab programs.

No. 7. The Federal Government will determine prisoner work activities. That is, the daily life of a prisoner.

No. 8. All job skills programs and educational programs must be approved by the Federal Government.

No. 9. The Federal Government must determine the prisoner pre-release programs. That means that the strings that are attached by the Federal Government as the price for a State receiving money which already belongs to it and as the price that a local government must pay to receive money that already belongs to it is that it is turning over the local correctional facilities and the State correctional facilities to the fiat of the Attorney General and her bureaucrats.

That is not all of the prisons program. There is something called the Task Force on Prison Construction Standardization and Techniques, Section 20406 C–1.

The Federal Government now determines how the State prison is built or how the local jail facility is built and dictates the materials. This task force is comprised of Federal bureaucrats and engineers, architects, construction experts to come up with a performance requirement. The task force shall work to "establish or recommend standardized construction plans and techniques for prison and prison component construction."

That is the money that goes to a local sheriff that wants to expand his jail. That is the money that goes to a Governor that wants to expand the prison system. The price for it is the federalization of all correctional facilities that receive this money. Arguably you do not have one comprehensive plan for part of a jail that does not receive Federal money and another correctional plan for the other part that does receive the Federal money. That means the Federal Government will now be in the business of running all State and local prison and jail facilities. That has never been brought out in this Congress before. The reason is in the reading of the bill where the red tape and the strings comes, somebody in Washington has made a determination that the Attorney General knows better than all 50 Governors, than all 50 State legislatures, than every single sheriff and every single county administrator in the United States.

□ 2150

That is the centralization of power in the Federal Government, and that is what is wrong with the two very centerpieces of this Clinton crime bill.

How do we fight crime? We passed today a measure, very quietly passed by an overwhelming majority in the grants and the appropriations for Commerce, State and Justice. We were contacted several months ago by the State Line Area Narcotics Team that operates in the counties, the rural areas of Winnebago County and Stevenson County, Boone County and up into one county in Wisconsin called Monroe. We

were told that this group called the State Line Area Narcotics Team, SLANT, that the money that they were receiving under the Edward Byrne fund that coordinates all of the different agencies to fight narcotics on the local level, that this program had been eliminated in the budget plan of President Clinton, and it became our passion in my office to work very diligently and very hard to restore that, because the Federal Government's role in crime is very limited. Think about it: Interdiction of drugs at the borders, working with multijurisdictional task forces on following those drugs as they come over the borders and go into the hands of the individuals. Here was an area where if we could stop the flow of drugs into Winnebago and Boone and Stevenson County, if we could do that, then Winnebago County, IL, which leads the State in violent crimes, Winnebago County, where 65 percent to 75 percent of the violent crimes are the result of people involved in drug trafficking, whether they are trying to buy the drugs or sell the drugs or being used for their ingestion, or being shot as a result of the underworld activity of drug traffickers. And we wrote letters and succeeded to get that money put back in.

Today I talked with Capt. Earl Hernandez of Rockford, talked to him on the telephone and I said, "Captain, today the crime bill was passed. There was no fanfare. Today this crime bill was passed called, in a not very glamorous term, the annual appropriations bill to fund the Departments of Commerce, Justice and State."

That bill allows the hiring of 400 new FBI agents, the transfer of some 600 desk agents to the field. This bill increases funding for the Drug Enforcement Agency. The appropriation will allow the DEA to hire 300 new agents. The increased funding for the FBI and DEA will allow them to hire up to their 1992 levels, making them more effective crime fighting tools. And the bill increases funding for almost all areas within the Justice Department, the Judiciary, from the U.S. Marshal Service to the courts of appeals, district courts and other judicial services. The report expands the Edward Byrne formula grant program.

Programs funded by the Byrne program include State and local prosecution initiatives, innovative programs that attack drug use and violent crimes and multijurisdictional programs, an example being State and local police officers working with State troopers.

As we talked, Captain Hernandez said, "Congressman, thank you. Thank you for voting to give us local law enforcement officers the tool of our choice to go after these drug people."

Madam Speaker, look at the results of what this organization has done in 4 years, in 4 years working in three counties, mostly in rural areas. The total number of new drug investigations, 708; total of arrests for delivery of cocaine, 253; total arrests for possession of cocaine, 135; total of arrests for delivery of cannabis 114; total of arrests for possession of cannabis 78. Listen to this: Cocaine seizures in grams, 44,260; street value of cocaine seized, $10,622,400. Cannabis seized in grams, 542,000; street value of cannabis seized, $4,340,000.

The report from Captain Hernandez says none of these cases, 708, would have been investigated, none of these people, 580, would have been arrested, none of the cocaine, 44,260 grams or cannabis 542,547 grams, would have been accomplished without this multijurisdictional effort that we call SLANT.

The bill that passed today will not make the headlines, and the Captain Hernandezes will not be quoted in newspapers, not really. They are the heroes. They are on the front lines. They see exactly what is going on.

You know it is amazing that it is people like this, people like this that have the opportunity to know firsthand. These are the ones that should be defining exactly what programs that they need.

If you take the crime bill and break it out in its most simple terms and say if we are going to give money to the local and State law enforcement authorities, then block grant it out. Let the Earl Hernandezes determine how to spend the money. Yes, let Terry Chapman, acting police chief of Brookville, FL Police Department which employs 17 police officers, let him determine how that money is used. And yes, let us take a look at Paul Logli. Paul Logli is the State's Attorney, Winnebago County at large, the county that leads the State in terms of high crime. And Paul Logli says yes, we need cops, we need the system fixed. There are plenty of things that we need, but we do not need the Federal Government to tell us how to run our law enforcement agencies. We do not need the Federal Government determining the hoops through which we must jump. We do not need these things. We simply need to have the ability to use the money that already belongs to us.

Madam Speaker, that is really what the crime bill is about. When I was in law school, actually undergraduate at the American University here in Washington, there was a professor of constitutional law who used to ask the same rhetorical question. I think he got it from the ancient days in Greece when parading before the courts of justice the lawyers would carry these signs. It was actually the Latin courts in Rome. Written on these signs would be these words in Latin: Cui he produs, in whose interest is this trial being directed.

□ 2200

And this professor of constitutional law used to ask the same rhetorical question: What is the locus of sovereignty? And I sat there for months before I came to the realization that here was a man earnestly seeking to define the role of the Federal Government in its relationship to the States and the localities vis-a-vis the tender working relationship of the inner workings as it were of the 9th and 10th amendments of the U.S. Constitution. And after prodding with that question, "What is the locus of sovereignty," I came to the conclusion that the locus of sovereignty is not the State Government, it is not the local government, it is not the Federal Government. The locus of sovereignty is the people. It is the people that elect me to represent them, the 600,000 people in the 16th Congressional District of Illinois and the 600,000 or so people in the 434 other congressional districts. But ultimately it is the people who are sovereign, because they determine the governments, and they can bring down a government every 2 years through turning over of a majority or all of the Members of the House of Representatives.

That constitutional argument rings true today. What is the locus of sovereignty? And the issue is who knows best about how to fight a local problem. Does the Attorney General? Certainly not the CIA with the horrible Ames scandal, with a Benedict Arnold living in its midst, driving a fancy sports car, living in a half-million-dollar home, spending money like crazy to pay off credit card bills, in charge of a sensitive area of counterintelligence in Europe, nobody checking on him, a man personally responsible for the deaths of at least 10 people worldwide.

And do we really want the local police chiefs and the sheriffs, do we really want them to concede the authority that they have, to cede the authority that has been given to them by the people to the Attorney General and to the bureaucrats that operate under her? Do we really want a Government, a U.S. Government, that determines the manner of operation of local jails? Do we really want a U.S. Government, as determined by the Attorney General, that tells local police chiefs the manner in which they must train and recruit and equip the officers that work for them?

That is what is wrong with this crime bill. It is fatally flawed because of the philosophy behind it, and the philosophy behind it says Washington knows much better than Rockford, IL, and Washington knows much better than this little town in Florida, the little town of Brooksville, FL, on how to run the system of government.

The locus of sovereignty is with the people, and that is where the decisions must be made in the effective war against crime.

Mr. BECERRA. Madam Speaker, will the gentleman yield?

Mr. MANZULLO. I yield to the gentleman from California. I thank the gentleman for his patience. You have been sticking around here all night, have you not?

Mr. BECERRA. Madam Speaker, I have been here listening intently to much of what has gone on today, and I listened intently to what the gentleman had to say. I wonder if the gentleman would allow me to ask him a couple of questions, because he went into great detail about the crime bill. I think that is good, because the American public often wants to know the guts of what we are talking about in the different bills, whether it is health care or crime.

Is the gentleman suggesting that he is opposed to the idea of putting cops on the street as the President has proposed or providing additional funds for incarceration or building prisons as the President proposed, or is it more the details of the crime bill with which he objects?

Mr. MANZULLO. The devil is always in the details. The issue here is this, if we are saying let us put cops on the beat, give a community grant and say, "If you need detectives, hire detectives."

Let me read a quote here. This was also from a group in Florida, the Hillsboro sheriff, Cal Henderson, a Democrat, he likes what is in the bill, but he does not agree, he likes some of what is in the bill, but he does not agree with the centerpiece, 100,000 officers. He says, "At this point, the most important thing is the prison beds and juvenile detention facilities." His deputies are arresting the same offenders over and over. He said more deputies made more arrests, but no real change, no real impact. "Give me a break," says Manatee Sheriff Charlie Wells, a Republican, "100,000 police to arrest people to put them where?" Put them where? I mean, Washington cannot determine the needs of a local police force. That is the whole point.

Mr. BECERRA. To my question, it is not the gentleman objects to the idea that the President has of putting more cops on the beat or providing more funds for prison construction, it is the details and the way the conditions, perhaps, arose that are imposed in the bill in trying to implement those particular programs, in that sense?

Mr. MANZULLO. What I am opposed to is the presumption of the U.S. Congress that it knows the needs of a local police department in trying to combat crime. That is the primary opposition.

Let me follow that through with an answer, because as you see by all the comments from these, the different principles involved, they may not need police. They may not need prisons. They may need other backup personnel. But we are determining the needs of the local communities, and that is what is wrong about it.

Mr. BECERRA. But in terms of the programs themselves, community policing, helping provide more community police.

Mr. MANZULLO. Can you define community police? It is not defined in the bill.

Mr. BECERRA. That is because the local government, the police department, is allowed to define what a local community police officer will be which goes to your point about trying to provide local control.

Mr. MANZULLO. We are out of time.

Let me thank the gentleman, thank him very much, and I would state in conclusion that the community policing definition is not included in the bill.

Mr. BECERRA. I hope the gentleman does support the concept of community police and more money for prison construction.

Mr. MANZULLO. We can go on and on. I support the concept of letting the local police departments determine what their needs are and letting the U.S. Congress give them the money to spend the way they determine it.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. FALEOMAVAEGA (at the request of Mr. GEPHARDT), for today through August 26, on account of official business in the district.

Mr. CLEMENT (at the request of Mr. GEPHARDT), for Thursday, August 18, on account of official business.

Mr. MCDADE (at the request of Mr. MICHEL), for today, on account of illness.

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. DUNCAN) to revise and extend their remarks and include extraneous material:)

Mr. SAXTON, for 5 minutes, today.

Mr. TAYLOR of North Carolina, for 5 minutes, today.

Mrs. BENTLEY, for 5 minutes, today.

Mr. SHAYS, for 5 minutes, today.

Mr. ISTOOK, for 5 minutes, today.

Mr. KINGSTON, for 5 minutes, today.

(The following Members (at the request of Ms. DELAURO) to revise and extend their remarks and include extraneous material:)

Mr. HOYER, for 5 minutes, today.

Mr. KREIDLER, for 5 minutes, today.

Mrs. MINK of Hawaii, for 5 minutes, today.

Mr. FINGERHUT, for 5 minutes, today.

Ms. DELAURO, for 5 minutes, today.

Mr. WAXMAN, for 5 minutes, today.

Ms. MCKINNEY, for 5 minutes, today.

Mr. MILLER of California, for 5 minutes, today.

Mr. WISE, for 5 minutes, today.

Mr. OWENS, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. BECERRA, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. DUNCAN) and to include extraneous matter:)

Mr. THOMAS of California.

Mr. CALVERT.

Mr. BALLENGER.

Mr. PACKARD.

Mr. KASICH.

Mr. BEREUTER.

Mr. DORNAN in three instances.

Mr. SOLOMON in two instances.

Mrs. MORELLA.

Ms. MOLINARI.

Mr. SHAYS.

(The following Members (at the request of Ms. DELAURO) and include extraneous matter:)

Mr. BROWN of California.

Mr. HAMILTON.

Mr. KILDEE.

Mr. NEAL of North Carolina.

Mr. LANTOS.

Mr. LIPINSKI in three instances.

Mr. MANN.

Mr. BONIOR.

Mr. ENGEL.

Mr. STARK in two instances.

Ms. LONG.

Mr. FAZIO.

Ms. ROYBAL-ALLARD.

Mr. SYNAR.

(The following Members (at the request of Mr. MANZULLO) and to include extraneous matter:)

Mr. PAYNE of Virginia.

Mr. BARCIA of Michigan.

Ms. VELÁZQUEZ.

Mr. GINGRICH.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2073. An act to designate the United States courthouse that is scheduled to be constructed in Concord, New Hampshire, as the "Warren B. Rudman United States Courthouse", and for other purposes; to the Committee on Public Work and Transportation.

ENROLLED BILLS SIGNED

Mr. ROSE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House

of the following titles, which were thereupon signed by the Speaker:

H.R. 2947. An act to amend the Commemorative Works Act, and for other purposes; and

H.R. 4790. An act to designate the United States courthouse under construction in St. Louis, Missouri, as the "Thomas F. Eagleton United States Courthouse."

ADJOURNMENT

Mr. MANZULLO. Madam Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 8 minutes p.m.), the House adjourned until tomorrow, Friday, August 19, 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:

3719. A letter from the Acting Director, Office of Management and Budget, transmitting OMB estimate of the amount of change in outlays or receipts, as the case may be, in each fiscal year through fiscal year 1999 resulting from passage of H.R. 4429, pursuant to Public Law 101-508, section 13101(a) (104 Stat. 1388-582); to the Committee on Government Operations.

3720. A letter from the Clerk, U.S. House of Representatives, transmitting the quarterly report of receipts and expenditures of appropriations and other funds for the period April 1, 1994, through June 30, 1994, pursuant to 2 U.S.C. 104a. (H. Doc. No. 103-294); to the Committee on House Administration and ordered to be printed.

3721. A letter from the Comptroller General of the United States, transmitting the ninth report on the assignment or detail of General Accounting Office (GAO) employees to congressional committees as of July 8, 1994; jointly, to the Committees on Appropriations and Government Operations.

3722. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a report required by section 508 of the FREEDOM Support Act, pursuant to 22 U.S.C. 5852; jointly, to the Committees on Foreign Affairs and Appropriations.

SUBSEQUENT ACTION ON A REPORTED BILL SEQUENTIALLY REFERRED

Under clause 5 of rule X the following action was taken by the Speaker:

Referral of H.R. 2680 to the Committee on Government Operations extended for a period ending not later than September 23, 1994.

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 Ms. MARGOLIES-MEZVINSKY:

H.R. 4984. A bill to amend the Solid Waste Disposal Act to regulate the use of hazardous waste as fuel for energy recovery, the operation of cement kilns that burn hazardous waste as fuel, the disposal of cement kiln dust waste, and related activities; to the Committee on Energy and Commerce.

By Mr. BARTON of Texas:

H.R. 4985. A bill to prohibit aircraft from flying over The Ballpark in Arlington, in Arlington, TX, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. JEFFERSON:

H.R. 4986. A bill to amend the Internal Revenue Code of 1986 to increase the deductibility of business meal expenses for individuals who are subject to Federal hours of limitation; to the Committee on Ways and Means.

By Mr. KIM (for himself, Mr. COX, Mr. DORNAN, Mr. PACKARD, and Mr. ROYCE):

H.R. 4987. A bill to authorize the Secretary of the Interior to participate in the construction of the Orange County Regional Water Reclamation Project; to the Committee on Natural Resources.

By Mr. REGULA (for himself and Mr. HUGHES):

H.R. 4988. A bill to provide for a 4-year demonstration project under Medicare which shall establish a preventive health care screening examination program; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. TRAFICANT (for himself, Mr. MINETA, Mr. SHUSTER, Mr. DUNCAN, Mr. HYDE, Mr. HASTERT, and Mr. GINGRICH):

H.R. 4989. A bill to designate the Federal building and United States courthouse located at 100 Northeast Monroe Street in Peoria, IL, as the "Robert H. Michel Federal Building and United States Courthouse"; to the Committee on Public Works and Transportation.

By Mr. CAMP:

H.R. 4990. A bill to amend title 10, United States Code, to require the Secretary of Defense to establish a commission to collect and investigate reports by members of the Armed Forces of illnesses incurred during or shortly following their service in combat zones during a war on contingency operation; to the Committee on Armed Services.

By Mr. INSLEE:

H.R. 4991. A bill to provide that Oregon may not tax compensation paid to a resident of Washington for services as a Federal employee at a Federal hydroelectric facility located on the Columbia River; to the Committee on the Judiciary.

H.R. 4992. A bill to accept redesignation by the Yakama Tribal Council of the name Confederated Tribes and Bands of the Yakima Indian Nation to the "Confederated Tribes and Bands of Yakama Indian Nation" to conform to wording of the Treaty with the Yakamas; to the Committee on Natural Resources.

H.R. 4993. A bill to authorize the Secretary of Agriculture to exchange certain lands in the Wenatachee National Forest, Washington, for certain lands owned by Public Utility District No. 1 of Chelan County, WA, and for other purposes; to the Committee on Natural Resources.

By Mr. SYNAR (for himself, Mr. BUNNING, Mr. OWENS, and Mr. BILIRAKIS):

H.R. 4994. A bill to apply the antitrust laws of the United States to major league baseball; to the Committee on the Judiciary.

By Ms. MOLINARI (for herself, Mr. BAKER of California, Mr. CAMP, Mr. HOEKSTRA, Mr. KING, Mr. LEVY, Mrs. MALONEY, Mr. MCCRERY, Mrs. MORELLA, Mr. QUINN, Mrs. ROUKEMA, Mr. SANDQUIST, Mr. TORRICELLI, Mr. TRAFICANT, and Ms. VELÁZQUEZ):

H.J. Res. 403. Joint resolution to designate October 1, 1994, as "National Incest and Sexual Abuse Healing Day"; to the Committee on Post Office and Civil Service.

By Mr. STUPAK:

H.J. Res. 404. Joint resolution designating March 26, 1995, as "Native American Heritage Day"; to the Committee on Post Office and Civil Service.

By Mr. KNOLLENBERG (for himself, Mr. SOLOMON, Mr. MCCOLLUM, Mr. KIM, Mr. HOEKSTRA, Mr. BARTLETT of Maryland, Ms. MOLINARI, Mr. WALKER, Mrs. MEYERS of Kansas, Mr. CRAPO, Mr. SAM JOHNSON of Texas, Mr. UPTON, Mr. BALLENGER, Mr. TORKILDSEN, Mr. EVERETT, Mr. STUMP, Mr. KLUG, Mr. HOBSON, Mr. FIELDS of Texas, Mr. DORNAN, Mr. EWING, Mr. CANADY, Mr. KINGSTON, Mr. MCKEON, Mr. LEWIS of Kentucky, Mr. HORN, Mr. WOLF, Mr. ROYCE, Mr. SMITH of Texas, and Mr. INGLIS of South Carolina):

H. Res. 525. Resolution expressing the sense of the House of Representatives with respect to welfare reform legislation; to the Committee on Ways and Means.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 65: Mr. HOAGLAND.
H.R. 291: Mr. SANTORUM.
H.R. 799: Mr. POMEROY.
H.R. 966: Mr. NADLER.
H.R. 1500: Mr. KLEIN, Ms. FURSE, Mr. PALLONE, Mr. ACKERMAN, and Mr. GORDON.
H.R. 1509: Mr. MANTON.
H.R. 1600: Mr. SAXTON.
H.R. 1671: Mrs. MALONEY.
H.R. 1840: Mr. MILLER of Florida.
H.R. 1897: Mr. HALL of Ohio and Mr. GEJDENSON.
H.R. 1928: Mr. MCCOLLUM.
H.R. 2113: Mr. CALVERT.
H.R. 2229: Mr. MINETA and Mr. VENTO.
H.R. 2663: Mr. MILLER of California.
H.R. 2717: Mr. MANZULLO.
H.R. 2898: Mr. VENTO.
H.R. 3005: Ms. MOLINARI.
H.R. 3250: Mr. CANADY.
H.R. 3261: Ms. EDDIE BERNICE JOHNSON of Texas, Mr. TORRES, Mr. BRYANT, Mrs. FOWLER, and Mrs. BENTLEY.
H.R. 3293: Mr. THOMAS of Wyoming.
H.R. 3348: Mr. UNDERWOOD.
H.R. 3363: Mr. ACKERMAN.
H.R. 3421: Ms. MOLINARI.
H.R. 3491: Mr. ZELIFF.
H.R. 3538: Mr. PASTOR, Mr. PORTER, and Mr. RUSH.
H.R. 3646: Mr. HILLIARD, Mr. BARRETT of Nebraska, Mr. DIAZ-BALART, Mr. CRAMER, Mr. STEARNS, Mr. GILLMOR, Mr. BACHUS of Alabama, and Mr. SENSENBRENNER.
H.R. 3695: Mr. ROYCE.
H.R. 3762: Mr. KIM and Mr. UNDERWOOD.
H.R. 3812: Mr. BACHUS of Alabama.
H.R. 3854: Mr. KANJORSKI.
H.R. 3951: Mr. PASTOR.
H.R. 4000: Mr. GOODLATTE and Ms. ENGLISH of Arizona.
H.R. 4069: Mr. INGLIS of South Carolina and Mr. FOGLIETTA.
H.R. 4070: Mr. INGLIS of South Carolina and Mr. FOGLIETTA.

H.R. 4071: Mr. INGLIS of South Carolina and Mr. FOGLIETTA.
H.R. 4095: Mr. ROBERTS.
H.R. 4142: Ms. VELÁZQUEZ, Mr. VENTO, Mr. THOMAS of California, Mr. MCNULTY, Mr. MARKEY, Mr. WATT, Ms. FURSE, Mr. HUFFINGTON, and Ms. ROYBAL-ALLARD.
H.R. 4178: Mr. DOOLITTLE.
H.R. 4179: Ms. CANTWELL.
H.R. 4251: Mr. HASTERT.
H.R. 4343: Mr. WOLF.
H.R. 4412: Mr. BARLOW and Mr. CHAPMAN.
H.R. 4491: Mr. CALVERT and Mr. BACHUS of Alabama.
H.R. 4514: Mr. CALVERT and Mr. POMBO.
H.R. 4546: Mr. RANGEL.
H.R. 4566: Mr. SENSENBRENNER and Mr. ZIMMER.
H.R. 4592: Mr. POMBO.
H.R. 4654: Mr. HASTINGS.
H.R. 4698: Mr. VENTO.
H.R. 4708: Ms. ROYBAL-ALLARD.
H.R. 4765: Mr. SHAYS.
H.R. 4831: Mr. WILSON and Ms. MOLINARI.
H.R. 4846: Mr. VALENTINE.
H.R. 4919: Mr. ZIMMER, Mr. VISCLOSKY, and Mr. ROEMER.
H.R. 4940: Mr. REED.
H.R. 4951: Mr. DORNAN.
H.R. 4952: Mr. DORNAN.
H.R. 4953: Mr. DORNAN.
H.R. 4957: Ms. DANNER.
H.J. Res. 355: Mr. HAYES, Mr. DICKEY, Mr. STOKES, Mrs. UNSOELD, Mr. LAZIO, Mr. CONYERS, Mr. SHARP, Mr. BAKER of California, Mr. HAMILTON, Mr. FRANK of Massachusetts, Mr. OWENS, Mr. MOORHEAD, Mr. GRAMS, Mr. ANDREWS of New Jersey, Mr. BATEMAN, Ms. DUNN, Mr. LEVY, Mr. PASTOR, Mr. FILNER, Mr. MARKEY, Mr. JOHNSON of Georgia, Mr. MYERS of Indiana, Mr. CRANE, Mr. ABERCROMBIE, Mr. BILBRAY, Mr. SAXTON, Mr. WYDEN, Mr. NADLER, Mr. FRANKS of New Jersey, Mr. ENGEL, Mr. COYNE, and Mr. BLACKWELL.
H.J. Res. 381: Mr. OWENS, Ms. DELAURO, and Mr. ENGEL.
H.J. Res. 385: Mr. SERRANO.
H.J. Res. 399: Mrs. MINK of Hawaii, Mr. OWENS, Mr. JOHNSON of South Dakota, Mr. WYNN, Mr. BEVILL, Mr. HORN, Mr. MARTINEZ, Mr. BILBRAY, Mr. WOLF, Ms. EDDIE BERNICE JOHNSON of Texas, and Mr. HASTINGS.
H. Con. Res. 173: Mr. LEACH, Mr. DOOLITTLE, Ms. MARGOLIES-MEZVINSKY, Mr. HANCOCK, and Mr. KIM.
H. Con. Res. 264: Mr. GINGRICH and Mr. GOODLING.
H. Res. 432: Ms. NORTON, Mrs. UNSOELD, and Mr. KLEIN.

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. 3222: Mr. GORDON.

EXTENSIONS OF REMARKS

HEALTH CARE REFORM

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 18, 1994

Mr. PACKARD. Mr. Speaker, President Clinton and the liberal leadership are launching an invasion on our medical schools. An army of new Government bureaucrats will decide the course of study for thousands of medical students.

Presently there are 72,347 medical students enrolled at America's 141 medical schools. These bright, young energetic students will lose their right to choose a career path.

Instead, under the Clinton-Gephardt health care reform scheme, a national commission will ration the number of medical students per school and decide what kind of medicine these students will study. The fate of thousands of medical students will rest in the hands of Government bureaucrats.

Mr. Speaker, the Clinton-Gephardt attack does not stop at the medical school door. Health care consumers will also feel the consequences of this new rationing system. We only need to look over our northern border to see the results.

Every day thousands of Canadians seek care in the United States because they are denied access to specialists. In essence, they are refugees of the Canadian health care system. Socialized medicine sabotages a patient's right to quality care.

If the Clinton-Gephardt bill is enacted, Americans will join the ranks of the socialized medicine refugees. What border will we have to cross to get the kind of health care we need?

As a dentist, I am aware of the vast opportunities the medical profession offers. The Clinton-Gephardt bill takes away that opportunity. The Government did not infringe upon my career choice. Do not let bureaucracy smother the aspirations and dreams of future medical students.

Mr. Speaker, I urge my colleagues to consider the Michel and Dole health care bills. We must protect the rights of our future health care providers. Do not let Government limit the choices and career paths of future medical students.

TENTH ANNIVERSARY OF ILLINOIS AND MICHIGAN CANAL NATIONAL HERITAGE CORRIDOR

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 18, 1994

Mr. LIPINSKI. Mr. Speaker, it gives me great pleasure to commemorate the 10th anniversary of the Illinois and Michigan Canal national heritage corridor.

Designated by Congress on August 24, 1984, the Illinois and Michigan Canal national heritage corridor extends from Navy Pier and Calumet Harbor in Chicago 120 miles to La Salle-Peru. Illinois, the sixth most populous State in the Nation, had no national park until the corridor's designation, which was seen as an innovative model for preserving the natural heritage of an urban area. The Illinois and Michigan Canal national heritage corridor was the first partnership park of its kind and is now a model for such parks throughout the Nation.

While significant strides have been made in preserving the corridor, much work remains to be done. Presently, the Illinois and Michigan Canal itself, a national historic landmark, is included on the Federal Government's list of endangered landmarks. Local funding efforts have been instrumental in enhancing the historical, natural, and recreational resources of the corridor. However, Federal investment for capital improvements remains an important objective. Federal funding would address some of the capital projects along the corridor and tie the region as a great urban cultural park.

I have introduced two bills designed to enhance and preserve the corridor. H.R. 1828 would provide Federal funding for capital improvements, define the eastern boundaries of the corridor and extend the National Heritage Corridor Commission for another 10 years. Another bill, H.R. 3999 simply defines the eastern boundaries of the corridor and extends the life of the commission.

In the last 10 years, we have seen significant progress being made along the corridor. The corridor's rich heritage and recreational opportunities attract countless visitors to the area and enhance the pride of local residents. The Illinois and Michigan Canal national heritage corridor is of great historical significance to the State of Illinois, as well as the Nation. We must continue to work to preserve this unique treasure for future generations.

RSVP PROGRAM IS SUCCESS IN ESSEX COUNTY

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 18, 1994

Mr. SOLOMON. Mr. Speaker, there are a number of Federal programs that are inefficient, or just plain don't work. But let me say a few words today about one of the good programs, one which performs a vital service for an important segment of the population.

It is the Retired and Senior Volunteer Program [RSVP] in Essex County, which is funded by the National Community and Service Corp., and locally by Catholic Charities of the Diocese of Ogdensburg.

RSVP makes use of retired persons after 55 or older who still have enormous talents and energies to offer. These volunteers assist public and nonprofit agencies and licensed health care facilities in meeting urgent social needs. Their efforts are directed to older Americans who are frail, ailing, and homebound, and deal with such areas as nutrition, health, independence. They assist hospitals, nursing homes, schools, libraries, and a variety of other human service agencies.

Have they been successful? You bet! RSVP-Essex County has 530 enrolled volunteers, who have logged 68,500 hours annually. They serve at 74 agencies and organizations throughout the county. It's one of 38 such programs in the State of New York, with a total of 45,000 volunteers.

In Essex County, over 1,556 volunteers have joined this program since 1974, and contributed 788,860 hours of service.

Mr. Speaker, this is America at its best. It is an example of neighbor helping neighbor. The staff and all volunteers deserve our Highest praise.

RSVP-Essex County will be celebrating its 20th anniversary on September 15, and I would ask this House to join me in congratulating RSVP-Essex County for its 20 years of outstanding service.

BEYOND THE CALL OF DUTY

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 18, 1994

Mr. KILDEE. Mr. Speaker, I would like to take this opportunity to bring attention to the extraordinary efforts of three young people who have selflessly donated the last few days of their summer vacation to the U.S. House of Representatives. I am referring to Caroline Andrews, Sarah Raimo, and Dan Malin.

As you may be aware, Mr. Speaker, the second session for our summer pages ended on Friday, August 12. Caroline and Sarah have gone above and beyond the call of duty, and volunteered to continue their dedicated service in the Democratic Cloakroom. As the only pages left in the House, they have also taken on a number of additional duties. They should be commended for their loyalty and spirit.

Finally, I would be remiss if I failed to mention the fine job Dan has done as a volunteer intern. He is a student at the Nichols School in Buffalo, NY, and his arrival here could not have been more timely. On behalf of my colleagues in the House, I would like to thank each of you for your help.

CONGRATULATIONS TO MRS. CARMEL DOYLE SLEVIN

HON. KEN CALVERT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 18, 1994

Mr. CALVERT. Mr. Speaker, the 20th century is rapidly drawing to a close. It has been a period of astounding change—an era that has seen more progress in more fields of human endeavor than all previous years of man's existence on Earth. And, if there is any one country that has shaped and molded the 20th century in its own image, it is the United States of America. Clearly, this has been an American century.

In just a few days—on August 23, 1994, a California woman who has lived in every decade of this American century will celebrate her 90th birthday. To truly understand the reasons for America's greatness, we must understand lives such as hers, because she personifies the American spirit and the American dream.

Mrs. Carmel Margaret Doyle Slevin was born in her mother's home in San Francisco in 1904. Teddy Roosevelt was President and most vehicles were described by the number of horses rather than the amount of horsepower.

At the age of 19, Miss Doyle took her first job as a schoolteacher. She had to commute by horseback to a rural school outside of San Francisco in the hills of San Mateo County. It was a one-room schoolhouse with children of all different ages.

But, Carmel was a city girl at heart and returned the next year to take a job teaching in her hometown. She passed the San Francisco city teacher's exam and taught from 1925–43, resigning to give birth to her second child.

During the 1940's, 1950's, and 1960's, Carmel and her husband, Edward M. Slevin, lived the American dream. They worked hard, raised a family and participated actively in their church and community. And, they made sure that their children, Edward J. Slevin and Patricia Carmel Slevin Mantoani, would have even greater opportunities than they had.

After her children were grown, Mrs. Slevin returned to teaching school, once again, sharing her knowledge and experience with a new generation of Americans. She continued teaching until required to retire at age 55.

Since the death of her husband in 1973, Carmel has kept active with the two most important things in her life—her family and her religion. She has eight grandchildren and 6 great grandchildren.

Mrs. Carmel Margaret Doyle Slevin has witnessed more change then most of us will have the opportunity to see. She rode on horseback to her first job and now watches space flights on television. She read about the horror of World War I, saw newsreels about World War II, and watched as the Vietnam war was fought in living color on her television.

But, we congratulate Mrs. Slevin on her 90th birthday, not because she has witnessed almost the entire American century, but because she has contributed so much of her talent and spirit to making the 21st century the next American century.

CONGRATULATIONS TO TULARE COUNTY DAIRY INDUSTRY: NO. 1 IN THE NATION

HON. WILLIAM M. THOMAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 18, 1994

Mr. THOMAS of California. Mr. Speaker, I would like to congratulate the dairy farmers of Tulare County, CA, for realizing a significant accomplishment. Tulare County dairy farmers, through a blend of hard work, perseverance, and the use of modern technology, have become the Nation's leading milk-producing region. Making Tulare County's achievement even more significant is the instrumental role this accomplishment had in helping the State of California overtake Wisconsin as America's dairy land.

The reasons for Tulare County's rise to the top read like a typical American success story. Building upon an already strong base of 230 dairies in 1970, Tulare County now has 286 dairies. And using strong management practices, economies of scale, the most-advanced technologies, and taking advantage of favorable weather and local resources, the dairy farmers of Tulare County made the decisions and took the risks that led to the increase in their production. And what a record they have achieved. Tulare County dairy farmers have annual gross receipts of $455 million or about 15 percent of the State's total receipts of $3 billion.

But the good news does not end here. Based on the strength of the diary industry, several new large scale-milk processors have opened facilities in the county including the California Milk Processors, the State's largest milk cooperative and Kraft, which will soon complete a bulk cheese facility.

However, Tulare's accomplishment had not been made without the need to overcome several challenges including a statewide recession to roller-coaster prices for milk. But drawing on the strengths of the county, family-owned dairies and tightknit communities, Tulare County's dairy farmers were able to pool their resources during the tough times and ultimately persevere. The result is what we know today. Tulare County is the No. 1 milk-producing region in the county—no small achievement—because I know well the pride in which the Wisconsin delegation held that distinction. And if I know them, they will work hard to rebound. It is a challenge that I and the dairy farmers of Tulare County and the entire State of California look forward to meeting.

TRIBUTE TO WEBER BAKERY

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 18, 1994

Mr. LIPINSKI. Mr. Speaker, I rise today to offer my hearty congratulations to the Weber Bakery on the occasion of their 64th anniversary.

Weber's, founded in 1930 near 45th and Kedzie by German immigrant, Erich H. Weber, moved to 63d and St. Louis in 1937 and was a venerable member of the Chicago lawn business community until 1980. Erich H. Weber retired in the mid-1960's turning the business over to his son, current business president, Erich R. Weber. The senior Mr. Weber, 86, is living in retirement in Florida.

I first met Erich R. Weber in 1960, when I was a physical education instructor at Marquette Park. They sold the best hot dog buns in the world, and I would purchase them for the 350 youngsters in the Marquette Park day camp.

In 1979, the family decided to start a full-service branch in the thriving Garfield Ridge area and opened up at Archer and Nottingham. The Garfield Ridge Bakery located in the 23d ward of the city of Chicago, where I served as Alderman from 1975 to 1982. The Weber Bakery is also located in the Third Congressional District of Illinois, the district I have served since 1982.

After the Weber's closed their Chicago lawn shop, they poured all their energy into the Archer location, expanding, remodeling, and improving their property. In their years in the 23d ward and Third Congressional district, under the leadership of Erich R. Weber, the Webers have sponsored countless patriotic, cultural, and athletic events for the youth of the area. They have also contributed to senior citizens picnics, bingos, and awards programs. They have truly been outstanding citizens of the community. Their community involvement has helped the southwest side of Chicago become the garden spot.

Today, Weber's is managed by two of Eric R. Weber's sons, Michael and David. Like their father before them they literally grew up in the business, working weekends and summers learning the art of baking.

"We're very proud of our operation here, and we're proud that over the years we have expanded our offerings to meet the tastes of our many customers," states Michael Weber. "Our German specialties, as well as our Polish, Italian, and Mexican items, have proven quite popular with a wide audience."

On a personal note, I would like to add that the many conversations I have had with Erich and Michael Weber have been excellent informational experience for me. Those conversations have kept me informed on what was going on in the community, what the people were thinking and how government was affecting small business.

Once again, let me thank the Weber's for their total contributions to our community and congratulations on your 64th year in business.

TRIBUTE TO COMMEMORATE THE THIRD ANNIVERSARY OF UKRAINIAN INDEPENDENCE

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 18, 1994

Mr. BONIOR. Mr. Speaker, I rise today to commemorate the third anniversary of Ukrainian independence. To celebrate, members of the Ukrainian Cultural Center in Warren, MI, are hosting a commemorative and cultural program this Sunday evening, August 21.

Much has been achieved in the 3 years since the Parliament of Ukraine declared independence. Barely 3 months after the proclamation, over 90 percent of the population ratified the proclamation in a referendum. In the past year, parliamentary and presidential elections have been held. The people of Ukraine face many challenges; however, they are in the process of building a free and democratic society.

I believe the United States must reach out to the people of Ukraine. Americans can and should assist Ukrainians in their quest to build a prosperous free-market society. As a Member of the House of Representatives, I have worked to see that Ukraine receives a fair portion of the aid designated for the New Independent States. On a more personal level, I have worked with individual Ukrainians who have come to America to learn about our system of government and to acquire entrepreneurial skills. Ukrainian citizens have worked in my Washington and Mount Clemens offices studying the American political system. I have been fortunate to have the opportunity to provide assistance with the exchange program between the Lvov Institute of Management and Wayne State University. Currently, I am making arrangements for Ukrainian students participating in this M.B.A. program to spend time with small business owners in Michigan. I encourage all Americans committed to Ukraine's future to participate in these types of one-on-one experiences. These efforts will undoubtedly make an important impact on Ukraine.

On the third anniversary of Ukrainian independence, Ukrainian-Americans share in the joy of a free Ukraine. I ask that my colleagues join me in saluting the Ukrainian Congress Committee of America and the Ukrainian American Coordinating Council for their vigilance through the many difficult years, and for organizing and hosting this commemorative cultural program.

SENIOR COMPANION PROGRAM IS GREENE COUNTY SUCCESS STORY

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 18, 1994

Mr. SOLOMON. Mr. Speaker, there are a number of Federal programs that are inefficient or just plain do not work. But let me say a few words today about one of the good programs, one which performs a vital service for an important segment of the population at a reasonable cost.

I'm speaking about the Senior Companion Program, which has brightened the lives of both the volunteers and those whom they have served in Greene County in upstate New York since 1989.

The Senior Companion Program consists entirely of volunteers aged 60 or over. They provide a variety of services that professional, full-time health-related agencies would be hard-pressed to offer. For example, many volunteers simply provide companionship, keeping an eye on home-bound older Americans, many of whom no longer have living relatives. These volunteers often become advocates and advisors for their charges, informing them about available services and helping them enroll in other programs. Or, volunteers might give family members responsible for an ailing relative a few hours of relief. Some even do some light housekeeping chores, or help with managing household budgets.

Invariably, solid friendships are often formed between volunteers and the beneficiaries of this program. Many even spend holidays with them.

The volunteers get a great deal of satisfaction, Mr. Speaker, from their participation in this program, and so does the entire community. Imagine how far this program goes in cutting down the cost of home health aids and other expenses, which can be prohibitive.

Beyond that, Mr. Speaker, I can think of few things more all-American than this program, which features neighbor helping neighbor.

The Senior Companion Program of Greene County will be holding its annual recognition luncheon on September 6, and I'm looking forward to being there.

Meanwhile, Mr. Speaker, I would like this House to commend Terry La Sala, program director, whose enthusiasm and dedication are such important factors in the program's success, and everyone else affiliated with this effort. Thanks to such people, the Senior Companion Program has become a success story of which we can all be proud.

HONORING THE LIBERATION OF MAASTRICHT, HOLLAND

HON. ELIOT L. ENGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 18, 1994

Mr. ENGEL. Mr. Speaker, I wish to call to the attention of the U.S. Congress a special group and its celebration of a historic event.

This September marks the 50th anniversary of the liberation of Maastricht, Holland, by elements of the 30th Infantry Division of the U.S. Army. The city of Maastricht was the first Dutch community liberated from Nazi occupation, and it would take 9 months to overcome the ferocious counterattack by the enemy. More than 76,000 American troops lost their lives in the Ardennes, in the final and bloodiest Nazi onslaught that became known as the Battle of the Bulge.

During the opening days of this military campaign, a moving relation was formed among the American troops and the Dutch people. Ten years earlier in 1934, a jeweler from the city of Maastricht named Knijf founded an athletic club known as AV34—Athletiekverening. This physical fitness program for the area's youth was suspended and disrupted by the advent of Nazi occupation in 1940. When Maastricht was finally liberated 5 years later, AV34 was reborn as an athletic club with an added, noble cause—to pay homage to the soldiers who fought and died to free their homeland.

Over the years, the members of AV34 and the American troops who liberated Holland have participated in a series of special events. The first dedication was a torch designed by Mr. Knijf that was carried in a relay from Maastricht to the American military cemetery in Margraten, some 6 miles away. That initial run of the Liberation Torch has evolved into a 600-mile relay run from Omaha Beach in Caen, through western France following the battle route of the 30th Infantry Division to Holland. Every 5 years, members of AV34 are joined by veterans and athletes from around the world to run this course.

Members of AV34 have also visited our shores, participating in a commemorative run dubbed Torch 200 during the U.S. bicentennial, and in 1986 for the ceremonies marking the 100th anniversary of the Statue of Liberty.

Again this year, American veterans will travel to Europe to mark the liberation of Maastricht. Just as the ceremonies marking the 50th anniversary of D-day revived memories and evoked emotions, the ceremonies in Maastricht will highlight five decades of brotherhood and freedom.

At this time, I must commend the efforts of one American veteran who has dedicated his time and energy to continuing the special relationship with AV34. Philip Capotorto, a resident of my home borough of the Bronx, served with distinction in Holland and literally acts as a living tribute to the men who fought there.

To Philip Capotorto and all the members of AV34, I extend my congratulations and best wishes. I am sure my constituents and the American people share this sense of gratitude and admiration. Your efforts are not forgotten, and your courage will live on throughout history.

TRIBUTE TO PEARL MAZE MACLEECH

HON. LUCILLE ROYBAL-ALLARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 18, 1994

Ms. ROYBAL-ALLARD. Mr. Speaker, it is an honor for me to pay tribute to the life of Mrs. Pearl Maze MacLeech, cofounder and secretary of the senior citizens club at Angelus Plaza. With her death on August 12, 1994, Mrs. MacLeech has left a legacy of dedication and commitment to the senior citizen community.

Mrs. Pearl Maze MacLeech was born in New York City on October 5, 1908. She spent her teenage years on her family's ranch in Freehold, NJ. Determined to learn from life's classroom, Pearl left home at 16 and moved to New York City, where she successfully advocated for the American Association of Retarded Children and the Foundation for the Blind. She was a cofounder of the Institute for Handicapped Adolescents and Young Adults.

In 1955, she married Bert MacLeech. The couple moved to southern California where Mr. MacLeech joined the University of Southern California's faculty in 1967. Pearl and Bert's home became a satellite classroom where students shared their intellectual and cultural pursuits.

When Bert retired, they moved to Angelus Plaza in Los Angeles, where they cofounded the senior citizens club. The club is one of the

largest local senior advocacy groups in the Nation.

I wish to extend my sympathy to the MacLeech family and friends. Thanks to the work of Ms. Pearl Maze MacLeech, the lives of the elderly, the physically challenged, and all who knew her have been enriched.

I will always be eternally grateful for having the privilege of knowing her as a constituent, but more importantly, as a friend.

INTRODUCTION OF THE BASEBALL FANS AND COMMUNITIES PROTECTION ACT

HON. MIKE SYNAR

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 18, 1994

Mr. SYNAR. Mr. Speaker, it is a sad and unfortunate fact that throughout our great Nation this summer baseball fans from Little Leaguers to the President are sorely disappointed that for the eighth time in eight negotiations major league players are on strike. While fans are disappointed, many others feel a real economic impact of the strike. Those communities that host major league teams have lost valuable jobs and millions in revenue because their major league stadiums have all been shuttered by the strike.

To make matters worse, in the 2 weeks since the strike began, little progress in resolving the strike has been made and it appears that neither side seems intent on ending the strike any time soon. Frustrated fans sit on the sidelines and watch the remainder of the season dwindle away while the negotiations between players and owners stall.

That is why I join today with Congressmen BUNNING, OWENS, and BILIRAKIS to introduce the Baseball Fans and Communities Protection Act. This legislation will apply the Federal antitrust laws to major league baseball in a manner designed to spur the now stagnant negotiations between the players and owners of major league baseball. This bill is specifically designed to allow the players to get back to the field while all parties to the strike have their rights and bargaining positions protected through the application of the antitrust laws.

The current impasse between owners and players is that owners are committed to imposing a salary cap following the season and players feel the only way to negotiate on the imposition of the salary cap by the owners is to strike now, during the season, when their bargaining leverage is at a maximum. What the Baseball Fans and Communities Protection Act will do is allow the players to retake the field by giving them access to the rights and remedies of the antitrust laws from which major league baseball is currently exempt.

I believe giving the players antitrust remedies will preserve their bargaining positioning during the upcoming negotiations without having to resort to a strike. This will allow all parties, players and owners, to sit down and bargain in good faith until an agreement that is satisfactory to both sides is reached. In the meantime, players can play ball.

I urge my colleagues to cosponsor this important legislation, and I look forward to its swift consideration by the House Judiciary Committee and the entire Congress.

INTRODUCTION OF NATIONAL INCEST AND SEXUAL ABUSE HEALING DAY

HON. SUSAN MOLINARI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 18, 1994

Ms. MOLINARI. Mr. Speaker, today I am introducing a resolution to designate October 1, 1994, as "National Incest and Sexual Abuse Healing Day."

As the crime bill has dominated our attention this week, I think it is important to reflect on why it is so important that anti-crime legislation strongly address the problems of sexual abuse through such measures as strengthening evidentiary rules for the prosecution of child molesters and notifying communities when sexual predators are present.

The statistics on child abuse and sexual abuse of children are grim. In 1992, 2.9 million child cases were reported to child protective service [CPS] agencies. This represents a 50-percent increase in reported child abuse cases between 1985 and 1992. But despite this increase in the reporting of cases, there remain thousands of children whose cries go unheard.

In addition, it is estimated that nearly 1,300 child abuse and neglect-related fatalities in 1992 were confirmed by CPS agencies—an average of over three child deaths a day. Almost 84 percent of these children were under 5 years old at the time of their deaths.

The futures of those who survive these crimes follow two paths. The fortunate ones may be able to overcome child abuse by speaking out, creating an open and honest dialog on the subject. Others, unable to come to terms with what has occurred, may face years of physical and emotional problems. Many will grow up to become the next generation of abusers, perpetuating a vicious cycle of violence.

Mr. Speaker, I encourage all my colleagues to join me in bringing attention to these crimes and recognizing the brave survivors of incest and child abuse by commemorating October 1, 1994 as "National Incest and Sexual Abuse Healing Day." And I hope we will join together to pass a crime bill that helps protect our children and prevent such crimes in the future.

TRIBUTE TO THE PREMIUM MARKETING SYSTEMS ON THEIR 25TH ANNIVERSARY

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 18, 1994

Mr. LIPINSKI. Mr. Speaker, I rise today to recognize Premium Marketing Systems on their 25th anniversary. It is an honor to participate in the celebration of this prosperous business, one that has contributed so much to my community and the State of Illinois.

Mr. Bill Stephansen, the president of Premium Marketing System, and Barbara Stephansen, secretary-treasurer, began their telemarketing business in 1969 with one small office. In the 25 years since their humble beginning, Premium Marketing Systems has grown to become the fifth largest employer in Cicero. It also has the distinction of being the oldest telemarketer in the world in one location.

Premium specializes in the sale of family magazines such as TV Guide, McCalls, and Good Housekeeping. Their sales and employment have soared since 1991 with the introduction of state-of-the-art computer driven predictive dialing equipment, which automatically calls prospective customers, statistically evaluates data, and enters orders. In fact, verified annual sales totaled $11 million last year, a dramatic increase from Premium's first year of sales of $75,000 in 1969.

Premium has become an integral part of the business community of Cicero, providing employment for hundreds of Illinois residents throughout its history. On August 26, 1994, Premium will officially celebrate their anniversary at a barbecue with their current and former employees.

Mr. Speaker, I am proud to recognize Premium Marketing Systems on their 25th anniversary. Its contributions to the business community, as well as its service and dedication to Cicero, and deserving of recognition. I urge my colleagues to participate in this worthy celebration.

TRIBUTE TO BROOKEVILLE'S BICENTENNIAL

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 18, 1994

Mrs. MORELLA. Mr. Speaker, I rise in recognition of the 200th birthday of Brookeville, MD, a lovingly preserved link with our early American past. Once a Quaker mill town serving the farms of northeast Montgomery County, Brookeville a picture-perfect backdrop in the autumn, for pumpkins and falling leaves. With its fieldstone and clapboard houses, period street lamps, and strict building restrictions, the 45-household, 4-block village invokes the past.

Brookeville played a significant role in the events surrounding the War of 1812. On August 26, 1814. President James Madison fled burning Washington, DC, and was given refuge by Henrietta Bentley, wife of the town's postmaster. With the President came his military attache, General Mason, and the Secretary of the Treasury, and the assets—gold bars—from the National Treasury. For 2 days, our Federal Government was located at the Bentley farm. Later, the Bentley farm was renamed the Madison House in honor of the presidential visit. The town of Brookeville had been laid out in September 1794 by Richard Thomas, who married Deborah Brooke—one of four Brooke sisters, on whose land the town was built. The Maryland State Assembly officially recognized the town of Brookeville in 1808; 5 years later, the town of Brookeville was authorized by the State Assembly to appoint its first constable. By 1890, Brookeville

made clear to all visitors who passed through its boundaries that it had an agricultural identity. Many of the town's laws dealt with the conduct of Brookeville's animals. One regulation stated that "no hogs or hog pen or pens or slaughter house" were allowed within town limits, nor were barking dogs.

The population of the town of Brookeville at the time was 250, making it the third largest town in Montgomery County. The town was incorporated by the State Assembly in 1890. Today, Brookeville has a population of 150, and retains its rural, small-town flavor.

In conclusion, Mr. Speaker, I want to offer my congratulations to the town of Brookeville and its citizens on its 200th birthday.

JUDICIAL ASSISTANCE FOR GUATEMALA

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 18, 1994

Mr. HAMILTON. Mr. Speaker, in March 1993, the Agency for International Development proposed to renew a judicial sector reform support project for Guatemala. Included in that proposed project was assistance to the Public Ministry in Guatemala. Given the past record of that institution, I requested that the portion of the proposed project which would provide assistance to the Public Ministry be placed on hold until certain benchmarks were met. My correspondence with AID at that time is included in the CONGRESSIONAL RECORD of August 3, 1993 [19109].

AID has since that time consulted closely with the Committee on Foreign Affairs on this project. Based on recent developments in Guatemala, I am not prepared to support the release of those funds. I commend Administrator Atwood and his staff for the careful consultation with the committee and commend my most recent correspondence with Administrator Atwood, which follows, to the attention of my colleagues.

COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC, August 15, 1994.

Hon. J. BRIAN ATWOOD,
Administrator, Agency for International Development, Washington, DC.

DEAR BRIAN: Thank you for your letter of August 10 regarding the hold I placed on portions of AID project number 520-0407, the Judicial Sector Reform Support project for Guatemala.

As you know, I have had continuing concerns over several elements of this program, in particular aid to the Public Ministry. I believe that the developments cited in your letter, and the specific steps you have taken to structure such aid, meet my concerns. I am therefore lifting that hold.

I would like to commend you and your staff, Mr. Administrator, for the manner in which you have consulted with this committee on these issues. I commend particularly Mr. Neil Levine, Congressional Liaison Division, for his careful and tireless work in ensuring that these serious concerns were addressed. This kind of consultation helps to strengthen executive-legislative relations.

Thank you for your cooperation in this matter.

With best regards,
Sincerely,

LEE H. HAMILTON,
Chairman.

AUGUST 10, 1994.

Hon. LEE HAMILTON,
Chairman, Committee on Foreign Affairs, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: I would like to take this opportunity to update you on recent developments in Guatemala and to inform you of the Agency's desire to move forward at this time with $1.5 million in assistance for the Justice Sector Reform Project.

As you may recall, last year we agreed to withhold assistance to the Guatemalan Public Ministry until we had confidence both in the leadership of the Ministry and that our program would enhance the protection of human rights for Guatemala's citizens. We strongly believe that because of key changes within the Public Ministry, as well as historic developments related to the Guatemalan Peace Process, the time has come to put these funds to work.

Since the time of the original notification in March 1993, important events have transformed the Guatemalan political landscape. The former Human rights Ombudsman, Ramiro De Leon Carpio, emerged from the June 1993 constitutional crisis as the new President of Guatemala. He is determined to make Guatemalan institutions serve the majority of Guatemala's people. He has called for a "depuracion" or cleansing of Guatemala's judicial and legislative branches and worked to ensure that a greater share of Guatemala's national budget goes to those areas of the country in greatest need.

In the justice sector, a new criminal procedures code designed to transform an antiquated, closed and inefficient system of justice into one that is transparent, accountable and more accessible to the traditionally disenfranchised went into effect on July 1 of this year. One of the principal features of the new code is the creation of an empowered Public Ministry able to investigate and prosecute criminal cases with complete autonomy. In May of this year, the Guatemalan Congress also passed a new "organic law" which codifies the changes in the Public Ministry needed to implement the new criminal procedures code. The Government of Guatemala's commitment to judicial reforms has also been expressed through increased budget authority for justice sector institutions.

As part of the package of constitutional reforms negotiated between the executive and legislative branches and then ratified through a popular referendum last January, the Public Ministry has been reorganized, dividing the functions of the old Public Ministry into two separate entities: a new Public Ministry responsible for the investigation and prosecution of all criminal cases, and a Solicitor General's Office charged with representing the State in all civil (non-criminal) matters. This division delinks the functions of the Public Ministry and the Chief Prosecutor who heads it from the functions of counsel to the President and line ministries, thus greatly increasing the autonomy of the new Public Ministry and curtailing the tendency toward political interference in the vigorous prosecution of any and all criminal cases.

The process for selecting a Prosecutor General was also changed by requiring the President to select from a list of nominees established by a blue ribbon commission from the judicial sector. On May 14, President De Leon appointed Ramses Cuestas Gomez, a respected law professor, as the new Prosecutor General and head of the Public Ministry. One of Cuestas' early decisions was to dismiss the entire investigative unit of the Public Ministry and to institute a new process for the recruitment and selection of qualified candidates based on thorough background checks, thus assuring that new investigators would be technically competent and without any previous affiliation with military intelligence.

Reinforcing our conviction that this is the right time to go forward with the justice sector project is the historic progress made this year in the protracted negotiations between the De Leon government and the URNG, the Guatemalan armed guerrilla movement. Since January, the parties have signed a framework accord setting a calendar aimed at achieving a comprehensive peace settlement by the end of the year, and three substantive agreements on human rights, refugees, and a commission to examine and report on abuses during the armed conflict. The human rights agreement, signed on March 29, calls for the dispatch of a UN mission to Guatemala, charged with monitoring compliance with a detailed human rights agreement, through the strengthening of national institutions.

We see a strong connection between the operations of this mission and the justice sector reform project, and expect to coordinate our work closely with it. The presence of a human rights verification team in-country means that new cases may soon flow into a system that is ill-prepared to carry out its functions. Our assistance is targeted specifically to assist Guatemalan institutions in implementing a new legal code, designed to move to a system of oral proceedings, provide adequate public defense and to improve investigative and prosecution functions. While we have already begun work with the Supreme Court and the San Carlos Law School, without training prosecutors and investigators of the Public Ministry, the project lacks a critical feature for accomplishing its goal. In short, we have a "two-legged stool" which fails to bring us closer to the goal that we share—i.e., advancing respect for human rights by making the justice system function better for all Guatemalan citizens.

State Department and USAID representatives have shared our views on these developments with your staff and with representatives of human rights organizations here and in Guatemala. We felt those meetings were very productive and we want to be as responsive as possible to the concerns raised. We fully agree that all investigators and prosecutors receiving U.S.-financed training must undergo background checks. This will be accomplished by the U.S. Embassy in Guatemala and through consultations with our local counterparts. Should any questions arise concerning the background of an individual, the individual will not receive training. Concerning other employees of the Public Ministry, we are prepared to suspend assistance to the project if, at any time, we believe that any individual in a significant position of responsibility has compromised the integrity of the project. We will make this clear to the Guatemalans as a condition of our collaboration.

In response to concerns raised in your letter, I have asked the State Department to prepare the enclosed paper on the status of the major human rights cases in Guatemala. As you will note, the record is mixed. Release of the suspended project funds now

sends a message of support for the peace process, provides important resources to reform a weak and outdated judicial system, and provides positive reinforcement to the work of the human rights verification mission. Although we continue to push for progress on individual cases, we believe that developments in Guatemala warrant moving forward now to advance institutional change and to help ensure that future cases can be prosecuted and justice delivered.

Mr. Chairman, judicial reform in Guatemala is a long-term process requiring concerted efforts by Guatemalans with the sustained support of the international community. Although the wholesale violence of the early 1980s thankfully has not returned, major and egregious violations continue. More importantly, impunity remains one of Guatemala's most severe problems. Developments under President De Leon, a reform-minded leader who shares our commitment to human rights and democratic governance, and advances in the peace process provide us an opportunity to put U.S. assistance to work. We seek to bring about institutional change to advance democracy and human rights and to hasten the day that the longest civil war in Central America is finally and peacefully brought to an end.

As I pledged to you last year, I want to see USAID's administration of justice activities succeed in furthering respect for human rights, not only in Guatemala, but around the world. I want to renew that pledge and with your agreement, I propose that USAID move forward with the $1.5 million in assistance for the Justice Sector Reform Project.

Sincerely,

J. BRIAN ATWOOD.

The following is an update of the status of the major human rights cases in Guatemala.

AMILCAR MENDEZ

Human rights activist Amilcar Mendez is the leader of the Consejo de Comunidades Ethnicas Runujel Junam (CERJ), a rural-based human rights organization. Over the years, a number of CERJ activists, including Amilcar Mendez, have received threats. Some CERJ activists have been killed. CERJ often has had difficulties with Civil Defense Patrollers (PAC's) since it pays close attention to alleged PAC violations.

A number of specific incidents have involved Amilcar Mendez or his extended family over the last two years. In October 1992, he was charged with providing explosives to Guatemalan guerrillas. In November, the Chargé d'Affairs personally accompanied Mendez to a Quiche tribunal to face the charges. The charges were dropped in March 1993, Mendez never having served time in jail. Throughout this period, the U.S. was active in meeting with legal and human rights authorities to seek justice in this case.

CERJ's Guatemala City office was broken into on May 8, 1993 and, later that year, one of Mendez' teenage nieces was kidnapped and raped. The U.S. Embassy was in rapid contact with police authorities following the break-in, as well as with CERJ members manning the office. In the case of the niece, the Ambassador paid a personal call to the girl's family the day after her release and raised this matter with Government officials. The police conducted an investigation, but no arrests were made.

In January of this year, a motorcyclist (with his face covered) apparently tried to run over Mendez' sixteen-year-old daughter. The police investigated the case, but no arrest was made. The Ambassador met with Mendez that same day, who sent his daughter to the U.S. until June for her own safety. She has not been bothered since her return. Nonetheless, on June 29, Mendez' son called the Embassy to say armed men were outside his home. The Embassy contacted the Presidential Human Rights Commission Office (COPREDEH) and the National Police Chief. This led to the dispatch of a police patrol to the Mendez home. The armed men had left by the time the police arrived.

Amilcar Mendez continues to be active and in the news. Recently, he filed a motion to have the Defense Minister tried for permitting forced recruitment. The U.S. Embassy maintains close and fluid contact with Mendez. Guatemalan authorities have responded to incidents directly affecting him and recognized his right to pursue his human rights work. Guatemalan authorities have also shown a willingness to meet with Mendez.

MYRNA MACK

Myrna Mack, a Guatemalan anthropologist studying displaced persons, was killed in September 1990. Noel de Jesus Beteta Alvarez, then a member of the Presidential Defense Staff ("Estado Mayor Presidencial"), was implicated in the case. He fled to California, but was returned to Guatemala in December 1991.

In February 1993, a trial court convicted Beteta, sentencing him to 25 years for the Mack murder and five years in an unrelated case. Beteta filed an appeal, as did Helen Mack, Myrna's sister. Helen Mack's appeal requested that the case against the alleged intellectual authors remain open. In late 1993, Beteta briefly escaped from prison, but was recaptured within hours.

In February 1994, in two milestone rulings, the Supreme Court confirmed the sentence against Beteta and ruled the investigation into the intellectual authors should remain open. The alleged intellectual authors (retired military officers) have appealed this ruling to the Constitutional Court. The Embassy was in close contact with Helen Mack and Judicial and Executive Branch officials at this time urging a speedy and just decision on these appeals.

Helen Mack has a separate appeal pending with the Constitutional Court concerning the release of Executive Branch documents concerning the case. The Executive Branch maintains that it does not have any files not already released to the courts.

The U.S. Embassy maintains close contact with Helen Mack and has spoken repeatedly to Government authorities over the need for justice in this case.

MICHAEL DEVINE

Michael Devine was an U.S. citizen resident of Poptun, Peten for 18 years prior to his June 8, 1990 abduction and murder. Several persons saw the abduction; none witnessed his murder. Subsequently, the U.S. Embassy became aware that Guatemalan military personnel had killed Devine. Lack of movement in the case and attempted coverup led to the suspension of U.S. military assistance in December 1990.

After persistent Embassy prodding, five enlisted men were tried and convicted for participation in the killing; charges were dismissed against one officer believed involved. This dismissal was appealed.

On appeal, Captain Contreras was convicted in the case and sentenced to 20 years. Immediately after this May 11, 1993 decision, Contreras escaped from custody on a military base. He remains at large. The enlisted men convicted in the Devine murder are appealing their conviction and a decision is not expected for several months.

The Ambassador and other Embassy officials have consistently pressed for justice in this case, including seeking the return of Captain Contreras.

During the last seven months, there have been several violent acts committed against relatives of persons who testified in the court trial leading to the above convictions. Two persons have been killed and another was the target of an attempted shooting. The Embassy is in close touch with Guatemalan officials and human rights organizations over the safety of these persons and is also pursuing the possibility of parole in two cases.

SANTIAGO ATITLAN

In the early morning hours of December 2, 1990, a large group of Santiago Atitlan residents gathered in front of the local army detachment to protest incidents of military harassment and violence against townspeople. The detachment opened fire, killing 12 adults and 2 children.

Following the incident, then-President Cerezo sent a December 6 letter to residents of Santiago Atitlan stating he had ordered the withdrawal of the military from the town. He added that Santiago Atitlan residents could henceforth be responsible for their own security. Two army personnel were arrested and convicted in this case.

Since that time, there have been occasional complaints from residents that the army has entered village limits. The military has publicly stated it is free to pursue the guerrillas if they enter the town, but has been more cautious in practice.

The latest incident occurred in February of this year, when residents complained of army patrols within town limits. A delegation came to the capital and met with the Army Chief, Human Rights Ombudsman and U.S. Embassy, among others. The then-Army Chief provided the group with his phone number in case other incidents arose, though he reiterated the army right to pursue the guerrillas. To the best of our knowledge, no further incidents have occurred.

CRIME BILL

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 18, 1994

Mr. BEREUTER. Mr. Speaker, this Member commends to his colleagues an editorial which appeared in the Omaha World-Herald on August 18, 1994.

HOW ABOUT A BILL THAT REALLY FIGHTS CRIME?

Congress and the White House should be able to draft a realistic crime bill to take the place of the monstrosity that stalled last week in the House of Representatives.

A realistic crime bill would have these features:

Federal subsidies to add police officers where violent crime is the worst.

The improvement of sentencing laws and appeal procedures that currently allow dangerous felons to avoid prison sentences.

A prison-construction program to deal with the chronic shortage of cells in some states.

In our opinion, President Clinton's proposed ban on 19 varieties of assault-style weapons is also a worthy idea. But if including the ban is likely to jeopardize the rest of a realistic crime bill, the ban should be considered at another time.

Above all, a realistic crime bill would be presented honestly. It would contain no hidden bonanzas for the districts of influential congressmen—bonanzas such as the $10 million crime research center that would go to a college in the Texas district of Jack Brooks, the chairman of the House Judiciary Committee.

Neither should the next crime bill pretend to get tougher on drug offenders while allowing them the opportunity to appeal by the thousands for new trials. That's what the House-stalled bill would have done. It would have been a victory for the muddleheaded view that drug users, many of whom are also pushers or thieves, are victims, not criminals.

A realistic crime bill wouldn't be loaded with huge grants disguised as crime-prevention spending. Under the stalled legislation, taxpayer dollars would be used to teach teenagers how to dance. Midnight basketball leagues would be organized, with special preferences for neighborhoods with a higher rate of HIV infection.

There would be self-esteem programs and subsidized jobs, which often amount to no more than getting paid for killing time. Someone slipped funds into the bill to track down Alzheimer's patients who wander away from home. Someone else put in money to retrain spray-paint vandals as muralists.

Skepticism has materialized about the 100,000 police officers. Much of the cost would fall on state and local governments, with federal funds by some accounts covering the equivalent of 20,000 officers. Hubert Williams, a former New Jersey police chief who heads a law-enforcement research organization in Washington, said the police buildup "sounds better than it is." The officers would be spread thinly across the country for political benefit, thereby diluting the impact in high-crime areas.

A realistic crime bill would address that concern. Obviously, the new officers should be placed where crime is worst. If that means a large number of Miami, the Bronx, South Central Los Angeles or the Anacostia area of Washington, D.C., so be it. Omaha's most crime-ridden neighborhoods should get some of these officers, but if the number is less than the number for Houston, per capita, so what?

The White House angled Wednesday for votes to revive the stalled measure. President Clinton's people held out the possibility of reducing the social spending by 5 percent, watering down the gun control provisions and taking out the $10 million for the Texas college. All to buy support.

But how much better it would be to start over. Begin with a police-buildup provision that puts more officers where they are needed. Add a prison-construction program that actually builds prisons. Require more prison time for repeat felons, tougher penalties for violent offenders, a greater certainty of jail time for those who break the law.

These are not revolutionary concepts. Most have already received majority House and Senate support as part of the original bill. Repackaged without the social spending, which would remain huge even if reduced by Clinton's token 5 percent, they would constitute a crime bill that really fought crime. The World-Herald would be pleased to urge Midlands senators and representatives to support such a bill.

TRIBUTE TO SEBASTIAN MINABERRI

HON. WILLIAM M. THOMAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 18, 1994

Mr. THOMAS of California. Mr. Speaker, I would like to take this opportunity to pay tribute to a Kern County, CA, resident, Mr. Sebastian MInaberri. Mr. Minaberri, a French immigrant, has helped tackle a complicated problem by using a little common sense.

As we in California know all too well, fires in the dry forest of the Los Angeles basin are common—and destructive. Solutions to reduce the number and intensity of the fires are difficult to come by. But Mr. Minaberri is contributing to a solution with a low-cost, low-technology answer that is proving successful. You see, Mr. Minaberri is a successful sheep farmer. And by simply grazing his sheep on ridgetop firebreaks, Mr. Minaberri's sheep keep the grasses and brush low, thereby denying fires fuel and thus an opportunity to spread from mountain to mountain.

These firefighting sheep benefit just about everyone, sheep included. They are cheaper than machinery, far better for the environment than herbicides, and they help protect the residents of communities threatened by uncontrolled brush fires. In addition, according to Mr. Minaberri, the sheep "thrive better in the cooler temperatures of the national forests" than they would in the 100-degree-plus heat of the lower altitudes.

For his contribution to reducing the number of fires in the LA Basin my hat goes off to Mr. Sebastian Minaberri—an American success story, and a practitioner of one of our greatest arts—common sense.

CONGRATULATING EAGLE SCOUT DAN CURLEY

HON. DAVID MANN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 18, 1994

Mr. MANN. Mr. Speaker, I want to take this opportunity to recognize Dan Curley on his accomplishment of earning the rank of Eagle Scout. This is a substantial achievement demonstrating Dan's abilities and perseverance, as only 2 percent of all Scouts ever achieve the Eagle rank.

Dan began his Scouting odyssey as a member of Den 1, Pack 27. In 1980, he joined Troop 27, sponsored by Church of the Assumption, and earned his Tenderfoot 2 short months later. In 1993, he completed his Eagle Scout requirements having organized a major landscaping project at the Winton Woods Golf Course.

While blazing the trail to Eagle Scout, Dan held leadership positions from patrol leader to senior patrol leader. He is also a recognized honor camper as a member of the Order of the Arrow.

Dan Curley is also active outside of scouting. He is a junior at LaSalle High School, where he is student technical director. Dan is responsible for all of the lighting and special effects for school plays, musicals, and concerts.

I extend my congratulations to Dan who should be justifiably proud of his accomplishments. I also congratulate his parents, Robert and Janet Curley, and his adult Scout leaders whose support and encouragement helped make his goal a reality.

CBO—BEST HUSH PUPPIES AROUND

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 18, 1994

Mr. STARK. Mr. Speaker, there has been some grumpiness at CBO recently because of the logjam over health care analysis.

Prof. Uwe Reinhardt offers a refreshing look at this excellent corps of public servants:

HAIL TO THE GOVERNMENT NUMBER CRUNCHERS

(By Uwe E. Reinhardt, Ph.D.)

Much sport is made these days of the hapless government actuaries who, in 1965, so vastly underestimated the eventual cost of the Medicare program. The error is deemed typical of a government widely believed to be incapable of walking and chewing gum at the same time. We remind ourselves incessantly of that ancient error as we behold the CBO's current cost projections for the new health reform proposals before us.

It is fair to ask, however, whether anyone could have done better, then or now. Do we sincerely believe that the actuaries of, say, the General Motors Corporation (or, for that matter, of any other American corporation) could have predicted with any greater accuracy, in 1965, how many dollars per employee the company would spend on health care in, say, 1994? If you think so, think again!

In its 1991 annual report, GM told its shareholders that the company's year-end networth (the reported value of all assets owned by GM minus all debt it owed) was $27.4 billion. But only one year later GM told its shareholders that the company's year-end networth was, Oops!, really only $6.2 billion. In both years, GM's outside auditor certified, for a fee, that the year's figure represented "fairly, in all material respects," the financial position of General Motors. But how could both numbers possibly be true? What could explain this sudden massive meltdown of GM's networth? A massive operating loss? There was a loss; but it amounted to less than $3 billion "before extraordinary items." It must have been an "extraordinary item."

A clue to that item can be found in the footnotes. Here GM admits to a little error the company had made, year after year, for several decades, when it promised its workers generous post-retirement benefits without ever reporting to shareholders the probable cost of these reckless promises. By 1992 these unreported and unfunded promises had run up a tab amounting to $33.1 billion. That is the estimated amount of money GM ought to have set aside, by 1992, to guarantee payment for all of the post-retirement health benefits it already had promised current and former workers. Fessing up to this liability in 1992 forced the company to make a sudden after-tax hit of $21 billion on the $27 billion net worth it had reported to shareholders only a year earlier.

In fairness, it must be said that GM was by no means alone in fibbing thus. Many other American corporations had made similar promises to their workers, and virtually none had been more forthcoming on the issue than GM. Their shareholders learned about these liabilities (and the corresponding meltdown of their companies' net worth) only in 1992, when the Financial Accounting Standard Board literally forced management to come clean, at long last.

In my accounting classes at Princeton, I regularly ask my students what we are to make of adults who claim to be describing, "fairly, in all material respects," the financial status of the companies they manage, all the while overstating knowingly the firm's net income and networth, and correspondingly understating its liability. Perhaps these executives, far from being inept, simply found it expedient to lie to their shareholders. Paying workers with promises whose cost could go unreported and that required cash outlays only decades hence allowed management to overstate the earnings on which performance pay tended to be based. Not surprisingly, I have yet to meet an executive willing to plead guilty to that cynical charge. Instead, the excuse invariably is that it was just too difficult to estimate accurately the liability for post-retirement benefits. The CBO's brave number crunchers, of course, would laugh at that feeble excuse.

But if that really be these executives' excuse, then how can they even presume to comment on the quality of the government's number crunchers? Indeed, apparently unbeknownst to many, the decision makes in corporate America and on Wall Street routinely dispose of billions of other people's money on the basis of information whose quality is much below that given by the CBO to the decision makers on the Hill. I am speaking here of the accounting data that drive so many mega deals in the private sector. While the intellectual foundation for the CBO's work rests heavily on highly sophisticated simulation models and equally sophisticated econometric studies, the intellectual foundation for decision makers in the private sector is furnished largely by the so-called Generally Accepted Accounting Principles (GAAP), a set of relatively simplistic rules written on a rubber sheet that can be stretched in any number of ways. All too frequently, these GAAP allow private executives to march to the motto "Better to be precisely wrong than to be about right."

With appeal to the GAAP, for example, private-sector number crunchers busily add up apples and oranges and then pretend that the sum means something. They do this when they add asset values stated in, say, 1993 dollars to asset values stated in, say, 1975 dollars, without any adjustments for general price inflation or, alternatively, for changes in the market values of these assets. They do likewise when they calculate net income by deducting from revenues expressed in, say, 1993 dollars depreciation expenses and, sometimes, cost-of-goods-sold figures expressed in dollars of distant years past, once again without any adjustment for inflation. Worse still, with appeal to the hallowed GAAP these private sector number crunchers routinely disregard any quantitive effects they cannot measure "objectively"—as GM evidently did when it strung along its shareholders for so many years.

All of which makes one wonder why casting aspersions at the government's number crunchers is such a favorite sport among Americans—particularly among corporate executives. My own hypothesis is this: Americans in general hold the public sector to much higher standards than they impose upon the private sector. Deep down we know, or should know, that when it comes to structuring data in imaginative and sophisticated ways, the wing-tip booted number crunchers of the business sector could not even tie the shoes of the hush-puppied civil servant at the CBO. Sheer bluster helps them camouflage that inferiority.

FRANK MURPHY: A MODEL AMERICAN

HON. JAMES A. BARCIA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 18, 1994

Mr. BARCIA of Michigan. Mr. Speaker, I rise today to call attention to the dedication of the Frank Murphy Memorial Museum this Saturday in the city of Harbor Beach, MI. Frank Murphy was best known as an Associate Justice on the U.S. Supreme Court, having been named to the Court by President Franklin Roosevelt in 1940. To the people of Michigan, and Harbor Beach in particular, Frank Murphy is much, much more. He is a model American who continues to serve as a worthy role model for our young people who love our Nation as much as Justice Murphy.

The Harbor Beach birthplace of Frank Murphy at 142 South Huron, has served as a museum since 1960. This building, along with his boyhood home, furnishings, mementos, and surrounding structures will provide an appropriate tribute to a man who rose from a chief assistant U.S. attorney in Detroit, to a potential Vice Presidential candidate with Franklin Roosevelt in 1944. The ceremony this Saturday recognizes the purchase of the Murphy Estate by the State of Michigan and transfer of ownership to the city of Harbor Beach, for the preservation and promotion of the life and times of the most famous native son of Harbor Beach, Frank Murphy.

Frank Murphy had an unerring sense of justice. He prosecuted World War I profiteers who cheated the Federal Government out of $30 million. He defended minority rights as a recorder's court judge in the 1920's. He served as mayor of Detroit, Governor General of the Philippines, and as the Governor of Michigan before his appointment to the Supreme Court. He died in 1949 at the age of 59.

He is responsible for General Motors having recognized the United Auto Workers as the bargaining agent for workers in 1937, and then within a few years dissented in the historic case that allowed the internment of Americans with Japanese ancestry in camps during World War II.

As a young person, I knew the life story of Frank Murphy, a man who stood up for his beliefs, even when those beliefs might be contrary to popular views. His selfless devotion to his community, his State, and his Nation, played a major role in my personal growth and that of countless other Michiganites. It has been a privilege of my public career to be a supporter of the Murphy Museum. It is a major regret that I cannot personally join his family, his supporters, the distinguished Michigan Secretary of State Richard Austin, the esteemed Michigan Attorney General Frank Kelly, UAW President Owen Bieber, and Justice Murphy's colleague Judge James Lincoln. The people's business keeps us in session, and I trust that Frank Murphy would once again say that the people's business must come first.

Mr. Speaker, it is rare that we get to celebrate true American heroes. Frank Murphy is one. I urge our colleagues to join in paying him this richly deserved tribute, and encourage them to visit the museum when they visit Michigan.

SUPPORT FOR KASICH-STENHOLM-PENNY AMENDMENT TO H.R. 4906

HON. JOHN R. KASICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 18, 1994

Mr. KASICH. Mr. Speaker, as further evidence of strong support for prohibiting extraneous measures on emergency supplemental appropriation bills, I submit the following list of groups that have publicly commended the Kasich-Stenholm-Penny amendment to H.R. 4906: The American Business Conference; The Chamber of Commerce of the United States; Citizens Against Government Waste; Citizens for a Sound Economy; Committee for A Responsible Federal Budget; The Concord Coalition; The Financial Executives Institute; The National Home Builders Association of America; The National Taxpayers Union.

The following are some of the letters in support of the amendment:

AMERICAN BUSINESS CONFERENCE,
Washington, DC, August 16, 1994.

Hon. JOHN KASICH,
House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE KASICH: On behalf of the members of the American Business Conference (ABC) I congratulate you for your leadership in attempting to curtail the ability of members of Congress to insert pork barrel spending into emergency supplemental appropriations.

Your work deserves the unqualified support of all Americans who seek to maintain the integrity of the discretionary spending caps and the budgetary accountability of Congress.

We at ABC will do all we can to urge Congress to pass your proposal in its current form.

Sincerely,

BARRY K. ROGSTAD,
President.

COMMITTEE FOR A RESPONSIBLE FEDERAL BUDGET
Washington, DC, August 10, 1994.

Hon. JOHN KASICH,
Ranking Republican, Committee on the Budget,
House of Representatives, Washington DC.

DEAR JOHN: This is to express strong support for your efforts to restrict the use of emergency exemptions to the discretionary spending caps. Including classic pork barrel spending in so-called "emergency supplemental appropriations" makes mockery of the word "emergency" and flaunts the limits the caps are intended to impose.

We would have gone even further than your proposal. We would prefer to see Congress budget for unanticipated contingencies

within the spending caps. But failing that, we would hate to see your proposal weakened in any manner and we encourage the House to pass your proposal.

We understand that hard work on budget process issues often goes unrewarded. We appreciate your efforts. Keep up the good work.

Best regards.

CAROL COX, WAIT,
President.

NATIONAL ASSOCIATION OF HOME BUILDERS,
Washinton, DC, August 11, 1994.

Hon. JOHN R. KASICH,
House of Representatives, Longworth House Office Building, Washington, DC

DEAR CONGRESSMAN KASICH: On behalf of the 170,000 member firms of the National Association of Home Builders (NAHB), I offer our strong support for the Kasich-Stenholm-Penny Amendment to the Emergency Spending Control Act, H.R. 4906.

As long-standing advocates of real deficit reduction and meaningful budget reform. I believe that Congress provides a great disservice to the American taxpayer by allowing funding unrelated to the emergency situation addressed in an emergency spending bill to be appended to the measure, thereby avoiding the firm discretionary budget caps in the Budget Act.

Your amendment would correct this situation by requiring the Office of Management and Budget (OMB) to include the emergency-designated funding within the budget caps if the legislation contains extraneous items, and also would allow Members to raise a point of order to block consideration of the measure.

NAHB congratulates you for your leadership on this issue and stands ready to offer assistance.

Sincerely,

THOMAS N. THOMPSON,
President.

CITIZENS FOR A SOUND ECONOMY,
Washington, DC, August 10, 1994.

Hon. JOHN R. KASICH,
House of Representatives, Longworth House Office Building, Washington, DC.

DEAR REPRESENTATIVE KASICH: On behalf of the 250,000 members of Citizens for a Sound Economy (CSE), I applaud and support your efforts to pass H.R. 4906, the Kasich-Stenholm-Penny amendment to the Emergency Spending Control Act. Our members have worked long and hard to help reduce wasteful spending on pork-barrel projects and see your proposal as another means to halt extraneous spending items from being attached to emergency supplemental appropriations bills.

In fact, our CSE members were instrumental in stopping the so-called "stimulus" spending package last year that would have used the emergency spending rules to deficit spend on numerous pork-barrel projects such as tree planting and bike paths. Therefore, your bill, H.R. 4906 will help in our efforts to stop such unnecessary deficit spending by not allowing emergency legislation to contain funding for items unrelated to the specific emergencies addressed.

We believe your legislation would help keep Congress and the President from simply using emergency bills to launch new, non-emergency spending and pork projects that waste taxpayers hard-earned dollars.

CSE supports your efforts on H.R. 4906 and is happy to work with you on these budget changes to ensure that Congress does not continue to spend taxpayers' money unwisely.

Sincerely,

PAUL BECKNER
President.

CHAMBER OF COMMERCE OF THE UNITED STATES OF AMERICA,
Washington, DC, August 10, 1994.

Members of the House of Representatives:

The U.S. Chamber of Commerce Federation of 215,000 businesses, 3,000 state and local chambers of commerce, 1,200 trade and professional associations, and 69 American Chambers of Commerce abroad urges Congress to reform the current process of appropriating "emergency" funds through passage of the Kasich-Stenholm-Penny amendment to the Emergency Spending Control Act. The Kasich-Stenholm-Penny amendment will be offered as an amendment in the nature of a substitute to the watered-down Spratt bill, H.R. 4906, much of which simply restates current law.

The Chamber realizes that unanticipated emergencies arise for which a designated appropriation may exceed the cap without triggering an across-the-board cut in all discretionary programs. However, such a circumstance should not signal an opportunity for proponents of pork-barrel projects to attach extraneous items to an emergency supplemental appropriations bill. The Kasich-Stenholm-Penny amendment would compel Congress and the President to keep emergency spending bills free of pork and other non-emergency spending, and would allow financial assistance to reach disaster victims faster than when legislative conflicts arise over controversial add-ons.

The Chamber strongly supports this amendment as part of a greater effort to regain control of the federal budget. Vote YES for the Kasich-Stenholm-Penny substitute to the Spratt floor vehicle and take a stand in support of meaningful budget reform.

Sincerely,

R. BRUCE JOSTEN.

COUNCIL FOR CITIZENS AGAINST GOVERNMENT WASTE,
Washington, DC, August 10, 1994.

DEAR REPRESENTATIVE: Tomorrow, votes are expected on essential reforms of the budget process and emergency spending procedures, reforms which in the opinion of our more than 600,000 members are needed to help correct the course of fiscal practice in Congress.

Acknowledging that no "process" is ever a complete substitute for good decisions, the Council for Citizens Against Government Waste (CCAGW) nonetheless is committed to the common-sense principle that "process" can make it easier or more difficult to reach good decisions—decisions which cut wasteful spending and contain budget deficits. The present practices of phony baseline budgeting and non-accountability of pork-barrel spending on emergency supplemental bills make good decisions more difficult, and it's time to change.

It is no secret that the Spratt alternatives on baseline budgeting and emergency spending legislation, as presently constituted, are cosmetic only. Worse, they seek to mislead taxpayers by giving the illusion of real reform where none exists. The battle which is set before you has been engaged by the leadership with a truly hollow army, and this phantom force deserves to be defeated soundly.

As you prepare to vote tomorrow, you can stand with the toy soldier proposals of Representative Spratt, or you can join with Representatives Stenholm, Penny and Kasich, who like our Marines are looking for a few good men and women who can get the job done.

The Stenholm-Penny-Kasich alternatives merit your support not because CCAGW intends to count them in our 1994 Congressional Ratings, but because they are the right choices in order to move Congress toward greater spending discipline.

One further note: The expected King-of-the-Hill strategy requires us to notify you that CCAGW will pay special public attention to those who try to have it both ways by first supporting the "SPK" amendments and later undercutting them by voting for Representative Spratt's proposals. Our suggestion: choose a side and have the courage to stay there.

Sincerely,

JOE WINKELMANN,
Director of Government Affairs.

THE OMNIBUS CRIME PACKAGE

HON. NYDIA M. VELÁZQUEZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 18, 1994

Ms. VELÁZQUEZ. Mr. Speaker, tonight I rise to take strong exception to the rightwing attacks on the crime bill. To those of my colleagues who oppose this bill because of its prevention programs, I say, "Wise up." These programs are not pork, they are prevention, and are essential to an effective anticrime initiative. Prosecution without prevention is a formula for failure, and maybe if you came down from your ivory suburban towers to inner-city areas like my district, you would learn to recognize the difference between pork and prevention.

Groups and individuals closest to the crime problem can tell the difference. The prevention programs are endorsed by every police organization in this country, and are supported by the Republican majors of our two largest cities, Los Angeles and New York.

The critics call them waste. They're wrong. These provisions are an investment, an investment in our youth. Prevention programs are vital to inner-city kids. They provide an alternative to a life of crime, poverty, and drug use—an escape from the harsh realities that too many of our kids face every day of their lives.

Throughout my district we have areas where our youth have little to do; there are few job opportunities, no recreational facilities, and few ball fields. When school is out, these kids are limited to hanging out on street corners where they are seduced by drug dealers by offers of easy money, and by the temptations of the streets.

Just one block away from my home in Brooklyn is a park that last year hosted a summer softball league for teenagers. This program was run by the local police precinct, and it involved over 100 local teenagers. This year, due to budget constraints, the police had to cancel the program. Not surprisingly, there has been an increase in petty street crimes, drug sales, and youth gang activity in the neighborhood this summer. The local police

captain is convinced that the increase is directly related to the elimination of the softball league.

He and his youth officer, on the front lines in the battle against crime, recognize firsthand the need for prevention programs. Parents in my district also recognize the need for prevention programs. They face a daily struggle to offer options to their children.

These programs are cost-effective deterrents, prudent alternatives. Attacks on these programs are nothing more than transparent disguises to hide the true opposition behind the bill: Republican hopes to embarrass the President and to get rid of an assault weapons ban supported by the majority of the voting population.

Mr. Speaker, I had strong reservations about the conference report brought before this body last week. I thought then, and still do now, that a provision on racial justice should have been included for prisoners sentenced to death based on racially biased decisions. Nevertheless, I voted for the rule and was prepared to support the bill because it has struck a balance between prevention and punishment.

I urge the President and the leadership of this House to maintain that delicate balance. I cannot, and will not support a compromise that slashes critical social programs in order to appease the critics on the right. I will not play politics with the future of America's youth. I urge my colleagues and the American people to see through this charade of deception and support this legislation.

To quote Major Rudolph Giuliani, "Crime is not a political issue; it's a public safety issue." We must support prevention today for less prisons tomorrow.

LET'S NEGOTIATE A BETTER CRIME BILL

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 18, 1994

Mr. GINGRICH. Mr. Speaker, in light of our current effort to pass a crime bill, I would like to bring two items to the attention of my colleagues: First, an editorial from the Marietta Daily Journal, and, second, a letter from the National Association of Assistant U.S. Attorneys. The latter goes right to the heart of the problems with the crime bill conference report in its current form. The former is relevant to our current debate as well as the upcoming debate on health care.

[From the Marietta Daily Journal, Aug. 16, 1994]

CRIME BILL A WARNING

The blocking of a bad crime bill by the House of Representatives on Thursday was a clarifying event. Its most important effect by far is to slow down the Democratic leadership's rush to health reform.

If the majority party could not corral the votes to enact a $33 billion something-for-everyone crime grab bag at a time when crime is on the voters' minds, it has no chance of passing Majority Leader Richard Gephardt's latest version of Clintoncare. That is good news for the country. An ill-conceived, compulsory, government-heavy, comprehensive overhaul would make our health system worse.

The crime bill—which fell 8 votes short and was opposed by 58 Democrats and 187 Republicans—was a perfect example of undisciplined legislation, driven by polls and posturing and riddled with pork.

"It's hard to argue it's a strong crime bill when it cuts the FBI budget and the Drug Enforcement Agency budget," said Minority Whip Newt Gingrich, R-east Cobb, who led the fight against the bill.

Still, the crime bill's effects on the budget and on average people would have been minute by comparison with those of a permanent universal entitlement to health insurance. The legislators should take the crime bill's fate as a warning on health reform: Don't do it at all if you're not going to do it right.

Specifically, avoid last-minute legislating. Republicans got the final 972-page crime bill less than 24 hours before the key vote. The health debate is only now shaping up. An interesting bipartisan bill was introduced into the House only Thursday, and the Congressional Budget Office still hasn't produced its analysis even of Rep. Gephardt's plan. The push to vote on health this month is unrealistic.

Finally, legislate with good government and sound budgeting in mind. On this score, the crime bill was flawed at its core. Crime is a local issue, and national politicians' desire to ride it does not make it Washington's business. This bill mainly ignored the legitimate federal role in fighting crime—the FBI, the Drug Enforcement Agency, and so on—while promising to pay for local cops and neighborhood amenities and state prisons with money the federal government doesn't have.

As Rep. Gingrich put it: "The average American doesn't want to see cuts in the FBI and DEA and $9 billion worth of social-work spending, including money for 'midnight basketball leagues' and two social workers' for each new police officer. That's not an anti-crime bill they wrote. This so-called crime bill is weak on crime and strong on social work."

Democrats and Republicans can work together to pass essential legislation: They did it on the North American Free Trade Agreement nine months ago. But even—or especially—on important issues like crime and health, gridlock is preferable to irresponsible action.

NATIONAL ASSOCIATION OF ASSISTANT U.S. ATTORNEYS,
Alexandria, VA, August 17, 1994.

Hon. ORRIN HATCH,
U.S. Senate, Washington, DC.

DEAR SENATOR HATCH: The National Association of Assistant United States Attorneys has as its members front-line litigators. Our members represent the United States in all civil and criminal matters. We are our nation's lawyers. Most of our members are prosecutors who work very closely with federal and local law enforcement agents.

In 1987, Congress the Federal Sentencing Guidelines, which, in part, had stiff but appropriate sentencing provisions, incorporating mandatory minimum sentences for certain drug traffickers. Those mandatory minimums have given our prosecutors the ability to get drug dealers to cooperate by forcing them to work with us in giving up their source(s) of supply or face years of incarceration. When their cooperation is deemed to be "substantial" by a committee of Assistant United States Attorneys (or, in some cases, the United States Attorney), their sentences may be reduced by a federal Judge. In fiscal 1993, almost one-fifth of convicted defendants benefited by having their sentences reduced because they cooperated with law enforcement authorities. The results of that cooperation led to the arrest and conviction of numerous drug suppliers and their sources.

The present Crime Bill contains a provision which not only severely negate the benefits of "mandatory minimums" for a certain class of offenders, but also would permit the filing of 10,000 to 20,000 frivolous law suits which would cause prosecutors to spend their time in needless litigation instead of investigating and prosecuting criminals. The present provision would dilute prosecutors' ability to determine if a drug dealer has "substantially" cooperated. In effect, our leverage to get to the suppliers would be eliminated for certain types of drug traffickers. We cannot stand idly by and allow this very effective tool to be taken from us and the citizens we are sworn to protect.

The bill's present language is intended to address low level drug traffickers who are so minimally involved that they cannot have their sentences reduced because they truly cannot provide information or cooperation which would be deemed to be "substantial". In some instances under mandatory minimums (and the Department of Justice's requirement that prosecutors had to charge the most serious provable crime), some injustices occurred. We believe that should be corrected. However, Attorney General Reno fixed this problem some time ago by no longer requiring Assistant United States Attorneys to charge the most serious readily provable offense if that would result in a miscarriage of justice. In addition, our Association proposed minor revisions to the present bill which would codify the intent to appropriately treat first time low level drug traffickers. We are not opposed to these goals and objectives. We are, however, very much opposed to the way the present bill achieves them.

We believe that prosecutors are in the best position to determine if an individual has cooperated substantially or truly has nothing to offer and therefore meets the other criteria to receive a reduced sentence in accordance with this bill's present language. We have proposed, therefore, that in order to qualify for "safety valve" relief, the current language be amended as follows:

(f)(5) is hereby amended by striking the current language and inserting:

(f)(5) the Government certifies that the defendant has timely and truthfully provided to the Government all information and evidence the defendant has concerning the offense or offenses that were part of the same course of conduct or of a common scheme or plan.

We urge the Committee to make the change we have proposed.

Sincerely,

LAWRENCE J. LEISER, AUSA,
President, NAAUSA.

NATIONAL ASSOCIATION OF ASSISTANT U.S. ATTORNEYS POLICY BRIEF

MANDATORY MINIMUMS

The National Association of Assistant United States Attorneys represents frontline federal prosecutors, including criminal narcotics prosecutors and designated Organized Crime Drug Enforcement Task Force prosecutors, charged with enforcing the Federal narcotics laws. We are encouraged that "The

Mandatory Minimum Sentencing Reform Act of 1994", H.R. 3979, as amended, and adopted by the Committee on the Judiciary's Crime Subcommittee, recognizes the importance of limiting relief from provisions of existing mandatory minimum sentences to those defendants who have made every effort to provide assistance to the government.

The proposed amendment to Section 3553 of Title 18, United States Code, to create a relief mechanism from application of mandatory minimum sentences in certain cases, includes the criteria as set forth in paragraph (5) that the defendant has provided to the Government all information the defendant has concerning the offense or other criminal conduct related to the offense.

While we are encouraged by the obvious recognition that any relaxation from mandatory minimum application should be limited to those who provide information to the government, we suggest that the existing language is problematic in its application. The first difficulty arises as to who is in a position to determine whether a defendant has provided the government all information. Only the Ggovernment is able to make that determination, by comparing the information provided with other evidence of the case. The current language would conceivably allow the defendant to self-servingly state "that's all I know," without the Government being in a position to test that assertion by debriefings, polygraph results, etc. In order to assist in this process, the defendant should be required to provide any evidence he can, in addition to information.

Similarly, we are concerned that this relief mechanism not be available to a defendant who has provided information which is not truthful, or to a defendant who in providing certain truthful information, nevertheless, also lies about other aspects or details so as to mislead investigators or obstruct the investigation.

It also should be required that the information be timely. Under the current language, a defendant who goes to trial and is convicted, would presumably be able to stand up at sentencing, tell the Government what it has already proved, and avoid the mandatory minimums under this escape provision.

Accordingly, we seek amended language which would require that the defendant must provide timely information, truthful information, other evidence, and that the determination as to whether a defendant has provided all this be by certification by the Government. Otherwise the sentencing court will be inundated by litigation calling upon it to make determinations it is not equipped to make.

This is the natural complement to the existing "substantial assistance" reduction mechanism currently embodied under Section 3553(e) of Title 18, United States Code. This provision has been responsibly applied by federal prosecutors throughout the country.

It reflects the recognition that the Government is in the best position to make such a determination, and provides the incentive to the low-level defendant to work with the Government in working up the ladder to identify and target higher-up drug traffickers. The current amendment properly recognizes that there are simply those who are not able to provide "substantial assistance" but who nevertheless have done everything they can to assist.

Simply put, society has a right to ask that a defendant provide all that he knows. If what he knows constitutes "substantial assistance" he will have already earned relief. (18 U.S.C. 3553(e)) If it does not, and he meets the other requirements of the currently proposed legislation, then justice dictates that he receive a lesser sentence.

The amended language which we have suggested (attached) will assure that defendants continue to have an incentive to cooperate with the United States by providing all truthful information in a timely manner, while allowing those who, through no fault of their own, are simply not in a position to provide "substantial assistance," an opportunity to receive a sentence below current mandatory minimums.

(f)(5) is hereby amended by striking—

"(5) no later than the time of the sentencing hearing, the defendant has provided to the government all information the defendant has concerning the offense or offenses that were part of the same course of conduct or of a common scheme or plan. The fact that the defendant has no relevant or useful other information to provide shall not preclude or require a determination by the court that the defendant has complied with this requirement."

And inserting—

"(5) the government certifies that the defendant has timely and truthfully provided to the government all information, and evidence the defendant has concerning the offense or offenses that were part of the same course of conduct or of a common scheme or plan."

THE TRUTH IS ALWAYS BEST

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 18, 1994

Mr. DORNAN. Mr. Speaker, one of our former members, Mr. Lionel Van Deerlin, who served here for 18 years and was defeated by DUNCAN HUNTER in the Reagan Landslide of 1980 was always the quintessential gentleman. He and I were always cordial to one another and when he was unfairly mentioned in the 1982 Capitol Hill cocaine scandal I defended Lionel. As a matter of fact, I defended him in a sworn court deposition. I supported his proper defense of his reputation and he was vindicated.

Then, for a while, he functioned as a lobbyist here in Washington on important legislation, even lobbying me. He had some success I'm told. So, it was with much surprise and annoyance that I read an article in October 1992 by Lionel blaming me a wee bit for President Bush's defeat. Pathetic. Now to be sure, there were several statements about me, his friend, in his hit-piece article. But, the few kind words were lost in a plethora of historical inaccuracies and gross distortions, which I know for a fact were fed to Lionel Van Deerlin by the yuppie assassins at the Democratic Congressional Campaign Committee. I vowed in those gloomy days of the meltdown of the Bush Presidency that someday hence I would rewrite the Van Deerlin article retaining the good vibes but correcting the very bad history. It's a pretty darn good profile now, and historically accurate. It will be in my press kit, and I'll save it as embryonic research for my autobiography which will be published in 2001 anno Domini. I trust Lionel as a gentleman will take counsel with the truth.

So, Mr. Speaker, here it is.

FIGHTER DORNAN'S LATEST BATTLE TOO LATE TO HELP

(By former Congressman Lionel Van Deerlin as corrected for truth by U.S. Congressman Robert K. Dornan (R-CA/46))

Congressman Robert K. Dornan was not a "spin doctor" at the first presidential debate on October 12, 1992, because he was representing President Bush with the oldest of the nine Dornan grandchildren on the island of San Salvador in the Bahamas to commemorate the 500th Anniversary of the first landfall in the New World by Christopher Columbus. But Bush needed Dornan in Richmond, Virginia that October night because there was virtually no other real fighter in the President's reelection team corner except for Mary Matalin.

Dornan is the outspoken congressman from Garden Grove, California, who represents the only democrat seat in Orange County. Dornan's dedication to truth has often catapulted him into the national scene. For example, on October 6, 1992, he lead to the White House three congressmen (a Navy ace, an Air Force seven-year POW hero and a former Army paratrooper officer—all Vietnam War decorated combat veterans) to advise bady-trailing-the-polls George Bush on a campaign strategy that recommended aggressive public discussion of Bill Clinton's lack of character and his lying about not using drugs and not dodging the selective service draft during wartime three, that's three, times. They also begged the president to go after Clinton for an explanation of a solo trip he made in January 1970 to Moscow, heart of the then communist world. (That month Moscow was 27 degrees below zero and under 10 inches of snow cover.) Bill was then a 23 years-old Rhodes scholar who apparently was also dodging his classes at Oxford. (He never took any of his 1970 exams so was denied an Oxford degree.) Only four of Clinton's class of 32 American students failed as he did to justify the two years of very generous scholarship money advanced to Rhodes students from the United States.

With everything else going badly, Bush should have heeded the counsel of Dornan and the three decorated Vietnam vet congressmen. In retrospect, it is apparent that voters would have been willing to revisit the Vietnam war issue in deciding the November 3 presidential election if they had been given the truth by the media regarding Clinton's disloyal overseas conduct as an organizer of demonstrations against the United States—conduct that blocked him for life from ever even getting a security clearance except by election to federal office. This was and is a valid and crucial national security issue.

One must wonder about Bush's advisers on political matters in general since there seems to have been no solid response to attacks or any fighting strategy in his campaign whatsoever.

Dornan is a man who may wish he had lived in more stirring times—during the medieval Crusades, perhaps, or circa King Arthur's Camelot. He would gladly have been with Davy Crockett at the Alamo, with Clive in India, the 300 Spartans at the Thermopylae pass, scaling Pointe du Hoc cliffs on D-Day, or have flown against Hitler's Luftwaffe with the Eagle Squadrons or against Tojo with the Flying Tigers in China, and certainly Dornan would have been with Horatio at the bridge.

Dornan joined up at age 19 in October 1952 and spent 23½ years as an Air Force enlisted man, cadet and officer, active and reserve. During his active duty years he was a fighter

pilot flying F-86 and F-100 Sabers. Only God sets birth dates, and Bob got his wings too late for service in Sabre jets over the Yalu River in North Korea. After leaving active duty, he worked his way to Vietnam eight times to report for his own "Robert K. Dornan" television show on what he called "the Washington ordained no-victory-non-strategy in Southeast Asia, with the inevitable result—killing fields and boat people." He filmed combat as close as any journalist who ever covered the war, including scrounging combat flights on helicopter gunships and in two-seat jet fighters.

Dornan considers himself blessed that he has never had to fire at other young men misled by aggressors. He prays that all our military forces will be as fortunate under Clinton as he was serving during peacetime under a decisive President Eisenhower.

Dornan could have been one of the most colorful military figures since George Patton had he been born in 1903 or 1913 instead of 1933. Republicans think him their best and toughest debater. Democrats call him irrepressible. Some Democrats view him with intense frustration but not with dislike. The man is lively company. High-spirited and with easy command of the language, Dornan always draws attention on the House floor, and he loves the competitive exchange of ideas and the political give and take.

His flair for a bold and fearless approach to most problems was made apparent shortly after his arrival on the Washington scene; elected from a Santa Monica centered coastal district in L.A. County in 1976. A domestic terrorist band, the Hanafi Muslims, had taken more than 200 hostages at three Washington, D.C., locations, one of them the downtown headquarters of the B'nai B'rith. During a siege lasting days, with several shotgun murders at point blank range, Dornan, following his former investigative reporter instincts, appeared at police lines outside the occupied District Building where a police captain named Callahan described to him a desperate standoff. Several hostages already had been wounded and Dornan could hear them calling out to police, "food" and "water, please." A newsman had been murdered by a shotgun blast to his chest on the fifth floor. Dornan, without hesitation, offered himself in exchange for all the hostages in order to give the terrorists at least one hostage to ensure their safe passage to Dulles airport where they had demanded a waiting, fully fueled 747 jumbo jet. Dornan's offer was under consideration when the terrorists unexpectedly surrendered.

And if we don't yet have the truth about Chappaquiddick, it's not because Bob Dornan hasn't tried to uncover it. He took the well of Congress one day in 1979 to assert that Ted Kennedy had lied and still lies when he claims to have swum that swift channel on that fateful July 18/19, 1969 night.

"Only one member of either the House or Senate has ever made that swim," he announced. "And it is Bob Dornan, not Ted Kennedy!" On July 26, 1969, Dornan had truly traced every step of Kennedy's movements and filmed it all with his own 16 mm Bolex camera, including a channel swim, for an investigative report aired on his Emmy Award winning "Tempo" television show.

The parents of Mary Jo Kopechne, whose only child was left to die at Chappaquiddick at age 29, said Dornan came to their Pennsylvania home on November 6, 1979, seeking their side of the tragic event. For seven hours, the Kopechnes related to Dornan how they had been cruelly manipulated in 1969 by Kennedy lawyers, a labor leader, Rose Kennedy (who had beckoned them to visit her and a monsignor at the New York City apartment) and even by a Catholic bishop. They all coerced the Kopechnes into silence and extracted a promise from them not to seek an independent investigation. Dornan took their heart-breaking story to the public for the very first time to stop Sen. Kennedy from taking the nomination away from President Carter in the primaries of 1980. That year was also a presidential election where "lack of character" became a battle cry.

Dornan's legislative efforts include a successful move to deny Pentagon-funded abortions for military personnel or their dependents whether overseas or in the U.S., thereby saving diminishing security dollars for the defense of lives instead of for the destruction of innocent preborn lives.

Certainly, because of his stands on moral and social issues, a few liberal reporters take great liberties in conjuring up tales about Dornan that simply never happened. For example, when he referred to Tom Downey (D-NY) as a "draft-dodging wimp" during a March 1985 conservative conference at the Mayflower Hotel in Washington, D.C., the press wrote and still write that it led to a shoving match the next day on the House floor. It never happened. There were strong words between them, but Dornan never "straightened Downey's tie!" Here's another distortion: during California's 1982 Senate primary, Dornan assailed Rep. Barry Goldwater Jr. for attending a party at the Playboy mansion. True enough. Goldwater admitted that, but liberal press falsely added that Dornan claimed the revelers indulged in bestiality. Wow. Ex-porno performer Linda Lovelace charged that, not Dornan, and she never mentioned Goldwater Jr. Sometimes the liberal press can really lose it!

In 1985, Dornan also successfully fought to have the California GOP deny recognition to "Log Cabin Clubs" formed by homosexual and bisexual activists who register as Republicans for political mischief. Dornan has prevailed to this day in blocking their recognition by the Republican Party.

During Dornan's 1984 comeback, a radical Catholic priest (since gone over the hill) lied that Dornan once "stormed into his church rectory" to denounce a "certain Catholic bishop as communist," and, of course, the liberal press reported the priest's tale without checking with Dornan on the veracity of such a vicious charge. This political priest was a constant traveler to Nicaragua where he schmoozed with the Marxist Sandinistas, hence his animosity toward the pro-Contra Dornan.

When Radio Moscow's communist propagandist Vladimir Posner, who grew up Jewish in the United States, was featured on ABC television for 7 uninterrupted minutes calling President Reagan a liar, Dornan went after him on the House floor exposing him as the liar and betrayer of his own Jewish heritage in the measure. (Posner for years relentlessly lied that there was absolutely no anti-semitism anywhere throughout the Soviet Union, even though he had been kicked out of Moscow University because of his Jewish heritage.) Dornan had just returned from his 8th of 10 trips to the Soviet Union to meet with the terribly abused and oppressed Jewish "refuseniks." Dornan, who created the POW/MIA bracelet, had already resurrected the concept with dozens of names of courageous Soviet Jews engraved on bracelets above the date they had been arrested and imprisoned by the KGB.

Dornan, in September 1992, described 23-year-old "student" Clinton during his Oxford years and his 1970 USSR/Czechoslovakia trekking as "a nerdy little flower-child peacenik." Dornan, in a series of Sept./Oct. 1992 House speeches, said Clinton was not a traitor, but nevertheless did give "aid and comfort to an enemy locked in very bloody combat with over 500,000 brave American troops." (In 1992, Clinton referred to himself in 1970 as a "23-year-old boy.") The average age of the fighting men in Vietnam was only 19. (When Dornan was 23, he was the father of two with another on the way and flying supersonic F-100 fighters at George Air Force Base in the Mojave desert.)

It's hard to understand why President Bush never used Dornan's fighting strategy to defend himself and the Bush administration. George Bush would probably be serving out his second term if he had heeded only three of Battling Bob's impassioned pleas: first, pick Bob Dole or Colin Powell as Veep; second, capture and bring to justice Saddam Hussein, especially since Bush had called him "an Adolph Hitler"; and, three, most important of all, probably sufficient unto itself to reelect Bush, Dornan begged "Please, Mr. President, don't unread your lips and break your no new taxes pledge." Irish-American Robert K. Dornan obviously has a no-fear approach to life, and in politics he can strategize with the very best.

CHIEF OF ARMY CHAPLAINS, MAJ. GEN. MATTHEW A. ZIMMERMAN, JR., A STEWARD OF SOULS

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 18, 1994

Mr. PAYNE of New Jersey. Mr. Speaker, I would like to bring to the attention of my colleagues the retirement of Chaplain, Maj. Gen. Matthew A. Zimmerman, Jr., Chief of Army Chaplains. Major General Zimmerman will retire on August 31, 1994 after 26 years of dedicated service.

There is always a sense of renewal in acknowledging the development, growth and success of men and women who are destined to lead and make changes. Major General Zimmerman has made a difference in many lives and will continue to do so. He has served at virtually every level of the Chaplaincy, from a Battalion Chaplain in Vietnam to Chief of Army Chaplains—the first African-American to become Chief of Chaplains of any service.

When we talk of leading by example, we can speak of no one more stellar or better prepared than Matthew A. Zimmerman, Jr. to "shepherd the flock". Chaplain Zimmerman was born in Rock Hill, SC. He holds a bachelor of science degree in biology and chemistry from Benedict College, a master of divinity degree from Duke University, and a master of science degree in guidance and counseling from Long Island University. Chaplain Zimmerman is ordained by the National Baptist Convention and is a member of Omega Psi Phi Fraternity and Kiwanis International. Major General Zimmerman uses his educational, spiritual, and social talents to foster the good in mankind, to protect and nurture those who need comforting, and to challenge those who need a "jump start" in life.

On March 20, 1990, I had the privilege of welcoming then Brig. Gen. Matthew A. Zimmerman, Jr. to the House of Representatives

when he served as a guest chaplain. He offered the following prayer:

Almighty God, our Creator, as we pause here today in work and fellowship, we acknowledge, appreciate, and applaud the uniqueness of this body's interests, talents, and work. We are grateful that its efforts can be defined in terms of stewardship; stewardship of the well-being of this Nation and its people.

Help each Member, we pray, better to maintain an understanding and profound appreciation of the nature and the implications of their charter. Bless this body and its Members as agents of change and facilitators for excellence in the quality of our citizens' lives. As stewards of effectiveness and excellence, continue to challenge them with a firm recognition of the dignity and worth of our citizens.

Give to each of them generous portions of Your wisdom, grace, and strength. Enable them to believe strongly in what they do; remain confident in their objectives and abilities, to be aware of and celebrate the humanity of our people, and certainly to maintain a good sense of humor.

In Your name and with your peace we pray. Amen.

These words attest to the type of community and spiritual leader Major General Zimmerman is, indeed a steward of man and his soul. Mr. Speaker, the apple doesn't fall far from the tree. His father, the Rev. Matthew A. Zimmerman, Sr., pastor of the Greater Abyssinian Baptist Church in my hometown of Newark, NJ, is the same type of leader. Always at the forefront of major issues the senior Reverend Zimmerman has used his vision and stability to prepare his congregation for the 21st century.

Mr. Speaker, I know my colleagues will want to join me as I congratulate Chaplain, Maj. Gen. Matthew A. Zimmerman, Jr. on his outstanding career and wish him well in his retirement.