HOUSE OF REPRESENTATIVES—*Tuesday, September 27, 1994*

The House met at 10:30 a.m. and was called to order by the Speaker pro tempore [Mr. SANGMEISTER].

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
September 27, 1994.

I hereby designate the Honorable GEORGE E. SANGMEISTER to act as Speaker pro tempore on this day.

THOMAS S. FOLEY,
Speaker of the House of Representatives.

MORNING BUSINESS

The SPEAKER pro tempore. Pursuant to the order of the House of February 11, 1994, and June 10, 1994, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member except the majority and minority leader limited to not to exceed 5 minutes.

The Chair recognizes the gentleman from California [Mr. MILLER] for 2 minutes.

COMMENTS ON GOP CONTRACT WITH AMERICA

Mr. MILLER of California. Mr. Speaker, today future Minority Leader GINGRICH will blindfold the Republican candidates and bring them to the Capitol and get them to sign a contract for the future of America. Unfortunately, not only does this contract signal the bankruptcy of Republican ideas, but it foretells the bankruptcy of this Nation. The last time we embarked on this program of tax cuts for the rich, increased defense spending, and no way to pay for it, this country accumulated $4 trillion in debt, $1 trillion in new debt of the eighties. Not only were the eighties bankrupt, but so was the Nation at the end of the eighties.

I would hope that Americans would read this contract before they decide whether they will want to sign it or not. We fully expect the Republican candidates for office to sign this contract, because tonight at a fund-raiser they will be paid for signing this contract. They will be paid by the special interests who seek to have these tax cuts for their narrow special interests and their wealthy friends.

Today the Republicans converge on the Capitol to sign a contract, a contract to increase the deficit by at least $120 billion, a contract to cut Social Security, a contract to reduce Medicare coverage for the elderly, a contract that provides tax cuts for the rich and $1 trillion in debt for the middle class.

We have seen this before, ladies and gentlemen of this Chamber, and we have seen this before, I say to our constituents throughout the country, and that was the 1980's, when we tripled the debt of this country and we lost our ability to compete overseas.

Now, the Republicans are obviously doing this because they have run out of ideas to combat what has taken place here with the real deficit reduction of the Clinton economic proposal of last year, where none of them, none of them, supported what now has turned out to be deficit reduction far beyond the expectations of the critics of that plan and even the supporters of that plan.

I would hope that America would not follow the three blind mice of the Republican Party.

OUR CONTRACT WITH THE AMERICAN PEOPLE

The SPEAKER pro tempore. Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, the gentleman from Ohio [Mr. BOEHNER] is recognized during morning business for 5 minutes.

Mr. BOEHNER. Mr. Speaker, you can see that our Democrat colleagues on the other side of the aisle do not like our contract with America. Today, Republicans are signing a contract with the American people. What makes this effort different than promises made in the past is we are in the majority, we will bring up 10 bills for complete and open consideration on the floor within the first 100 days. If we do not live up to our end of the contract, we would urge the American people to throw us out of office.

The liberal Democrat establishment in Washington is worried. Judging from their violent reaction to the idea of a contract with America, it is clear they are afraid—if the American people are given a pledge that is kept, it will ruin their chances of ever making empty promises again.

The liberal Democrat establishment in Washington does not understand the concept of a contract because they do not understand the meaning or the power of a kept promise. That is why my colleagues on the other side are so unhappy today.

Everyone should be aware that the people who are upset with the contract with America are the same people who promised to deliver health care within 100 days—2 years ago; the same people who promised a middle-class tax cut and raised everyone's taxes instead; the same people who promised to end politics as usual and instead have given us a scandal a week.

They never intended to delivery on their promises, so they assume everyone else does the same—but they are wrong, dead wrong.

And if we have a Republican House next year we will prove them wrong. Our word is our bond and it is our hope that this contract will help us restore the confidence of the American people in their elected leaders—and change politics as usual once and for all.

What is the contract?

The contract with America consists of commonsense ideas that have been consistently blocked by the liberal Democrat leadership of this House for the 40 years they have controlled Congress.

The contract is based on three basic principles that have been scarce in these parts for a long time: Accountability, opportunity, and responsibility. The populist proposals outlined in the contract are aimed at creating a Congress: More accountable to the people they represent and for tax dollars they spend; a Congress more willing to expand opportunity for our families, senior citizens, and for our free enterprise system; and a Congress more responsible for American security both here and abroad while encouraging greater personal responsibility rather than Government dependence.

Specifically, the contract is composed of 10 major legislative initiatives we shall bring to the House floor within the first 100 days of the next legislative session. Each part of the contract will be given full and open debate with a clear vote on each. In addition, the legislation will be available for public scrutiny before it is considered on the floor. In this way the American people will have the opportunity to have their concerns debated and voted on by the House of Representatives.

Specifically, the proposals included in the contract include:

Term limits.—Republicans promise a vote on a constitutional amendment to limit the number of terms Members of Congress can serve;

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Welfare reform.—Replace the welfare state with programs which encourage people to work, not to have children out-of-wedlock.

Balanced budget amendment and line-item veto.—Force the Congress to live within their means with a constitutional amendment while giving the President the power to eliminate specific pork projects from spending bills.

Commonsense legal reform.—Limit the excessive legal claims by trial lawyers and frivolous lawsuits.

The point of this contract is accountability, something we have not seen in Washington in a long time. Too many politicians say one thing at home, then hide behind the Democrat leadership's manipulation of the rules to avoid having to actually vote. Proposals are buried in committees, rules are rigged to avoid open debate and the process is stacked against accountability. Bringing these proposals to a vote ensures accountability.

My support for the contract consists of more than just words—my signature is on the dotted line. This agenda is only radical inside the beltway, where for years the powers-that-be prevented these straightforward ideas from even being considered by the people's House.

Mr. Speaker, the contract is designed to restore the bonds of trust between the American people and their elected representatives.

Those that laugh at the contract are part of the same group that has controlled the House for 40 years. They forgot long ago what it means to be accountable.

Remember, this is not a promise, this is a contract. And if we do not live up to our part of the bargain, throw us out.

□ 1040

REPUBLICAN CONTRACT WITH AMERICA

The SPEAKER pro tempore (Mr. SANGMEISTER). Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, the gentleman from South Carolina [Mr. DERRICK] is recognized during morning business for 3 minutes.

Mr. DERRICK. Mr. Speaker, right outside, on the steps of the U.S. Capitol, Republicans are saying they are signing a contract to help the American people. NEWT GINGRICH is out there telling all who will listen this contract is a great plan for the people.

But let me share with you some facts NEWT won't tell you.

The only people who will gain anything by this so-called contract are the Republican leadership and their wealthy contributors.

This is one of those prearranged contracts for cash. NEWT GINGRICH and his wealthy political contributors tell Republican candidates for Congress exactly what to do.

The Republican candidates sign a blood oath, a contract for cash, to do exactly what NEWT and his merry band of wealthy contributors want them to do. Then tonight, the Republican candidates receive their big payoff.

Tonight, Republicans will attend a big political fundraiser. If you are one of the Republican candidates who sold your future votes by signing NEWT's contract today, then you can pick up a check tonight from NEWT's wealthy contributors.

So, it is simple. If you are a Republican candidate for Congress, your party bosses told you to sign away your independent voice. You have signed away the priorities and the best interests of your district. For selling your vote and your district in exchange for what is best for NEWT and the Republican Party bosses, you will receive a big check tonight.

How do I know this contract was written by NEWT and his wealthy contributors? NEWT explained the arrangement in his own words. Just listen to what NEWT told his wealthy contributors about his so-called contract in a letter he sent out asking for money for his own political action committee, GOPAC. "Will you help me draft the Republican legislative agenda for the 104th Congress?" GINGRICH asked, just before he asked for a financial contribution to GOPAC.

Isn't it obvious that NEWT is willing to sell his Republican legislative agenda to anyone who can afford to buy it?

Let me read to you what Ellen Miller of the Center for Responsive Politics said about NEWT's so-called contract for cash in a recent Roll Call article.

> If you really believed the fundraising appeal, it would be auctioning off the legislative agenda. It's a cheap political fundraising technique which exacerbates public cynicism about politics.

So NEWT won't tell you the straight facts. He won't tell you this contract for cash benefits only the wealthy and the Republican leadership.

And let me tell you what else NEWT won't tell you. This contract, by conservative estimates, will cost $1.6 trillion over the next 7 years.

NEWT won't tell you where the money is coming from. That is a little detail he left out of the contract for cash.

Well, common sense will tell you it won't come from NEWT and his wealthy contributors. Remember, they wrote the contract.

The $1.6 trillion will cost the hard-working middle-income families in this country who are struggling to get by. They are not the ones who will get the tax breaks under the contract designed by NEWT and his wealthy contributors.

As noted in a recent Wall Street Journal story, the facts are different for what the Republicans want you to believe. Let me read you an excerpt on the Gingrich contract from that Wall Street Journal article.

> The biggest tax break would be a $500 tax credit per child for all families making up to $200,000 a year. Since it's not refundable, it wouldn't help low-income taxpayers. Thus, a couple with four kids making $190,000 would subtract $2,000 from their taxes, but a couple with four kids making $19,000 would get nothing. The point of any children's allowance ought to be to help families cope with financial burdens.

As pointed out in this article, NEWT's plan tries "to camouflage goodies to upper-income taxpayers."

It will also come at the cost of senior citizens who daily face the difficulties of living on a fixed income.

The Republican contract calls for tax cuts and balancing the budget that would mean eliminating $700 billion more in cuts in 5 years, according to Republican leader DICK ARMEY.

What the Republicans won't tell you is these cuts will come from Social Security and Medicare.

This is a contract to help the wealthy and hurt middle-income American families and our senior citizens. Now NEWT and his wealthy contributors won't tell you that.

I ask the Republican candidates who are there now: Have you read the fine print in this contract? Don't sell out your district and your vote to the Republican party bosses for cash. Read the fine print of this contract for cash and you will see the truth for yourself.

THE CONTRACT BEGINS OPENING DAY

The SPEAKER pro tempore. Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, the gentlewoman from Washington [Ms. DUNN] is recognized during morning business for 4 minutes.

Ms. DUNN. Mr. Speaker, the American people don't want politics as usual. The status quo is failing. They yearn for politicians who are willing to give their word, to be accountable and then leave Congress if they don't live up to it. In other words, the people want a binding contract.

Further they want politicians—regardless of party—to sign a contract with them to be responsible for the things taxpayers care about: from tax relief for families to reduced redtape to cutting back the bloated bureaucracy of the Congress itself.

Guess what, Mr. Speaker. That is what this contract is all about: accountability and responsibility. And to write this contract, we went to the grassroots of America: we went to candidates who are out doorbelling their neighborhoods. And we asked a simple question: What do Americans want from their Congress?

We then put it in the form of a contract, pledged to sign it, and even provide taxpayers with a simple scorecard so that they can grade their Member of

Congress on whether or not he or she is delivering on the contract.

That's all it is: a straightforward contract with the taxpayers of America based on the things they want, from a Congress they perceive as distant and disconnected. It's not a Washington, DC-controlled blueprint, rather it is a blueprint designed by the people we represent—designed to return the control of Washington, DC, to the people.

What I want to stress in my remarks is that the contract with America will take effect on day one of next year, January 3, 1995. On opening day, if the pro-contract forces are in a majority, we will rewrite the rules of the House. In effect, we'll give the House back to the taxpayers. And how will we do this?

Well, first, we will force the Members of the House to live under the laws that apply to the rest of the country. We do not have to wait for the Senate or the President to act; we can make it a part of our own House rules.

Second, we'll audit the entire Congress for waste, fraud, and abuse. The House has been under control of one party for 40 years, accountable to no one, especially the taxpayers. That kind of absolute power invites abuse. We'll find it and fix it.

Third, we'll cut deeply into the overgrown bureaucracy that has sprung up around the Congress itself. Committees have staffs that are too large, too partisan and often too highly paid. Mr. Speaker, about 100 staff people here in the House earn more than Gen. Colin Powell made when he was Chairman of the Joint Chiefs of Staff. No wonder the American people think Congress is out of control.

Fourth and finally, on opening day we'll abolish the practice of closed-door committee hearings. No longer will the American taxpayer be kicked out of a hearing because arrogant Members of Congress want privately to discuss ways to spend that taxpayer's money. We'll protect national security, of course, but other than that we'll say, "Leave the doors open, let the public and the free press have a seat in the meeting room, and let the sun shine in."

Mr. Speaker, this need not be partisan. Anybody who wants to be a Member of Congress can sign this contract.

The American people have spoken clearly on these matters: They want real welfare reform, a real crime bill, a real line-item veto, real family tax relief, and real term limits.

Let's take advantage of the "window of opportunity" this fall's elections offer us, to put in place a majority who will fight to give the peoples' House back to the people.

REHIRE THE FACTS-CHECKER

The SPEAKER pro tempore. Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, the gentlewoman from Colorado [Mrs. SCHROEDER] is recognized during morning business for 2 minutes.

Mrs. SCHROEDER. Mr. Speaker, I realize that Members of Congress are fun targets for the news media, but ABC News has put me in a very difficult position. I cannot decide whether I am a target or whether they are trying to help me. They must have fired their facts-checker, the facts-checker must have gone away through budget cuts or something, because they keep running a story about how I am the poster child and I have this humongous pension that is waiting for me out there the minute I quit.

I must admit, the first time I heard this I got very excited and thought, what am I doing hanging around here if there is a pot of gold down there waiting for me in Treasury. Unfortunately, when I got to check the facts, I found out that in order to get anywhere near what they were talking about, I had to live to be more than 150 years old, and we had to have double-digit inflation every year and keeping the pension up to that level.

Well, maybe those things are going to happen. One cannot say that they could not possibly happen, but I really rather doubt that I am going to live that long. I certainly hope we do not have double-digit inflation that long.

So now I am perplexed, as they keep running this story, as to whether they may be sending another message. Maybe they are trying to say to people, "If you don't vote for Schroeder, she is going to get this huge pension." And maybe they think then that that is really helping me. If that is what they think, I am wondering if I have to report this to the Federal Elections Commission as a campaign contribution.

□ 1050

I just do not know. I really wish, wherever their fact-checker is, they would get the fact-checker back, because I think this is only confusing the whole thing.

A CONTRACT WITH AMERICA THAT CUTS GOVERNMENT AND SAVES AMERICANS MONEY

The SPEAKER pro tempore (Mr. SANGMEISTER). Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, the gentleman from Ohio [Mr. KASICH] is recognized during morning business for 5 minutes.

Mr. KASICH. Mr. Speaker, this morning it is very interesting to the Members of this House to listen to the Democrats' vitriolic, at times, rhetoric here about the Republican contract with America. Frankly, Mr. Speaker, it is amazing to sit here and listen to people so concerned that they now resort to, in some cases, some vicious personal attacks against the Republican whip, NEWT GINGRICH.

However, the question is, Why is it that they would resort to these kinds of strong personal attacks, and the strong rhetoric against our plan? For one basic reason, Mr. Speaker. They are concerned that they are going to lose their empire; that for 40 years—I have only been alive 42 years, but for 42 years in this country they have owned it all. They have had the whole kingdom, and guess what? Their kingdom is being threatened. What happens when people are being threatened with a loss of what they have? They lash out and strike out. They will even resort to innuendo and hyperbole, and yes, even demagoguery, when it gets right down to it.

Mr. Speaker, what is the Democrat Party's contract with America? They have had a contract with America all of my lifetime. Their contract is real simple: Tax and spend, tax and spend. That is the Democrats' contract with America.

I remember when the President on the campaign trail said, "There is this old broken record the Republicans are going to put on, watch out for it." Do you remember when he said it? "The record is going to say, 'tax and spend, tax and spend, tax and spend.'" That is the way the President said it.

Guess what, he got off that bus that he came up here from Little Rock on and he sent us a budget bill, and guess what was in that budget bill? Tax and spend, tax and spend, tax and spend. That was what was in the bill. That is their contract with America.

The Republicans have decided that we are going to create a contract with America based on what we hear across this country. Let me say the one essential message we as Republicans hear from the American people: the Government is too big, the Government spends too much of your money, the Government wastes too much of your money, the Government of the United States here in Washington does not work in too many cases, and it taxes too much from you; that you go to work and you plug, and your wife has the main job and you have the second job, or vice versa, and you are trying to put a little extra money in the bank, you are trying to educate your kids, and you turn around and the Government is taxing you and wasting what you send to Washington.

And you are telling us you have had enough, and we hear you; we hear you, America. So we put a contract together that does one fundamental, basic thing: It cuts the influence of Washington, it reduces the level of spending in this town. And if anybody should have any doubts about it, I just ask you to go back and look at last year's budget proposal, where the Republicans gave family tax relief, $500 per child per family for families under $200,000, and

we attempted to reinvigorate the infrastructure of this economy by giving incentives for business to expand and create jobs.

We did not cut the Defense Department to the bone, like this administration has done, and then send our people into harm's way. We had $60 billion over 5 years more in defense spending, and guess what? With family tax relief and incentives to create jobs, and more money for defense, we still had lower deficits than the President had in his budget, using our specific proposals to change the way that Washington works, and to downsize the operation of the Federal Government, plain and simple.

Mr. Speaker, also contained in this contract with America is an effort to try to fix the legal system. Everybody in America is fed up with being sued by everybody for everything. I just have to refer to the case of the lady that sued and won for having been scalded by a cup of coffee she bought in McDonald's 5 minutes earlier. Americans want to preserve the right to redress grievances in the courts, but we all know the pendulum has swung too far.

We are going to bring a vote up on term limits within the first 100 days, for this House to be put on record as to whether they want to change constitutionally the way in which we serve in this body, and we are going to enact the Shays Act.

No law we pass on you should not be complied just by us. It is just plain, simple common sense. We are going to cut the 30,000 congressional staff.

The bottom line is, Mr. Speaker, I say to the American people, you choose. Do you want a contract with America that calls for more tax and spend like we have had over the last 40 years, or are we going to have a contract with America that cuts Washington and gives you your money back to spend on your family?

THE REPUBLICAN CONTRACT, BACK TO THE REAGAN-BUSH ERA, WITH BENEFITS, ONLY FOR THE WEALTHY

The SPEAKER pro tempore. Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, the gentleman from Illinois [Mr. DURBIN] is recognized during morning business for 4 minutes.

Mr. DURBIN. Mr. Speaker, my Republican friends are convinced America has short-term memory loss. Today 300 Republican Congressmen and candidates are being herded on the House steps to piously sign a pledge to return us to those thrilling days of yesteryear, the Reagan-Bush era.

Republicans are convinced that America has forgotten that Ronald Reagan and George Bush also promised us a balanced budget and never delivered one, not one, in 12 years. Under the Reagan-Bush regime, the supply-side folks added $2 trillion to the national debt. Today the Gingrich gang promises us more of the same; More national debt, tax cuts for the wealthy, and a full-scale assault on Social Security, Medicare, and critical Government programs.

Republicans just cannot keep their hands off of Social Security and Medicare. Every American who counts on Social Security should view the Gingrich Republican contract as nothing less than a threat to cut Social Security benefits from 20 to 30 percent. My seniors at home, struggling to pay their bills for the necessities of life, food, utilities, and prescription drugs, should see the Republican contract for what it is: Not a helping hand, but a threat to their future.

Mr. Speaker, those of us paying into Social Security should recognize if the Republicans have their way, the Federal Government will not be able to keep its promise to today's generation of workers to make sure that we have our retirement benefits. America does not need that, and America does not want it.

However, the Gingrich contract does create some winners. The same gang of fat cats and millionaires who profited from the Reagan-Bush trickle-down economics will be elbowing their way in front of working families again if the Republicans have their way.

The Republicans are very specific when it comes to tax breaks for the rich. In fact, they have not been this specific since they pleaded with us to read their lips. Even a Wall Street Journal columnist last week noted: "The Republican contract is loaded with goodies for high income taxpayers."

Consider this family tax break. Who would be against a family tax break? Consider the fine print in the contract. This $500 Republican tax break goes to families making over $150,000 a year income, but not to families making $20,000 a year. Does that make sense?

The Republican tax breaks on capital gains, 70 percent of the tax breaks go to people making over $100,000 a year. Are these the folks who need a helping hand? The folks I represent who need a helping hand go to work each day and make a heck of a lot less than that.

The Republicans may not be right, but they are consistent. Time and again, they dream up breaks for the wealthy at the expense of working families.

More than anything, the Republicans are convinced that the Americans have forgotten the economic mess which Ronald Reagan and George Bush left behind. In the 4 years of George Bush's Presidency, in those 4 years we had the slowest economic growth in America in 50 years. In the 4 years of George Bush's Presidency, we had the slowest job creation in America since World War II.

That is why the former President is now living in Texas, rather than at 1600 Pennsylvania Avenue. The Americans knew it and they wanted no part of it. The Republicans on the steps today want us to return to that era.

The one that really gets me the most, I think the biggest joke in this Republican contract, is the shameless endorsement of term limits. Watch the news tonight. The five Republican leaders who will stand out there and take the pledge for term limits have served a total of 68 years in Congress, five of them for 68 years, and they are for term limits? Do they think America has forgotten how to count? Honestly.

These leaders ought to take into consideration the fact that this country is moving forward. Our deficit is coming down for 3 straight years, the first time since Harry Truman. Jobs are being created. We will hear a lot about the Republican contract, but when you read the fine print, you will realize this contract is a loser for America.

□ 1100

CONTRACT WITH AMERICA: 10 INITIATIVES TO PUT AMERICA BACK ON THE RIGHT TRACK

The SPEAKER pro tempore (Mr. SANGMEISTER). Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, the gentleman from New Jersey [Mr. SAXTON] is recognized during morning business for 3 minutes.

Mr. SAXTON. My, oh my, we must have struck a good chord here. I have not heard such mean speeches coming from the other side in quite some time. All over a contract for America, a contract to make Government smaller and reduce taxes and a number of other things.

My, it must be difficult to think about losing power after 40 years. The fact is the House Democrat policies have failed. Let me just give one example of how things have gone astray. At this very moment—and this is part of our contract, what I am getting to—the Federal Reserve is meeting to consider yet another tightening of the monetary supply to result in higher interest rates. This has all come about because the Clinton administration through one individual known as Alan Blinder advocated loose monetary policy in the recent past in an effort to grow the economy. Wrong tool, bad idea. Using money supply to control the economy simply does not work. And these high interest rates are a result of that bad policy urged on the Fed by Alan Blinder and Bill Clinton. I have a better idea, but I cannot claim credit for it. John Kennedy knew. Congressman Bill Steiger, a Republican Congressman from Wisconsin, knew. And Ronald Reagan knew. They each

knew good job growth, good growth in wages and good economic performance is best brought about by good, smart tax policy. In 1978, the Steiger bill became law, cut the capital gains tax rate and new businesses began to form. In 1981 and 1982 and 1983, President Reagan and Congress cut the capital gains tax and businesses expanded, jobs were created and wages increased dramatically, all over this country. Let us look at what happened. In 1975 through 1977, that time period, less than $40 million in new capital was invested annually. Venture capital, it is called. In 1978, the Steiger bill passed, and in that year alone over $600 million was raised and invested. In 1981 with the passage of the Reagan bill, $1.3 billion was invested. By 1987, the annual rate of venture capital investment was $5 billion. New businesses, new enterprises all over our country. More jobs, higher wages. And then in 1986, Congress implemented and the capital gains tax was increased, new investment capital fell dramatically and the economy fell, unemployment rose, and Americans were out of work. Today is it fair for us to ask why? Today Republicans suggest a better way. Alan Blinder has helped us prove it. It is not Fed control of interest rates that work. John Kennedy, Bill Steiger, and Ronald Reagan have helped to prove it as well.

Today, I along with my Republican colleagues, will unveil 10 legislative initiatives that we pledge to bring to a vote if we are in the majority next year. Bills like these have been bottled up for years by our Democrat brethren.

To encourage economic growth we propose cutting the capital gains tax rate, adjusting depreciation for inflation, and enacting small business tax incentives like expensing, reinstating the home office deduction and increasing the estate tax limit. We also encourage savings by expanding the individual retirement account for all Americans.

I believe strongly, that if we enact these proposals, along with the others we unveil today, the U.S. economy will once again be put back on the right track.

CONTRACT WITH AMERICA IS A CONTRACT ON AMERICA

The SPEAKER pro tempore. Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, the gentleman from West Virginia [Mr. WISE] is recognized during morning business for 4 minutes.

Mr. WISE. Mr. Speaker, they are here, out on the Capitol steps, first to sign the contract, then to pick up the cash at a gala fund raising dinner tonight here in Washington. Candidates, Republican candidates, coming to sign a contract with their leadership in Washington about what they will do if they are here next year. I guess we just see it differently. My contract is with my constituents at home, not with anybody's leadership here in Washington. I do not come to Washington to find out what to do. I ask West Virginians who tell me what they want done and send someone to Washington to do it.

What about this contract? Let us look at it. One will have trouble reading the fine print, there is not much there, but even read the big print. More tax cuts for the wealthy, more promised spending cuts without details of where they are. More defense spending. The same thing we heard in 1981—you cut taxes but increase spending and then wonder why you have got a $4.5 trillion deficit. If you liked Reagan supply side economics, you will love this riverboat gamble.

What are the results? Projected deficits as high as $1 trillion over 5 years. How do you make those up? There is only one way. Savage cuts in Social Security, Medicare, veterans programs, crime fighting, education.

Mr. Speaker, this is not a contract for America. This sort of hit job on America's middle class is a contract on America. It is a kneecap operation. But even if working families do not benefit with this contract, there is one group that does, the candidates out there on the steps, because tonight after signing the contract they go over to the hotel, have a gala fund raising dinner and pick up their campaign checks. That has been promised to them.

So, Mr. Speaker, come to Washington, sign the contract, pick up the check. It may be democracy to some, coming to Washington to sign a contract. Others of us, Mr. Speaker, prefer going home for a constituent contact.

While Congress is about ready to wrap up, I would like to report, Mr. Speaker, on another matter, on the regional airport that is being looked at in West Virginia. The reason we are looking at this is we are talking about jobs. The first feasibility study, the first two feasibility studies, actually, showed there could be the possibility of 1,000 additional jobs created as a result of building this airport. Those are not jobs connected to working on the airport, they are connected to private sector operations that would spring up around the airport. The challenge from the Charleston business community to me has always been, "WISE, we don't want to give up our 10-minute drive to Yeager Airport, but if you can show us that there are jobs that result, serious significant economic development, then it's something we will consider."

That is a fair challenge, Mr. Speaker. That is why I worked to get an Economic Development Administration grant for a feasibility study that is now underway that will measure the economic impact of any kind of regional airport. We look at it because the manufacturing industry is becoming increasingly customized, needing on-time delivery. Can a regional airport make a difference? Look at the Spartanburg airport, for instance, in which now we see a BMW plant that has been located adjacent to it. One of the reasons is because of that modern airport. The problem is that none of West Virginia's three airports in the area, Parkersburg, Huntington, or Charleston can expand. Yeager Airport has 2 acres available and that is under protected airspace.

So, Mr. Speaker, right now no decision has been made on a regional airport, no funding is being sought. We are still in the exploratory stage. But I think that the possibility of job creation is something that mandates that we take this chance. It is the last chance we are going to have to look at it. The possibility of job creation directs that we perform these studies. It will probably be 18 months before any results are known and before anybody is in a position to make any decisions, but it is certainly going to be an important decision for West Virginia.

A CONTRACT WITH THE AMERICAN PEOPLE

The SPEAKER pro tempore. Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, the gentleman from Connecticut [Mr. SHAYS] is recognized during morning business for 3 minutes.

Mr. SHAYS. Mr. Speaker, whenever we attempt to do something innovative and creative and dynamic, there is the danger that we can claim too much and there is also the danger that critics can claim too much as well. This contract is truly with the American people. It is an attempt to demonstrate that if we have a Republican majority, there will be things that happen in the first 100 days of our majorityship. The fact is there is a fundraiser tonight but there are no checks being picked up. There are fundraisers in the Republican Party and in the Democratic Party but what is most essential is that the American people after 40 years of the one-party rule have an opportunity to see another party rule. Thus, 12-year-olds that are killing each other, 18-year-olds who cannot read their diplomas in the legacy of the welfare state. It is the legacy I think of 40 years of rule by one party. This contract with the American people promises some very direct things with the American people, not to my leadership. It first promises that whether or not a law passes that we will in this House with a Republican majority abide by all the laws that we pass on others, the civil rights laws, the OSHA laws and so on. It also says that for the first time in 40 years, we will have an independent audit, a comprehensive audit of Congress that has not been done. Lord knows what we will find. It should happen whether or not Republicans are

elected, but it will not unless Republicans have control.

It also says we will cut the number of committees. We need to. There are too many committees. One administration person has to go before eight different committees to say the same story. It is duplicative, it is wasteful, it is inefficient. It should change. This is a promise we make with the American people we will change this. The number of committee staffs, Republicans have 15 percent of the committee staff, 15 percent. We can cut the number of committee staff and function well. We function well with 15 percent. We can reduce the number of committee staff.

□ 1110

I do not happen to support term limits, but this contract says there will be a vote. I really believe that if the American people heard a debate in this House about term limits they might feel differently. So I am going to promise with this contract to have a vote on term limits, but I am going to actively speak out against it, but be held accountable for my vote. I am going to say why I believe it is wrong, and why I do not believe it will be helpful to this country. But there will be a vote. That is the contract.

Banning proxy voting. Is it not amazing you can vote and not be there?

The bottom line is we need a change in how we adopt taxes so it takes more than a simple majority.

A balanced budget amendment, tax limitation amendment, legislating a line-item veto, reform, habeas corpus reform, a good-faith exclusionary rules, tax incentive adoption, a tax credit. If you make $15,000 you pay no taxes and do not get the credit that is right. But anyone who pays taxes gets the credit.

This contract makes sense for the American people. It is a contract with the American people.

FRAUDULENT CONTRACT WITH AMERICA

The SPEAKER pro tempore (Mr. SANGMEISTER). Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, the gentleman from Georgia [Mr. LEWIS] is recognized during morning business for 1 minute.

Mr. LEWIS of Georgia. Mr. Speaker, I rise today to declare that the American people will not be fooled by the so-called contract with America signed by many of our colleagues on the other side of the aisle. The American people are sophisticated, intelligent, and astute to know that this contract is a plate of warmed over, half-baked ideas from past Republican administrations. These ideas did not work in the past, nor will they work in the future.

This so-called contract with America is neither worthy of the paper it is printed on nor the ink used on the paper. Why won't the Republicans be honest with the American people? The people are tired of the smoke and mirrors and the voodoo economics.

We have a truth-in-lending law; I believe it is time for a truth-in-campaigning law.

If the Republicans are serious about supporting term limits, they should simply stop running for office. No one has put a gun to anyone's head forcing him or her to run for Congress.

I believe the American people have had enough of this political theater; this warmed over melodrama. The American people will reject this fraudulent contract.

CONGRESSIONAL REFORM

The SPEAKER pro tempore. Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, the gentleman from Colorado [Mr. HEFLEY] is recognized during morning business for 4 minutes.

Mr. HEFLEY. Mr. Speaker, today I would like to talk about one aspect of the contract, something we do not need a contract for, we should be doing, and most of us agreed we wanted to do, and that was congressional reform.

Mr. Speaker, with just a few weeks to go before elections, the House is close to losing a golden opportunity to enact true congressional reform. Instead of voting on the Joint Committee's broad package of reforms, the Democratic leadership decided to split the reform bill into several pieces.

The last time each Chamber debated internal reforms the effort turned out to be largely unsuccessful. That was 20 years ago. This time, things were supposed to be different. Unfortunately, as the taxpayers know all too well, it is very, very difficult to bring change to this place.

After the House post office scandal, I thought 1993 might be the year of reform. We had 110 new Members each of them elected to the House on a reform platform. Those new Members had campaigned on platforms saying they were going to reform everything from ethics and campaign finance to budgeting. The status quo was no longer going to be tolerated.

So what has happened? Politics has found its way into a process which was supposed to be void of partisan wrangling.

Mr. Speaker, what has changed is that the Democratic leaders fear a comprehensive reform bill has the potential of passing the House if they presented it. In fact, they give all sorts of reasons for splitting the bill up, including that it might be easier to pass segments than the whole thing, but they will not even let those, it looks like, come to the floor.

Those of us who oppose splitting the bill up are concerned that doing this only waters down the legislation.

While the Joint Committee's recommendations provide for a sound basis from which significant reforms must begin, it falls far short of establishing the strong measures needed to ensure real reforms in the House.

First and foremost, the committee system should be at the heart of any comprehensive reform package. Unfortunately, the Joint Committee failed to outline a strategy to adequately address committee and subcommittee assignments, and the realignment and consolidation of committees.

While the House and Senate committee reforms are similar, the House proposal lacks strong enforcement measures. For instance, the current Joint Committee report limits each Member to a total of six assignments—two standing committees and four subcommittees. However, this plan may increase the number of assignments for those Members sitting on exclusive committees.

Additionally, the Joint Committee's report directs the Rules Committee to consider a resolution to abolish committees, not to report such a resolution to the floor. In other words, just consider it, they do not really have to bring it to the floor.

An ideal way to consolidate committees may be to require a floor vote on a resolution to abolish certain committees.

The last major flaw with the Joint Committee's work fails to focus on substantial reforms of floor procedures. In the past few years the House leadership has taken a more aggressive approach in their use of restrictive rules.

Although the Joint Committee recommends the restoration of the motion to recommit by the minority, it only reaffirms the right of the minority to offer a final amendment to a bill prior to passage.

It is unfortunate for the American public that closed or modified rules have become the standard by which most legislation is considered. Because of this abuse by the majority, much tougher steps are needed to prevent further erosion of the rights of the minority.

Mr. Speaker, it is my hope that the recommendations of the Joint Committee will provide the catalyst needed to push through significant, long-term reforms.

Congress has an opportunity to alter the public's perception of this institution. On the other hand, failure to enact meaningful reforms will only provide cannon fodder for those who preach hatred for this institution.

Finally, Mr. Speaker, the distain and distrust the American people have for this institution is not good for our system of Government even though it is often deserved.

We have an opportunity to restore confidence. This kind of opportunity comes along only rarely. We dare not squander it.

REPUBLICAN CONTRACT HAS IT BACKWARD

The SPEAKER pro tempore. Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, the gentlewoman from Connecticut [Ms. DELAURO] is recognized during morning business for 2 minutes.

Ms. DELAURO. Mr. Speaker, as we speak, NEWT GINGRICH and the Republican leaders in Congress are outside on the steps of the Capitol, releasing their so-called contract with America, a blood oath for GOP candidates to support an array of feel-good proposals. It may be clever election-year gimmickry, but the problem with the Republican contract is that it is a contract for failure.

It is the same old thing from Republicans: More tax breaks for the wealthy and budget smoke and mirrors. The contract promises a balanced budget and $200 billion in tax cuts. But they do not tell you how they will pay for it. In fact, even the Republican's best attempt at creative budgeting comes up $700 billion short.

The reviews of the Republican contract are in: "Pandering" says U.S. News & World Report; "Voodoo Economics" says the Washington Post; a "GOP Shakedown" according to columnists Jack Anderson and Michael Binstein; a fraud says the Wall Street Journal; "cynical empty promises" says Morton Kondracke.

The truth of the matter is that the candidates on the steps today are not signing a contract with America, they are signing a contract with the Republican leadership. It is a contract to cut Social Security, and raise taxes, because that is the only way to pay for this budget buster.

But, the main event is not happening until tonight. That is when the same candidates who are pledging their support for tax breaks for the wealthy, will attend a GOP-sponsored fundraiser where the beneficiaries of those cuts will contribute to their campaigns.

The Republicans will claim that this contract represents the interests of all Americans. Well, why did they not consult the American people when drafting it? Instead, the Republican Whip sent out a fundraising letter from his Political Action Committee asking for donations. In return, those people were allowed a hand in drafting the contract. The Republican contract does not represent the public interest, it represents the special interests.

It seems that Republicans have forgotten the basic principle of representative democracy. They have got it backward. They should not be coming to Washington to bring an agenda back to their districts, they should be bringing the interests of their districts to Washington.

□ 1120

DEMOCRATS RENEW PLEDGE TO FAMILIES AND WORKERS

The SPEAKER pro tempore (Mr. SANGMEISTER). Under the speaker's announced policy of February 11, 1994, and June 10, 1994, the gentlewoman from Washington [Mrs. UNSOELD] is recognized during morning business for 1 minute.

Mrs. UNSOELD. Mr. Speaker, in a recent letter promoting the House Republican contract with America, Republican Whip NEWT GINGRICH asked potential contributors, "Will you help me draft the Republican legislative agenda for the 104th Congress?"

Today those Republican would-be Members of the 104th Congress have gathered in the Nation's Capitol to pledge allegiance to this agenda written by NEWT GINGRICH and D.C. lobbyists willing to pay the price.

The Republicans say they advocate change. Their notion of change is to return to the spend and borrow policies of the previous Republican administrations that took this great Nation from being the largest creditor to the largest debtor nation in 12 years. Their notion of change is to yell about new taxes when they are really seeking to provide new benefits to the most wealthy 1.2 percent of all Americans. It is the Democrats who are bringing down the deficit.

Mr. Speaker, as the Republicans pledge allegiance to the agenda of the wealthy contributors to NEWT GINGRICH, let the Democrats renew their pledge to the families and workers of middle-class America.

A REVOLUTION IS SWEEPING THE COUNTRY

The SPEAKER pro tempore. The Chair recognizes the gentleman from Pennsylvania [Mr. WELDON] for 4 minutes.

Mr. WELDON. Mr. Speaker, I could not help, as I sat in my office this morning listening to some of the rhetoric on the House floor today, to come over and share some thoughts with our constituents across this country and my own constituents in Pennsylvania.

Why, they would ask, would we hear members of the majority party attacking the action going on right as we speak on the steps of the Capitol Building? Why would they be so upset? Why would they rail and squirm about a plan to provide a contract with the American people?

Mr. Speaker, the answer is very simple. There is a revolution sweeping this country. You see, for 40 years the majority party had the best of all worlds. When they had a Republican President, they could always blame the President for America's problems. Too much spending? It is all the President's fault. It is not the Congress where all the spending is occurring, it is the President.

We have not had a situation in the last 40 years where the Republican Party has controlled the House, the Senate, and the White House.

Mr. Speaker, the American people have suddenly awakened, because for the last 2 years they have seen a Democrat House, a Democrat Senate, and a Democrat President. The response is a revolution sweeping the country.

Mr. Speaker, who would ever have thought 4 years ago that the next mayor of New York City would be a Republican or the next mayor of Los Angeles would be a Republican or Jersey City, NJ, would be a Republican? Who would have thought in the special senatorial elections in Georgia, after President Clinton took office, that a Republican would win, or a Republican woman in Texas would claim the second senatorial seat when the Senator at the time, Senator Bentsen, came to Washington to work with the Clinton administration? And who would have thought during Clinton's first 2 years, despite his personal campaigning and that of his wife in New Jersey, Christine Whitman would sweep that State with her popularity ratings higher than any other Governor in that State at this point in time? Who would ever have thought that we would see in Virginia Governor George Allen take over that State from a Democrat incumbent Governor? How about down in Arkansas, the President's own home State, where for the first time ever a Republican won statewide office as a Lieutenant Governor in that State? How about the special congressional elections in the Midwest, in Oklahoma, when Glenn English stepped down, a Republican won that seat? Mr. Speaker, how about when the most respected Member of this body, the chairman of the Committee on Appropriations, left us, and we all loved him dearly, and for the first time in the history of that district in Kentucky a Republican won, and the race was not close. But how about last week, Mr. Speaker, as we saw elections where a very active member of the majority party lost his own primary and will have a difficult time, as the majority party, keeping that seat in the November election, and the Speaker of the House only got 35 percent of the vote in a four-way primary?

So, my friends and colleagues, in this body and across the country when you wonder why you hear all the spinmeisters and the rhetoric on the other side, it is very simple. The revolution is sweeping. Even the D triple C, the organization that runs their campaigns, is predicting a net loss of 25 seats. Many are predicting as many as 40 to 45 seats.

Imagine, if you controlled the powers in this beltway for 45 years, what you would be doing if the walls were crumbling down around you as Members

quietly were talking on the railcar, the tram, or in the hallways about what is happening in America. The revolution is here, and the revolution is building, and no amount of special-interest money can stop it.

This November is going to see America change in a way that none of us has seen in our lifetime. I am only 47 years old. We are going to sweep this country, because the American people have had enough. The big lie has worn out.

Mr. Speaker, the majority party controls all the components of the Federal Government, and the American people have said, "We have had enough."

From the statehouses to the city halls to the county commissioner chambers to the Senate and to the House, the American people are saying it is time to give the Republican Party a chance to govern America.

DEMOCRATS ARE THE RESPONSIBLE MAJORITY

The SPEAKER pro tempore. The Chair recognizes the gentleman from New Jersey [Mr. TORRICELLI] for 4 minutes.

Mr. TORRICELLI. Mr. Speaker, we are reminded again that there is a reason behind the longest political losing streak in American history. There is a reason why the American people have consistently refused to give this House to the Republican minority.

It is because in essence they are at variance with the beliefs of the people themselves. It is not by chance that elections are lost. The American people are faced with a tidal wave of crime, but the Republicans vote against reasonable gun control.

The American people are basically tolerant with the views of each other, and yet they force their beliefs on abortion upon the American people.

The American people have finally begun to deal with the problems of debts in our country. The Republicans promise them more tax breaks for the wealthiest in America and increases in defense spending.

And yet there are some in our country who have forgotten. They believe there is no fundamental difference between these political parties. In Social Security and Medicare, in education assistance and civil rights, the differences between the parties have blurred, and so there are some who would believe that the cure for this problem may be let the American people see what it would be like if JESSE HELMS were running the Foreign Relations Committee in the other body, if ORRIN HATCH ran the Judiciary Committee, if BOB DOLE was their majority leader, and NEWT GINGRICH was the Speaker. Let the American people see what it would be like, and then maybe reminded again why consistently we have voted for Democrats. Indeed, that might cure the problem.

The pain would be enormous. It is a lesson we cannot afford for seniors or minorities or students or middle-income people to learn.

The SPEAKER pro tempore. The gentleman will suspend.

As the gentleman knows the rules, he should not be referring to individual Senators by name. Please observe the rule.

Mr. TORRICELLI. Mr. Speaker, in fact, I believe that rule has been changed in the House.

The SPEAKER pro tempore. Members cannot characterize individual Senators under the rules. The gentleman may proceed.

Mr. TORRICELLI. Mr. Speaker, a decade ago they had their chance. They can deny it all they want, but the fact is from the White House to the other body there was a majority, and that majority increased the debt of this country fourfold. It was a time in America's schools where they took catsup and called it vegetables, when an American President vetoed civil rights legislation. It was a time when their social agenda was being forced upon American women. They had that chance, and the American people voted to change it.

That is what the 1992 election was all about, ending gridlock, and as a result, from crime legislation to greater access to higher education to ending their social agenda and assuring people access to family planning, we began to change this country again, and it is working.

We are the change. The Federal debt has been reduced by 40 percent, 3 consecutive years of debt reduction for the first time in 40 years. It is working—4 million new jobs in 18 months.

□ 1130

A decade ago they called their agenda supply-side. It brought about the greatest fiscal mismanagement in American history.

In order to protect the guilty, they have now changed the name; it is called contract with America. But it is the same old formula: increase defense spending, tax breaks for the wealthy, increase the national debt. We recognize it for what it is.

My colleagues and Mr. Speaker, there is a difference between being a responsible minority and a responsible majority. We have begun to change this country. Do not lose it to the same old promises they gave us a decade ago.

GOP CONTRACT IS A FRAUD

The SPEAKER pro tempore (Mr. SANGMEISTER). Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, the gentlewoman from Oregon [Ms. FURSE] is recognized during morning business for 2 minutes.

Ms. FURSE. Mr. Speaker, today they have come to Washington, DC, to sign a blindfold contract with the Republican leadership. And my opponent has come to sign what he calls a contract with America, when in fact the only contract he is signing is this: He collects a check from the special interests tonight while he promises to waste Oregonians' hard-earned tax dollars.

We cannot add more debt to be paid for by our children and our grandchildren.

This year we have reduced the deficit. It is down 40 percent, and we are on the road to more reduction. But this Republican contract increases Pentagon spending and decreases senior benefits, and it increases the debt. In Oregon we know there is lots more Pentagon waste than there are senior protections.

My opponent has come to Washington to march lockstep with the Republican leadership, but the voters in my home State of Oregon do not want someone to come to Washington to get his marching orders. They want an independent voice, they want to work toward solutions that make our communities stronger.

I am proud to say that I have a contract with Oregon, and this contract is to make our streets safer, to reduce waste, especially Pentagon waste, and to reduce the deficit and to insure a woman's right to choose.

Also, we have a contract, and I have been part of that contract, to make Congress liable for all the laws it passes. That is a contract that works, and I am proud it is one I have kept.

Mr. Speaker, Oregonians do not need a phony contract with big promises; they want solutions. They want Representatives they can trust, not people who try to sell them faulty promises. They want Representatives who will represent them, not special, wealthy interests. They do not want people who try to turn back the clock to voodoo economics.

It does not take a math wizard to figure out this contract is long on rhetoric and short on common sense.

Citizens for Tax Justice has called this "The Sequel From the GOP Witch Doctors Who Busted the Budget: 'More Tax Cut Sorcery'."

ONE HONOR STANDARD, ONE HONOR CODE

The SPEAKER pro tempore. Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, the gentleman from Guam [Mr. UNDERWOOD] is recognized during morning business for 5 minutes.

Mr. UNDERWOOD. Mr. Speaker, I am concerned, as are many Americans, about the recent negative publicity surrounding the cheating scandal at the U.S. Naval Academy at Annapolis involving the electrical engineering 311 examination, and the handling of the investigation.

I am also concerned about recent media reports of an honor incident that occurred last spring at a restaurant in Annapolis, dubbed the "dine and dash incident," where three midshipmen deliberately attempted to leave the restaurant without paying for their meals.

On the heels of these media reports is the disappointing news that yet another group of midshipmen were implicated in an incident involving vandalism of automobiles at a festival in Maryland 2 weeks ago.

While I believe that the vast majority of Navy midshipmen, Air Force cadets, and Army cadets are honorable men and women, who have the highest sense of personal integrity and honor demanded of them by our Nation, I believe that a review of the honor system by an outside commission is warranted.

The news reports serve to highlight an issue that I have addressed through legislation that I have introduced, H.R. 5047, the Military Service Academy Honor Code Act.

While we have an expectation of a high sense of honor and ethics of our military officer candidates, the honor codes in use at each service academy differ slightly in wording. If the honor codes are different, are the standards different?

Most Americans would agree that the honor and ethics standards for our officer candidates should be uniform, even if the codes themselves are not identical. But without identical codes, does enforcement differ?

The recent honor violations at the Naval Academy point out how the wording of the honor codes might contribute to different standards of enforcement. While the honor code in use at the Air Force Academy and at West Point have explicit clauses prohibiting the cadets' toleration of honor violations, the toleration clause in the Naval Academy's honor concept is an implied clause.

A recent "60 Minutes" report on the cheating scandal at Annapolis included accounts of midshipmen refusing to identify other midshipmen who may have used the compromised electrical engineering test as a study guide. One has to wonder if this is a situation where midshipmen are engaging in toleration violations by the standards of the Air Force and West Point honor codes.

A more troubling example is the situation in the "dine and dash" incident reported in the Washington Post. Three midshipmen discussed a plan to leave without paying for their meals. One of the three left the restaurant early to wait in the car—the other two then took off but were caught by an off-duty policeman. Only two of the midshipmen were expelled. The third person, who waited in the car, was exonerated because he assumed the other two were only kidding. While his actions leave much to be desired, again one has to wonder if all three midshipmen would have been expelled under the explicit toleration clauses of the Air Force or West Point honor codes.

My legislation would require the Secretary of Defense to appoint a commission comprised of active duty officers, graduates of the military service academies no longer in the active or reserve duty in the Armed Forces, and educators from institutions of higher education to recommend whether there should be a standardized honor code for all three military service academies. It may be that such a standardized code would be useful, or it may be that the individual approaches used by each service academy should be continued.

Additionally, my bill would have this commission recommend whether such a standardized honor code should also be applied to officer candidates enrolled in the Reserve Officer Training Corps [ROTC] programs and on the Officer Candidate School [OCS] programs. If honor is expected of our cadets and midshipmen, why not expect the same of all officer candidates? I recognize that the enforcement and administration mechanisms for the ROTC and OCS programs would differ significantly from the mechanisms in use at the military service academies, but the bottom line would be the teaching of a common standard of honor.

If in fact the commission recommends against a standardized honor code, the military service academies would be able to continue their individual approaches to an honor curriculum confident in the vindication from an impartial outside commission not beholden to a particular academy or service.

Or, on the other hand, if the commission recommends that there is merit in a standardized honor code, it would still be left to the discretion of the Secretary of Defense to implement this finding in a way that would ensure a positive change at the service academies.

The American people must be satisfied that the standards for our future officers are the same, that no service academy has set the bar too high or too low.

I have also considered that much can be gained by a standard honor code—a joint honor and ethics curriculum is a natural by product.

While there is a good case that can be made for the individual approaches to the honor standard that the service academies have adopted, it is worth noting that the Uniform Code of Military Justice, which is the conduct standard for all officers after they are commissioned, is the same for all branches of the military. It is also significant that the Code of Conduct, which sets the standard for American prisoners of war, is also a standardized code.

Our Nation has been well served by the graduates of the military service academies, and these institutions have performed their missions admirably over the years in producing the highest caliber of officers for our Armed Forces. I believe that the honor standard can be strengthened by a standardized code for all service academies, that is also applied to all officer commissioning programs. I therefore urge my colleagues to cosponsor H.R. 5047, the Military Service Academy Honor Code Act.

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

Mr. UNDERWOOD. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Speaker, might I inquire how much time does the gentleman have remaining?

The SPEAKER pro tempore. The gentleman has 30 seconds remaining.

Mr. VENTO. Mr. Speaker, I would ask to use that 30 seconds and to proceed for 1 minute, to revise and extend my remarks and therefore have 1 minute and 30 seconds.

The SPEAKER pro tempore. The gentleman has yielded.

THERE THE REPUBLICANS GO AGAIN

Mr. VENTO. Mr. Speaker, there they go again. Just as the Federal Government starts on the tough path of a deficit reduction diet that is working, the GOP promises a banana split sundae with tax breaks and spending increases. It does not add up. This is simply a recipe for a fat deficit—Republican political business as usual.

Today our opponents stood in line to sign a GOP contract, a cooked up old GOP recipe from the bowels of Washington, DC. This contract was not from Minnesota or any other State—it was from the political Newt Gingrich kitchen. This is representative government backward from the Washington DC, politicians down. Trickle down—not from the people back home. The Republicans come to Washington, DC, to march in lock step to the orders from GINGRICH, his political operatives, and the rest of the Republican leadership. Marching orders that are by the rich and for the rich.

Worse still the Republicans today are trying to make a virtue of obstructionism. It would be a bad joke if the bellyache were not so painful. This is an offense to the American people and to the role of the Federal Government. The Republican leadership contract will spend hundreds of billions of dollars to pay for their additional spending and tax cuts for well-off Americans. This would lead to dramatic cuts to Medicare and Social Security. A few dollars of tax breaks and instant gratification for the well off surely will not make up for undercutting Medicare and Social Security.

Twelve years of GOP mismanagement was enough. Please no more trickle down. No returning to the

thrilling days of yesterday in which supply side economics added three trillion plus to the Federal deficit. Now its time to face the battle, not retreat from the tough choices with GOP political rhetoric. The Republicans remember nothing and they have learned nothing. They continue to ply this recipe which give new life to the snake oil salesman of yesterday.

To quote the Wall Street Journal:

* * * despite high-blown rhetoric, the Republicans are offering more of the same—tax cuts for the affluent, budget promises that don't add up, and political reforms they don't mean * * *

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. VENTO. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. All time has been allocated for morning hour business.

There being no further time for morning business, pursuant to clause 12, rule I, the Chair declares the House in recess until 12 noon.

Accordingly (at 11 o'clock and 40 minutes a.m.) the House stood in recess until 12 noon.

□ 1200

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 12 noon.

PRAYER

Minister Morton C. "Morty" Lloyd, Chattanooga Church, Chattanooga, TN, offered the following prayer:

Almighty Father, we come to You praising You for Your righteousness, peace, and wisdom. May Your presence be felt in this Chamber. May Your righteousness be reflected by all of the men and women that work within this House to make our Nation what You would have it to be.

Be Lord in the heart and minds of each Member. In the coming weeks, as this Congress comes to close, may each Member's burdens become Your burdens; may their struggles become Your struggles; may their accomplishments become Your accomplishments. We pray, O God, that Your wisdom may assist each within this House. May they look to You for guidance and sustenance, knowing that Your omniscience is always there.

Blessed Lord, fill this Chamber with Your light and love and peace. In Your name, for the welfare of the Nation and Your glory. Amen.

THE JOURNAL

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

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

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentlewoman from Tennessee [Mrs. LLOYD] come forward and lead the House in the Pledge of Allegiance.

Mrs. LLOYD 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.

WELCOME TO MINISTER LLOYD

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

Mrs. LLOYD. Mr. Speaker, it is a personal privilege for me to welcome our guest chaplain, who is also my son, Morton C. Lloyd, minister of the Chattanooga Church in Chattanooga, TN. Morty received his bachelor's in theology in 1986 from David Lipscomb College in Nashville, TN. He has one son, Morton C. Trey Lloyd III.

I do thank Chaplain Ford for this very kind invitation. Mr. Speaker, my son was 10 years old when we came to Washington together. Now as I am winding up my service in this body after 20 years, it is very special for him to lead this prayer today. I think he is living proof, Mr. Speaker, that congressional kids, in spite of all the personal sacrifices that they have to make, are a pretty good group of young leaders.

CONTRACT FOR REALITY

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

Mr. HEFLEY. Mr. Speaker, "We can't balance the budget because it would increase the deficit." That is the Democrats' argument against the balanced budget amendment and the contract for America. Balancing the budget, they tell us, would just cost too much.

No wonder their party is in so much trouble.

I do not agree with every bill included in the contract for America, but I do support bringing these bills to the floor for an honest, open debate.

That is the promise Republicans made to America. That is what the Democrats have denied Americans for 40 years.

PERMISSION TO FILE REPORT ON H.R. 4299, INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1995

Mr. GLICKMAN. Mr. Speaker, I ask unanimous consent that the managers have until midnight tonight, Tuesday, September 27, 1994, to file a report to accompany the bill (H.R. 4299), to authorize appropriations for fiscal year 1995 for intelligence and intelligence-related activities of the U.S. Government, the Community Management Account, and the General Intelligence Agency Retirement and Disability System, and for other purposes.

The minority has been informed of this request and I understand that there is no objection to it.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

HEY GOP, WHAT YOU GONNA KILL TODAY?

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

Mr. RICHARDSON. Mr. Speaker, in the closing weeks of the Congress, the recurring question is what legislation that matters to working Americans will BOB DOLE and NEWT GINGRICH kill next?

They've already scared the American people and killed health care reform, including a plan to cover our kids. They've killed telecommunications reform which would have helped every American with a TV or a phone. And now, they are working on killing campaign finance reform, the GATT trade bill, and Superfund.

Today, Republicans have come to Washington to blindly sign a blood oath—a ten commandments of demagoguery—that sells out the middle class and the elderly and then tonight, they'll go to a fundraiser where they'll get their payoff.

The contract promises more tax cuts for the wealthy and a balanced budget. The numbers don't add up. The only way they can cut taxes for their wealthy supporters is to cut Social Security and Medicare. That's right, to benefit the rich, Republicans are promising to sacrifice seniors, veterans, farmers, and working Americans.

Mr. Speaker, the American people want action, not obstruction.

MORE ON THE CONTRACT WITH AMERICA

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

Mr. SKAGGS. Mr. Speaker, it is hard to know where to begin. The press is having a field day, as they should, with the contract for America.

We have "Voodoo Economics: The Sequel From the GOP Witch Doctors Who Busted the Budget, More Tax Cut Sorcery," "GOP Plan," this is the Wall Street Journal, "a Plan to be long tax

cuts, short on how to pay for them." The Chicago Sun Times, "GOP Plan Mortgages the Future." From the Wall Street Journal, "Republicans Shoot an Air Ball."

"GOP Shakedown" from the Washington Post. And also from the Post, "GOP can do better than this exercise in election year cynicism."

But perhaps the piece that hits it right on the head is from the U.S. News & World Report, "The Price of Pandering," which characterizes this vain effort by the Republicans the following way:

Gingrich's list is just a collection of GOP golden oldies that pander to the public's desire to get something for nothing.

Surely, Mr. Speaker, we can do better by way of a serious debate about the future of this country than that.

ON THE CONTRACT WITH AMERICA

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

Mr. DEFAZIO. Mr. Speaker, undisclosed donors to Mr. GINGRICH's GOPAC have been invited to help write the GOP contract with America.

As one critic said, "If you really believed the fund raising appeal, it would be auctioning off the legislative agenda," said Ellen Miller of the Center for Responsive Politics. But she went on to say there is another explanation. "It's a cheap political fundraising technique which exacerbates public cynicism about politics."

Now it is either one or the other, Mr. Speaker. If it is the first, if it is the selling influence, if it is writing legislation for pay, then the ethics committee should investigate. If it is the latter, if it is a cheap political fundraising trick, in that case, it is time for truth in campaign legislation here in Washington, DC.

We have it in my State of Oregon, and we have convicted a State legislator of a felony for less egregious claims than those made by the minority whip in this letter.

It is one or the other. An ethics complaint or it is a lie.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. MONTGOMERY). The Chair would rule that the gentleman should not make those references to a Member of the House. It was improper to use the words "an ethics complaint or a lie."

□ 1210

IN SUPPORT OF THE COMMON SENSE LEGAL REFORMS ACT

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

Mr. RAMSTAD. Mr. Speaker, I rise to talk about the Common Sense Legal Reforms Act—1 of 10 bills in our contract with America that we pledge to bring to the floor within the first 100 days of the next Congress.

We promise a vote on the loser pays rule to discourage frivolous lawsuits.

We promise a vote on honesty in evidence to rid our courts of junk science and so-called experts whose pay is based on the outcome of the case.

We promise a vote on products liability reform, with reasonable reforms on punitive damages, joint liability, and product seller liability.

We promise a vote on attorney accountability.

We promise a vote on notifying defendants before suits are filed so parties can settle disputes short of litigation.

We promise a vote to limit costly litigation over basic issues not addressed by Congress when enacting new laws.

And we promise a vote on curbing lawyer-driven securities lawsuits, which are causing thousands of lost jobs.

Mr. Speaker, these commonsense proposals deserve a vote in the people's House. If the American people elect a new majority party in the House, they will get that vote within 100 days.

READ THE FINE PRINT ON REPUBLICAN CONTRACT

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

Mr. KREIDLER. Mr. Speaker, Republicans are putting on a show today, to try to revive their tired budget performance from the 1980's.

The script is familiar: let us cut taxes, increase spending, and then balance the budget.

It is deja vu all over again.

This is one contract where the American people need to read the fine print. But they cannot, because it is not there.

This contract does not tell you how they are going to cut spending.

This contract does not tell you how they are going to balance the budget.

And this contract does not tell you how they are going to finance their trillion-dollar tax giveaway.

This is a contract to bring back the failed Republican policies of the past—smoke and mirrors, rosy scenarios, voodoo economics.

We have been down that road before.

Those failed policies tripled the national debt on the backs of the American middle class.

There is an old saying—

Fool me once, shame on you;
Fool me twice, shame on me.

The American people will not let the Republicans fool them this time.

ENTERTAINING BORIS YELTSIN INSTEAD OF INVESTING IN AMERICA

(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, Boris Yeltsin is at the White House and Boris Yeltsin wants more money for Russia. Boris Yeltstin wants more American investment in Russia. Boris wants, Boris wants, Boris wants. It is like a broken record around here, Boris wants.

I do not know about you, but I am sick about it. All these foreign leaders must think that America is one big piggy bank and all you have to do is dial 911 and we send cash.

I think it is time to tell Boris Yeltsin to go back to Russia, plant some damned corn, save the money that we have been giving them and invest it here in America; $12 billion, you know what Boris did with most of it? He spent $100 million and bought a luxury yacht, Congress. Beam me up.

We have got cities dying, mayors crying for American investment, for Congress to put money in their own cities, and what are we doing? We are entertaining Boris again.

HEALTH CARE REFORM

(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, yesterday on the Senate side Majority Leader MITCHELL held a press conference telling America what most 178,000 families and 148,000 working families in my district did not want to hear: the death of health care reform. This passing should not go quietly into the night. For the senior citizens in my district who must decide between pay for prescription drugs, turning on their electricity, or buying groceries, or for the 55,000 children in my district who are not covered, Congress let them down.

The lack of health care reform will not help the millions of Americans who are without health care. More importantly it will not help Americans who are barred from obtaining health care coverage for much reasons as preexisting conditions, cost, or family history.

Congress should take the lead in health care reform to provide all Americans with health care coverage. In the 104th Congress, we must all work together to make the best health care system in the world open to all Americans and not just the wealthy or well insured. Partisanship should not dictate how health care reform should be

framed. Congress should learn from the past 2 years that without working together, it is not Congress who is the worse off but the American people. We are elected to represent not only our districts but all Americans, and we have left millions without hope for the future.

DEFICIT REDUCTION MUST BE BIPARTISAN

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

Mrs. KENNELLY. Mr. Speaker, in 1990, Congress considered President Bush's budget agreement to reduce the deficit.

Only 47 Republicans in this Chamber voted in favor of their own President's bill.

Last year, Congress voted on President Clinton's historic deficit reduction package. That bill was originally estimated to reduce the deficit by $496 billion, but that figure was recently changed to $650 billion.

Not a single Republican in the House of Representatives voted for that package.

But now we are being told that we need a Republican majority to reduce the deficit in the future. I will answer that by saying "Look who reduced it in the past."

Deficit reduction must be a priority for everyone. New colleagues of both parties will join us next year, and I welcome those who come to Congress ready to work with those of us who have already accomplished so much.

GOP AGREEMENT JUST A CON, NOT A CONTRACT WITH AMERICA

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

Mr. WISE. Mr. Speaker, both political parties are capable of doing silly things at different times. I am trying to figure out exactly what it is that has offended me about the so-called contract with America. I have come up with a couple of reasons.

First of all, it offends me that grown men and women think they have to come to Washington to sign a contract to tell their constituents what it is their going to do. We are supposed to listen to our constituents and get our contracts there at home, not here.

Second, those who come saying they want to change the way things are done around here are not telling their constituents that by virtue of their coming to sign the contract, they get to go tonight to a Washington fundraiser to sit with the very special interests they are attacking and pick up a check to take home. That is not changing things, that is just picking up change.

The third thing is they are ignoring history, the history of the situation. This is what is in the contract: the supply-side economics that resulted in increased defense spending; tax cuts, basically for the wealthy; that is in the contract. What you do not see in the fine print is the deficit getting bigger and bigger and bigger.

The reality of the situation is this is not a contract for America, it is just simply a con. I resent it today.

THE GOP CONTRACT: READ THE FINE PRINT BEFORE SIGNING

(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, the long-awaited Republican contract with America was unveiled today. The Republicans are not back in power, but they are back up to their old tricks.

Imagine, the Republican leadership forcing their candidates to back a plan that cuts Social Security for seniors and cuts taxes for the wealthy. Imagine, the Republican leadership all forcing all their candidates to back a plan that cuts taxes for tycoons who earn major league baseball incomes.

Imagine, the Republican leadership forcing all their candidates to back the same warmed-over voodoo economics that put this country $3 trillion in the hole. Imagine, forcing all of their candidates to balance the budget through $60 billion increase in defense. This is from the same Republican Party that called the crime bill pork.

The Republican leadership is creating Stepford candidates, puppets who will blindly follow a narrow and bizarre agenda that is not of their own making. One final word of advice to Republican candidates, not to let a couple of ambitious politicians from Georgia and Texas tell them how to represent their districts. They should exercise their own judgment, and above all, read the fine print before they sign on the dotted line.

URGING THE FEDERAL RESERVE TO HOLD THE LINE ON INTEREST RATES

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

Mr. HINCHEY. Mr. Speaker, I rise today to speak out against the Federal Reserve's interest rate policies that undermine economic recovery and keep millions of people out of work. It is unconscionable that the Fed has raised interest rates by over 50 percent this year despite the fact that there are few signs of inflation and millions upon millions of Americans remain out of work. It is now rumored that the Fed is considering raising interest rates by another half percentage point at today's open market committee meeting. Such action may jolt the economy right back into a recession. The fact is that the economy is not overheating and too many Americans remain out of work. Every time the Fed hikes interest rates, it essentially taxes the American people by increasing mortgage payments, credit card payments, and the cost of credit. I urge the Fed to end this ongoing crusade that foils economic progress and threatens the livelihood of the people. Hold the line on interest rates.

□ 1220

CONTRACT WITH AMERICA PROMISES VOTE ON BALANCED BUDGET

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

Mr. SOLOMON. Mr. Speaker, Ronald Reagan used to say, "there you go again." The White House recently criticized cutting taxes and cutting spending. Why? Because, as most things this administration opposes, they are good ideas that are right for America.

The Republican contract with America, ladies and gentlemen, promises a vote on a balanced budget amendment. The White House claims that such a commitment would cost, listen to this, $743 billion? That is funny. Where I come, the people whom I represent, think that cutting the budget and balancing the budget would save $743 billion. What is wrong around here? Come on. There are 41 days to go before the election. We are going to put a Republican in the Speaker's chair for America.

THIS CAR IS A LEMON

(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, today, the Republican leader in the Congress is holding a used car sale on the steps of the Capitol. On display, the 1981 trickle-down model. Sure, they have buffed the bumpers, added a new coat of paint, and cleaned out the ashtrays, but make no mistake—this is the same old vehicle. It is the same supply-side model that tripled our budget deficit and nearly drove the country to bankruptcy.

Today, NEWT GINGRICH and company will be giving their sales pitch to Republican candidates from across the country—asking them to sign on the dotted line before they have a chance to read the fine print or even take a test drive. But, next it will be the American people who will be subject to the tired, old GOP sales pitch. And, to

the American people, I say: buyer beware.

This car has got a lot of miles on it, it has been in a couple of serious wrecks and the sticker price is too high. Even after a hefty downpayment, the country will be asked to finance $700 billion to pay for it. America, it is time to read the fine print of the Republican contract. Once you do, you will see that this car is a lemon.

CONTRACT WITH AMERICA RESTORES FAMILY VALUES TO FEDERAL TAX CODE

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

Mr. HYDE. Mr. Speaker, it is so refreshing to hear Democrats concerned about how you pay for things. Indeed, a new era has been reached.

Today's events on the Capitol steps are a brandnew start for the American dream. I had the honor of working with our distinguished colleague, the gentlewoman from Nevada [Mrs. VUCANOVICH], to put together a major part of the Republican contract with the American people. In that part, the American Dream Restoration Act, we start the process of restoring family values to the Federal Tax Code.

First we provide a $500 per child tax credit to partially compensate for the decline in the value of the personal exemption and this will benefit about 50 million families, 90 percent of whom earn less than $75,000 a year.

Second, we begin the reform of the marriage penalty with up to $2 billion a year in relief for two-earner families who now pay more in taxes than they would if husband and wife were single.

Finally, we launch a new kind of IRA, the American dream savings account, open to all, and available not only for retirement income but for education, first-time home purchase, and medical costs.

That is an agenda for economic growth, broader prosperity, and most important, a family-friendly tax system.

BALANCED BUDGET AMENDMENT

(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, we are telling the American people. This is not just another politician's promise, but a written guarantee as to what we will do if we run things after November.

At the top of our contract is a balanced budget amendment. It not only requires the President's submission and the Congress' passage of a balanced budget. It also requires spending cuts be the first place we look for savings—instead of the last place, as has been the case for too long.

We will put our sights on spending by requiring a three-fifths vote to raise taxes and a line-item veto to stop the unnecessary spending.

The contract and the balanced budget amendment could not be a bigger break with the past.

Instead of another made-to-be-broken promise, America gets a contract-to-be-kept, that we will bring these proposals to the floor, not keep them from the American people.

Instead of more spending and more excuses, the American people will get less spending and more results.

CONTRACT WITH AMERICA MEANS REAL REFORM

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

Mr. HOEKSTRA. Mr. Speaker, the Republican conference has just completed a historic opportunity for the American people. Today we stood in front of the American people and outlined an agenda for what a Republican majority would accomplish, what we would accomplish in the first day of a Republican majority, real reform in the House of Congress. Cutting committee staffs, cutting committee funding, opening up the committee process. Then we went on and outlined what we would do in the first 100 days: real genuine reform, bringing real bills to the floor that will allow us to have straight up-and-down votes on real bills that will make a difference in the lives of every American, keep more money in their pockets, bring less money to Washington. We will make sure that we now have a process that says, this country will be run not by career politicians but by the American people by allowing the first vote on term limits.

OUR CONTRACT WITH SENIOR CITIZENS

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

Mr. HASTERT. Mr. Speaker, a great legislative initiative may be dead for this session of Congress, despite the promise of the President and the desires of hundreds of Members of Congress.

No, I am not talking about health care. I am talking about lifting the unfair Social Security earnings test. In his campaign document "Putting People First," Bill Clinton promised to support lifting of this job-killing tax. Unfortunately, like many of the President's promises, this assurance has been forgotten, and despite the cosponsorship of 225 Members of Congress, the Democrat leadership refuses to bring it to the floor.

When Republicans take control of the House, we promise to make lifting the earnings test one of our top ten priority items. We promise to lift the burden on senior citizens who must work to make ends meet, but who now get penalized at a millionaire's tax rate of 56 percent for that work.

Mr. Speaker, changing the Social Security earnings test is part of the House Republican contract with America. When it comes to providing senior citizens with fiscal security, Republicans will come through for them in the 104th Congress.

CONTRACT WITH AMERICA: A REVOLUTION HAS BEGUN

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

Mr. WELDON. Mr. Speaker, earlier today in Morning Business we heard many of our colleagues on the other side criticize the announcement that the Republicans made on the steps of the Capitol in regard to our contract with America. For those sitting at home or in their offices, they might wonder why they would do this. If we look at what has happened to this country in the 2 years of the Clinton administration where the Democratic Party has controlled the House, the Senate and the White House, it is obvious that the American people are outraged. A revolution has begun. It started with the mayoral race in New York City and it went to Los Angeles for the mayoral race out there and then Jersey City where Republicans were swept to victory. Then it went to the special senatorial election in Georgia and the special Senate election in Texas where KAY BAILEY HUTCHISON gained the second seat for the first time in modern history. Then it went to the President's home State of Arkansas where a Republican won statewide for the first time in 150 years. Then it swept across our congressional special elections from the Glenn English open seat to the seat of the revered leader of this institution, Bill Natcher, when he died, where we won that special election with a Republican for the first time in the history of that district.

Mr. Speaker, the revolution will not stop. We will be swept to power in November, and in January the Republicans will deliver to the American people.

CONTRACT WITH AMERICA STRENGTHENS DEFENSE

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

Mr. LIVINGSTON. Mr. Speaker, in this contract with America, Republicans pledge to honor the very first responsibility of Government outlined in the Constitution, that of providing for the common defense. It is a duty not well upheld by this current administration.

Specifically, we make a renewed commitment to an effective national missile defense. We have no more solemn obligation than to protect American citizens and troops from incoming weapons of mass destruction.

But, we also will strongly support our troops and sailors, who now are being deployed to too many places around the world with too little support and relief. We are currently spreading them too thin, and putting them at risk in areas of little or no national concern, leaving the United States vulnerable to crises which truly may threaten our people.

Republicans pledge not to waste our precious resources on unnecessary conflicts, and to assure that U.S. troops answer only to U.S. commanders, rather than to U.N. or multinational command and that is a contract well worth honoring.

□ 1230

THE STEALTH GATT ENABLING LEGISLATION

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

Mrs. BENTLEY. Mr. Speaker, the stealth bill—better known as the GATT enabling legislation—is circling the Hill this week. As the flaps go down, few elected Representatives know what is contained either in the expected hundreds of pages in the enabling legislation or in the 22,000 pages of the actual GATT agreement. If there have been complaints in the past of much mischief buried in omnibus legislation, the GATT legislation well might be labeled ominous and treated in the same way.

Mr. Speaker, a vote on this legislation carries a grave responsibility. Never has a governmental body been presented with a more revolutionary proposal—some describe it as revolutionary as the last Weimar parliament that voted power to Hitler. If it is accomplished, the creation in the GATT of a powerful, unanswerable international bureaucracy capable of attacking the laws of sovereign nations may well be adjudged by history as an act as destructive of this Nation's well being as the "last" vote of the Weimar Republic was to Germany.

Before being stampeded for your vote, question whether you want your name on this peculiar contract with history.

CONTRACT WITH AMERICA IS AN HONEST AGENDA

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

Mr. LINDER. Mr. Speaker, for too long, the Forrest Gump axiom for life, "you never know what you're gonna get," has applied to candidates turned Congressmen. Arrival in Washington seems to erase any memory of campaign promises. That changes today.

The contract with America is an honest agenda and it asks voters to hold us accountable.

It is a sad reflection on the Congress that the American people have decided that we need term limits. And instead of suing the people of our States over their opinion, as some are doing, Republicans are listening to them. The contract with America guarantees that in the first 100 days of a Republican Congress we will vote on both 6- and 12-year term limits.

The Democrat party is constantly negative, constantly looking for someone to blame for the problems they created and the failure of their policies. They blame the rich or the Republicans or the special interest. They refuse to take the responsibility.

The Republicans have put forward a positive agenda. Americans know where we stand and what we will do. Let us watch the other side complain.

WHAT IS WRONG WITH REPUBLICAN CONTRACT WITH AMERICAN PEOPLE

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

Mr. BURTON of Indiana. Mr. Speaker, I am going to speak from the Democrat side of the aisle because I want to speak to Democrats, and I want them to hear me loud and clear.

What is wrong with our contract with America? What is wrong with bringing a balanced budget amendment to the floor of the U.S. House of Representatives? The American people want that, but the Democrats do not.

What is wrong with bringing a line-item veto to the floor of the House for a vote in the first 100 days of the next Congress? Republicans want it, the people of America want it, but Democrats do not.

What is wrong with bringing tax fairness legislation for senior citizens and middle-income families in this country to the floor of the House for a vote in the first 100 days? America wants it, the Republican Party wants it, but the Democrats do not.

The problem is, Mr. Speaker, the Democrats in this Congress who have had control for over 40 years are out of touch with America and they are scared to death that we are going to take over this House come January. We believe that too, because we believe for the first time the American people are aware of what has been going wrong in this country where the Democrats in this Congress have been taking this country down the wrong road.

So I say to my Democrat colleagues, before it is too late, join us, wake up, support what the American people want in the Congress of the United States.

MEDICAL REDTAPE

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

Mr. ALLARD. Mr. Speaker, Federal redtape continues to strangle our economy. The level of Federal regulation is staggering, it increases private sector costs and paperwork.

A good example of this is the new Clinical Laboratory Improvement Act, or CLIA. Let me share some thoughts from my constituents.

One doctor from Fort Collins, CO, writes "the act has resulted in no improvement in the accuracy of our lab work."

A nurse, also from Fort Collins, writes "CLIA regulations have been costly to comply with and in no way have improved the quality of care for our patients."

To top it off, an outstanding doctor in Greeley, CO, Dr. Roy Shore, was just fined $1,120 for allegedly filling out a CLIA compliance form incorrectly. This despite the fact that he followed the guidelines for Medicare in filling out the form. This is ridiculous.

These three letters, received in the span of a month, confirm my view that all Federal regulations should sunset after 5 years. The good ones can then be reauthorized and the bad ones eliminated.

REPUBLICAN CONTRACT WITH AMERICA GIVES AMERICAN FAMILIES HOPE FOR BRIGHTER FUTURE

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

Mrs. VUCANOVICH. Mr. Speaker, America's families are under fire. Unfortunately, much of it is friendly fire from our own Government. Middle America needs tax relief, not more empty promises. It is time our Government's policies promoted the traditional family and lent a helping hand. That is why I am proud to have been a team leader, along with the gentleman from Illinois [Mr. HYDE], of the group pledged to strengthen and protect the American family. The GOP contract with America includes the Family Reinforcement Act, which fortifies and promotes the family as the core of

American society. It is time for Congress to stand up and fight for the needs of every American. Our families need tax incentives for adoption, strong enforcement of child support and visitation orders, stronger child pornography penalties and sexual assault sentences, and assistance in caring for dependent elderly parents or grandparents. The contract with America does something our Government has failed to do for the past 2 years—it finally gives every American family hope for a brighter future.

REPUBLICAN CONTRACT WITH AMERICA IS BOLD EFFORT TO CHANGE POLITICS AS USUAL

(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, the House Republican contract with America actually is a very bold effort to change politics as usual. The people in this country in the last election said they wanted change, and we have come forward with some specifics of change that we have pledged to make those things happen if we become the majority party here, remembering the fact that the other party, our good friends from across the aisle, have had the privilege of running this House for 40 years, and in those 40 years it seems that the confidence level of the American people in this House has dwindled, and dwindled, and dwindled, and dwindled. It is now at a discouraging low rate, something like 19 to 25 percent of the people in this country approve of the way we are doing business here.

Yes, that means a time for a change. If we are going to make change, we ought to say what it is we are going to do, and what we stand for, and we ought to pledge to do it, and that is exactly what Republicans have done in this House today on the steps of this historic building. I hope America was listening.

THE ECONOMY UNDER PRESIDENT CLINTON

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

Ms. PELOSI. Mr. Speaker, today the Republican Party signed a contract for warmed-over stew and more trickle-down. It did not work before; it will not work now.

I can understand why the Republican Party wants to come up with gimmickry and notion-mongering on the steps of the Capitol and avoid the hard work inside the Capitol working with our President for the fine economic record that he has produced in the nearly 2 years he has been in office.

I can understand why the Republicans would want to divert the public's attention from the fact that the President has produced more new jobs overall in 19 months than the previous 4 years combined.

I can understand why the Republicans would want to divert the public's attention from the fact that over three times more private sector jobs were created in the 19 months than were created in all 4 years of the previous administration.

□ 1240

Mr. Speaker, well, I can understand why they would want to divert the public's attention from more than 2 million jobs in the first 8 months of 1994. This is what the American people want and need. They want jobs. They do want gimmicks. They do not want notion-mongering. They do not want trickle down. They do not want warmed-over stew.

IS OUR ECONOMY GOOD?

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

Mr. LIGHTFOOT. Mr. Speaker, I yield to the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Speaker, I thank the gentleman very much.

Ladies and gentleman, I could not help listening to the previous speaker, of whom I am very fond. She is a wonderful woman.

But look at these headlines: "IBM Deepens Job Cuts. Kingston-Poughkeepsie to Lose; 2,000 Layoffs Certain." "Four Thousand Workers To Be Eliminated in Poughkeepsie." "GE To Cut 1,200 Jobs." All in my district. Look at this, "400 Jobs Going to Mexico. Mallinckrodt To Leave Argyle, NY," in my district.

Here is another one, "Scott Paper Co. Planning 300 Layoffs."

And somebody is going to tell me the economy is good in this country?

We need a new President. It is too bad we have to wait 2 years and 41 days to get one.

These headlines, all from newspapers in my district, are a chronicle of disaster. IBM is laying off 2,000 more workers, above and beyond the 4,000 who have had their jobs eliminated altogether.

General Electric has just announced yet another round of job cuts—the third one this year. Mallinckrodt, which makes rubber tubing, is moving 450 jobs to Mexico—with only 31 Americans to be offered transfers. Scott Paper, 300 jobs lost. Mr. Speaker, when will it end?

Ms. PELOSI. Mr. Speaker, will the gentleman yield?

Mr. LIGHTFOOT. I yield to the gentlewoman from California.

Ms. PELOSI. Mr. Speaker, corporate downsizing is a fact of life, and within that reality, still the Clinton administration has been able to produce millions of jobs.

Mr. SOLOMON. If the gentlewoman will yield further, 400 jobs moving to Mexico is not downsizing. It is a disaster.

CONFERENCE REPORT ON H.R. 4539, TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1995

Mr. HOYER. Mr. Speaker, pursuant to the order of the House of September 22, 1994, I call up the conference report on the bill (H.R. 4539) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1995, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. MONTGOMERY). Pursuant to the rule and the order of the House, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of September 22, 1994, at page 25287.)

The SPEAKER pro tempore. The gentleman from Maryland [Mr. HOYER] will be recognized for 30 minutes, and the gentleman from Iowa [Mr. LIGHTFOOT] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Maryland [Mr. HOYER].

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

Mr. Speaker, I hereby present a revised conference report on the Treasury-Postal-General Government appropriations bill. This revised report reflects reductions in expenditures for Federal buildings and changes in IRS user fees recommended by the recent motion to recommit.

That motion proposed that the managers on the part of the House:

> Insist on the House position to amendment numbered 52 providing $218 million less than the Senate for new federal construction, and
>
> Disagree to the Senate amendment numbered 29 authorizing the collection of $149.7 million in additional fees by the Internal Revenue Service.

In response to the first clause, the conferees agreed to:

Reduce new construction projects $134.5 million, from a level of $736.2 million to $601.7 million. This is $99.4 million over the House and $125.5 million below the Senate. We achieved this savings by reducing some projects and eliminating others.

Reduce repairs and alteration projects by $16.6 million. We did this by reducing most of the projects by 10 percent.

Increase rescissions by $6 million, from $78 to $84 million.

This leads to a total reduction of $157.1 million from the first conference report.

In response to the second part of the motion, the conferees placed a cap on user fees at $119 million. This reduction in fees means that the House is accepting less than half of the total $257 million in fees proposed by the Senate.

This bill provides that these fees shall not exceed the actual cost of the transaction, and therefore will not raise general revenue and should not be considered taxes. They are not taxes. The conferees also continued language that requires GAO to review the fees to ensure that they do not exceed actual costs.

The conferees used some of the savings generated from the cuts in Federal buildings to increase the appropriation for IRS tax law enforcement by $27.3 million to offset some of the loss in fee income. It is crucial that we provide sufficient resources to the IRS because any reduction will reduce tax collections by far more than it saves in expenditures. The conferees also included language allowing IRS the flexibility to transfer funds between appropriations accounts. This will make it easier for IRS to operate efficiently under tight appropriations.

The conferees also amended a general provision related to the statute of limitations on certain Fair Labor Standards Act claims.

I worked closely with the author of the motion to recommit, Mr. ISTOOK, as well as with Mr. LIGHTFOOT and Mr. WOLF, in crafting these changes to the conference. This agreement is fair, reasonable, and reflects the will and intentions of the House in the context of difficult negotiations with the Senate.

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H.R. 4539 - Treasury Department, U.S. Postal Service, Executive Office of the President, and Independent Agencies, 1995

	FY 1994 Enacted	FY 1995 Estimate	House	Senate	Conference	Conference compared with enacted
TITLE I - DEPARTMENT OF THE TREASURY						
Departmental Offices	105,150,000	107,629,000	105,150,000	104,400,000	104,479,000	-671,000
Office of Inspector General	28,897,000	30,497,000	28,897,000	30,497,000	29,700,000	+803,000
Financial Crimes Enforcement Network	18,280,000	19,524,000	18,280,000	20,690,000	19,823,000	+1,543,000
Treasury Forfeiture Fund (limitation on availability of deposits)	32,500,000	15,000,000	15,000,000	15,000,000	15,000,000	-17,500,000
Federal Law Enforcement Training Center:						
Salaries and Expenses	47,445,000	46,713,000	46,713,000	47,114,000	46,713,000	-732,000
Acquisition, Construction, Improvements, & Related Expenses	12,712,000	6,815,000	9,815,000	16,815,000	16,815,000	+4,103,000
Total, Federal Law Enforcement Training Center	60,157,000	53,528,000	56,528,000	63,929,000	63,528,000	+3,371,000
Financial Management Service	209,877,000	185,389,000	185,389,000	183,897,000	183,889,000	-25,988,000
Bureau of Alcohol, Tobacco and Firearms	366,446,000	378,915,000	376,181,000	385,315,000	385,315,000	+18,869,000
United States Customs Service:						
Salaries and Expenses	1,350,668,000	1,392,490,000	1,391,700,000	1,378,914,000	1,394,793,000	+44,125,000
Operation and Maintenance, Air and Marine Interdiction Programs	47,863,000	83,091,000	78,991,000	91,891,000	89,041,000	+41,178,000
Operations and Maintenance, Customs P-3 Drug Interdiction Program	28,000,000	.....	.....	.....	.....	-28,000,000
Air and Marine Interdiction Programs, Procurement	21,093,000	.....	.....	.....	.....	-21,093,000
Customs Facilities, Construction, Improvements and Related Expenses	5,000,000	.....	.....	1,000,000	1,000,000	-4,000,000
Customs Services at Small Airports (to be derived from fees collected)	1,406,000	1,406,000	1,406,000	1,406,000	1,406,000	.....
Total, United States Customs Service	1,454,030,000	1,476,987,000	1,472,097,000	1,473,211,000	1,486,240,000	+32,210,000
United States Mint	54,770,000	55,740,000	54,770,000	55,740,000	55,740,000	+970,000
Bureau of the Public Debt	187,209,000	183,458,000	183,458,000	183,458,000	183,458,000	-3,751,000
Payment of Government Losses in Shipment	500,000	500,000	500,000	500,000	500,000	.....
Internal Revenue Service:						
Administration and Management	167,622,000	233,318,000	225,832,000	163,431,000	225,832,000	+57,810,000
Processing Tax Returns and Assistance	1,696,853,000	1,616,295,000	1,616,295,000	1,586,028,000	1,511,266,000	-185,587,000
Tax Law Enforcement	4,007,962,000	3,986,280,000	4,412,580,000	4,358,180,000	4,358,459,000	+377,497,000
Information Systems	1,471,448,000	1,757,614,000	1,240,357,000	1,388,000,000	1,388,000,000	-83,448,000
Total, Internal Revenue Service	7,344,085,000	7,593,507,000	7,494,864,000	7,495,639,000	7,510,357,000	+166,272,000
United States Secret Service	461,931,000	470,117,000	476,931,000	474,968,000	476,931,000	+15,000,000
Procurement reform	.....	-33,437,000	-38,437,000	-33,437,000	-33,437,000	-33,437,000
Total, Title I, Department of the Treasury	10,323,832,000	10,537,354,000	10,434,608,000	10,453,627,000	10,481,523,000	+157,691,000
TITLE II - POSTAL SERVICE						
Payment to the Postal Service Fund	91,434,000	92,317,000	85,717,000	102,317,000	92,317,000	+883,000
Payment to the Postal Service Fund for Nonfunded Liabilities	38,803,000	37,776,000	37,776,000	37,776,000	37,776,000	-1,027,000
Total, Title II, Postal Service	130,237,000	130,093,000	123,493,000	140,093,000	130,093,000	-144,000
TITLE III - EXECUTIVE OFFICE OF THE PRESIDENT AND FUNDS APPROPRIATED TO THE PRESIDENT						
Compensation of the President	250,000	250,000	250,000	250,000	250,000	.....
The White House Office	38,754,000	41,632,000	38,754,000	40,193,000	40,193,000	+1,439,000
Executive Residence at the White House	7,925,000	7,827,000	7,827,000	7,827,000	7,827,000	-98,000
Official Residence of the Vice President	324,000	327,000	324,000	324,000	324,000	.....
Special Assistance to the President	3,270,000	3,291,000	3,270,000	3,280,000	3,280,000	+10,000
Council of Economic Advisers	3,420,000	3,457,000	3,420,000	3,439,000	3,439,000	+19,000
Office of Policy Development	5,122,000	5,058,000	5,058,000	5,058,000	5,058,000	-64,000
National Security Council	6,648,000	6,832,000	6,648,000	6,222,000	6,648,000	.....
Office of Administration	24,850,000	27,584,000	24,850,000	26,217,000	26,217,000	+1,367,000
Procurement reform	.....	-117,000	-117,000	-117,000	-117,000	-117,000
Office of Management and Budget	56,539,000	58,272,000	58,272,000	55,081,000	57,754,000	+1,215,000
Office of National Drug Control Policy	11,687,000	9,942,000	9,942,000	9,942,000	9,942,000	-1,745,000
Unanticipated Needs	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	.....
Federal Drug Control Programs:						
High Intensity Drug Trafficking Areas Program	86,000,000	98,000,000	98,000,000	110,000,000	107,000,000	+21,000,000
Special Forfeiture Fund	52,500,000	52,500,000	14,800,000	52,500,000	41,900,000	-10,600,000
Transfer to other agencies:						
Internal Revenue Service	(6,000,000)	.....	.....	.....	.....	(-6,000,000)
El Paso Intelligence Center	(4,000,000)	.....	(1,800,000)	.....	(1,800,000)	(-2,200,000)
Bureau of Alcohol, Tobacco and Firearms	(5,000,000)	.....	.....	.....	.....	(-5,000,000)
SAMSHA	(15,000,000)	(45,000,000)	.....	(25,000,000)	(14,000,000)	(-1,000,000)
CTAC (Rand0)	(7,500,000)	(7,500,000)	(8,000,000)	(7,500,000)	(8,000,000)	(+500,000)

H.R. 4539 - Treasury Department, U.S. Postal Service, Executive Office of the President, and Independent Agencies, 1995 - Cont.

	FY 1994 Enacted	FY 1995 Estimate	House	Senate	Conference	Conference compared with enacted
Community Partnership Grants (CSAP)	(10,000,000)					(-10,000,000)
ONDCP Director discretion	(5,000,000)		(5,000,000)	(20,000,000)	(18,100,000)	(+13,100,000)
Total, Federal Drug Control Programs	138,500,000	150,500,000	112,800,000	162,500,000	148,900,000	+10,400,000
(Transfer to other agencies)	(52,500,000)	(52,500,000)	(14,800,000)	(52,500,000)	(41,900,000)	(-10,600,000)
Total, Title III, Executive Office of the President	298,289,000	313,865,000	270,298,000	323,216,000	310,715,000	+12,426,000
TITLE IV - INDEPENDENT AGENCIES						
Administrative Conference of the United States	1,800,000	2,586,000		1,800,000	1,800,000	
Advisory Commission on Intergovernmental Relations	1,000,000	1,390,000		1,000,000	1,000,000	
Citizens' Commission on Public Service and Compensation (rescission)	-250,000					+250,000
Committee for Purchase from People Who Are Blind or Severely Disabled	1,689,000	1,682,000	1,682,000	1,682,000	1,682,000	-7,000
Federal Election Commission	23,564,000	27,106,000	23,564,000	27,106,000	27,106,000	+3,542,000
Federal Labor Relations Authority	21,341,000	21,540,000	21,341,000	21,540,000	21,341,000	
General Services Administration:						
Federal Buildings Fund:						
Appropriation	288,486,000	-69,931,000	361,815,520	500,000,000	310,197,000	+21,711,000
Rescissions	(-186,344,000)		(-78,205,000)	(-68,856,000)	(-84,120,000)	(+101,224,000)
Limitations on availability of revenue:						
Construction and acquisition of facilities	(925,027,308)		(502,709,520)	(733,229,000)	(601,702,000)	(-323,325,308)
Repairs and alterations	(523,782,000)	(812,226,000)	(815,288,000)	(712,356,000)	(720,584,000)	(+196,782,000)
Installment acquisition payments	(118,108,000)	(127,531,000)	(127,531,000)	(127,531,000)	(127,531,000)	(+9,423,000)
Rental of space	(2,117,421,000)	(2,204,628,000)	(2,204,628,000)	(2,173,000,000)	(2,173,000,000)	(+55,579,000)
Real property operations	(1,226,085,000)	(1,323,669,000)	(1,323,669,000)	(1,309,525,000)	(1,309,525,000)	(+83,440,000)
Program direction	(156,613,000)					(-156,613,000)
Design and construction services	(184,081,000)					(-184,081,000)
Rental income to fund						
Total, Federal Buildings Fund	288,486,000	-69,931,000	361,815,520	500,000,000	310,197,000	+21,711,000
(Limitations)	(5,251,117,308)	(4,468,074,000)	(4,973,825,520)	(5,055,641,000)	(4,932,322,000)	(-318,795,308)
Real Property Activities:						
Construction and Acquisition		1,478,690,000				
(Construction)		(479,690,000)				
(Acquisition)		(999,000,000)				
Federal Supply Service	43,420,000					-43,420,000
Use of proceeds of sales and overpayments	12,364,000					-12,364,000
Information Resources Management Service	45,675,000					-45,675,000
Federal Property Resources Service	15,756,000					-15,756,000
Operating Expenses	31,435,000	133,420,000	123,020,000	130,036,000	130,036,000	+98,601,000
Office of Inspector General	34,925,000	33,090,000	33,090,000	33,090,000	33,090,000	-1,835,000
Allowances and Office Staff for Former Presidents	2,833,000	2,890,000	2,215,000	2,215,000	2,215,000	-618,000
Procurement reform		-8,959,000	-8,959,000	-8,959,000	-8,959,000	-8,959,000
Total, General Services Administration	474,914,000	1,569,000,000	510,981,520	658,362,000	466,579,000	-8,335,000
John F. Kennedy Assassination Record Review Board		2,418,000	2,418,000		2,150,000	+2,150,000
Merit Systems Protection Board:						
Salaries and Expenses	24,674,000	24,549,000	24,549,000	24,549,000	24,549,000	-125,000
(Limitation on administrative expenses)	(1,969,000)	(1,969,000)	(2,420,000)	(1,969,000)	(2,250,000)	(+281,000)
Morris K. Udall Scholarship and Excellence in National Environmental Policy Foundation		10,000,000		10,000,000	10,000,000	+10,000,000
National Archives and Records Administration	190,232,000	194,638,000	194,638,000	200,238,000	195,238,000	+5,006,000
Reduction of debt	-3,397,000	-3,692,000	-3,692,000	-3,692,000	-3,692,000	-295,000
Procurement reform		-325,000	-325,000	-325,000	-325,000	-325,000
National Historic Publications and Records Commission	6,250,000	4,000,000	7,000,000		9,000,000	+3,750,000
Office of Government Ethics	8,313,000	8,104,000	8,104,000	8,104,000	8,104,000	-209,000
Office of Personnel Management:						
Salaries and Expenses	118,533,000	112,139,000	115,139,000	111,778,000	115,139,000	-3,394,000
(Limitation on administrative expenses)	(88,519,000)	(93,934,000)	(93,934,000)	(92,504,000)	(93,934,000)	(+5,415,000)
Office of Inspector General	4,253,000	4,009,000	4,009,000	4,009,000	4,009,000	-244,000
(Limitation on administrative expenses)	(6,514,000)	(6,156,000)	(6,156,000)	(6,156,000)	(6,156,000)	(-358,000)
Government Payment for Annuitants, Employees Health Benefits	3,805,480,000	4,210,560,000	4,210,560,000	4,210,560,000	4,210,560,000	+405,080,000
Government Payment for Annuitants, Employee Life Insurance	1,607,000	19,159,000	19,159,000	19,159,000	19,159,000	+17,552,000
Payment to Civil Service Retirement and Disability Fund	7,065,819,000	7,339,638,000	7,339,638,000	7,339,638,000	7,339,638,000	+273,819,000
Employees Health Benefits Fund (limitation on administrative expenses)	(14,774,000)					(-14,774,000)
Employees Life Insurance Fund (limitation on administrative expenses)	(826,000)	(753,000)	(753,000)	(753,000)	(753,000)	(-73,000)
Retired Employees Health Benefits Fund (limitation on administrative expenses)	(165,000)	(81,000)	(81,000)	(81,000)	(81,000)	(-84,000)
Procurement reform		-1,256,000	-1,256,000	-1,256,000	-1,256,000	-1,256,000
Total, Office of Personnel Management	10,995,592,000	11,684,249,000	11,687,249,000	11,683,666,000	11,687,249,000	+691,657,000

H.R. 4539 - Treasury Department, U.S. Postal Service, Executive Office of the President, and Independent Agencies, 1995 - Cont.

	FY 1994 Enacted	FY 1995 Estimate	House	Senate	Conference	Conference compared with enacted
Office of Special Counsel	7,992,000	7,955,000	7,955,000	7,955,000	7,955,000	-37,000
United States Tax Court	33,650,000	35,313,000	33,650,000	34,427,000	34,039,000	+389,000
Total, Title IV, Independent Agencies	11,786,464,000	13,590,515,000	12,519,114,520	12,674,654,000	12,493,775,000	+707,311,000
Appropriations	(11,786,714,000)	(13,590,515,000)	(12,519,114,520)	(12,674,654,000)	(12,493,775,000)	(+707,061,000)
Rescission	(-250,000)					(+250,000)
(Limitation on administrative expenses)	(5,178,560,308)	(4,570,987,000)	(4,998,964,520)	(5,068,468,000)	(4,951,376,000)	(-227,184,308)
TITLE VII - VIOLENT CRIME CONTROL AND LAW ENFORCEMENT FUNDING						
Department of the Treasury						
Departmental Offices					2,400,000	+2,400,000
Financial Crimes Enforcement Network					2,700,000	+2,700,000
Bureau of Alcohol, Tobacco and Firearms					7,000,000	+7,000,000
Gang Resistance Education and Training: Grants					9,000,000	+9,000,000
United States Customs Service					4,000,000	+4,000,000
Internal Revenue Service: Tax Law Enforcement					7,000,000	+7,000,000
United States Secret Service					6,600,000	+6,600,000
Total, title VII, Violent Crime Control and Law Enforcement Funding					38,700,000	+38,700,000
Grand total (net)	22,538,822,000	24,571,817,000	23,347,513,520	23,591,590,000	23,454,806,000	+915,984,000
Appropriations	(22,539,072,000)	(24,571,817,000)	(23,347,513,520)	(23,591,590,000)	(23,454,806,000)	(+915,734,000)
Rescission	(-250,000)					(+250,000)
(Limitations)	(5,178,560,308)	(4,570,987,000)	(4,998,964,520)	(5,068,468,000)	(4,951,376,000)	(-227,184,308)
CONGRESSIONAL BUDGET RECAP						
Total in this bill	22,538,822,000	24,571,817,000	23,347,513,520	23,591,590,000	23,454,806,000	+915,984,000
Scorekeeping adjustments	-207,720,000	-331,245,000	-84,084,000	-128,464,000	-86,395,000	+121,325,000
Total mandatory and discretionary	22,331,102,000	24,240,572,000	23,263,429,520	23,463,126,000	23,368,411,000	+1,037,308,000
Mandatory	11,018,705,000	11,727,379,000	11,727,379,000	11,727,379,000	11,727,379,000	+708,674,000
Crime Trust Fund Discretionary					38,700,000	+38,700,000
General Purposes Discretionary	11,312,397,000	12,513,193,000	11,536,050,520	11,735,747,000	11,602,332,000	+289,935,000

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

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

Mr. Speaker, the conference report we bring back to the House does comply somewhat with the recommittal motion, in that it reduces courthouse expenditures and user fees. It does not, regretfully, contain all the cuts called for in the House's motion to instruct.

I realize we have had a difficult time reaching this point. It has not been an easy bill this year, and I know the chairman shares my view that it is time to get on with the business of the people and complete action on this bill.

Personally, I believe the way the GSA cuts were made in the conference report were not as carefully considered as they should have been, and I think that is unfortunate.

I also regret we did not completely eliminate the entire $149 million in user fees from the bill, as called for in the recommittal motion, but rather capped them at $119 million. Still, it is an improvement.

Cuts have been made in both GSA courthouse construction and IRS user fees, and from the perspective of the minority, this should be a selling point for the conference report. It has been improved; it reduced fees collected and expenditures for Federal buildings.

Let me also remind Members that this bill contains a provision freezing Members' pay.

In view of these issues, I reluctantly recommend that my colleagues support the final conference report.

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

Mr. HOYER. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Georgia [Mr. DEAL].

Mr. DEAL. Mr. Speaker, I would like to engage in a brief colloquy with subcommittee Chairman HOYER. President Clinton in his fiscal year 1995 budget request to the Congress requested for the Customs Service $18 million and the hiring of 186 additional personnel to enhance enforcement of trade laws and regulations relating to textile enforcement. This request followed a commitment President Clinton made in a November 16, 1993, letter to me and nine other House Members. Is that your understanding?

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

Mr. DEAL. I yield to the gentleman from Maryland.

Mr. HOYER. Mr. Speaker, that is correct. That is a letter that I also received and felt strongly about myself.

Mr. DEAL. Is it the understanding of the gentleman that this bill provides $18 million which will be used to hire 186 new employees and that 186 additional FTE will be provided to Customs to maintain these positions in the future to work on textile trade enforcement?

Mr. HOYER. If the gentleman will yield further, I would say to my friend the answer to that is yes. It is our specific and strong intent that the Office of Management and Budget will allocate to Customs Service 186 new FTE's dedicated to textile enforcement. The subcommittee is very concerned about illegal textile transshipment and has allocated additional Customs resources to address it.

Mr. DEAL. If OMB or Customs were simply to reallocate the existing personnel currently working either directly or indirectly on textiles or border enforcement, would this meet the obligations of the bill?

Mr. HOYER. No. It would not.

Mr. DEAL. I thank the gentleman.

Mr. LIGHTFOOT. Mr. Speaker, I yield 7 minutes to the gentleman from Virginia [Mr. WOLF], a member of the committee.

Mr. WOLF. Mr. Speaker, I am pleased that this bill has included an average 2.6 percent COLA for Federal employees. Federal employees have been taking it on the chin from the Clinton administration for the past 2 years with a freeze in pay, attempts to make them pay mandatory union dues, threats to their health care system and attacks on their retirement TSP system. At the RTC and Treasury Department attempts at politicizing the Federal work force are still being investigated. Bizarre diversity programs are exposing Federal employees to harassment and trauma. Quite simply, to be a Federal employee today is to be under siege.

As Mike Causey's Federal employee column in the Washington Post recently pointed out, this administration has been more hostile to Federal employees than Reagan and Bush ever were. Baffling is the silence from those who claim to represent Federal employees. As this Congress closes, Federal employees and retirees will also be able to breathe a sigh of relief that the Clinton administration plan to abolish the FEHBP has failed.

But as we come to the floor to discuss this funding for the White House and Treasury Department, I have to say, this has been a distressing year to be on this subcommittee. For most of this year my efforts to get basic information from the White House and the Treasury have been thwarted, stonewalled, and even when information has been forthcoming it has been incomplete and even misleading. We were mislead on the White House security pass situation, we have received contradictory stories on the White House travel office while career employees twist in the wind paying huge legal fees, we have a Treasury inspector general investigation which was tampered with by the White House Counsel's Office, and on and on.

Over a year ago, I began to look into the issue of White House passes because so many White House employees failed to have permanent passes after 6 months into this administration. I was told there was no problem by the then Chief of Staff Mack McLarty. Over a year into the administration we finally found out that over one-third of the White House staff still didn't have passes, including Mr. McLarty himself. This bill contains an amendment on this matter although at the White House's insistence the amendment still allows them plenty of room to delay and exempt if need be.

In the area of financial disclosure the White House has again bobbed and weaved. After attention was brought to the fact that the White House had given unprecedented access to outside consultants deeply involved in policy matters, the Washington Post, the Wall Street Journal and others called for financial disclosure by White House consultants. The White House issued a directive for consultants such as James Carville, Paul Begala, and others to provide financial information. Contrary to what might have been the impression from the directive, the consultants were not required to fill out actual Government forms requiring their financial information. Instead they only had to provide information like that provided by temporary Government employees. What is the difference? There are no legal consequences for inaccurate or even intentionally false filings for these consultants.

Now that the consultants have filed their forms it comes to our attention that there may have been missing information. James Carville has now been reported to have a contract for working on the Brazilian Presidential election. This client was not listed on his form. For the record I would like to submit an article from a Brazilian magazine on the subject. I have written to the White House and still have received no response. Is Mr. Carville working on the Brazilian campaign or not? What are the financial arrangements and when were they made? When will we get answers?

In the meantime, the White House has an additional "outside insider" on the scene—former Majority Whip Tony Coelho. Mr. Coelho says he will not be filing any financial disclosure information despite his extensive and lucrative outside financial, legal, and business ties to unions, corporations, pension funds, and the like.

Given that as a candidate Bill Clinton committed to running "the most ethical administration ever," this is a stunning lack of attention to potential ethical problems presented by those with regular White House access and no accountability. As Fred Wertheimer of Common Cause has pointed out, Mr. Coelho is in a "quasi-public, quasi-private" position that could allow his banking company to take advantage of inside information about Government

policy. With all of the investigations going on with this administration, should the American taxpayers have to continue to foot the bill for future investigations that could be prevented by a heightened level of consciousness about these issues?

Getting credible answers and responsible behavior from this administration is something just short of impossible; whether it is about White House passes, financial disclosure forms, or what are supposed to be independent investigations at the Treasury Department. We have not had such stonewalling and politicizing of the Federal work force since the Nixon administration. I did not like it then; I do not like it now, and I will continue to fight on these issues.

□ 1250

Mr. Speaker, should there be a change in the White House in 1996 and if we elect a Republican President, I will be—and I want to be quoted on this and I want people to go back and look at this—I will be as aggressive in speaking out for any unethical characteristics there. If they hire somebody like Tony Coelho, I will speak out. If they have a James Carville running in and out, I want people to know that this is not a partisan issue. Frankly, this is not an issue that divides this side of the aisle from that side of the aisle, it may be from the White House. But if this happens in a Republican administration, I want people to know I will speak out just as forcefully to speak on this issue, should there be a change in administration.

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THE SECRET CONSULTANT

The Toucans have been trying to hide the fact that Clinton's campaign magician has a finger in the FHC campaign

The Toucans spent the better part of last week in pointless exertion. Denying that James Carville, the marathon brain who got Bill Clinton into the White House and is today an adviser to the President of the United States, was involved in Fernando Henrique's campaign. The article, published last Tuesday, stated that Carville was under contract to the Toucans four months ago for the sum of "about one million dollars." Subsequently it was explained that the contract was not with the PSDB, but with a "Brazilian entrepreneur" that he would bankroll Carville's services and pass his advice on to the heads of the Toucans. PSDB efforts fell through completely. On Thursday, James Carville himself spoke to the Associated Press Agency in Washington and in attempting to minimize the article, wound up confirming it. "My role wasn't all that fundamental. I only analyzed some studies," he said.

As soon as they knew about the article, the Toucans held a meeting in Brasillia and built up a wall of ambiguities. Eduardo Jorge Caldas, the economist and shield-bearer for Fernando Henrique, admitted having met with Carville, but claimed not to be able to say whether it was one time or twenty." As it is indeed possible to meet hardly once with a pickpocket on the Praça da Sé, but no one meets a person twenty times without having a rather serious topic to deal with, there was already some doubt. Another ambiguity comes from the candidate himself. "There was no contract with the PSDB," said Fernando Henrique, while the article did not state this just that a businessman was paying Carville. As they forgot to alert Pimenta da Veiga, the president of the party about the part he was to play in this theater, the Toucans were pounding their heads. On Thursday Pimenta said that he had a meeting with advisors from the U.S. "Fortuitously, I could not go," he observed, as if it were a revelation. It wasn't. "Only if Carville had been their advisor," corrected Fernando Henrique. Perceiving that he was causing an uproar, Pimenta explained himself: "There is no contract, much less a million dollars," he said. On Saturday, the GQ surrendered. In agreement with one of Fernando Henrique's advisors, the campaign made use of Carville's services, and his two trips to Brazil and the respective honorania were paid by a businessman. Or rather: it is true that there was no contract with the PSDB. But it is also true that there was payment for services rendered.

REQUEST FOR SECRECY

The mere fact that the advisor is a foreigner is not illegal, nor is it immoral, nor shameful. What is illegal is paying him out of the party coffers, with money gamered from electoral contributions. The law does not prohibit a candidate from putting a foreigner under contract and criticizing him i.e., the candidate for this constitutes the most vulgar nationalism. But the problem with Carville is different and more serious. When Clinton arrived at the White House, Carville became an employee of the Democratic Party with a pass giving him access to the White House at any hour. With this, Carville is not just any foreigner, but an advisor who comes and goes in the White House, talks with the president of another country and, from time to time, goes to Brazil to advise a candidate to the Planalto. The Toucans' fear was that having brought in foreign help, they would be hearing their candidate referred to as "Bill Cardoso" by his opponents desperate for any little point which would be in the Ibope[?]. Another thing is that Carville himself could stay in bad odor. In the U.S., pressured by the Republican opposition, the advisor was forced to state the names of those for whom he was working. Late last June, he presented a list of his clientele and he failed to name either the party or the Brazilian businessman. Should definite evidence appear about which he lied, he will be ruined professionally. With the news being made public, the White House reacted. Government advisers are demanding explanations from Carville about the article.

With a reputation of being possessed by the devil, Carville is a 50-year-old Southerner who rendered an immense service to Clinton. With a reputation as an eccentric and maybe just a bit wacko, always in jeans, he is verbally very quick on the draw. When they asked him what they should talk about during the campaign, he always had the same reply: "The economy, stupid." Since Clinton's victory, he has married Mary Matalin, who was working for the rival candidate, George Bush, who was defeated. Last February, the Toucans were already in search of his telephone number, but the first contact did not occur until April. On the 25th, Carville arrived in São Paulo on American Airlines flight 999 and checked into the Hotel Ca'd'Oro. He spoke with some very prominent Toucans, Sergio Mona, friend and associate of the candidate, the former governor of Ceará. Tasso Jereissati, and Eduardo Jorge. During the conversation, he [Carville] noted that the Brazilians were not very good at research and did not know how to evaluate the results.

The exchange failed to engage Tasso Jereissati, but Sergio Motta and Eduardo Jorge were swept away. They made a second meeting which occurred early in June. Carville arrived on the 4th and returned to the U.S. on the following day on American Airlines flight 924. On this round they discussed a concrete program of consultation. This done, Carville did "some analyses" of research done by Antonio Lavareda, the sociologist who was in charge of PSDB research. Carville has never said who paid him, whether the party or the mysterious businessman, he has never spoken in terms of cost nor given any details about his advice. But it is well known that between March and April, the Toucan summit was interested in foreign consultants. There was an informal competition and all the applicants were asked to keep the business secret.

ELECTORAL MARKET

At this time, another American company, Squire, Knapp & Ochs, also came to Brazil. One of the associates, Thomas Ochs, met with Fernando Henrique, Eduardo Jorge and Jereissati. He made a proposal which varied from 75,000 to 100,000 dollars a month, which was rejected. The package included political strategy planning, technical training for the candidate and his team, a fund-raising plan, and polling and logistic techniques. The PSDB didn't close the deal and Ochs knocked at the doors of the P, without, however, going further than a presentation talk.

James Carville had had some time back plans to get into the Latin American electoral market. In May of last year, he was in Brazil and talked with a public relations man, Duda Mendonça, who was beginning at that time to think of Paulo Maluf's presidential campaign. Duda Mendonça says: "Carville spoke of the free electoral schedules and his economic plans." After this contact, Carville returned to Brazil last February. He stayed for four days, from the 23rd, to the 26th. "In February he went to talk to one of Maluf's consultants", says a Toucan.

With Carville's hand in Fernando Henrique's campaign, a trivial thing happened: whose TV program was it, although it was inspired by the commercials Clinton showed during his campaign. The images and angles are similar, but it is doubtful that they were Carville's work. "It never appeared around here. If it's really part of the campaign, it's a well-kept secret," says Geraldo Walter, FHC PR-man. Walter does not deny that it could be influential, but rules out its being the product of an American consulting company. "We have worked on more than ten programs for victorious candidates. We view and review Clinton's, Feline González's, Margaret Thatcher's, Menem's and others," he says, "It is possible that some influence from the others stuck to it. The pattern in the Femando Henrique one is identical to the one in Feline González.

"The article about the American's contract appeared in the Washington Times, the newspaper of the American extreme right-wing, owned by the famous Reverend Moon, but the one who uncovered the case was journalist Ken Silverstein, who has been publishing his own newsletters as of December of last year entitled Counter Punch, commenting on Washington political machinations.

Silverstein has said that, in addition to Carville, the Toucans are working with two other political consultants. One of these, Grunwald, Eskew, and Donilon, belongs to Mandy Grunwald, who worked in the Clinton campaign and is a frequent visitor in the White House. Grunwald swears that she is not working with a Brazilian client, but admits that she cannot answer for her associates.

Silverstein brought to light a memo to the PT which might be able to bring out during the campaign the links between Fernando Henrique's campaign and the White House. "I'll be happy if this memo prejudices his campaign," says Silverstein. The journalist makes no attempt to hide his sympathy for Lula. Between February of 1989 and May of 1993 he was a correspondent for the AP press agency in Brazil. He covered Lula's campaign and remains charmed by the candidate. So much so that he had written a book about Lula in association with Emir Sader. It appeared in 1991 with an English publisher under the title, Not Afraid to be Happy. "My sympathy for Lula has not affected my work. First and foremost I am a journalist," says Silverstein. Before he left Brazil, the journalist began to create his own publication. He obtained the backing of the Institute for Policy Studies, a leftist retreat in the American capital and launched Counter Punch. He has a thousand subscribers, never published demonstrably false news and, recently was included by the Utne Reader, one of the most intellectual journals in the country, in a list of one of the ten best titles in the alternative American press.

Mr. HOYER. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Texas [Mr. PICKLE].

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

Mr. Speaker, I rise in support of this conference report. I believe it is the best that could be achieved under the circumstances. Nevertheless, I have serious doubts about whether IRS is being provided with funding adequate to effectively and efficiently collect the Nation's taxes.

Permitting IRS to keep only $119 million in user fees will have an adverse effect on IRS' ability to process tax returns and provide quality services to taxpayers. Next year, taxpayers can expect more busy signals at IRS and delays in their refunds.

Furthermore, as chairman of the subcommittee that oversees IRS' operations, I know that IRS' computer systems are outdated and inefficient. Unfortunately, under this budget, IRS will not have the necessary money next year to bring its computer systems into the 21st century. Make no mistake about it, this budget—even with the restoration of $119 million—is woefully inadequate and may ultimately be a disservice to the taxpaying public.

I believe IRS may have reached the point where it can no longer afford to provide the multitude of special services it makes available to taxpayers each year for free. This is particularly true when IRS isn't being fully funded. While I don't look favorably upon the charging user fees for services which I think taxpayers are entitled to, if we're not prepared to fully fund IRS's operations—and this conference report makes clear that we're not—then, I think IRS must be permitted to make up the shortfall—even if it means charging some user fees and as unpleasant as that may be.

Let me take a few moments to talk about the new IRS-related user fees, particularly the DDI fee. The bulk of the $119 million that IRS will be allowed to keep for its own purposes will come from an $8 direct deposit indicator [DDI] fee. As part of filing electronically, IRS promises that it will notify the person who actually submits the electronic return—either a bank or an electronic return originator [ERO]—within 48 hours whether the return has been accepted and a potential refund will be deposited in a designated bank account. The DDI indicator means that the filed return did not have any errors that the IRS electronic filing software discovered and the taxpayer neither owes IRS back taxes nor any other Federal debt that could be offset with the tax refund. In most cases, the DDI has replaced the normal credit report that banks would otherwise have to purchase to evaluate refund anticipation loan [RAL] applications. RAL's have become popular with taxpayers seeking to expedite the receipt of their tax refunds. And with the DDI, these high-yield, low-risk loans have generated tens of millions of dollars in profits for commercial banks. Don't be fooled, most of the objections to IRS user fees came from large commercial banks who want the cheap insurance provided by IRS through the use of the DDI—the banks just do not want to pay for it. They don't want the risk and don't want to pay for the free lunch.

While I am less than sympathetic with IRS' intention to charge taxpayers for entering into installment agreements to pay taxes owed over time, I would note that this practice is similar to service fees currently charged by banks and other lending institutions. However, I think IRS ought to reconsider whether this fee is now necessary in light of the $119 million cap.

Mr. Speaker, despite the serious budget constraints we are faced with, it is foolish for us to short change IRS, particularly at a time when IRS is modernizing its operations to meet the difficult compliance and tax administration challenges that lie ahead. As Forrest Gump says, "stupid is as stupid does." I, for one, am worried about the impact of this budget on the success of next year's tax filing season. Nevertheless, this conference report should be approved.

Mr. LIGHTFOOT. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. DORNAN].

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

Mr. Speaker and distinguished colleagues, particularly the chairman of the subcommittee, the gentleman from Maryland [Mr. HOYER]: Last Thursday, the 22d, was a shock to many people on this Hill, on both sides of the aisle and both sides of the Chamber.

I did not know that minority Members with important Federal building projects in their districts had to accede to whatever tens of millions of dollars of unauthorized projects the other body might add and that if we did not, projects in our districts, no matter how necessary, would be put in jeopardy. For the record, the projects the other body added were projects that were not requested by the administration, had not been through an administrative approval process, and had not been approved by both the House and Senate. Just because they were added by our distinguished colleagues over the other side of the Hill does not mean that we should have rolled over and accepted them when we knew they had not been subjected to proper congressional scrutiny.

But I understand that staff members or both sides of the aisle are having second thoughts and that two projects in the bill that really are going to experience tremendous disruptions because of prior allocations and start dates and construction, will be considered for reprogramming so that there are not major dislocations that take place starting next year. One such project is in my district, the Santa Ana courthouse.

The Santa Ana courthouse, with or without the name Ronald Reagan on it, is one of the worthiest projects and one of the most mature projects among all the Federal building projects in this bill. Some $103 million has already been appropriated and GSA is ready to break ground in a couple of months. I want Mr. HOYER, my good friend, to realize that I represent a Democrat district, as I did when I represented Santa Monica, CA, for 6 years in the 1970's and early 1980's. I am now in my 10th year of representing a Democrat district. I am surrounded by 4 or 5 conservative Republican districts. They are wealthier districts than mine. My district is a needy district. We lead the area in crime, in gangs, we are at the center, the confluence of some of the busiest freeways in the Nation. We have major problems with illegal immigration.

In conclusion, it is a very, very needy district. But even so, Orange County still sends billions more to the Federal Government than it gets back. In fact, I estimate that Orange County is a net loser by $4 billion.

□ 1300

I believe that a county that is a net loser, like Orange County, CA, that puts in overwhelmingly far more tax dollars than it ever gets back, has a right in its neediest areas to expect some fairness. And I would hope that

the subcommittee would look at this as a fairness issue. You cannot expect Members to come to the floor and vote for a spending bill that was so loaded with unauthorized projects. Those of us who played by the rules and subjected our requests to the process should not be punished for voting for spending restraint.

So, Mr. Speaker, I say, please make your byword "fairness" here. Don't turn me into any more of a political animal than is natural for an Irish-American.

Mr. HOYER. Mr. Speaker, I thank the gentleman for his comments. I understand his concern. We are going to try to be fair and make sure that every project that can be done and that is needed, is in fact accomplished. We have provided $103 million for that project to date, as the gentleman knows.

Mr. LAZIO. Mr. Speaker, I rise today in strong support of H.R. 4539, the fiscal year 1995 Treasury, Postal, and Independent Agencies appropriations conference report. This bill contains a project that is very important to the people of Long Island, NY—the new Federal Courthouse in Central Islip, NY.

This project, which was reviewed by the General Services Administration [GSA] as part of its time out and review and found to be worthy of continued funding, is vital to easing the space emergency faced by the eastern district of New York that was declared in 1989 by the Judicial Conference of the United States. Since that declaration, the emergency has only worsened as the backlog faced by Federal judges on Long Island continues to grow.

The prompt completion of the courthouse will help ease this burden by providing badly needed courtrooms. It will also accommodate office space for the Departments of Defense, Labor, Treasury, and Justice, the Office of Personnel Management, the Occupational Safety and Health Administration, and other Federal agencies.

But more importantly, this courthouse will improve the Long Island economy and bring jobs to the area, which has been hit extremely hard by the recession. The construction phase alone for this project is expected to provide 2,000 jobs. Beyond that, once it is completed, this complex will house approximately 1,300 permanent employees. This influx of people will result in an increase in expenditures for goods and services that will support local business activity.

Mr. Speaker, this project is vital to the court system and people of Long Island, and I am pleased that Congress has included the first phase of funding for it in H.R. 4539. I urge all of my colleagues to support passage of this important appropriations bill.

Mr. COPPERSMITH. Mr. Speaker, in June, the House adopted an amendment I offered to the Treasury-Postal appropriations bill to reduce the fiscal year 1995 payment to the Postal Service fund for the U.S. Postal Service by $6.6 million, the amount the Postal Service planned to spend on their "new bird" logo. This conference report restores that funding to an amount above the amount in the House bill but less than the amount originally approved by the other body. I rise in disappointed support, but support nonetheless, of the conference report despite its rejection of the House position opposing the bone-headed decision by the Postal Service to spend $6.6 million on a new logo—the wrong decision, at the wrong time, by the wrong agency.

In offering that amendment, I did not intend, and I know this House did not intend, to cut the subsidy for mailings for the blind or for overseas voting. Nor did we intend to increase rates for nonprofit mailings, bulk mailings, or any other postal rate increases. Likewise, we did not intend to undermine wages or benefits to dedicated postal employees, who did not make the decision to get the new logo.

The House sent a clear message that we intend to scrutinize such frivolous spending even by quasi-public corporations. Sometimes like even good people, quasi-public corporations make bad choices. The Postal Service made a bad choice by deciding to spend $6.6 million on an unneeded cosmetic change, at a time when the public's cynicism about superficial changes is already high and appears to be increasing. The Postal Service, as it has the power to do, made a serious mistake, and the House has gone on record against that decision.

Since the House vote, we have learned of serious problems in mail delivery in several major cities. These service problems seem far more basic to public perception of the Postal Service than any logo, new or old. Now we in this House also must have a sense of priorities, and these pressing delivery problems are more important than teaching the Postal Service a lesson about priorities. These more recent problems certainly do not make the decision to pay for a new logo correct, but our legislative role requires us to set priorities, and the House should not insist on its position at this time.

I also support the conference report because it will freeze congressional salaries for the coming year, eliminating the automatic cost-of-living increase. I firmly agree that Congress should not have a pay raise, not with the declining-but-still-enormous budget deficit, and with our inability to restore public trust in this institution. When we ask fewer Federal employees to do more with less, we need to set an example ourselves, both with our votes and with our personal behavior. For these reasons, I support the conference report.

Mr. FAWELL. Mr. Speaker, I rise today in opposition to the conference report for Treasury/Postal appropriations, H.R. 4539. I rise in outrage over business as usual. When the House voted to reduce the overall level of funding for new construction projects contained in the Treasury-Postal appropriations bill, we did so in defense of fiscal responsibility for the taxpayers of our country. This vote would have saved the taxpayers $218 million and ensured that with the limited resources available, only the projects of the utmost quality would be funded.

Mr. Speaker, this is not what happened in conference. Unbelievably in this day and age—in this climate of citizen abhorrence of business as usual—what happened in the second version of the conference report was wrong. In effect, those Members who voted for fiscal responsibility were punished. The conferees ignored the will of the House and Senate committees of oversight because they cut the projects that were authorized, leaving in the unauthorized projects. They, in effect, punished those Members who had voted to cut the budget. Some of those Members have authorized projects in the bill. All of those projects had been authorized, requested by the President, and approved by both the House and the Senate in the versions of the Treasury-Postal appropriations bill for fiscal year 1995. Yet—it was those 10 projects that were cut from the bill.

You might ask—perhaps all of the courthouse projects were good projects—all of equal merit and decisions made were arbitrary. I submit to you the fact that of the 36 projects which were proposed to be funded—there were no less than 11 projects which have not been authorized by House or Senate committees of jurisdiction. Yet, it was not those 11 projects that were eliminated. All 11 of these unauthorized and unrequested projects were fully funded. It was the 10 projects in the districts of Members who had voted for the overall cut in funding that were terminated.

Mr. Speaker, this is wrong. No one would ever think of punishing a Member for voting to spend money on a program. So why are we punishing for cutting? Cutting is what taxpayers want. Those who believe in fiscal responsibility should not be punished. They should be commended. This is the kind of business as usual that makes most Americans cynical of Congress. It is this kind of retribution that makes most Americans call for change in Congress. Someday, Congress will get the message. This day could come soon. I oppose this bill. I urge Members to stand up for fiscal responsibility and to vote against pork projects, and against "business as usual."

Mr. FAZIO. Mr. Speaker, I rise in strong support of the conference report for H.R. 4539, the fiscal year 1995 Treasury, Postal Service, and general government appropriations bill. I commend Chairman HOYER for his tireless work on this year's bill. He and his staff have gone above and beyond the call of duty to craft a fair and fiscally responsible bill, and I join my colleagues in thanking them for their efforts.

Chairman HOYER has crafted a bill which will help our Government continue to provide the services we need most during these tough budget times. H.R. 4539 provides financial support for many of the real "nuts and bolts" programs that keep our Government running effectively, Treasury Department agencies like the Customs Service and the Internal Revenue Service, and the Bureau of Alcohol, Tobacco and Firearms [ATF]. This bill provides the resources these agencies need, but came in $140 million in budget authority below the allocation for the subcommittee. Once again, this bill proves to the American people that their Government can and will do more with less.

I would like to make special note of provisions in this bill which will support an innovative California law enforcement program which will help catch more criminals. This program, the northern California Gun-Link project, will

combine the resources of the Federal, State, and local crime laboratories for ballistics identification and tracing. Gun-Link will analyze fired bullets and then compare these analyses among the different laboratories participating in the system, linking seemingly unrelated or unresolved shooting incidents throughout all of northern California. It will establish an information network between my district's law enforcement teams that will greatly enhance their ability to solve crimes.

Mr. Speaker, H.R. 4539 cuts the fat where we need to in our Government, while maintaining the important programs which serve our constituents well. This conference report is both frugal and responsible, and I encourage my colleagues to join me in supporting this measure.

Mr. FRANKS of Connecticut. Mr. Speaker, last week I voted to send the Treasury-Postal appropriations bill back to the conference committee that produced this final version for approval. This bill annually has problems, because it is a repository for wasteful spending projects. This year was no different. After the House approved its version of this bill, the Senate decided to add $218 million worth of spending on new construction projects. We refused to approve the final version of this bill last week because of this wasteful spending added by the Senate.

Today this bill is back before us—without the extra projects that the Senate added on. The $218 million in new Federal construction has been removed. I will vote for the bill, although I think that more improvements could have been made. Next year, we should consider reducing construction expenses from the amount approved this year. Even though the House approved the elimination of the Intergovernmental Relations Commission and the Administrative Conference of the United States, these groups are still funded in the final version of this bill. Finally, the bill includes $6.6 million for changing the Postal Service logo, despite my opposition and the opposition of the House. This bill is proof that Congress still includes unnecessary spending among programs and projects worthy of our support.

This bill also contains a provision freezing the pay of the Members of the House of Representatives for this year. This is an issue of importance at a time when Congress is still passing budgets with substantial deficits.

Mr. HOYER. Mr. Speaker, I have no further requests for time, and, if the gentleman from Iowa [Mr. LIGHTFOOT] yields back the balance of his time, I yield back the balance of my time.

Mr. LIGHTFOOT. Mr. Speaker, we have no further requests for time, and I yield back the balance of my time.

Mr. HOYER. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore (Mr. MONTGOMERY). 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. HOYER. 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 360, nays 53, not voting 21, as follows:

[Roll No. 441]

YEAS—360

Abercrombie
Ackerman
Allard
Andrews (ME)
Applegate
Bacchus (FL)
Bachus (AL)
Baesler
Baker (CA)
Barca
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bateman
Becerra
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Blackwell
Bliley
Blute
Boehlert
Bonilla
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Buyer
Callahan
Calvert
Canady
Cantwell
Cardin
Carr
Chapman
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooper
Coppersmith
Costello
Coyne
Cramer
Crapo
Cunningham
Danner
Darden
de la Garza
Deal
DeFazio
DeLauro
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Dooley
Doolittle
Dornan
Dunn
Durbin
Edwards (CA)
Edwards (TX)
Emerson
Eshoo
Evans
Everett
Ewing
Farr
Fazio
Fields (LA)
Fields (TX)
Filner
Fingerhut
Fish
Flake
Foglietta
Ford (MI)
Fowler
Frank (MA)
Franks (CT)
Franks (NJ)
Frost
Furse
Gallegly
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodlatte
Goodling
Gordon
Grams
Grandy
Green
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Hansen
Harman
Hastert
Hastings
Hayes
Hefner
Herger
Hilliard
Hinchey
Hoagland
Hobson
Hochbrueckner
Hoke
Holden
Horn
Houghton
Hoyer
Huffington
Hughes
Hutchinson
Hutto
Hyde
Inglis
Inslee
Istook
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klein
Klink
Knollenberg
Kolbe
Kopetski
Kreidler
Kyl
LaFalce
Lambert
Lancaster
LaRocco
Laughlin
Lazio
Leach
Lehman
Levin
Levy
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Lloyd
Long
Lowey
Lucas
Machtley
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCandless
McCloskey
McCrery
McCurdy
McDade
McDermott
McHale
McHugh
McInnis
McKeon
McKinney
McMillan
McNulty
Meehan
Meek
Menendez
Mica
Michel
Miller (CA)
Mineta
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murphy
Murtha
Nadler
Neal (MA)
Neal (NC)
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pastor
Payne (VA)
Pelosi
Peterson (FL)
Pickett
Pickle
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quillen
Quinn
Rahall
Rangel
Ravenel
Reed
Regula
Reynolds
Richardson
Ridge
Roberts
Roemer
Rogers
Ros-Lehtinen
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal-Allard
Royce
Rush
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Sawyer
Saxton
Schenk
Schiff
Schroeder
Schumer
Serrano
Sharp
Shaw
Shepherd
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stark
Stearns
Stenholm
Stokes
Strickland
Studds
Stupak
Swift
Synar
Talent
Tanner
Tejeda
Thomas (CA)
Thomas (WY)
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Traficant
Tucker
Unsoeld
Valentine
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Waters
Watt
Waxman
Whitten
Williams
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)
Young (FL)
Zeliff

NAYS—53

Andrews (NJ)
Archer
Armey
Baker (LA)
Ballenger
Boehner
Burton
Camp
Castle
Cox
Crane
DeLay
Dreier
Duncan
Ehlers
Engel
Fawell
Goss
Hancock
Hefley
Hoekstra
Hunter
Jacobs
Johnson, Sam
Lewis (FL)
Livingston
Manzullo
McCollum
Meyers
Miller (FL)
Minge
Myers
Oxley
Packard
Pallone
Parker
Paxon
Penny
Peterson (MN)
Petri
Ramstad
Rohrabacher
Schaefer
Sensenbrenner
Shays
Smith (MI)
Smith (NJ)
Stump
Swett
Taylor (MS)
Taylor (NC)
Upton
Zimmer

NOT VOTING—21

Andrews (TX)
Bellenson
Byrne
Derrick
English
Ford (TN)
Gallo
Gekas
Inhofe
Klug
Lantos
Mfume
Payne (NJ)
Scott
Slattery
Smith (IA)
Sundquist
Tauzin
Washington
Weldon
Wheat

□ 1325

Messrs. BURTON of Indiana, ROHRABACHER, and PALLONE changed their vote from "yea" to "nay."

Messrs. KNOLLENBERG, QUINN, SHUSTER, BACHUS of Alabama, SPENCE, and GRAMS changed their vote from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Ms. ENGLISH of Arizona. Mr. Speaker, I was unavoidably absent during rollcall vote

No. 441 regarding H.R. 4539, the conference report on the Treasury, Postal Service, general Government appropriations for fiscal year 1995. Had I been present I would have voted "aye."

PERSONAL EXPLANATION

Mr. MFUME. Mr. Speaker, I was unavoidably detained in my district, and therefore missed rollcall vote No. 441, on agreeing to the conference report to H.R. 4539, making appropriations for the Department of Treasury, the Post Office, and related agencies for fiscal year 1995.

Had I been present I would have voted "aye."

PERSONAL EXPLANATION

Mr. GEKAS. Mr. Speaker, I was unavoidably detained during rollcall No. 441, and thus my vote on the conference report on H.R. 4539, the Treasury, Postal, and independent agencies appropriations for fiscal year 1995 was not recorded. Had I been present, I would have voted "aye" on final passage of H.R. 4539.

GENERAL LEAVE

Mr. HOYER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the conference report just agreed to.

The SPEAKER pro tempore (Mr. FIELDS of Louisiana). Is there objection to the request of the gentleman from Maryland?

There was no objection.

CONFERENCE REPORT ON H.R. 4602, DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 1995

Mr. GORDON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 547 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 547

Resolved, That all points of order against the conference report to accompany the bill (H.R. 4602) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1995, and for other purposes, and against its consideration are waived.

The SPEAKER pro tempore. The gentleman from Tennessee [Mr. GORDON], is recognized for 1 hour.

Mr. GORDON. Mr. Speaker, during consideration of this resolution, all time yielded is for the purpose of debate only. I yield the customary 30 minutes, for the purpose of debate only, to the gentleman from Tennessee [Mr. QUILLEN]. Pending that, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 547 provides for the consideration of the conference report on H.R. 4602, the Department of the Interior and related agencies appropriations bill for fiscal year 1995.

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

Mr. Speaker, I would like to commend Chairman SID YATES, ranking Republican RALPH REGULA, and the conferees for reaching a consensus on a difficult and complex piece of legislation.

The conferees rolled up their sleeves, discussed the merits of the various funding needs, and made the tough choices necessary to craft a conference report which is well below last year's funding levels and below the 602(b) allocation.

Under Chairman YATES' leadership the conferees produced a bill which is $186 million below 1994 funding levels and $222 million below the budget request.

Chairman YATES and I share a commitment to preserving this country's natural, historical, and cultural assets for the benefit of future generations.

Tourists are visiting our national parks with increasing frequency. Visitations were in excess of 265 million in 1993 and are expected to top 281 million in 1995. Yesterday, in the Rules Committee, Mr. REGULA testified that there is an impressive 10-percent increase in visitations over last year.

I would like to once again congratulate Chairman YATES, ranking Republican RALPH REGULA, and the subcommittee's staff for putting in the long hours, listening to all of the demands, and crafting a good bill which is under last year's funding levels.

□ 1330

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

Mr. Speaker, before I comment on this rule, I want to first commend Chairman YATES and ranking Republican REGULA and the other conferees for their dedication and hard work in bringing forth this bipartisan, fiscally responsible measure making appropriations for the Department of the Interior and other related agencies.

Although the conference report appropriates $264 million more than last fiscal year, there is an emergency supplemental appropriation of $450 million for the emergency Forest Service firefighting fund. Excluding that amount, the remaining appropriation is about $186 million below the fiscal year 1994 amount, and the total appropriation is within the committee's 602(b) allocation.

As Mr. GORDON described, this rule waives all points of order against the conference report and against its consideration, and I rise in opposition to this blanket waiver. It is unnecessary and it does a disservice to the Members of this House. A motion was made in the Rules Committee to replace the blanket waiver with the specific waivers needed. This motion was defeated on a party line vote, and I ask unanimous consent to insert the results of rollcall votes into the RECORD following my statement. As I said yesterday, during consideration of a similar rule on the NOAA authorization bill, I strongly feel that the Rules Committee has an obligation to report out rules which specifically outline which waivers, if any, are being granted whenever this is feasible.

Members have a right to know exactly what rule violations are in each and every measure considered on the House floor. However, since this rule does not provide that information, let me inform the House that it is not necessary to waive all of the rules of the House. This conference report does not require a Budget Act waiver, and it does not require a waiver of the 3-day layover rule.

It does require waivers to protect provisions that violate scope and that constitute legislation in an appropriations bill. Therefore, it is necessary to waive clause 2 of rule XX and clause 3 of rule XXVIII.

I hope this explanation is helpful, and I hope my colleagues will join me in opposing this rule and insist that the Rules Committee stop this lazy practice of granting unnecessary blanket waivers.

Mr. Speaker, I include for the RECORD a statement on rollcall votes in the Committee on Rules:

ROLLCALL VOTES IN THE RULES COMMITTEE ON H.R. 4602, DEPARTMENT OF THE INTERIOR CONFERENCE REPORT, MONDAY, SEPTEMBER 26, 1994

1. Solomon Motion on Blanket Waivers—A motion to strike the waiver of all points of order against the conference report and its consideration and to substitute the specific waivers necessary. Rejected: 3–4. Yeas: Solomon, Quillen, Goss. Nays: Moakley, Beilenson, Gordon, Slaughter. Not Voting: Derrick, Frost, Bonior, Hall, Wheat, Dreier.

2. Beilenson Motion to Report Rule—A rule waiving all points of order against the conference report and against its consideration. Adopted: 4–3. Yeas: Moakley, Beilenson, Gordon, Slaughter. Nays: Solomon, Quillen, Goss. Not Voting: Derrick, Frost, Bonior, Hall, Wheat, Dreier.

Mr. QUILLEN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

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

Mr. Speaker, as I mentioned earlier, this is a good rule for a good conference bill which reduces the funding well below last year's level.

Mr. Speaker, I have no further requests for time, I yield back the balance of my time, and move the previous question on the conference report.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. YATES. Mr. Speaker, pursuant to House Resolution 547, I call up the conference report on the bill (H.R. 4602) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1995, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. FIELDS of Louisiana). Pursuant to the rule, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of September 22, 1994, at page 25271.)

The SPEAKER pro tempore. The gentleman from Illinois [Mr. YATES] will be recognized for 30 minutes, and the gentleman from Ohio [Mr. REGULA] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Illinois [Mr. YATES].

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

Mr. Speaker, today we bring before the House the conference report for fiscal year 1995, the appropriations for the Department of the Interior and related agencies. Mr. Speaker, this is a good conference report. It is a bipartisan conference report. Our ranking member, the gentleman from Ohio [Mr. REGULA], played a most important role in bringing order out of the controversies. I want publicly to pay tribute to him for his very constructive work.

Mr. Speaker, this conference agreement meets every requirement for approval by the House. It is within our 602(b) allocation for both discretionary budget authority and for discretionary outlays. In budget authority, we are $3.7 million below the allocation. The conference report is $210 million below the 1994 enacted level. It is $197 million below the President's request. When both mandatory and discretionary totals are considered, the conference agreement is even $2 million below the level the House approved in June.

Mr. Speaker, some Members may ask, why is the report approximately $450 million above the level passed by the House. The sole reason for that, Mr. Speaker, is because of the request by President Clinton for an additional $450 million in emergency firefighting money for the Forest Service, to pay for the horrendous fires of this summer in the Western States. On September 19 the President requested this additional money because the Forest Service is experiencing a very severe fire season. As of early September, there had been over 58,000 wildland fires that burned more than 3,300,000 acres. This is about 50 percent more acreage burned than the historical 5-year average. These emergency appropriations are necessary to fund the direct expenses required to suppress wildfires on, or threatening, National Forest System lands and other lands under fire protection agreements, as well as to fund the emergency rehabilitation of burned-over National Forest System lands.

Included in the 119 Senate amendments to this bill were more than 1,000 individual items of difference. The conference report we bring before the House contains the results of many hard choices and compromises made on the part of both the House and Senate conferees. I believe the conference report is a good result of that effort.

One of the best results of the conference agreement is the patent moratorium on Federal lands, a provision on which the House instructed the conferees to insist. Fully two-thirds of the patent applications, which would not have been able to be processed under House-passed provisions, will be covered by this agreement. This is indeed a breakthrough in the mining reform area and one of which the conferees are proud. The moratorium on patenting can be removed by the passage of comprehensive mining reform, which we still hope will take place in this Congress.

This is a bill that is very much about people. Providing health care and educating our Indian people; protecting our great natural places for the enjoyment of the people; preserving our marvelous cultural resources which tell us much about our people; and providing a cleaner environment.

INDIAN HEALTH SERVICE

From the day the budget arrived in February, one of the most difficult issues we had to deal with was to provide the Indian Health Service money sufficient to meet the health care needs of a growing Indian population. The original budget request was a quarter of a billion dollars below the 1994 level, despite the fact that the health of the Indian people is far worse than other groups in the country. The conference agreement addresses that budget deficiency. For example, we are completing the Anchorage Native Medical Center in Alaska which is the main health treatment facility for all Alaska Natives. The hospital we are replacing is nearly 40 years old, is located on an earthquake fault and was built originally as a tuberculosis sanitarium. We also have provided the money needed to operate new hospitals and clinics which are open this year and next. Under the budget request, no funds were included for staffing these clinics and we were faced with leaving new hospitals empty because there wasn't any money to operate them. We have fixed that in this conference agreement.

NORTHWEST FOREST PLAN

An important initiative included in the conference agreement is money for the President's Northwest Forest Plan. The plan was released by the President over a year ago, and is a comprehensive blueprint for forest management, economic development, and agency coordination in the Pacific Northwest and northern California. The plan offers a new approach to managing old growth forests and their biological diversity, based on sound science and a commitment to existing law. Earlier this year, the plan was reviewed by the court which has jurisdiction over the lawsuits that have effectively stopped timber sales in the region for the past several years, and the court lifted current injunctions on timber sales. The funding included in the conference agreement will allow timber sales under the plan to go forward, as well as provided for Jobs in the Woods ecosystem restoration projects, watershed assessments, consultation, and research.

SOUTH FLORIDA/EVERGLADES

Similarly, this conference agreement strongly supports efforts to stop the deterioration of the natural resource-rich area in south Florida and the Everglades ecosystem. Within the National Park Service, for example, there is $9,500,000 included to acquire lands critical to restoration of the health of the ecosystem; there is also $4.5 million to change the system of water flows to a more natural regime. In addition, the agreement includes an increase in operating funds for the National Park Service, the U.S. Fish and Wildlife Service, the National Biological Survey and the U.S. Geological Survey to provide for enhanced research into the problems and possible solutions to improve the Everglades area.

LAND AND WATER CONSERVATION FUND

Many of you have expressed interest in the Land and Water Conservation Fund and the conference agreement includes $235,567,000 for the Land and Water Conservation Fund. Included in this total is $28 million for State grants and $207 million related to Federal acquisitions.

ENERGY CONSERVATION

In energy conservation the agreement provides approximately $793 million to pursue aggressively plans to reduce the use of energy in buildings, industry, and transportation. This amount is $103 million above fiscal year 1994 levels, and includes a total of $41 million to support the President's climate action plan and an increase of $20 million for low-income weatherization assistance. The weatherization increase will allow the formula for distribution of weatherization funds to be adjusted to provide a more equitable distribution of funds to warm-weather States without harming other States.

REDUCTIONS

There are some significant reductions in this bill below what was appropriated in fiscal year 1994. One major category of reduction is in the various construction accounts. For the Fish and Wildlife Service, construction is down to $54 million from $74 million in 1994. Line-item construction for the National Park Service is now $127 million; a year ago the total was $162 million. Bureau of Indian Affairs construction, which was $167 million in 1994, is

in this conference agreement at $130 million. Similarly, Forest Service construction is down to $203 million, a $50 million reduction from fiscal year 1994; and construction related to the Indian Health Service is down by $43 million from a year ago, having been reduced from $297 million to $254 million.

Several agencies, including the U.S. Geological Survey, the Bureau of Mines, Minerals Management Service, and the Office of Surface Mining Reclamation and Enforcement are below the operating levels of a year ago.

Within the Department of Energy programs in this bill, there is $27 million less for operating the Naval Petroleum Reserves, coal research is down by $12 million and expenditures for the Strategic Petroleum Reserve are down by $54 million.

CLARIFICATIONS

I want to clarify that the $2,237,000 of prior year funds used in the Energy Conservation account in the Department of Energy should be comprised of amounts available from the recovery of prior year deobligations.

I want to express my sincere appreciation to all the subcommittee members, and especially RALPH REGULA, the ranking minority member, for all their efforts on this conference report. I believe we have done a good job under difficult circumstances to bring you a conference agreement you can support and I ask for your support.

Finally, Mr. Speaker, I want to express my great appreciation to the very constructive work done by the members of our subcommittee; by the gentleman from Washington [Mr. DICKS], the gentleman from Pennsylvania [Mr. MURTHA], the gentleman from Texas [Mr. COLEMAN], the gentleman from Alabama [Mr. BEVILL], the gentleman from Colorado [Mr. SKAGGS], and the gentleman from Wisconsin [Mr. OBEY], and by the Republican members as well; the gentleman from Pennsylvania [Mr. MCDADE]; the gentleman from Arizona [Mr. KOLBE], and the gentleman from California [Mr. PACKARD].

Mr. Speaker, I want also to commend, as vehemently as I can, the members of our staff, which I consider to be one of the outstanding staffs in the Congress: our clerk, Neal Sigmon; Bob Kripowicz; Kathy Johnson; Loretta Beaumont; Angie Perry; and Lorethia Roberts, who have all done very well as have members of my own staff, the very distinguished chief of staff Mary Bain, Jason Alderman, and Steve Marcheso; and Barbara Wainman from Mr. REGULA's staff. All contributed very much to the success of this report. It is a fine report, and I have no hesitancy at all to recommend it very strongly for approval by the House.

At this point, I ask that a table detailing the various accounts in the bill, as agreed to by the conferees, be inserted in the RECORD.

FY 1995 INTERIOR APPROPRIATIONS BILL (H.R. 4602)

	FY 1994 Enacted	FY 1995 Estimate	House	Senate	Conference	Conference compared with enacted
TITLE I - DEPARTMENT OF THE INTERIOR						
Bureau of Land Management						
Management of lands and resources	599,860,000	605,099,000	598,349,000	598,460,000	598,449,000	-1,411,000
Fire protection	117,143,000	114,968,000	114,968,000	114,968,000	114,968,000	-2,175,000
Emergency Department of the Interior firefighting fund	116,674,000	121,176,000	121,176,000	121,176,000	121,176,000	+4,502,000
Central hazmat account	.....	14,050,000	13,435,000	13,435,000	13,435,000	+13,435,000
Construction and access	10,467,000	3,836,000	3,836,000	12,188,000	12,091,000	+1,624,000
Payments in lieu of taxes	104,108,000	104,108,000	104,108,000	104,108,000	104,108,000	.....
Land acquisition	12,122,000	21,173,000	17,050,000	12,055,000	14,785,000	+2,663,000
Oregon and California grant lands	82,052,000	105,860,000	100,860,000	97,363,000	97,550,000	+15,498,000
Forest ecosystems health and recovery	1,500,000	.....	.....	.....	.....	-1,500,000
Range improvements (indefinite)	10,025,000	10,350,000	10,350,000	10,350,000	10,350,000	+325,000
Service charges, deposits, and forfeitures (indefinite)	7,932,000	8,900,000	8,900,000	8,900,000	8,800,000	+868,000
Miscellaneous trust funds (indefinite)	7,505,000	7,605,000	7,605,000	7,605,000	7,605,000	+100,000
Total, Bureau of Land Management	1,069,388,000	1,117,225,000	1,098,647,000	1,100,646,000	1,103,417,000	+34,029,000
United States Fish and Wildlife Service						
Resource management	481,623,000	539,083,000	514,850,000	502,938,000	513,815,000	+32,192,000
Construction	73,565,000	35,095,000	25,264,000	49,848,000	53,914,000	-19,651,000
Natural resource damage assessment and restoration fund	6,700,000	7,752,000	6,700,000	6,700,000	6,700,000	.....
Land acquisition	82,655,000	88,162,000	62,300,000	63,700,000	67,410,000	-15,245,000
Cooperative endangered species conservation fund	9,000,000	10,571,000	9,000,000	9,000,000	9,000,000	.....
National wildlife refuge fund	12,000,000	13,746,000	12,000,000	12,000,000	12,000,000	.....
Rewards and operations	1,169,000	1,169,000	1,169,000	1,169,000	1,169,000	.....
North American wetlands conservation fund	12,000,000	13,952,000	.....	12,000,000	9,000,000	-3,000,000
Wildlife conservation and appreciation fund	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	.....
Total, United States Fish and Wildlife Service	679,712,000	708,532,000	632,083,000	658,353,000	674,008,000	-5,704,000
National Biological Survey						
Research, inventories, and surveys	167,209,000	178,450,000	167,209,000	166,356,000	167,209,000	.....
National Park Service						
Operation of the national park system	1,061,823,000	1,124,715,000	1,083,973,000	1,081,276,000	1,079,963,000	+18,140,000
National recreation and preservation	42,585,000	40,479,000	38,948,000	44,128,000	43,023,000	+438,000
Historic preservation fund	40,000,000	42,000,000	41,000,000	42,000,000	41,500,000	+1,500,000
Construction	201,724,000	148,568,000	171,417,000	170,503,000	184,941,000	-16,783,000
Urban park and recreation fund	5,000,000	5,000,000	10,000,000	5,000,000	7,500,000	+2,500,000
Land and water conservation fund (rescission of contract authority)	-30,000,000	-30,000,000	-30,000,000	-30,000,000	-30,000,000	.....
Land acquisition and state assistance	95,250,000	82,698,000	88,598,000	80,759,000	87,936,000	-7,314,000
Illinois and Michigan Canal National Heritage Corridor Commission	250,000	.....	.....	.....	.....	-250,000
Total, National Park Service (net)	1,416,832,000	1,413,456,000	1,401,932,000	1,373,666,000	1,414,863,000	-1,769,000
United States Geological Survey						
Surveys, investigations, and research	584,685,000	580,690,000	578,775,000	585,316,000	572,556,000	-12,129,000
Minerals Management Service						
Royalty and offshore minerals management	193,197,000	193,908,000	190,208,000	189,034,000	189,056,000	-4,141,000
Oil spill research	5,331,000	6,452,000	6,452,000	6,452,000	6,452,000	+1,121,000
Total, Minerals Management Service	198,528,000	200,358,000	196,658,000	195,486,000	195,508,000	-3,020,000
Bureau of Mines						
Mines and minerals	169,436,000	148,919,000	152,269,000	152,389,000	152,719,000	-16,717,000
Office of Surface Mining Reclamation and Enforcement						
Regulation and technology	110,552,000	110,006,000	110,206,000	109,773,000	110,006,000	-546,000
Receipts from performance bond forfeitures (indefinite)	1,190,000	1,190,000	1,190,000	1,190,000	1,190,000	.....
Subtotal	111,742,000	111,196,000	111,396,000	110,963,000	111,196,000	-546,000
Abandoned mine reclamation fund (definite, trust fund)	190,107,000	166,704,000	172,404,000	193,831,000	182,772,000	-7,335,000
Total, Office of Surface Mining Reclamation and Enforcement	301,849,000	277,900,000	283,800,000	304,794,000	293,968,000	-7,881,000
Bureau of Indian Affairs						
Operation of Indian programs	1,490,805,000	1,498,430,000	1,527,786,000	1,525,399,000	1,526,778,000	+35,973,000
Construction	166,979,000	82,973,000	131,030,000	123,230,000	130,270,000	-36,709,000
Indian land and water claim settlements and miscellaneous payments to Indians	103,259,000	174,045,000	82,896,000	77,096,000	77,096,000	-26,163,000
Navajo rehabilitation trust fund	2,466,000	.....	.....	2,466,000	2,000,000	-466,000

FY 1995 INTERIOR APPROPRIATIONS BILL (H.R. 4602), continued

	FY 1994 Enacted	FY 1995 Estimate	House	Senate	Conference	Conference compared with enacted
Technical assistance of Indian enterprises	1,970,000	1,970,000	1,970,000	1,970,000	1,970,000	.....
Indian direct loan program account	2,464,000	.....	2,464,000	2,464,000	2,464,000	.....
(Limitation on direct loans)	(10,890,000)	.....	(10,890,000)	(10,890,000)	(10,890,000)	.....
Indian guaranteed loan program account	9,690,000	9,690,000	9,690,000	9,690,000	9,690,000	.....
(Limitation on guaranteed loans)	(69,000,000)	(46,900,000)	(46,900,000)	(46,900,000)	(46,900,000)	(-22,100,000)
Total, Bureau of Indian Affairs	1,777,853,000	1,767,106,000	1,755,856,000	1,742,335,000	1,750,286,000	-27,365,000
Territorial and International Affairs						
Administration of territories	54,187,000	50,919,000	55,419,000	49,619,000	52,519,000	-1,668,000
Northern Mariana Islands Covenant	27,720,000	27,720,000	27,720,000	27,720,000	27,720,000	.....
Subtotal	81,907,000	78,639,000	83,139,000	77,339,000	80,239,000	-1,668,000
Trust Territory of the Pacific Islands	23,836,000	900,000	2,900,000	19,836,000	19,836,000	-4,000,000
Compact of Free Association	12,102,000	13,256,000	17,756,000	10,602,000	14,602,000	+2,500,000
Mandatory payments	10,000,000	14,900,000	14,900,000	10,000,000	10,000,000	.....
Subtotal	22,102,000	28,156,000	32,656,000	20,602,000	24,602,000	+2,500,000
Total, Territorial and International Affairs	127,847,000	107,697,000	118,697,000	117,779,000	124,679,000	-3,168,000
Departmental Offices						
Office of the Secretary	64,111,000	62,599,000	62,599,000	62,599,000	62,599,000	-1,512,000
Ecosystem restoration funds	7,000,000	.....	.....	.....	.....	-7,000,000
Office of the Solicitor	33,359,000	36,374,000	36,374,000	32,548,000	34,674,000	+1,315,000
Office of Inspector General	24,263,000	23,965,000	23,965,000	23,965,000	23,965,000	-298,000
Construction Management	2,394,000	2,133,000	2,000,000	2,000,000	2,000,000	-394,000
National Indian Gaming Commission	1,000,000	1,481,000	1,000,000	1,000,000	1,000,000	.....
Total, Departmental Offices	132,147,000	125,572,000	124,938,000	122,132,000	124,258,000	-7,889,000
Total, title I, Department of the Interior (net)	6,625,066,000	6,623,898,000	6,508,884,000	6,499,254,000	6,573,473,000	-51,613,000
Appropriations	(6,655,066,000)	(6,653,898,000)	(6,538,884,000)	(6,529,254,000)	(6,603,473,000)	(-51,613,000)
Rescission	(-30,000,000)	(-30,000,000)	(-30,000,000)	(-30,000,000)	(-30,000,000)	.....
(Limitation on direct loans)	(10,890,000)	.....	(10,890,000)	(10,890,000)	(10,890,000)	.....
(Limitation on guaranteed loans)	(69,000,000)	(46,900,000)	(46,900,000)	(46,900,000)	(46,900,000)	(-22,100,000)
TITLE II - RELATED AGENCIES						
DEPARTMENT OF AGRICULTURE						
Forest Service						
Forest research	193,063,000	203,280,000	201,780,000	198,078,000	200,130,000	+7,047,000
State and private forestry	165,315,000	158,185,000	158,664,000	161,511,000	161,264,000	-4,051,000
Emergency pest suppression fund	(15,000,000)	.....	(17,000,000)	(17,000,000)	(17,000,000)	(+2,000,000)
International forestry	6,996,000	9,972,000	7,000,000	7,000,000	7,000,000	+4,000
National forest system	1,308,823,000	1,355,312,000	1,336,162,000	1,322,857,000	1,333,112,000	+24,289,000
Forest Service fire protection	185,168,000	158,590,000	160,590,000	156,808,000	159,590,000	-25,578,000
Emergency Forest Service firefighting fund	190,222,000	226,200,000	226,200,000	226,200,000	226,200,000	+35,978,000
Emergency appropriations	.....	.....	.....	.....	450,000,000	+450,000,000
Construction	252,802,000	221,791,000	191,740,000	219,234,000	203,186,000	-49,616,000
Timber receipts transfer to general fund (indefinite)	(-46,289,000)	(-51,828,000)	(-51,828,000)	(-51,828,000)	(-51,828,000)	(-3,539,000)
Timber purchaser credits	(60,000,000)	(50,000,000)	(50,000,000)	(50,000,000)	(50,000,000)	(-10,000,000)
Land acquisition	64,250,000	64,241,000	61,131,000	60,541,000	65,436,000	+1,186,000
Acquisition of lands for national forests, special acts	1,212,000	1,252,000	1,252,000	1,252,000	1,252,000	+40,000
Acquisition of lands to complete land exchanges (indefinite)	203,000	210,000	210,000	210,000	210,000	+7,000
Range betterment fund (indefinite)	4,600,000	4,584,000	4,584,000	4,584,000	4,584,000	-16,000
Gifts, donations and bequests for forest and rangeland research	96,000	89,000	89,000	89,000	89,000	-7,000
Total, Forest Service	2,372,770,000	2,401,706,000	2,349,402,000	2,356,462,000	2,812,053,000	+439,283,000
DEPARTMENT OF ENERGY						
Clean coal technology	-175,000,000	-337,879,000	-337,879,000	-337,879,000	-337,879,000	-162,879,000
Fossil energy research and development	430,674,000	451,130,000	428,544,000	419,451,000	425,614,000	-5,060,000
(By transfer)	.....	(17,000,000)	(17,000,000)	(17,000,000)	(17,000,000)	(+17,000,000)
Alternative fuels production (indefinite)	-4,796,000	-4,250,000	-4,250,000	-4,250,000	-4,250,000	+548,000
Naval petroleum and oil shale reserves	214,772,000	199,456,000	193,956,000	187,406,000	187,406,000	-27,366,000
Energy conservation	690,375,000	976,856,000	824,585,000	743,741,000	793,194,000	+102,819,000
Ecoriomic regulation	12,994,000	12,437,000	12,437,000	12,437,000	12,437,000	-557,000
Emergency preparedness	8,901,000	8,249,000	8,249,000	8,249,000	8,249,000	-652,000
Strategic Petroleum Reserve	206,810,000	153,247,000	153,247,000	153,247,000	153,247,000	-53,563,000
(By transfer)	.....	(90,764,000)	(90,764,000)	(90,764,000)	(90,764,000)	(+90,764,000)
Energy Information Administration	86,553,000	84,726,000	84,726,000	84,507,000	84,726,000	-1,826,000
Total, Department of Energy	1,471,291,000	1,543,974,000	1,363,617,000	1,266,909,000	1,322,746,000	-148,535,000

FY 1995 INTERIOR APPROPRIATIONS BILL (H.R. 4602), continued

	FY 1994 Enacted	FY 1995 Estimate	House	Senate	Conference	Conference compared with enacted
DEPARTMENT OF HEALTH AND HUMAN SERVICES						
Indian Health Service						
Indian health services	1,845,877,000	1,851,889,000	1,706,102,000	1,715,052,000	1,713,062,000	+67,175,000
Indian health facilities	296,982,000	167,079,000	253,892,000	253,767,000	253,767,000	-43,215,000
Total, Indian Health Service	1,942,859,000	1,818,968,000	1,959,994,000	1,968,819,000	1,966,819,000	+23,960,000
DEPARTMENT OF EDUCATION						
Office of Elementary and Secondary Education						
Indian education	83,500,000	86,000,000	83,500,000	83,500,000	83,500,000	
OTHER RELATED AGENCIES						
Office of Navajo and Hopi Indian Relocation						
Salaries and expenses	26,936,000	26,897,000	26,936,000	24,936,000	24,936,000	-2,000,000
Institute of American Indian and Alaska Native Culture and Arts Development						
Payment to the Institute	12,563,000	9,812,000	12,713,000	9,812,000	11,213,000	-1,350,000
Smithsonian Institution						
Salaries and expenses	302,349,000	318,579,000	314,454,000	312,755,000	314,454,000	+12,105,000
Construction and improvements, National Zoological Park	5,400,000	5,000,000	5,000,000	3,050,000	4,050,000	-1,350,000
Repair and restoration of buildings	24,000,000	25,300,000	24,000,000	24,000,000	24,000,000	
Construction	10,400,000	50,000,000	30,000,000	29,300,000	29,300,000	+18,900,000
Total, Smithsonian Institution	342,149,000	398,879,000	373,454,000	369,105,000	371,804,000	+29,655,000
National Gallery of Art						
Salaries and expenses	51,908,000	53,418,000	53,003,000	53,003,000	53,003,000	+1,095,000
Repair, restoration and renovation of buildings	2,831,000	4,431,000	4,431,000	4,431,000	4,431,000	+1,600,000
Total, National Gallery of Art	54,739,000	57,849,000	57,434,000	57,434,000	57,434,000	+2,695,000
John F. Kennedy Center for the Performing Arts						
Operations	7,932,000	10,343,000	10,343,000	10,343,000	10,343,000	+2,411,000
Repair and rehabilitation	12,697,000	9,000,000	9,000,000	9,000,000	9,000,000	-3,697,000
Total, John F. Kennedy Center for the Performing Arts	20,629,000	19,343,000	19,343,000	19,343,000	19,343,000	-1,286,000
Woodrow Wilson International Center for Scholars						
Salaries and expenses	6,352,000	9,878,000	9,878,000	9,878,000	9,878,000	+3,526,000
National Foundation on the Arts and the Humanities						
National Endowment for the Arts						
Grants and administration	140,836,000	140,950,000	141,950,000	133,903,000	141,950,000	+1,114,000
Matching grants	29,392,000	29,150,000	29,150,000	27,693,000	29,150,000	-242,000
General reduction (2%)			-3,422,000		-3,422,000	-3,422,000
Total, National Endowment for the Arts	170,228,000	170,100,000	167,678,000	161,596,000	167,678,000	-2,550,000
National Endowment for the Humanities						
Grants and administration	151,300,000	151,420,000	151,420,000	151,420,000	151,420,000	+120,000
Matching grants	26,191,000	25,963,000	25,963,000	25,963,000	25,963,000	-228,000
Total, National Endowment for the Humanities	177,491,000	177,383,000	177,383,000	177,383,000	177,383,000	-108,000
Institute of Museum Services						
Grants and administration	26,777,000	26,770,000	26,770,000	26,770,000	26,770,000	-7,000
Total, National Foundation on the Arts and the Humanities	376,496,000	376,253,000	373,831,000	367,749,000	373,831,000	-2,665,000
Commission of Fine Arts						
Salaries and expenses	805,000	834,000	834,000	834,000	834,000	+29,000
National Capital Arts and Cultural Affairs						
Grants	7,500,000	6,648,000	7,500,000	6,648,000	7,500,000	
Advisory Council on Historic Preservation						
Salaries and expenses	2,959,000	2,947,000	2,967,000	2,947,000	2,947,000	-12,000
National Capital Planning Commission						
Salaries and expenses	5,868,000	5,655,000	5,655,000	5,655,000	5,655,000	-213,000
Franklin Delano Roosevelt Memorial Commission						
Salaries and expenses	49,000	48,000	48,000	48,000	48,000	-1,000

FY 1995 INTERIOR APPROPRIATIONS BILL (H.R. 4602), continued

	FY 1994 Enacted	FY 1995 Estimate	House	Senate	Conference	Conference compared with enacted
Pennsylvania Avenue Development Corporation						
Salaries and expenses	2,738,000	2,865,000		2,738,000	2,738,000	
Public development	4,289,000	4,184,000	4,084,000	4,084,000	4,084,000	-205,000
Land acquisition and development fund	7,193,000					-7,193,000
Total, Pennsylvania Avenue Development Corporation	14,220,000	7,049,000	4,084,000	6,822,000	6,822,000	-7,398,000
United States Holocaust Memorial Council						
Holocaust Memorial Council	21,679,000	25,660,000	26,660,000	21,679,000	26,660,000	+4,981,000
Total, title II, Related Agencies	6,763,354,000	6,800,400,000	6,677,850,000	6,560,560,000	7,104,023,000	+340,669,000
(Timber receipts transfer to general fund, indefinite)	(-48,289,000)	(-51,828,000)	(-51,828,000)	(-51,828,000)	(-51,828,000)	(-3,539,000)
(Timber purchaser credits)	(50,000,000)	(50,000,000)	(50,000,000)	(50,000,000)	(50,000,000)	(-10,000,000)
TITLE III - GENERAL REDUCTION						
General reduction of appropriations (0.191%)					-24,956,000	-24,956,000
Grand total:						
New budget (obligational) authority (net)	13,388,440,000	13,424,299,000	13,186,734,000	13,079,834,000	13,652,540,000	+264,100,000
Appropriations	(13,418,440,000)	(13,454,299,000)	(13,216,734,000)	(13,109,834,000)	(13,682,540,000)	(+264,100,000)
Rescission	(-30,000,000)	(-30,000,000)	(-30,000,000)	(-30,000,000)	(-30,000,000)	
(Timber receipts transfer to general fund, indefinite)	(-48,289,000)	(-51,828,000)	(-51,828,000)	(-51,828,000)	(-51,828,000)	(-3,539,000)
(Timber purchaser credits)	(50,000,000)	(50,000,000)	(50,000,000)	(50,000,000)	(50,000,000)	(-10,000,000)
TITLE I -DEPARTMENT OF THE INTERIOR						
Bureau of Land Management	1,069,388,000	1,117,225,000	1,096,647,000	1,100,646,000	1,103,417,000	+34,029,000
United States Fish and Wildlife Service	679,712,000	708,532,000	632,063,000	656,353,000	674,008,000	-5,704,000
National Biological Survey	187,209,000	178,450,000	167,209,000	166,356,000	167,209,000	
National Park Service	1,416,632,000	1,413,458,000	1,401,932,000	1,373,866,000	1,414,863,000	-1,769,000
United States Geological Survey	584,685,000	580,880,000	578,775,000	565,316,000	572,556,000	-12,129,000
Minerals Management Service	198,528,000	200,358,000	196,658,000	195,468,000	195,508,000	-3,020,000
Bureau of Mines	169,436,000	148,919,000	152,269,000	152,369,000	152,719,000	-16,717,000
Office of Surface Mining Reclamation and Enforcement	301,649,000	277,900,000	263,800,000	304,794,000	293,968,000	-7,681,000
Bureau of Indian Affairs	1,777,653,000	1,767,108,000	1,755,856,000	1,742,335,000	1,750,286,000	-27,365,000
Territorial and International Affairs	127,847,000	107,697,000	118,697,000	117,779,000	124,679,000	-3,168,000
Departmental Offices	132,147,000	125,572,000	124,958,000	122,132,000	124,258,000	-7,889,000
Total Title I - Department of the Interior	6,625,086,000	6,623,899,000	6,508,884,000	6,499,254,000	6,573,473,000	-51,613,000
TITLE II - RELATED AGENCIES						
Forest Service	2,372,770,000	2,401,708,000	2,349,402,000	2,358,462,000	2,812,053,000	+439,283,000
Department of Energy	1,471,281,000	1,543,974,000	1,383,617,000	1,286,909,000	1,322,746,000	-148,535,000
Indian Health	1,942,859,000	1,818,988,000	1,959,994,000	1,966,819,000	1,966,819,000	+23,960,000
Indian Education	83,500,000	86,000,000	83,500,000	83,500,000	83,500,000	
Office of Navajo and Hopi Indian Relocation	26,936,000	26,897,000	26,936,000	24,936,000	24,936,000	-2,000,000
Institute of American Indian and Alaska Native Culture and Arts Development	12,563,000	9,812,000	12,713,000	9,812,000	11,213,000	-1,350,000
Smithsonian	342,149,000	398,879,000	373,454,000	369,105,000	371,804,000	+29,655,000
National Gallery of Art	54,739,000	57,849,000	57,434,000	57,434,000	57,434,000	+2,695,000
John F. Kennedy Center for the Performing Arts	20,629,000	19,343,000	19,343,000	19,343,000	19,343,000	-1,286,000
Woodrow Wilson International Center for Scholars	6,352,000	9,878,000	9,878,000	9,878,000	9,878,000	+3,526,000
National Endowment for the Arts	170,228,000	170,100,000	167,678,000	161,598,000	167,678,000	-2,550,000
National Endowment for the Humanities	177,491,000	177,383,000	177,383,000	177,383,000	177,383,000	-108,000
Institute of Museum Services	28,777,000	28,770,000	28,770,000	28,770,000	28,770,000	-7,000
Commission of Fine Arts	805,000	834,000	834,000	834,000	834,000	+29,000
National Capital Arts and Cultural Affairs	7,500,000	6,648,000	7,500,000	6,648,000	7,500,000	
Advisory Council on Historic Preservation	2,959,000	2,947,000	2,967,000	2,947,000	2,947,000	-12,000
National Capital Planning Commission	5,868,000	5,655,000	5,655,000	5,655,000	5,655,000	-213,000
Franklin Delano Roosevelt Memorial Commission	49,000	48,000	48,000	46,000	48,000	-1,000
Pennsylvania Avenue Development Corporation	14,220,000	7,049,000	4,084,000	6,822,000	6,822,000	-7,398,000
Holocaust Memorial Council	21,679,000	25,660,000	26,660,000	21,679,000	26,660,000	+4,981,000
Total, Title II - Related Agencies	6,763,354,000	6,800,400,000	6,677,850,000	6,560,560,000	7,104,023,000	+340,669,000
TITLE III - GENERAL REDUCTION						
General reduction of appropriations (0.191%)					-24,956,000	-24,956,000
Grand total	13,388,440,000	13,424,299,000	13,186,734,000	13,079,834,000	13,652,540,000	+264,100,000

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

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

Mr. Speaker, the chairman has very adequately outlined the details of this conference report. I will only take a few minutes to discuss a couple of items. Chairman YATES provided superb leadership in the conference. I think we have worked out a bill that is good for the people of the United States. It preserves our wonderful heritage of forests and parks and does it for $200 million less than last year. I think it is a remarkable accomplishment and a tribute to the leadership of the chairman that we could meet the needs and do it for less money than last year, even though visitations to the parks and forests are up 10 percent over last year.

I want to also point out that we maintained the House position on the National Endowment for the Arts. We support in the conference the amendment that Mr. STEARNS of Florida had offered in the House that reduced the NEA funding by $3.4 million. The reduced number that is achieved by the amendment of the gentleman from Florida [Mr. STEARNS] remains in the bill.

The patent moratorium which is included in the conference agreement is a small step toward what we hope will be a permanent revision of the 1872 mining law. It grandfathers many of the patents that are in the pipeline so that we are not taking away anything from those who are well along in the process of getting a patent. The moratorium is only for 1 year and it provides that if there is a revision or reform of the Mining Act during this Congress that this moratorium will drop out or be null and void. I think it is a small step, but it does provide protection against continuing a fire sales of the assets of this Nation for $2.50 an acre.

I strongly recommend the conference agreement. I think it is a very responsible approach to the challenges that we have to meet the needs of our public areas. We have tried to manage the resources very well and certainly ensure that we leave a legacy of the one-third of America, the public lands, in a way that we can be proud of for future generations.

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

Mr. YATES. Mr. Speaker, I yield 6 minutes to the distinguished gentleman from Washington [Mr. DICKS].

Mr. DICKS. Mr. Speaker, I want to commend the gentleman from Illinois [Mr. YATES], the chairman of the committee, and the gentleman from Ohio [Mr. REGULA], our ranking Republican, for the outstanding job they did in crafting this bill. I too want to salute the staff. The staff on this committee does an excellent job, is very responsive to not only the Members but the Members of the House and staff and people from our States who come back on the very important issues that face our region.

I want to report to the House that we were able again this year to enact most of President Clinton's plan for the help and assistance of the Pacific Northwest because of the tremendous problems we face there with the listing of the northern spotted owl, the marbled murrelet, and various salmon species. This committee has been very responsive to our efforts for watershed analysis funding for the Forest Service, the BLM and the BIA and the Fish and Wildlife Service and also for funds toward watershed restoration. I believe that this money is well spent. I think we can do a great job in the Pacific Northwest, in Washington, Oregon, and in northern California of dealing with the problems in our watersheds that are adversely affecting the salmon and steelhead runs in our region. I also believe by doing this analysis and projects that we can take a lot of unemployed loggers and others who have lost their jobs in the region, retrain them at our community colleges so that they can go out and do these watershed restoration projects, can help do the analysis, and can have basically year-round employment.

I know that the people in the Pacific Northwest, the people in the rural parts of our States, are hurting because of the tremendous reductions in harvesting off of our Forest Service and BLM lands. We are working mightily with this administration, by the way, to test out various adaptive management techniques that I believe can actually prove over time that with proper management we can create harvest activities in these forests that will be pro-environment, that will help the wildlife. And by using techniques like pruning and thinning that we can in essence create better habitat for species, promote the biodiversities, and help the ecosystems and still have some harvesting off these Federal lands.

Today we have dramatically reduced the harvesting levels and that has caused severe dislocation. In fact, many of our people that have come to talk to me about this are from the home-building community who are worried about the increase in the price of lumber that has been caused because there is dramatic reduction in harvest levels off our Federal timberlands. They are worried about jobs in that area. I hope we can continue to pursue the effort to look at experimentation to see if we cannot better manage these forests.

On the east side of our State, the Speaker has been very much concerned about salvaging and the use of salvage funding where we have had these massive forest fires. Again, I want to point out to this body that the reason we had the forest fires is because we did not do adaptive management on those Federal forestlands. Those people who said, "Just leave them in preserves, don't touch them" were wrong. We grew up a massive understorage. We had diseased timber. And when we had the wildfires, thousands and thousands and thousands of acres were destroyed. It was not necessary. It could have been avoided if we had properly managed those forests.

For those of us on the west side, we are concerned that the same kind of preservationist mentality exists there, and that if we just leave all these forests in preserves, that the same kinds of problems will occur and eventually we will have massive forest fires on the west side of the Cascade Mountains.

Again, let us learn from these tragic mistakes and let us use the salvaging and adaptive management that can be used to make these forests more healthy. That is what I think this bill will allow us to do. We want to keep as much of the old growth as we can, but that old growth has got to be managed as well.

Again, I want to reiterate what we are talking about here is trying to have good management of these forests, trying to use when there is blowdown timber, when there are forest fires, let us go in and take out those, especially in the eroded areas, go in, take out that excess, take it and run it in the mills. It is very hard to explain to the American people why after a massive forest fire we cannot go in, take some of that salvage and use it in the mills when there is a shortage in this country.

Again, I urge the Forest Service to look at the language that was put into this bill and to listen to the elected representatives from the Pacific Northwest who are saying there is a better way to manage these forests that is environmentally sensitive, that promotes biodiversity, will help the wildlife, will protect the ecosystems, will help us with watershed restoration, but at the same time will give us some ability to still get some harvesting off those lands in a responsible way.

Again, I want to thank the committee for indulging me, helping us. The committee has been very, very responsive. It is a very tough problem to see these communities so badly hurt and the people so badly hurt. We are going to continue to fight for them.

Mr. REGULA. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. PACKARD], an excellent member of our subcommittee.

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

Mr. Speaker, I rise in support of this conference report and I want to especially thank the gentleman from Illinois [Mr. YATES], the chairman of the committee, and the gentleman from

Ohio [Mr. REGULA], the Republican leader, for their very good effort and judgment in seeing that a good conference report emerged from the House and Senate.

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I also want to thank Chairman BYRD and Senator NICKLES for their help in preserving and protecting some of the issues in this conference report that are very important to me and I think to the country. Particularly I want to thank the effort of our leaders in preserving and protecting the funding for the habitat planning process in three of the counties in California which are very important as we try to find appropriate ways to preserve and protect lands for habitat purposes that are compatible with the needs of humans and the needs of our economy.

I also want to thank the staff. Often we overlook the work of the staff. Neal Sigmon, Barbara Wainman, Debbie Weatherly, and other members of the staff have really worked hard on this bill. We know how hard the staff works, and we want to thank them for the work.

Again I offer my support for this conference report and thank those who have made it possible.

Mr. YATES. Mr. Speaker, I yield myself such time as I may consume and yield to the gentleman from Georgia [Mr. DEAL] for a colloquy.

Mr. DEAL. I thank the gentleman for yielding.

Mr. Speaker, the conference report includes report language which refers to the construction of the road relocation at the Chickamauga-Chattanooga National Military Park. As I understand it, the committee does not intend that construction on this ongoing project should come to a halt. Is this correct?

Mr. YATES. Let me say the gentleman's impression is correct. It is not intended for ongoing construction to come to a halt.

Mr. DEAL. I thank the gentleman for that clarification and for yielding.

Mr. YATES. Mr. Speaker, for purposes of another colloquy, I yield myself such time as I may consume and yield to the gentleman from California [Mr. MILLER] for a colloquy.

Mr. MILLER of California. Mr. Speaker, I thank the gentleman for yielding. I would like to engage in a colloquy on the conference report language concerning the Tongass National Forest in Alaska. This language directs the Forest Service to "explore the possibility of a 10-year contract" for the Alaska Pulp Corporation to obtain public timber from the Tongass. While the Forest Service is directed to give consideration to such a contract, either within the Tongass land planning process or elsewhere, it is my understanding that there is no mandate that a contract be issued to Alaska Pulp Corporation.

Mr. YATES. The gentleman is correct. The Forest Service is directed only to explore this option and may do so outside of the land plan revision.

Mr. MILLER of California. Mr. Speaker, on April 14, 1994, the Forest Service found APC to be in breach of its 50-year contract for Tongass timber on account of closure of the pulp mill in Sitka. APC is engaged in litigation against the United States. In evaluating whether to extend a new, 10-year contract to APC, do you agree that the Forest Service should take into account APC's history which includes antitrust violations, noncompliance with environmental laws, union busting, and breach of contract?

Mr. YATES. Yes, I do. APC's history should be thoroughly examined before any decision to extend or deny additional government benefits.

Mr. MILLER of California. I thank the gentleman. The Tongass Timber Program has been the biggest money loser in the National Forest System in each of the last 2 fiscal years. In the review of whether to grant a new, 10-year contract to APC, do you agree that the disadvantages of such a contract should be carefully considered, including the costs in additional taxpayer subsidies?

Mr. YATES. Yes, may I say to the gentleman from California, I agree that the Forest Service should fully evaluate whether additional taxpayer subsidies for APC are in the public interest.

Mr. MILLER of California. The financial documents made public in a law suit against APC by local property owners in Sitka reveal that APC and its subsidiaries had invested $240.6 million in the stock market and tens of millions more in Australian hotel and other non-timber-related businesses. Shortly before the pulp mill closed in 1993, the president of APC received a $20.7 million bonus. During this period APC had received Tongass timber at prices averaging only $1.48 per thousand board feet, based on representations to the Forest Service that APC operations were not profitable without rock bottom timber prices and Government subsidies. In evaluating whether to grant a new, 10-year timber contract to APC, do you agree that the Forest Service, along with the Justice Department, should thoroughly examine APC's financial documents to determine whether they accurately represented their financial condition to the United States and paid a fair price for timber?

Mr. YATES. I will say to the gentleman from California I agree that these serious questions of whether APC obtained public timber from the Forest Service at low prices by misrepresenting its financial status should be fully investigated prior to any determination on granting APC a new timber contract.

Mr. MILLER of California. Finally, Mr. Speaker, in carrying out the conference committee's direction to provide a report on meeting market demand for timber, is it your intent that the Forest Service fully comply with section 101 of the Tongass Timber Reform Act and consider conflicts with existing legal requirements and the negative impacts meeting the demand for timber may have on other renewable resources values?

Mr. YATES. Yes, I say to the gentleman from California, I am well aware that the Tongass Timber Reform Act does not contain a mandate to supply timber if meeting demand is not sustainable or is inconsistent with other laws. Those who would construe the conference report as an attempt to change existing laws should instead take their concerns to you and the appropriate authorizing committees.

Mr. MILLER of California. I thank the chairman for his efforts to improve management of the Tongass and for his cooperation.

Mr. YATES. Mr. Speaker, I continue to yield to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Chairman, I thank the gentleman for yielding to me so that I might commend the chairman and the ranking member, the gentleman from Ohio [Mr. REGULA], and the members of the committee for the work that they have done on this appropriation bill. This committee every year has demands placed upon it far in excess of the resources that they have to meet the requests of all of the various agencies and bureaus that administer the public lands of this Nation and the desires of the Members of Congress representing these lands and what needs to be done through the care and the protection, the restoration of our lands and our resources. And I want to commend the committee and its staff for its consideration that it has shown to the Committee on Natural Resources and to the Members of Congress in trying to balance those needs to put the moneys where they are needed most so that we can protect the resources of this Nation.

I also want to thank the committee for the leadership that it took in including a patent moratorium on hard rock mining on public lands that the gentleman from Ohio [Mr. REGULA] put forth in the committee and on the floor of the House, and again I want to thank the gentleman very much for all his time and effort, and on behalf of him and the members of the committee and the staff.

Mr. Chairman, I rise in support of the conference report but want to express my concerns about the statement of managers language as it pertains to the timber program on the Tongass National Forest in Alaska. The Tongass has long been of interest to the Committee on Natural Resources and I include a September 21 letter I sent to Chairman YATES on this subject in the RECORD.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON NATURAL RESOURCES,
Washington, DC, September 21, 1994.

Hon. SIDNEY R. YATES,
Chairman, Subcommittee on Interior, Committee on Appropriations, Washington, DC.

DEAR MR. CHAIRMAN: I am writing to express my objections to language contained in the Senate Committee report on H.R. 4602 (S. Rept. 103-294) in regard to the Tongass National Forest in Alaska and also to express opposition to the Sense of the Senate resolution on withdrawal of Tongass lands from timber management.

As an authorizing Committee chairman and one of the primary authors of the Tongass Timber Reform Act of 1990 (Public Law 101-626), I am especially disturbed by mischaracterizations of the reform act contained in the Senate Committee report. For example, the Senate report (page 76) states that "[t]he Tongass Timber Reform Act of 1990 specified that market demand would be the new timber sale measure." This statement fails to put the goal that the Forest Service "seek to meet" market demand in proper context, as set forth in section 101 of the reform act:

"*Subject to appropriations, other applicable law, and the requirements of the National Forest Management Act of 1976* (Public Law 94-588), except as provided in subsection (d) of this section, *the Secretary shall, to the extent consistent with providing for the multiple use and sustained yield of all renewable forest resources, seek to* provide a supply of timber from the Tongass National Forest which (1) meets the annual market demand for timber from such forest and (2) meets the market demand from such forest for each planning cycle." [emphasis added]

Section 101 of the reform act does not establish an absolute mandate to provide market demand for Tongass timber, no matter what the fiscal or environmental consequences. The Forest Service shall attempt to meet market demand for timber, but only to the extent consistent with applicable laws and management principles governing non-timber uses and sustained yield of all renewable forest resources. Timber is not given priority over other uses of the forest. In no event can timber be provided in excess of market demand, as was the case prior to 1990 under section 705(a) of the Alaska National Interest Lands Conservation Act. However, by specifying that the Tongass timber supply is "subject to appropriations," section 101 does not restrict the Congress from providing less funds than would be necessary if meeting market demand for timber were the only policy goal.

Clearly, cutting the subsidies to the Tongass timber program would be in the taxpayers' best interests. In the past two fiscal years, the Tongass has earned the dubious distinction of being far and away the biggest money loser in the national forest system. According to the 1993 TSPIRS report, providing less than 330 million board feet of timber from the Tongass cost the taxpayers $17,878,000 in losses. When office expenses, purchaser road credits and payments to the State are included, the total cost to the taxpayers escalates to $35,265,389 in FY 93.

I am also seriously concerned about language in the Senate report which directs the Forest Service to give preferential treatment to the Alaska Pulp Corporation (APC) by consideration of a new ten year timber contract (page 77) and by subsidizing a study of a medium density fiberboard plant to replace the Sitka pulp mill which APC closed in 1993 (page 72). Based on the long record of abuse by APC—including possible fraud on the U.S. to obtain timber at low prices—providing additional government benefits and subsidies to this company is simply not justified.

APC has a history of anti-trust violations, circumventing environmental laws and union busting (See: H.Rept. 101-84, Part I (1989) and Interior Committee Print No. 7 (1988)). In 1993, APC sought to block implementation of the Tongass Timber Reform Act, including the contract modifications, by filing suit. (See: *Alaska Pulp Corporation* v. *United States et al.* No. J93-101 (D. Alaska). APC's fifty-year timber contract was terminated by the Forest Service on April 14, 1994, as a result of APC's breach by shutting down the Sitka pulp mill and eliminating 400 jobs in October 1993. APC has announced its intent to sue the Forest Service for damages in the U.S. Claims Court. More recently, on September 6, 1994, APC shut down its 225 employee sawmill in Wrangell for the winter, alleging that no timber was available even though they had refused to bid on 27.7 million board feet competitive sale which the Forest Service had offered and sold as part of a 95 million board feet independent sale program.

For the vast majority of public timber provided to APC since 1982, they have paid "base rates" of only $1.48 per thousand board feet. APC received timber at such bargain basement prices based on their repeated representations to the Forest Service that their financial situation was precarious and that their timber and pulp operations were not profitable without government subsidies.

However, APC financial documents recently made public in a Sitka property owners suit against APC in Alaska Superior court (*Edwards* v. *Alaska Pulp Corporation, Alaska Pulp Co., LTD,* No. 1SI-92-257 CI.) reveal that APC and its maze of subsidiaries were, at the same time they were receiving timber at 1950's prices of $1.48 per thousand board feet, investing tens of millions of dollars in Australian hotels and other non-timber related businesses. By 1990, APC had $240.6 million invested in stocks sold on the New York Exchange. In 1993, before the Sitka pulp mill closure, the APC president received a $20.7 million bonus when the investment subsidiary was liquidated.

Until it is determined through the courts or by independent investigation that APC did not systematically commit fraud on the U.S. to obtain timber at lower than justified prices, the conveyance of additional government benefits such as the 10 year timber contract and the fiberboard plant study provided for in the Senate Committee report would be contrary to the public interest.

Finally, I object to both the Senate report (page 76) and the Sense of the Senate resolution's assertions that lands in the Tongass are being illegally withdrawn from timber harvest by the Forest Service. By contrast, the Forest Service is acting with authority under the National Forest Management Act to temporarily defer timber harvest in areas which have been identified as key fish and wildlife habitat. This is a prudent effort to continue to supply timber, while also taking preventative action based on state-of-the-art biology to avoid an Endangered Species Act train wreck which could shut down the entire Tongass timber program in the future. Moreover, the Forest Service's actions appear to be consistent with the direction from the House Appropriations Committee FY 94 report to implement the interagency scientific committee's report on Tongass wildlife (See: H.Rept 103-158, pages 74 and 75).

I urge the House conferees to reject both the Senate report language discouraging additional land set-asides and the Sense of the Senate resolution which could be construed to unduly restrict Forest Service management options and the authority to use science in current timber sale planning. Instead, I suggest that language be included in the conference report to direct the Forest Service to expeditiously complete the process of revising the Tongass Land Management Plan, incorporating the best scientific information available in determining both sustainable harvest levels and areas which should be permanently set aside from the existing timber base for fish and wildlife and other uses.

Thank you for your consideration of my views on these important national issues.

Sincerely,

GEORGE MILLER,
Chairman.

PATENT MORATORIUM

I am also very pleased that the conferees have included a patent moratorium on hard rock mining on public lands. The House has passed this moratorium for several years because of the severe abuses and public subsidies under the 1872 Mining Act.

We are currently in a conference committee with the Senate to bring the mining law into the modern era, or at least into the 20th century. We are making some progress, but there is no assurance that we will be able to overcome the vigorous opposition of the mining industry and its supporters in Congress who would prefer to see no mining reforms so that the archaic 1872 law can continue to hand over billions of dollars in public resources to private interests.

One of the key issues in the mining reform debate is that of patents. Under the 1872 law, which governs mining for precious metals, like gold, silver, and platinum on Federal lands, miners who discover one of these metals are entitled to patents—or fee-simple title to the land from American citizens and the mineral wealth it contains. Since 1872, the United States has let over 231 billion dollars' worth of mineral assets slip through our fingers in this manner, charging minimal costs for the land transfer and no royalty.

Earlier this year, Interior Secretary Bruce Babbitt was legally required to transfer absolute ownership of nearly 2,000 acres of public lands in Nevada—land containing $10 billion in gold—to a Canadian-owned mining company for the miserable sum of just $9,765. If we do not stop patenting, through mining reform or through a patenting moratorium pending achievement of mining reform—we will see more and more such cases in the years to come.

We are deeply engaged in trying to resolve the issues in the mining law. And I am hopeful that we will. But if we cannot overcome the well-financed lobbying of the mining industry, it is imperative that we halt further patenting so that we do not continue to turn billions of dollars of gold, silver, and other metals over to private interests.

This patent moratorium serves notice on that industry that they will not prosper by killing reform: They will not secure an additional 250,000 acres of public land by virtue of the obstructions they themselves have thrown in the way of real reform.

I make no bones about it: The patent moratorium is not comprehensive mining reform, but it is a very important interim step. For if we are unable to achieve comprehensive reform, this patenting moratorium may well be all that stands between an outrageous and unacceptable status quo and the continuation of patenting for years to come. Unless Congress acts now by enacting H.R. 322 or by enacting this patent moratorium, title to an additional $24 billion worth of mineral reserves—which rightfully belong to the American taxpayer—will be signed over to international mining conglomerates for the paltry sum of less than $1 million.

Congratulations are due to Chairman SIDNEY YATES and the House conferees who stuck with the patent moratorium and finally have won the day. This is not mining reform, but it is an important insurance policy that we must enact.

Mr. YATES. Mr. Speaker, I yield myself such time as I may consume in order to enter into a colloquy with the gentleman from Maryland [Mr. HOYER] and I yield to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I would like to commend the distinguished chairman of the Interior Appropriations Subcommittee for the excellent work that he and other members of the subcommittee have done in crafting the bill that is here before us today, the Department of Interior and related agencies appropriations bill for fiscal year 1995.

Mr. Chairman, the committee has included report language regarding the acquisition of land at Piscataway Park, for which I am very grateful. However, with the consent of the chairman, I would like to clarify the intent of this language.

Mr. YATES. The gentleman from Maryland's request is agreed to. Please continue.

Mr. HOYER. Mr. Chairman, it is my understanding that the committee's intention is that the National Park Service should submit a reprogramming request to the committee for the acquisition of lands at Piscataway Park from any unobligated balances within its land purchase accounts. This reprogramming request should be in accordance with the general reprogramming instructions in this bill. However, the Park Service shall avail itself of the full flexibility of these instructions and shall not be limited by any additional restrictions.

Mr. YATES. Let me say I agree with the gentleman from Maryland on his interpretation of congressional intent with respect to report language regarding a reprogramming at Piscataway Park.

I regret that our committee was unable to include funding for many important land acquisition requests this year. Because the Piscataway Park authorizing bill was not enacted at the time the House passed this bill, we were unable to accommodate the Maryland delegation with respect to funding for this particular acquisition.

I look forward to reviewing a reprogramming request for the Park Service that allows for the acquisition of lands of Piscataway Park.

Mr. HOYER. I thank the chairman and the gentleman from Ohio [Mr. REGULA] and members of the committee for all of their support for projects in my State and most importantly for protection of the critically threatened lands at Piscataway Park. I appreciate this opportunity to address my concerns and I too look forward to the Park Service reprogramming request approval in order to complete this valuable acquisition this year.

Mr. BROWN. Mr. Chairman, I rise in support of this Department of the Interior and related agencies appropriations conference report and I commend the gentleman from Illinois and the conferees for their efforts.

I am pleased with the substance of the conference report as it pertains to programs in the jurisdiction of the Committee on Science, Space, and Technology. It funds programs in energy conservation research and development and fossil fuel R&D in a manner that is broadly consistent with both the administration's priorities and the Energy Policy Act of 1992.

As one of the authorizing committee chairmen who worked to pass the Energy Policy Act, I am especially pleased that these priorities have been followed. In energy conservation, for example, this conference report affirms our commitment of developing the advanced technologies necessary for improving our national productivity in an energy efficient and environmentally sustainable manner. In a difficult budget environment, the conference report provides an increase of almost $103 million over the fiscal year 1994 level for energy conservation, including an additional $80 million for research and development programs. Besides R&D in the Department of Energy, this conference report supports multiyears consortia, partnerships, and collaborations with industry that should enhance the prospects for commercialization of important energy conservation technologies.

As one more example, Mr. Chairman, I am gratified that the conference report supports a large increase in the advanced turbine system program. This program will develop more efficient gas turbine systems for both utility and industrial electric power generation applications. A more efficient and environmentally friendly generation of gas turbines can help meet our future power generation needs while reducing emissions.

Mr. Chairman, I urge all Members to vote for this conference report.

Mr. CLINGER. Mr. Speaker, as I did when the House first considered the fiscal year 1995 Interior appropriations bill in June, I rise to express my deep concerns about the U.S. Forest Service's timber sale management budget.

The Allegheny National Forest [ANF]—which is located entirely within my Pennsylvania district—is one of the most fiscally and environmentally well-managed national forests in the country. Renowned for an abundance of a highly coveted species of black cherry sought by veneer manufacturers throughout the country and overseas, the Allegheny is an above-cost forest which returns $9 million in net receipts to the U.S. Treasury. Of the approximately 120 national forests to allow timber sales in fiscal year 1992, only 8 returned more money to the U.S. Treasury than the ANF.

The economy of the forest region is highly dependent on natural resource development in the ANF. According to the Forest Service, nearly 1,000 jobs are directly linked to harvesting timber in the Allegheny. A recent University of Pittsburgh at Bradford study indicates 5,540 local jobs are directly related to wood products, and another 12,576 are significantly impacted by the forest products industry. Of the 42,409 jobs in the ANF region, 42 percent depend, to some degree, on harvesting timber in the ANF.

Last June, I learned from preliminary Forest Service budget documents that the Allegheny National Forest timber program would be slashed from a timber harvest of 70 million board feet in fiscal year 1994 to only 35 million board feet in fiscal year 1995. Although the President's timber sale management request was only 6.6 percent below the previous fiscal year, the Forest Service planned to cut the Allegheny timber harvest by 50 percent.

After further investigation, I learned that other national forests in the East and South faced similar cuts, however, not nearly as deep as the ANF reductions. Rumors coming out of the Forest Service indicated that this money was to be used to cover budget shortfalls in the President's Pacific Northwest Forest plan.

Since learning about these cuts, several colleagues and I have been raising the issue and calling for a more equitable distribution of budget cuts among national forests. My attempts to offer amendments to the Interior appropriations bill in June were stymied, and meetings with the Forest Service officials, including Chief Jack Ward Thomas, apparently have not changed any minds at the Forest Service.

I was pleased when the other body adopted an amendment crafted by Senators WOFFORD and COCHRAN which would have provided additional money to national forests in the East and South to conduct so-called 1-year timber sales. With the assistance of Senator BYRD and Forest Service officials, the Wofford-Cochran amendment was redrafted numerous times until CBO finally scored the amendment budget neutral. As it was finally drafted, the Wofford/Cochran amendment made an additional $10.6 million available to national forest in regions 2, 3, 8, and 9, with the understanding that any money used for 1-year timber sales would have to be repaid with net timber sale receipts before the end of the fiscal year.

While I was greatly disappointed the conference committee did not accept the Wofford-Cochran amendment, I was encouraged by the conference report language adopted in its place. Although the language does not guarantee relief for the ANF, it does recognize problems with the Forest Service's proposed budget allocations for fiscal year 1995.

In particular, the conference report states that "some forest and regions are far below

their capacity to offer sales in fiscal year 1995 and that demand for timber sales in some of these forests is very strong," while "in other instances, projected sales may not be attainable in fiscal year 1995 due to the need for increased environmental review, watershed assessment, or other presale planning activities."

The report goes on to explain that the conferees "are concerned that allocations of scarce resources not be directed to areas with low probability of success at the expense of areas with significantly higher probability of success." I have long argued that the Allegheny is one of the most successful, fiscally sound, and environmentally well-managed national forests worthy of special consideration.

Mr. Speaker, my work on this is far from over. While the adoption of this conference report language is an important step forward, more needs to be done to prevent unfair cuts to the ANF budget. With the assistance of the formidable grassroots organization in the forest region and in conjunction with Senator WOFFORD, I look forward to meeting with Forest Service officials to find a more equitable solution to our budget problems.

In closing, I would like to express my deep appreciation to Senator WOFFORD and Congressman MURTHA for their efforts on behalf of the Allegheny forest region and the Commonwealth of Pennsylvania. I would also like to recognize the work of Senators BYRD and COCHRAN and their staff and thank Congressman MCDADE and his staff person Debbie Weatherly for their advice and guidance.

Mr. MCDADE. Mr. Speaker, I rise in support of the conference report of the Interior appropriations bill for fiscal year 1994. I want to commend my two House colleagues, Chairman SID YATES and ranking Republican RALPH REGULA, for their leadership and tireless efforts in the enormously difficult undertaking of reaching a conference agreement that is acceptable to most Members of the House.

The two most difficult issues—mining patent reform and arts funding—were resolved in the conference in ways that reflect the House position.

The agreement contains a 1-year moratorium on the sale of Federal lands to mining companies under the general mining law of 1872. The House placed the moratorium in the Interior appropriations bill every year since 1991 and voted 318 to 64 earlier this month to instruct conferees to insist on the House position.

I would be remiss if I did not pay special tribute to RALPH REGULA for his persistence in bringing this important public lands issue to the conference for the past 4 years. His doggedness has paid off with the adoption of the moratorium, which will bring pressure on Congress to enact a more comprehensive mining measure.

The conference also adopted the House position with a 2-percent cut in funding for the National Endowment for the Arts. This cut will send a strong message to the NEA that the Congress will not tolerate the use of tax dollars on projects that are obscene, sacrilegious, or pornographic.

The $13.2 billion appropriated in the agreement falls under both the fiscal year 1994 level and the administration's budget request. The agreement before us today is fiscally responsible, but does not neglect the important program needs of the Department of the Interior, the Forest Service, conservation and fossil fuel programs of the Department of Energy, Indian education and health, cultural and artistic programs.

I have been a member of the Interior Appropriations subcommittee for 30 years. The work of the conference is essential in that it affects our glorious public lands—the national parks, forests, rivers, and wildlife refuges. This bill protects and preserves our cultural heritage, provides low-income weatherization assistance, and promotes needed research on energy conservation and development. This fiscally sound bill is worthy of our support. I urge adoption of this conference report.

Mr. BEREUTER. Mr. Speaker, this Member rises in support of the conference report for H.R. 4602, which provides funding for the Department of the Interior and related agencies for fiscal year 1995.

This Member thanks the distinguished gentleman from Illinois [Mr. YATES], the chairman of the House Interior Appropriations Subcommittee, and the distinguished gentleman from Ohio [Mr. REGULA], the ranking member of the subcommittee, and all of the conferees for their help in bringing this conference report before the House.

This Member is pleased that the conference report includes funding for a number of projects of importance to Nebraska. Specifically, the report designates $500,000 from the Land and Water Conservation Fund applicable to the Fish and Wildlife Service for the Rainwater Basin Wetlands in Nebraska. This funding will permit the U.S. Fish and Wildlife Service to ensure the acquisition of wetlands from willing sellers. These wetlands would be permanently protected, restored, and managed as waterfowl production areas.

This wetlands area is geographically unique and represents a bottleneck in the north-south migration corridor for whooping cranes, 5 to 7 million waterfowl, and 90 percent of the mid-continent sandhill crane population. The Rainwater Basin lies at the central—and narrowest point—of this hourglass-shaped spring migration pathway. Substantial investments have been made to protect the northern nesting grounds and southern wintering areas. However, these efforts will be unproductive unless the spring staging area is also protected. Although the Rainwater Basin is the spring staging area for significant numbers of North American waterfowl, nearly 80 percent of the historic wetland acreage has been drained.

The Rainwater Basin project is designed to protect and restore wetlands for spring waterfowl migration and nonwildlife values. The effects of the reduced amount of wetlands in the area are becoming more obvious each year. The decreasing availability of habitat during peak migration periods is causing migratory waterfowl and related species to concentrate in the limited remaining areas. These concentrations lead to an increase in annual outbreaks of avian cholera which result in substantial losses of birds. However, by gradually rebuilding the rainwater basin, the wonderful tapestry of wetlands can be reassembled one thread at a time.

This Member is also pleased that the conference report includes $200,000 for the Back to the River project. This is a long-term project which will consist of a network of recreational trails, parks, historic sites, and wildlife habitat along the Missouri River. It is an important initiative which promotes responsible wildlife habitat management, encourages greater outdoor recreation, and serves an important educational function. The project offers the potential to greatly enhance the environment, cultural resources, and economic development.

This Member also thanks the conferees for maintaining a funding level of $200,000 for technology transfer and applications for the Center for Semiarid Agroforestry in Lincoln, NE. This funding is necessary to ensure that the valuable research being conducted at the center reaches those who will benefit most from the research. The center conducts research on developing tree varieties especially adapted to semiarid lands such as the Great Plains, that will enhance crop and livestock production, protect surface and groundwater quality, create wildlife habitat, and promote environmental goals.

This Member would also like to thank the distinguished chairman of the committee, Mr. YATES, and the distinguished ranking member, Mr. REGULA, once again for the $1.4 million appropriation for design of the Winnebago Hospital. Your patience and perseverance on this important project to provide improved health care for Native Americans in the First Congressional District of Nebraska are to be commended. Hopefully, the disagreements between the tribes can be settled shortly and the project may proceed on schedule. However, this Member remains concerned that the report language in conference report will not facilitate an agreement but will only increase the conflict between the two tribes.

Again, Mr. Speaker, this Member would like to thank the conferees for their cooperation in including these important projects in this conference report. This Member urges his colleagues to support the conference report.

Mr. GLICKMAN. Mr. Speaker, I rise today to express my concerns about language dealing with the Tongass National Forest in Southeast Alaska contained in the 1995 Interior Appropriations conference report.

The conference report contains language directing the Forest Service to "explore" the possibility of extending a 10-year timber contract to the Alaska Pulp Corporation [APC].

In my view, any language directing the Forest Service to give preferential treatment or consideration to APC is irresponsible and unwise. The Forest Service on April 14, 1994 canceled APC's 50-year timber contract because of material breach of contract by the company. APC closed its Sitka, AK pulp mill in October 1993.

In addition to breaching its contract with the Government, APC also has been found guilty of unfair labor practices and has a long history of circumventing environmental laws. APC also has sued the Federal Government claiming the Tongass Timber Reform Act contract modifications are unconstitutional. I have included with this statement a copy of a letter signed by myself and five other current Members of Congress that expressed our concerns about the two 50-year Tongass timber contracts in place prior to April 14, 1994.

The cancellation of APC's long-term contract gave the Forest Service a clear opportunity to implement sustainable forestry practices in the Tongass that take into consideration not only the timber industry, but fishing, tourism, and wildlife as well. An additional long-term contract would raise the same economic and environmental concerns all over again.

In 1989, I and 12 other Members of Congress submitted additional views to accompany H.R. 987, the Tongass Timber Reform Act. In those remarks, we expressed our concerns about long-term timber contracts in the Tongass.

The contracts give the contract holders extraordinary power to interfere in normal Forest Service management decisions about where, and how to cut federal timber; they allow the contract holders to choose the areas they want to cut and refuse areas the Forest Service offers them; they give the contract holders the right to profitable timber and the right to refuse timber considered uneconomic to cut; they have been used as the basis of anti-trust violations that drove virtually every small timber operator out of business from 1960–1976; they ensure that the government will never get a fair monetary return for public timber on the Tongass; and they allow the pulp mills to "high grade" the forests by concentrating logging in the rare, high-volume old growth most valuable for fish and wildlife habitat. (See: H. Rept. 101–84, Part 2, page 33, 1989)

Additionally, it is my hope that congressional authorizing committees would be notified if major changes in the management practices of the Tongass or any other national forests are contemplated, recommended, or mandated.

In the past 2 fiscal years, no other national forest has lost more money than the Tongass National Forest. According to the 1993 TSPIRS Report, the taxpayers spent $17,878,000 to provide 330 million board feet of timber. After office expenses, purchaser road credits and payments to the State are included, the cost to the taxpayer skyrockets to $35,265,389.

Recent history has shown that long-term Tongass timber contracts are bad economically and environmentally. Two of the central goals of the Tongass Timber Reform Act were to "promote fair competition within the timber industry in Southeast Alaska" and to "provide for a fair financial return to the United States." It is my firm belief that a new long-term timber contract would run counter to these goals.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, January 7, 1994.

MR. JAMES LYONS,
U.S. Department of Agriculture,
Washington, DC.

DEAR ASSISTANT SECRETARY LYONS: We are writing in regard to the situation on the Tongass National Forest in southeast Alaska. The vision of the Tongass Timber Reform Act of 1990 [TTRA] has not been realized. The major culprits are the two 50-year Tongass pulp contracts. Actions taken by the contract holders directly challenge the TTRA while forest management under the contracts threatens to steer the Tongass toward an ecological "train wreck." We urge you to seize the tremendous opportunity now before you to reform Tongass management by moving to cancel both of these destructive contracts.

The central purpose of the TTRA was to "assure that valuable public resources in the Tongass National Forest are protected and wisely managed," and to "enhance the balanced use of resources on the forest and promote fair competition within the southeast Alaska timber industry." Today, the volume requirements of the contracts continue to drive management decisions on the Tongass at the expense of all other forest uses including tourism, recreation and subsistence. The monopolistic nature of the contracts still make it almost impossible for independent operators to do business. Although the TTRA attempted to improve the economics of the Tongass timber operation by requiring the contract holders to pay stumpage rates that more accurately reflect fair market value, the Tongass continues to be a big money loser. In 1992, the Tongass lost substantially more money than any other national forest in the country.

By closing its Sitka pulp mill, the Alaska Pulp Corporation [APC] has violated the central provision of its contract which requires operation of a pulp facility to provide stable year-round employment. Furthermore, APC has sued the federal government claiming the TTRA contract modifications are unconstitutional.

In light of this situation, we ask you to declare APC in breach, terminate the contract, and relieve the government of this tremendous economic and environmental burden. We understand that a failure to act quickly on APC will weaken the case for breach and force the Forest Service to offer a number of additional huge timber sales to the company.

The Ketchikan Pulp Company [KPC] has also failed to meet its responsibility to provide stable year-round employment. KPC has been running its pulp mill on an intermittent basis, choosing to send wood through its more profitable sawmill while idling the pulp facility. At the same time, KPC has filed a series of administrative claims against the Forest Service seeking "to recover damages and defend KPC's timber contract."

KPC has hardly been a model corporate citizen. The Environmental Protection Agency last year filed a civil enforcement action against the company alleging hundreds of Clean Air Act and Clean Water Act violations. A pending EPA administrative enforcement action raises three counts under the Clean Water Act. Lastly, KPC is the subject of a year-long criminal investigation by the EPA and the Justice Department into alleged water pollution violations.

Massive pending timber sales to KPC in the South Tongass threaten to dramatically reduce wildlife populations, curtail subsistence opportunities for Native and rural communities, and endanger the southeast Alaska timber industry by liquidating the forest at an unsustainable rate. The first of these big sales on Central Prince of Wales Island [CPOW] is currently under review by the chief of the Forest Service and is the subject of a whistleblower complaint filed by the leader of the CPOW planning team. The complaint alleges gross mismanagement and violations of law in the planning and approval of the sale and predicts massive community disruption if the sale goes forward.

As you well know, these contracts were the subject of much controversy during the TTRA debates. A number of us felt that canceling the contracts was the only way to achieve the kind of reform all of us wanted. The final TTRA compromise in effect gave the contract holders a chance to prove us wrong. We think the clear evidence is that they have failed to do so.

We will wholeheartedly support you in any actions to cancel the contracts and move toward a sustainable future for the Tongass National Forest.

Thank you for your attention to this important matter.

Sincerely,

DAN GLICKMAN.
CHARLIE ROSE.
TIM PENNY.
GEORGE BROWN.
MIKE SYNAR.
SAM GEJDENSON.

Mr. COLEMAN. Mr. Speaker, I rise today in support of the conference report on H.R. 4602, the Department of the Interior appropriations bill for fiscal year 1995, and to express my appreciation for the leadership of Chairman SIDNEY YATES and the ranking member RALPH REGULA, in crafting this important piece of legislation. I would also like to thank my colleagues on the subcommittee for their support and the positive manner in which all approached the conference.

Once again, the chairman conducted the conference in a fair and statesmanlike manner. As we all know, the subcommittee was give a particularly tight 602b allocation. Many difficult choices had to be made, and the chairman should be commended for shaping a fair and balanced bill.

I would like to thank the committee for including several provisions important to my State, as well as several of importance to my district, including $3.3 million natural resource management funds related to the implementation of the North American Free-Trade Agreement. Under the Fish and Wildlife Service's account for land acquisition, the committee provided funding for the Trinity River National Wildlife Refuge, Lower Rio Grande Valley National Wildlife Refuge, Balcones Canyonland National Wildlife Refuge, as well as the Balcones Habitat Conservation Plan. Under the National Park Service, the committee has provided funding for the San Antonio Missions National Historic Preservation, the LBJ Ranch National Historical Site, the Big Thicket National Park, the Palo Alto National Monument, the Stubblefield Recreation Area and the Haley's Ferry Campground.

H.R. 4602 also includes much needed funding to complete a study on the Camino Real and Colonial Missions of the southwest in the National Park Service and funding for improvements to the Chamizal National Memorial. In addition, the conference committee included my report language expressing the concern of the managers that issues raised in the Smithsonian Institute's Report of the Task Force on Latino Issues regarding its recommendations and the planning, allocation, and administration of the Latino programming funds be properly addressed by the Institution.

□ 1400

Mr. REGULA. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. YATES. Mr. Speaker, I have no further requests for time, I yield back the balance of my time, and I move the previous question on the conference report.

MOTION TO RECOMMIT OFFERED BY MR. MYERS OF INDIANA

Mr. MYERS of Indiana. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore (Mr. FIELDS of Louisiana). Is the gentleman opposed to the conference report in its present form?

Mr. MYERS of Indiana. I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. MYERS of Indiana moves to recommit the conference report on the bill, H.R. 4602, to the committee of conference.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The motion to recommit was rejected.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. YATES. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous material and tabular information, on the conference report to H.R. 4602, which was just considered and agreed to.

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

There was no objection.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12, rule I, the Chair declares the House in recess for 5 minutes.

Accordingly (at 2 o'clock and 4 minutes p.m.) the House stood in recess for 5 minutes.

□ 1412

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. FIELDS of Louisiana) at 2 o'clock and 12 minutes p.m.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken after debate has concluded on all motions to suspend the rules.

CONSUMER REPORTING REFORM ACT OF 1994

Mr. KENNEDY. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 783) to amend the Fair Credit Reporting Act, and for other purposes, as amended.

The Clerk read as follows:

S. 783

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

Sec. 1. Table of contents.

TITLE I—AMENDMENTS TO FAIR CREDIT REPORTING ACT

Sec. 101. Short title.
Sec. 102. Definitions.
Sec. 103. Furnishing consumer reports; use for employment purposes.
Sec. 104. Amendments relating to use of consumer reports for prescreening; prohibition on unauthorized or uncertified use of information.
Sec. 105. Consumer consent required to furnish consumer report containing medical information.
Sec. 106. Amendments relating to obsolete information and information contained in consumer reports.
Sec. 107. Amendments relating to compliance procedures.
Sec. 108. Amendments relating to consumer disclosures.
Sec. 109. Amendments relating to procedures in case of the disputed accuracy of any information in a consumer's file.
Sec. 110. Amendment relating to charges for disclosure.
Sec. 111. Amendments relating to duties of users of consumer reports and duties of affiliates sharing certain information.
Sec. 112. Amendments relating to civil liability.
Sec. 113. Amendments relating to responsibilities of persons who furnish information to consumer reporting agencies.
Sec. 114. Investigative consumer reports.
Sec. 115. Increased criminal penalties for obtaining information under false pretenses.
Sec. 116. Administrative enforcement.
Sec. 117. State enforcement of Fair Credit Reporting Act.
Sec. 118. Federal Reserve Board authority.
Sec. 119. Preemption of State law.
Sec. 120. Action by FTC.
Sec. 121. Amendment to Fair Debt Collection Practices Act.
Sec. 122. Furnishing consumer reports for certain purposes relating to child support.
Sec. 123. Disclosure of information and consumer reports to FBI for counterintelligence purposes.
Sec. 124. Effective dates.
Sec. 125. Relationship to other law.
Sec. 126. Sense of Senate.
Sec. 127. Technical correction to Depository Institutions Management Interlocks Act.

TITLE II—CREDIT REPAIR ORGANIZATIONS

Sec. 201. Regulation of credit repair organizations.

TITLE I—AMENDMENTS TO FAIR CREDIT REPORTING ACT

SEC. 101. SHORT TITLE.

This title may be cited as the "Consumer Reporting Reform Act of 1994".

SEC. 102. DEFINITIONS.

(a) ADVERSE ACTION.—Section 603 of the Fair Credit Reporting Act (15 U.S.C. 1681a) is amended by adding at the end the following new subsection:

"(k)(1) The term 'adverse action' means the following:

"(A) A denial or revocation of credit, a denial of an application for an increase of an existing credit limit, an unfavorable change in the terms of an existing credit arrangement, or a refusal to grant credit in substantially the amount or on substantially the terms requested; except that the term 'adverse action' does not include—

"(i) a refusal to extend additional credit under an existing credit arrangement if the applicant is delinquent or otherwise in default as to that account, or

"(ii) a refusal or failure to authorize an account transaction at a point of sale which would exceed a previously established credit limit.

"(B) A denial or cancellation of, an increase in any charge for, or a reduction or other adverse or unfavorable change in the terms of coverage or amount of, any insurance, existing or applied for, in connection with the underwriting of insurance.

"(C) A denial of employment or any other decision for employment purposes which adversely affects any current or prospective employee.

"(D) A denial or cancellation of, an increase in any charge for, or any other adverse or unfavorable change in the terms of, any license or benefit described in section 604(a)(3)(D).

"(E) An action taken or determination made—

"(i) in connection with an application which was made by, or a transaction which was initiated by, any consumer, or in connection with a review of account information under section 604(a)(3)(E)(ii); and

"(ii) which is adverse to the interest of the consumer.

"(2) For purposes of any determination of whether an action is an adverse action under paragraph (1)(A), all appropriate final findings, decisions, commentary, and orders issued under section 701(d)(6) of the Equal Credit Opportunity Act by the Board of Governors of the Federal Reserve System or any court shall apply.".

(b) FIRM OFFER OF CREDIT.—Section 603 of the Fair Credit Reporting Act (15 U.S.C. 1681a) is further amended by adding after subsection (k) (as added by subsection (a) of this section) the following:

"(l) The term 'firm offer of credit' means any offer of credit to a consumer that will be honored if the consumer is determined, based on information in a consumer report on the consumer, to meet the specific criteria used to select the consumer for the offer, except that the offer may be further conditioned solely on any combination of the following:

"(1) The consumer being determined, based on information in the consumer's application for the credit, to meet specific criteria bearing on creditworthiness that are established—

"(A) before selection of the consumer for the offer; and

"(B) for the purpose of determining whether to extend credit pursuant to the offer.

"(2) Verification—

"(A) that the consumer continues to meet the specific criteria used to select the consumer for the offer, by using information in a consumer report on the consumer, information in the consumer's application for the credit, or other information bearing on the creditworthiness of the consumer; or

"(B) of the information in the consumer's application for the credit, to determine that the consumer meets the specific criteria bearing on creditworthiness.

"(3) The consumer furnishing any collateral that is a requirement for the extension of the credit that was—

"(A) established before selection of the consumer for the offer of credit; and

"(B) described to the consumer in the offer of credit.".

(c) CREDIT TRANSACTION WHICH IS NOT INITIATED BY THE CONSUMER.—Section 603 of the Fair Credit Reporting Act (15 U.S.C. 1681a) is further amended by adding after subsection (l) (as added by subsection (b) of this section) the following:

"(m) The term 'credit transaction which is not initiated by the consumer' does not include the use of a consumer report by a person with which the consumer has an account, for purposes of—

"(1) reviewing the account; or

"(2) collecting the account.".

(d) STATE.—Section 603 of the Fair Credit Reporting Act (15 U.S.C. 1681a) is further amended by adding after subsection (m) (as added by subsection (c) of this section) the following:

"(n) The term 'State' means any State, the Commonwealth of Puerto Rico, the District of Columbia, and any territory or possession of the United States.".

(e) EXCLUSIONS FROM DEFINITION OF CONSUMER REPORT.—Section 603(d) of the Fair Credit Reporting Act (15 U.S.C. 1681a(d)) is amended in the second sentence in clause (A)—

(1) by inserting "(i)" after "(A)";

(2) by inserting before the semicolon at the end the following: ", (ii) any communication of that information among persons related by common ownership or affiliated by corporate control, or (iii) any communication of information from a credit application by a consumer among persons related by common ownership or affiliated by corporate control if it is clearly and conspicuously disclosed that the information may be communicated among such persons and the consumer is given the opportunity, prior to the time that the information is initially communicated, to direct that such information not be communicated among such persons";

(3) in clause (B) by striking "or" after the semicolon at the end;

(4) in clause (C) by striking the period and inserting a semicolon; and

(5) by adding at the end the following: "or (D) any communication of information about a consumer between persons who are affiliated by common ownership or common corporate control and in connection with a credit transaction which is not initiated by the consumer, or an insurance transaction which is not initiated by the consumer, if either of those persons has complied with section 615(d)(4)(B) with respect to a consumer report from which the information is taken and the consumer has consented to use of the report for the transaction, or with respect to existing customers, the consumer has not directed in writing that the report may not be used for the transaction, in accordance with section 615(d)(4)(C).".

(f) EXCLUSION OF CERTAIN COMMUNICATIONS BY EMPLOYMENT AGENCIES FROM DEFINITION OF CONSUMER REPORT.—Section 603 of the Fair Credit Reporting Act (15 U.S.C. 1681(a)) is further amended—

(1) in subsection (d), as amended by subsection (e) of this section, by adding at the end the following: "The term also does not include a communication described in subsection (o).": and

(2) by adding at the end the following:

"(o) A communication is described in this subsection if it is a communication—

"(1) that, but for the 3rd sentence of subsection (d), would be an investigative consumer report;

"(2) that is made to a prospective employer for the purpose of—

"(A) procuring an employee for the employer, or

"(B) procuring an opportunity for a natural person to work for the employer;

"(3) that is made by a person that regularly performs such procurement;

"(4) that is not used by any person for any purpose other than a purpose described in paragraph (2) (A) or (B);

"(5) with respect to which—

"(A) the consumer who is the subject of the communication—

"(i) consents orally or in writing to the nature and scope of the communication, before the collection of any information for the purpose of making the communication;

"(ii) consents orally or in writing to the making of the communication to a prospective employer, before the making of the communication; and

"(iii) in the case of consent under clause (i) or (ii) given orally, is provided written confirmation of that consent by the person making the communication, within 3 business days after the receipt of the consent by that person;

"(B) the person that makes the communication does not, for the purpose of making the communication, make any inquiry that if made by a prospective employer of the consumer who is the subject of the communication would violate any applicable Federal or State equal employment opportunity law or regulation; and

"(C) the person that makes the communication—

"(i) discloses in writing to the consumer who is the subject of the communication, within 5 business days after receiving any request from the consumer for such disclosure, the nature and substance of all information in the consumer's file at the time of the request, except that the sources of information that is acquired solely for use in making the communication and actually used for no other purpose need not be disclosed other than under appropriate discovery procedures in the court in which an action is brought; and

"(ii) notifies the consumer that is the subject of the communication, in writing, of the consumer's right to request the information described in clause (i).".

(g) CONSUMER REPORTING AGENCY THAT COMPILES AND MAINTAINS FILES ON A NATIONWIDE BASIS.—Section 603 of the Fair Credit Reporting Act (15 U.S.C. 1681a) is further amended by adding after subsection (o) (as added by subsection (f) of this section) the following:

"(p) The term 'consumer reporting agency that compiles and maintains files on consumers on a nationwide basis' means a consumer reporting agency that regularly engages in the practice of assembling or evaluating, and maintaining, for the purpose of furnishing consumer reports to third parties bearing on a consumer's creditworthiness, credit standing, or credit capacity, each of the following regarding consumers residing nationwide:

"(1) Public record information.

"(2) Credit account information from persons who furnish that information regularly and in the ordinary course of business.".

(h) CLERICAL AMENDMENT.—Section 603(d) of the Fair Credit Reporting Act (15 U.S.C. 1681a(d)) is amended in the first sentence—

(1) by inserting "(1)" after "in whole or in part for"; and

(2) by striking "(1)" before "credit or insurance".

SEC. 103. FURNISHING CONSUMER REPORTS; USE FOR EMPLOYMENT PURPOSES.

(a) FURNISHING CONSUMER REPORTS FOR BUSINESS TRANSACTIONS.—Section 604 of the Fair Credit Reporting Act (15 U.S.C. 1681b) is amended—

(1) by inserting "(a) IN GENERAL.—" before "A consumer reporting agency"; and

(2) in subsection (a)(3) (as designated by paragraph (1) of this subsection) by striking subparagraph (E) and inserting the following:

"(E) otherwise has a legitimate business need for the information—

"(i) in connection with a business transaction that is initiated by the consumer; or

"(ii) to review an account to determine whether the consumer continues to meet the terms of the account.".

(b) FURNISHING AND USING CONSUMER REPORTS FOR EMPLOYMENT PURPOSES.—Section 604 of the Fair Credit Reporting Act (15 U.S.C. 1681b) is further amended by adding at the end the following new subsection:

"(b) CONDITIONS FOR FURNISHING AND USING CONSUMER REPORTS FOR EMPLOYMENT PURPOSES.—

"(1) CERTIFICATION FROM USER.—A consumer reporting agency may furnish a consumer report for employment purposes only if—

"(A) the person who obtains such report from the agency certifies to the agency that—

"(i) the person has complied with paragraph (2) with respect to the consumer report, and the person will comply with paragraph (3) with respect to the consumer report if paragraph (3) becomes applicable; and

"(ii) information from the consumer report will not be used in violation of any applicable Federal or State equal employment opportunity law or regulation; and

"(B) the consumer reporting agency provides with the report a summary of the consumer's rights under this title, as prescribed by the Federal Trade Commission under section 609(c)(3).

"(2) DISCLOSURE TO CONSUMER.—A person may not procure a consumer report, or cause a consumer report to be procured, for employment purposes with respect to any consumer unless—

"(A) a clear and conspicuous disclosure has been made in writing to the consumer at any time before the report is procured or caused to be procured, in a document that consists solely of the disclosure, that a consumer report may be obtained for employment purposes; and

"(B) the consumer has authorized in writing the procurement of the report by that person.

"(3) CONDITIONS ON USE FOR ADVERSE ACTIONS.—In using a consumer report for employment purposes, before taking any adverse action based in whole or in part on the report a person shall provide to the consumer to whom the report relates—

"(A) a copy of the report;

"(B) a description in writing of the consumer's rights under this title, as prescribed by the Federal Trade Commission under section 609(c)(3); and

"(C) a reasonable period (not required to exceed 5 business days following receipt of the report by the consumer) to respond to

any information in the report that is disputed by the consumer and notice in writing of the opportunity for the consumer to respond in that period, except that such an opportunity to respond and notice are not required if the person takes the adverse action based on a reasonable belief that the consumer has engaged in fraudulent or criminal activity that is related to, or that could affect, the consumer's employment.

"(4) LIMITATION ON PURPOSES.—Subject to paragraph (1), a consumer reporting agency may furnish information bearing on the creditworthiness of a consumer, and a person may use such information, for employment purposes that do not relate to employment of an individual in an executive or administrative position, only if—

"(A) the employment requires or is expected to require a security clearance issued by an agency of the United States or any State as a condition for employment;

"(B) the employment requires or is expected to require the individual to be covered by a fidelity bond; or

"(C) the employment requires or is expected to require the individual, on a regular basis and as part of the normal duties of employment—

"(i) to handle or otherwise have access to substantial amounts of cash or other things of value of the employer: or

"(ii) to engage in any conduct or activity with respect to which the employee has a fiduciary duty.

"(5) EXECUTIVE OR ADMINISTRATIVE POSITION DEFINED.—

"(A) IN GENERAL.—For purposes of paragraph (4), the term 'executive or administrative position' means any position—

"(i) for which compensation is on a salary basis and not an hourly basis; and

"(ii) having policy making, managerial, professional, or supervisory responsibilities.

"(B) APPLICATION OF EXISTING FINDINGS, ETC.—For purposes of determining under subparagraph (A)(ii) whether a position has policy making, managerial, professional, or supervisory responsibilities, all appropriate final administrative and judicial findings, decisions, commentary, and orders issued under the Federal Election Campaign Act of 1971, or the regulations issued under that Act, shall apply.".

SEC. 104. AMENDMENTS RELATING TO USE OF CONSUMER REPORTS FOR PRESCREENING; PROHIBITION ON UNAUTHORIZED OR UNCERTIFIED USE OF INFORMATION.

(a) IN GENERAL.—Section 604 of the Fair Credit Reporting Act (15 U.S.C. 1681b), as amended by section 103, is further amended—

(1) in subsection (a) by striking "A consumer reporting agency" and inserting "Subject to subsection (c), any consumer reporting agency"; and

(2) by adding after subsection (b) (as added by section 103(b)) the following new subsections:

"(c) FURNISHING REPORTS IN CONNECTION WITH CREDIT TRANSACTIONS NOT INITIATED BY THE CONSUMER.—

"(1) IN GENERAL.—A consumer reporting agency may furnish a consumer report relating to any consumer pursuant to subsection (a)(3)(A) in connection with any credit transaction which is not initiated by the consumer only if—

"(A) the consumer authorizes the agency to provide such report to such person; or

"(B)(i) the transaction consists of a firm offer of credit;

"(ii) the consumer reporting agency has complied with subsection (d); and

"(iii) there is not in effect an election by the consumer, made in accordance with subsection (d), to have the consumer's name and address excluded from lists of names provided by the agency pursuant to this paragraph.

"(2) LIMITS ON INFORMATION RECEIVED UNDER PARAGRAPH (1)(B).—A person may receive pursuant to paragraph (1)(B) only—

"(A) the name and address of a consumer;

"(B) an identifier that is not unique to the consumer and is used by the person solely for the purpose of verifying the identity of the consumer; and

"(C) information pertaining to a consumer that is not identified or identifiable with the consumer.

"(3) INFORMATION REGARDING INQUIRIES.—Except as provided in section 609(a)(5), a consumer reporting agency shall not furnish to any person a record of inquiries in connection with credit transactions which are not initiated by a consumer.

"(d) ELECTION OF CONSUMER TO BE EXCLUDED FROM LISTS.—

"(1) IN GENERAL.—A consumer may elect to have the consumer's name and address excluded from any list provided by a consumer reporting agency in connection with a credit transaction which is not initiated by the consumer, by notifying the agency in accordance with paragraph (2) that the consumer does not consent to any use of consumer reports relating to the consumer in connection with any credit transaction which is not initiated by the consumer.

"(2) MANNER OF NOTIFICATION.—A consumer shall notify a consumer reporting agency under paragraph (1)—

"(A) through the notification system maintained by the agency under paragraph (5), or

"(B) by submitting to the agency a signed notice of election form issued by the agency for purposes of this subparagraph.

"(3) RESPONSE OF AGENCY AFTER NOTIFICATION THROUGH SYSTEM.—Upon receipt of notification of the election of a consumer under paragraph (1) through the notification system maintained by the agency under paragraph (5), a consumer reporting agency shall—

"(A) inform the consumer that the election is effective only for a 2-year period if the consumer does not submit to the agency a signed notice of election form issued by the agency for purposes of paragraph (2)(B); and

"(B) provide to the consumer such a form if requested by the consumer, by not later than 5 business days after receiving the notification through the system in the case of a request made at the time the consumer provides notification through the system.

"(4) EFFECTIVENESS OF ELECTION.—An election of a consumer under paragraph (1)—

"(A) shall be effective with respect to a consumer reporting agency beginning on the date the consumer notifies the agency in accordance with paragraph (2);

"(B) shall be effective with respect to a consumer reporting agency—

"(i) subject to subparagraph (C), for the 2-year period beginning on the date the consumer notifies the agency of the election, in the case of an election for which a consumer notifies the agency only in accordance with paragraph (2)(A); or

"(ii) until the consumer notifies the agency under subparagraph (C), in the case of an election for which a consumer notifies the agency in accordance with paragraph (2)(B);

"(C) shall not be effective after the date on which the consumer notifies the agency, through the notification system established by the agency under paragraph (5), that the election is no longer effective; and

"(D) shall be effective with respect to each affiliate of the agency.

"(5) NOTIFICATION SYSTEM, GENERALLY.—Each consumer reporting agency which furnishes a consumer report in connection with any credit transaction which is not initiated by a consumer, shall—

"(A) establish and maintain a notification system, including a toll-free telephone number, which permits any consumer whose consumer report is maintained by the agency to notify the agency, with appropriate identification, of the consumer's election to have the consumer's name and address excluded from any list of names and addresses provided by the agency for such a transaction; and

"(B) publish by not later than 365 days after the date of the enactment of the Consumer Reporting Reform Act of 1994, and at least annually thereafter, in a publication of general circulation in the area served by the agency—

"(i) a notification that information in consumer files maintained by the agency may be used in connection with such transactions; and

"(ii) the address and toll-free telephone number for consumers to use to notify the agency of the consumer's election under subparagraph (A).

Establishment and maintenance of a notification system (including a toll-free telephone number) and publication by a consumer reporting agency on its own behalf and on behalf of any of its affiliates in accordance with this paragraph is deemed to be compliance with this paragraph by each of those affiliates.

"(6) NOTIFICATION SYSTEM BY AGENCIES WHICH OPERATE NATIONWIDE.—Each consumer reporting agency that compiles and maintains files on consumers on a nationwide basis shall establish and maintain a notification system for purposes of paragraph (5) jointly with other such consumer reporting agencies.".

(b) USE OF INFORMATION OBTAINED FROM REPORTS.—Section 604 of the Fair Credit Reporting Act (15 U.S.C. 1681b) is further amended by adding after subsection (d) (as added by subsection (a) of this section) the following new subsection:

"(e) CERTAIN USE OR OBTAINING OF INFORMATION PROHIBITED.—A person shall not use or obtain a consumer report for any purpose unless—

"(1) it is obtained for a purpose for which the consumer report is authorized to be furnished under subsection (a); and

"(2) the purpose is certified in accordance with section 607 by a prospective user of the report through a general or specific certification.".

SEC. 105. CONSUMER CONSENT REQUIRED TO FURNISH CONSUMER REPORT CONTAINING MEDICAL INFORMATION.

Section 604 of the Fair Credit Reporting Act (15 U.S.C. 1681b), as amended by sections 103 and 104, is further amended by adding at the end the following:

"(f) FURNISHING REPORTS CONTAINING MEDICAL INFORMATION.—A consumer reporting agency shall not furnish for employment purposes, or in connection with a credit transaction, a consumer report which contains medical information about a consumer, unless the consumer consents to the furnishing of the report.".

SEC. 106. AMENDMENTS RELATING TO OBSOLETE INFORMATION AND INFORMATION CONTAINED IN CONSUMER REPORTS.

(a) REPEAL LARGE-DOLLAR EXCEPTIONS.—Section 605 of the Fair Credit Reporting Act (15 U.S.C. 1681c) is amended—

(1) in subsection (a) by striking "(a) Except as authorized under subsection (b), no" and inserting "(a) INFORMATION EXCLUDED FROM CONSUMER REPORTS.—No"; and

(2) by striking subsection (b).

(b) CLARIFICATION OF REPORTING PERIOD.—Section 605 of the Fair Credit Reporting Act (15 U.S.C. 1681c), as amended by subsection (a), is further amended by adding at the end the following new subsection:

"(b) RUNNING OF REPORTING PERIOD.—(1) The 7-year period referred to in paragraphs (4) and (6) of subsection (a) shall begin, with respect to any delinquent account which is placed for collection (internally or by referral to a 3d party, whichever is earlier), charged to profit and loss, or subjected to any similar action, upon the expiration of the 180-day period beginning on the date of the commencement of the delinquency which immediately preceded the collection activity, charge to profit and loss, or similar action.

"(2) Paragraph (1) applies only to items of information added to a consumer report on or after the date that is 455 days after the date of the enactment of the Consumer Reporting Reform Act of 1994.".

(c) ADDITIONAL INFORMATION ON BANKRUPTCY FILINGS REQUIRED.—Section 605 of the Fair Credit Reporting Act (15 U.S.C. 1681c) is further amended by adding after subsection (b) (as added by subsection (b) of this section) the following new subsection:

"(c) INFORMATION REQUIRED TO BE DISCLOSED.—Any consumer reporting agency which furnishes a consumer report which contains information regarding any case involving the consumer which arises under title 11, United States Code, shall include in the report an identification of the chapter of such title 11 under which such case arises if provided by the source of the information. If any case arising or filed under title 11, United States Code, is withdrawn by the consumer prior to a final judgment, the consumer reporting agency shall include in the report that such case or filing was withdrawn upon receipt of documentation certifying such withdrawal.".

(d) INDICATION OF CLOSURE OF ACCOUNT; INDICATION OF DISPUTE BY CONSUMER.—Section 605 of the Fair Credit Reporting Act (15 U.S.C. 1681c) is further amended by adding after subsection (c) (as added by subsection (c) of this section) the following new subsections:

"(d) INDICATION OF CLOSURE OF ACCOUNT BY CONSUMER.—If a consumer reporting agency is notified pursuant to section 623(a)(4) that a credit account of a consumer was voluntarily closed by the consumer, the agency shall indicate that fact in any consumer report that includes information related to the account.

"(e) INDICATION OF DISPUTE BY CONSUMER.—If a consumer reporting agency is notified pursuant to section 623(a)(3) that information regarding a consumer that was furnished to the agency is disputed by the consumer, the agency shall indicate that fact in each consumer report that includes the disputed information.".

(e) NOTATION ON CONSUMER REPORT.—Section 605 of the Fair Credit Reporting Act (15 U.S.C. 1681c) is further amended by adding at the end the following new subsection:

"(f) CERTAIN ACCOUNT INFORMATION.—A consumer reporting agency, upon the written request of a consumer, and subject to the submission of appropriate documentation by the consumer, shall include with any information regarding a failure of the consumer to make any payment on an account of the consumer, a statement (in such form as the Federal Trade Commission shall prescribe) that during the period when the account in question became due, the consumer was receiving assistance pursuant to a declaration of a disaster by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, or unemployment compensation under the laws of any State (or, but for the exhaustion of benefits, would be entitled to receive such compensation).".

(f) CLERICAL AMENDMENTS.—

(1) The heading for section 605 of the Fair Credit Reporting Act (15 U.S.C. 1681c) is amended by striking "**Obsolete information**" and inserting "**Requirements relating to information contained in consumer reports**".

(2) The table of sections at the beginning of the Fair Credit Reporting Act (15 U.S.C. 1681a et seq.) is amended by striking the item relating to section 605 and inserting the following:

"605. Requirements relating to information contained in consumer reports.".

SEC. 107. AMENDMENTS RELATING TO COMPLIANCE PROCEDURES.

(a) DISCLOSURE OF CONSUMER REPORTS BY USERS.—Section 607 of the Fair Credit Reporting Act (15 U.S.C. 1681e) is amended by adding at the end the following new subsection:

"(c) DISCLOSURE OF CONSUMER REPORTS BY USERS ALLOWED.—A consumer reporting agency may not prohibit a user of a consumer report furnished by the agency on a consumer from disclosing the contents of the report to the consumer, if adverse action against the consumer has been taken, or is contemplated, by the user based in whole or in part on the report.".

(b) NOTICE TO USERS AND PROVIDERS OF INFORMATION TO ENSURE COMPLIANCE.—Section 607 of the Fair Credit Reporting Act (15 U.S.C. 1681e) is further amended by adding after subsection (c) (as added by subsection (a) of this section) the following new subsection:

"(d) NOTICE TO USERS AND FURNISHERS OF INFORMATION.—

"(1) NOTICE REQUIREMENT.—A consumer reporting agency shall provide to any person—

"(A) who regularly and in the ordinary course of business furnishes information to the agency with respect to any consumer; or

"(B) to whom a consumer report is provided by the agency;

a notice of such person's responsibilities under this title.

"(2) CONTENT OF NOTICE.—The Federal Trade Commission shall prescribe the content of notices under paragraph (1).".

(c) RECORD OF IDENTITY OF USERS AND PURPOSES CERTIFIED BY USERS OF REPORTS.—Section 607 of the Fair Credit Reporting Act (15 U.S.C. 1681e) is further amended by adding after subsection (d) (as added by subsection (b) of this section) the following new subsection:

"(e) PROCUREMENT OF CONSUMER REPORT FOR RESALE.—

"(1) DISCLOSURE.—A person may not procure a consumer report for purposes of reselling the report (or any information in the report) unless the person discloses to the consumer reporting agency which originally furnishes the report—

"(A) the identity of the end-user of the report (or information), and

"(B) each permissible purpose under section 604 for which the report is furnished to the end-user of the report (or information).

"(2) RESPONSIBILITIES OF PROCURERS FOR RESALE.—A person which procures a consumer report for purposes of reselling the report (or any information in the report) shall—

"(A) establish and comply with reasonable procedures designed to ensure that the report (or information) is resold by the person only for a purpose for which the report may be furnished under section 604, including by requiring that each person to which the report (or information) is resold and which resells or provides the report (or information) to any other person—

"(i) identifies each end user of the resold report (or information);

"(ii) certifies each purpose for which the report (or information) will be used; and

"(iii) certifies that the report (or information) will be used for no other purpose; and

"(B) before reselling the report, make reasonable efforts to verify the identifications and certifications made under subparagraph (A).".

SEC. 108. AMENDMENTS RELATING TO CONSUMER DISCLOSURES.

(a) ALL INFORMATION IN CONSUMER'S FILE REQUIRED TO BE DISCLOSED.—Section 609(a)(1) of the Fair Credit Reporting Act (15 U.S.C. 1681g(a)(1)) is amended to read as follows:

"(1) All information in the consumer's file at the time of the request.".

(b) MORE INFORMATION CONCERNING RECIPIENTS OF REPORTS REQUIRED.—Section 609(a)(3) of the Fair Credit Reporting Act (15 U.S.C. 1681g(a)) is amended to read as follows:

"(3)(A) Identification of each person (including each end-user identified under section 607(e)(1)) who procured a consumer report—

"(i) for employment purposes within the 2-year period preceding the request; or

"(ii) for any other purpose within the 1-year period preceding the request.

"(B) An identification of a person under subparagraph (A) shall include—

"(i) the name of the person or, if applicable, the trade name (written in full) under which such person conducts business; and

"(ii) upon request of the consumer, the address and telephone number of the person.".

(c) DISCLOSURE OF PERMISSIBLE PURPOSES.—Section 609(a) of the Fair Credit Reporting Act (15 U.S.C. 1681g(a)) is further amended by adding at the end the following:

"(4) The permissible purpose under section 604, by category, for which each person identified under paragraph (3) procured a consumer report.".

(d) INFORMATION REGARDING INQUIRIES.—Section 609(a) of the Fair Credit Reporting Act (15 U.S.C. 1681g(a)) is amended by adding after paragraph (4) (as added by subsection (c) of this section) the following:

"(5) A record of all inquiries received by the agency in the 1-year period preceding the request that identified the consumer in connection with a credit transaction which was not initiated by the consumer.".

(e) SUMMARY OF RIGHTS REQUIRED TO BE INCLUDED WITH DISCLOSURE.—

(1) IN GENERAL.—Section 609 of the Fair Credit Reporting Act (15 U.S.C. 1681g) is amended by adding at the end the following new subsection:

"(c) SUMMARY OF RIGHTS REQUIRED TO BE INCLUDED WITH DISCLOSURE.—

"(1) SUMMARY OF RIGHTS.—A consumer reporting agency shall provide to a consumer,

with each written disclosure by the agency to the consumer under this section—

"(A) a written summary of all rights the consumer has under this title; and

"(B) in the case of a consumer reporting agency that compiles and maintains files on consumers on a nationwide basis, a toll-free telephone number established by the agency at which personnel are accessible to consumers during normal business hours.

"(2) SPECIFIC ITEMS REQUIRED TO BE INCLUDED.—The summary of rights required under paragraph (1) shall include—

"(A) a brief description of this title and all rights of consumers under this title;

"(B) an explanation of how the consumer may exercise the rights of the consumer under this title;

"(C) a list of all Federal agencies responsible for enforcing any provision of this title and the address and any appropriate phone number of each such agency, in a form that will assist the consumer in selecting the appropriate agency;

"(D) a statement that the consumer may have additional rights under State law and that the consumer may wish to contact a State or local consumer protection agency or a State attorney general to learn of those rights; and

"(E) a statement that a consumer reporting agency is not required to remove accurate derogatory information from a consumer's file, unless the information is outdated under section 605 or cannot be verified.

"(3) FORM OF SUMMARY OF RIGHTS.—For purposes of this subsection and any disclosure by a consumer reporting agency required under this title with respect to consumers' rights, the Federal Trade Commission (after consultation with each Federal agency referred to in section 621(b)) shall prescribe the form and content of any disclosure of the rights of consumers required under this title.".

(2) TECHNICAL AMENDMENT.—Section 606(a)(1)(B) of the Fair Credit Reporting Act (15 U.S.C. 1681d(a)(1)(B)) is amended by inserting "and the written summary of the rights of the consumer prepared pursuant to section 609(c)" before the semicolon.

(f) FORM OF DISCLOSURES.—

(1) IN GENERAL.—Subsections (a) and (b) of section 610 of the Fair Credit Reporting Act (15 U.S.C. 1681h) are amended to read as follows:

"(a) IN GENERAL.—

"(1) PROPER IDENTIFICATION.—A consumer reporting agency shall require, as a condition of making the disclosures required under section 609, that the consumer furnish proper identification.

"(2) DISCLOSURE IN WRITING.—Except as provided in subsection (b), the disclosures required to be made under section 609 shall be provided under that section in writing.

"(b) OTHER FORMS OF DISCLOSURE.—

"(1) IN GENERAL.—If authorized by a consumer, a consumer reporting agency may make the disclosures required under 609—

"(A) other than in writing; and

"(B) in such form as may be—

"(i) specified by the consumer in accordance with paragraph (2); and

"(ii) available from the agency.

"(2) FORM.—A consumer may specify pursuant to paragraph (1) that disclosures under section 609 shall be made—

"(A) in person, upon the appearance of the consumer at the place of business of the consumer reporting agency where disclosures are regularly provided, during normal business hours, and on reasonable notice;

"(B) by telephone, if the consumer has made a written request for disclosure by telephone;

"(C) by electronic means, if available from the agency; or

"(D) by any other reasonable means that is available from the agency.".

(2) SIMPLIFIED DISCLOSURE.—Not later than 90 days after the date of enactment of this Act, each consumer reporting agency shall develop a form on which such consumer reporting agency shall make the disclosures required under section 609(a) of the Fair Credit Reporting Act, for the purpose of maximizing the comprehensibility and standardization of such disclosures.

(3) GOALS.—The Federal Trade Commission shall take appropriate action to assure that the goals of comprehensibility and standardization are achieved in accordance with paragraph (2).

(4) CONFORMING AMENDMENTS.—

(A) Section 609(a) of the Fair Credit Reporting Act (15 U.S.C. 1681h(a)) is amended in the matter preceding paragraph (1) by striking "and proper identification of any consumer" and inserting "and subject to section 610(a)(1)".

(B) Section 610 of the Fair Credit Reporting Act (15 U.S.C. 1681h) is amended in the heading for the section by inserting "**and form**" after "**Conditions**".

(C) The table of sections at the beginning of the Fair Credit Reporting Act (15 U.S.C. 1681a et seq.) is amended in the item relating to section 610 by inserting "and form" after "Conditions".

SEC. 109. AMENDMENTS RELATING TO PROCEDURES IN CASE OF THE DISPUTED ACCURACY OF ANY INFORMATION IN A CONSUMER'S FILE.

(a) IN GENERAL.—Section 611(a) of the Fair Credit Reporting Act (15 U.S.C. 1681i(a)) is amended to read as follows:

"(a) REINVESTIGATIONS OF DISPUTED INFORMATION.—

"(1) REINVESTIGATION REQUIRED.—

"(A) IN GENERAL.—If the completeness or accuracy of any item of information contained in a consumer's file at a consumer reporting agency is disputed by the consumer and the consumer notifies the agency directly of such dispute, the agency shall reinvestigate free of charge and record the current status of the disputed information, or delete the item from the file in accordance with paragraph (5), before the end of the 30-day period beginning on the date the agency receives the notice of the dispute from the consumer.

"(B) EXTENSION OF PERIOD TO REINVESTIGATE.—Except as provided in subparagraph (C), the 30-day period described in subparagraph (A) may be extended for up to, but for no more than, 15 additional days if the consumer reporting agency receives information from the consumer within that 30-day period that is relevant to the reinvestigation.

"(C) LIMITATIONS ON EXTENSION OF PERIOD TO REINVESTIGATE.—Subparagraph (B) shall not apply to any reinvestigation in which, in the 30-day period described in subparagraph (A), the information that is the subject of the reinvestigation is found to be inaccurate or incomplete or the consumer reporting agency determines that the information cannot be verified.

"(2) PROMPT NOTICE OF DISPUTE TO FURNISHER OF INFORMATION.—

"(A) IN GENERAL.—Before the end of the 5-business-day period beginning on the date a consumer reporting agency receives notice of a dispute from any consumer in accordance with paragraph (1), the agency shall provide notification of the dispute to any person that provided any item of information in dispute, at the address and in the manner established with the person. The notice shall include all relevant information regarding the dispute that the agency has received from the consumer.

"(B) PROVISION OF OTHER INFORMATION FROM CONSUMER.—The consumer reporting agency shall promptly provide to the person that provided the information in dispute all relevant information regarding the dispute that is received by the agency from the consumer after the period referred to in subparagraph (A) and before the end of the period referred to in paragraph (1)(A).

"(3) DETERMINATION THAT DISPUTE IS FRIVOLOUS OR IRRELEVANT.—

"(A) IN GENERAL.—Notwithstanding paragraph (1), a consumer reporting agency may terminate a reinvestigation of information disputed by a consumer under that paragraph if the agency reasonably determines that the dispute by the consumer is frivolous or irrelevant, including by reason of a failure by a consumer to provide sufficient information to investigate the disputed information.

"(B) NOTICE OF DETERMINATION.—Upon making any determination in accordance with subparagraph (A) that a dispute is frivolous or irrelevant, a consumer reporting agency shall notify the consumer within 5 business days of such determination, by mail or, if authorized by the consumer for that purpose, by any other means available to the agency.

"(C) CONTENTS OF NOTICE.—A notice under subparagraph (B) shall include—

"(i) the reasons for the determination under subparagraph (A); and

"(ii) identification of any information required to investigate the disputed information, which may consist of a standardized form describing the general nature of such information.

"(4) CONSIDERATION OF CONSUMER INFORMATION.—In conducting any reinvestigation under paragraph (1) with respect to disputed information in the file of any consumer, the consumer reporting agency shall review and consider all relevant information submitted by the consumer in the period described in paragraph (1)(A) with respect to such disputed information.

"(5) TREATMENT OF INACCURATE OR UNVERIFIABLE INFORMATION.—

"(A) IN GENERAL.—If, after any reinvestigation under paragraph (1) of any information disputed by a consumer, an item of the information is found to be inaccurate or incomplete or cannot be verified, the consumer reporting agency shall promptly delete that item of information from the consumer's file. The information deleted shall consist solely of the information that was disputed by the consumer and shall not include any portion of the same item that was not disputed.

"(B) REQUIREMENTS RELATING TO REINSERTION OF PREVIOUSLY DELETED MATERIAL.—

"(i) CERTIFICATION OF ACCURACY OF INFORMATION.—If any information is deleted from a consumer's file pursuant to subparagraph (A), the information may not be reinserted in the file by the consumer reporting agency unless the person who furnishes the information certifies that the information is complete and accurate.

"(ii) NOTICE TO CONSUMER.—If any information which has been deleted from a consumer's file pursuant to subparagraph (A) is reinserted in the file, the consumer reporting agency shall notify the consumer of the reinsertion in writing within 5 business days

after the reinsertion or, if authorized by the consumer for that purpose, by any other means available to the agency.

"(iii) ADDITIONAL INFORMATION.—As part of or in addition to the notice under clause (ii), a consumer reporting agency shall provide to a consumer in writing within 5 business days after the date of the reinsertion—

"(I) a statement that the disputed information has been reinserted;

"(II) the name, business address, and telephone number of any furnisher of information contacted, or of any furnisher of information which contacted the consumer reporting agency, in connection with the reinsertion of such information; and

"(III) a notice that the consumer has the right to add a statement to the consumer's file disputing the accuracy or completeness of the disputed information.

"(C) PROCEDURES TO PREVENT REAPPEARANCE.—A consumer reporting agency shall maintain reasonable procedures designed to prevent the reappearance in a consumer's file, and in consumer reports on the consumer, of information that is deleted pursuant to this paragraph (other than information that is reinserted in accordance with subparagraph (B)(i)).

"(D) FREE CONSUMER REPORT DURING 12-MONTH PERIOD AFTER DELETION OF INFORMATION.—Upon the request of a consumer, a consumer reporting agency shall make all disclosures pursuant to section 609 without charge to that consumer at least once during the 12-month period after the consumer receives a notification under paragraph (6) or paragraph (8) of the deletion of information that is found to be inaccurate or cannot be verified.

"(E) AUTOMATED REINVESTIGATION SYSTEM.—

"(i) IN GENERAL.—Any consumer reporting agency that compiles and maintains files on consumers on a nationwide basis shall implement an automated system through which furnishers of information to that consumer reporting agency may report the results of a reinvestigation that finds incomplete or inaccurate information in a consumer's file to other such consumer reporting agencies.

"(ii) NATIONWIDE CONSUMER REPORTING AGENCIES.—A consumer reporting agency that compiles and maintains files on consumers on a nationwide basis shall report the results of a reinvestigation initiated by a consumer under section 611 that finds in the consumer's file information that is incomplete or inaccurate or information that cannot be verified, to any other consumer reporting agency that compiles and maintains files on consumers on a nationwide basis and—

"(I) to which a consumer report on the consumer was provided within the preceding 2-year period for purposes of resale by that other agency; or

"(II) to which a consumer report on the consumer was provided within the preceding 7-year period for purposes of merging that report to that other agency's proprietary files.

"(iii) ACTION REQUIRED UPON RECEIPT OF REPORT.—If a consumer reporting agency receives a report under clause (ii), the agency shall—

"(I) change the data in its files in accordance with the report;

"(II) delete data from its proprietary files in accordance with the report; or

"(III) reinvestigate the disputed data that is the subject of the report in accordance with section 611, with the source of that data.

"(6) Notice of results of reinvestigation.—

"(A) IN GENERAL.—A consumer reporting agency shall provide written notice to a consumer of the results of a reinvestigation under this subsection within 5 business days after the completion of the reinvestigation, by mail or, if authorized by the consumer for that purpose, by other means available to the agency.

"(B) CONTENTS.—As part of or in addition to the notice under subparagraph (A), a consumer reporting agency shall provide to a consumer in writing within the 5-day period referred to in subparagraph (A)—

"(i) a statement that the reinvestigation is completed;

"(ii) a consumer report that is based upon the consumer's file as that file is revised as a result of the reinvestigation;

"(iii) a description or indication of any changes made in the consumer report as a result of those revisions to the consumer's file;

"(iv) a notice that, if requested by the consumer, a description of the procedure used to determine the accuracy and completeness of the information shall be provided to the consumer by the agency, including the name, business address, and telephone number of any furnisher of information contacted in connection with such information;

"(v) a notice that the consumer has the right to add a statement to the consumer's file disputing the accuracy or completeness of the information; and

"(vi) a notice that the consumer has the right to request under subsection (d) that the consumer reporting agency furnish notifications under that subsection.

"(7) DESCRIPTION OF REINVESTIGATION PROCEDURE.—A consumer reporting agency shall provide to a consumer a description referred to in paragraph (6)(B)(iv) by not later than 15 days after receiving a request from the consumer for that description.

"(8) EXPEDITED DISPUTE RESOLUTION.—If a dispute regarding an item of information in a consumer's file at a consumer reporting agency is resolved in accordance with paragraph (5)(A) by the deletion of the disputed information by not later than 3 business days after the date on which the agency receives notice of the dispute from the consumer in accordance with paragraph (1)(A), then the agency shall not be required to comply with paragraphs (2), (6), and (7) with respect to that dispute if the agency—

"(A) provides prompt notice of the deletion to the consumer by telephone;

"(B) includes in that notice, or in a written notice that accompanies a confirmation and consumer report provided in accordance with subparagraph (C), a statement of the consumer's right to request under subsection (d) that the agency furnish notifications under that subsection; and

"(C) provides written confirmation of the deletion and a copy of a consumer report on the consumer which is based on the consumer's file after the deletion, within 5 business days after making the deletion.".

(b) CONFORMING AMENDMENT.—Subsection (d) of section 611 of the Fair Credit Reporting Act (15 U.S.C. 1681i(d)) is amended by striking "The consumer reporting agency shall clearly" and all that follows through the end of the subsection.

SEC. 110. AMENDMENT RELATING TO CHARGES FOR DISCLOSURE.

Section 612 of the Fair Credit Reporting Act (15 U.S.C. 1681j) is amended to read as follows:

"§ 612. Charges for certain disclosures

"(a) REASONABLE CHARGES ALLOWED FOR CERTAIN DISCLOSURES.—Except as provided in subsections (b), (c), (d), and (e), a consumer reporting agency may impose a reasonable charge on a consumer—

"(1) for making a disclosure to the consumer pursuant to section 609, which—

"(A) shall not exceed $8; and

"(B) shall be indicated to the consumer prior to making disclosure; and

"(2) for furnishing pursuant to section 611(d), following a reinvestigation under section 611(a), a statement, codification, or summary to a person designated by the consumer under that section after the 30-day period beginning on the date of notification of the consumer under section 611(a)(6) or (8) with respect to the reinvestigation, which—

"(A) shall not exceed the charge that the agency would impose on each designated recipient for a consumer report; and

"(B) shall be indicated to the consumer prior to furnishing such information.

"(b) FREE CONSUMER REPORT AFTER ADVERSE NOTICE TO CONSUMER.—Each consumer reporting agency that maintains a file on a consumer shall make all disclosures pursuant to section 609 without charge to the consumer if, within 60 days after receipt by such consumer of a notification pursuant to section 615 or of a notification from a debt collection agency affiliated with that consumer reporting agency stating that the consumer's credit rating may be or has been adversely affected, the consumer makes a request under section 609.

"(c) FREE CONSUMER REPORT UNDER CERTAIN OTHER CIRCUMSTANCES.—Upon the request of the consumer, a consumer reporting agency shall make all disclosures pursuant to section 609 without charge to that consumer if the consumer certifies in writing that the consumer—

"(1) is unemployed and intends to apply for employment in the 60-day period beginning on the date the certification is made;

"(2) is a recipient of public welfare assistance; or

"(3) has reason to believe that the file on the consumer at the agency contains inaccurate information due to fraud.

"(d) OTHER CHARGES PROHIBITED.—A consumer reporting agency shall not impose any charge on a consumer for providing any notification required by this Act or making any disclosure required by this Act, except as authorized by subsection (a).

"(e) ANNUAL CONSUMER REPORT UPON REQUEST AT SPECIFIED CHARGE.—

"(1) IN GENERAL.—Upon the written request of a consumer, a consumer reporting agency that maintains a file on the consumer shall make all disclosures pursuant to section 609 once in any 12-month period, at the charge specified in paragraph (2).

"(2) CHARGE SPECIFIED.—The charge for disclosures under paragraph (1) shall be an amount that does not exceed the lesser of—

"(A) the total cost incurred by the consumer reporting agency in making the disclosures; or

"(B) $3.".

SEC. 111. AMENDMENTS RELATING TO DUTIES OF USERS OF CONSUMER REPORTS AND DUTIES OF AFFILIATES SHARING CERTAIN INFORMATION.

(a) DUTIES OF USERS TAKING ADVERSE ACTIONS.—Section 615(a) of the Fair Credit Reporting Act (15 U.S.C. 1681m(a)) is amended to read as follows:

"(a) DUTIES OF USERS TAKING ADVERSE ACTIONS ON THE BASIS OF INFORMATION CONTAINED IN CONSUMER REPORTS.—If any person

takes any adverse action with respect to any consumer which is based in whole or in part on any information contained in a consumer report, the person shall—

"(1) provide written notice of the adverse action to the consumer;

"(2) provide to the consumer in writing—

"(A) the name, address, and telephone number of the consumer reporting agency (including a toll-free telephone number established by the agency if the agency compiles and maintains files on consumers on a nationwide basis) which furnished the report to the person; and

"(B) a statement that the consumer reporting agency did not make the decision to take the adverse action and is unable to provide the consumer the specific reasons why the adverse action was taken; and

"(3) provide to the consumer a written notice of the consumer's right—

"(A) to obtain, under section 612, a free copy of a consumer report on the consumer from the consumer reporting agency referred to in paragraph (2), which notice shall include an indication of the 60-day period under that section for obtaining such a copy; and

"(B) to dispute, under section 611, with a consumer reporting agency the accuracy or completeness of any information in a consumer report furnished by the agency.".

(b) DUTIES OF USERS WHO MAKE CERTAIN CREDIT SOLICITATIONS.—Section 615 of the Fair Credit Reporting Act (15 U.S.C. 1681m) is amended by adding at the end the following new subsection:

"(d) DUTIES OF USERS WHO MAKE WRITTEN CREDIT SOLICITATIONS ON THE BASIS OF INFORMATION CONTAINED IN CONSUMER FILES.—

"(1) IN GENERAL.—Any person who uses a consumer report on any consumer in connection with any credit transaction which is not initiated by the consumer and which consists of a firm offer of credit shall provide with any written solicitation made to the consumer regarding the transaction a clear and conspicuous statement that—

"(A) information contained in the consumer's consumer report was used in connection with the transaction;

"(B) the consumer received the offer of credit because the consumer satisfied the criteria for creditworthiness under which the consumer was selected for the offer;

"(C) if applicable, the credit may not be extended if, after the consumer responds to the offer, the consumer does not meet the criteria used to select the consumer for the offer or any applicable criteria bearing on creditworthiness or does not furnish any required collateral;

"(D) the consumer has a right to prohibit information contained in the consumer's file with any consumer reporting agency from being used in connection with any credit transaction which is not initiated by the consumer; and

"(E) the consumer may exercise the right referred to in subparagraph (D) by notifying a notification system established under section 604(d).

"(2) DISCLOSURE OF ADDRESS AND TELEPHONE NUMBER.—A statement under paragraph (1) shall include the address and toll-free telephone number of the appropriate notification system established under section 604(d).

"(3) MAINTAINING CRITERIA ON FILE.—A person who makes an offer of credit to a consumer under a credit transaction described in paragraph (1) shall maintain on file the criteria used to select the consumer to receive the offer, all criteria bearing on creditworthiness that are the basis for determining whether or not to extend credit pursuant to the offer, and any requirement for the furnishing of collateral as a condition of the extension of credit, until the end of the 3-year period beginning on the date on which the offer is made to the consumer.

"(4) LIMITATION ON APPLICATION.—Paragraph (1) does not apply to the use of a consumer report by a person if—

"(A) the person is affiliated by common ownership or by common corporate control with the person who procured the report;

"(B) the person who procured the report clearly and conspicuously disclosed to the consumer to whom the report relates, before the report is provided to the person using the report, that the report might be provided to and used by other persons who are affiliated in the manner described in subparagraph (A) to the person who procured the report; and

"(C) the provision and use of the report is—

"(i) consented to by the consumer in writing, or

"(ii) with respect to existing customers, the consumer has been afforded the opportunity to direct in writing that the report may not be provided to or used by persons who are affiliated in the manner described in subparagraph (A) and has not done so.

"(5) AUTHORITY OF FEDERAL AGENCIES REGARDING UNFAIR OR DECEPTIVE ACTS OR PRACTICES NOT AFFECTED.—This title is not intended to affect the authority of any Federal agency to enforce a prohibition against unfair or deceptive acts or practices, including the making of false or misleading statements in connection with credit transactions not initiated by the consumer.".

(c) DUTIES OF PERSON TAKING CERTAIN ACTIONS BASED ON INFORMATION PROVIDED BY AFFILIATE.—Section 615 of the Fair Credit Reporting Act (15 U.S.C. 1681m) is further amended by adding after subsection (d), as added by subsection (b) of this section, the following new subsection:

"(e) DUTIES OF PERSON TAKING CERTAIN ACTIONS BASED ON INFORMATION PROVIDED BY AFFILIATE.—

"(1) DUTIES, GENERALLY.—If a person takes an action described in paragraph (2) with respect to a consumer based in whole or in part on information described in paragraph (3), the person shall—

"(A) notify the consumer in writing of the action, including a statement that the consumer may obtain the information in accordance with subparagraph (B) and may contact the toll-free telephone number required by subparagraph (C);

"(B) upon a written request from the consumer received within 60 days after transmittal of the notice required by subparagraph (A), disclose to the consumer in writing the nature of the information upon which the action is based by not later than 30 days after receipt of the request; and

"(C) make available a toll-free telephone number at which personnel are available to communicate with the consumer regarding the action during normal business hours.

"(2) ACTION DESCRIBED.—An action referred to in paragraph (1) is—

"(A) an adverse action described in section 603(k)(1)(A) taken in connection with a transaction initiated by the consumer, or any adverse action described in section 603(k)(1) (B) or (C);

"(B) a denial of any other transaction initiated by the consumer for personal, family, or household purposes; or

"(C) an increase in any charge for a transaction described in subparagraph (B).

"(3) INFORMATION DESCRIBED.—Information referred to in paragraph (1)—

"(A) except as provided in subparagraph (B), is information that—

"(i) is furnished to the person taking the action by a person related by common ownership or affiliated by common corporate control to the person taking the action; and

"(ii) bears on the consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living; and

"(B) does not include—

"(i) information solely as to transactions or experiences between the consumer and the person furnishing the information; or

"(ii) information in a consumer report.".

(d) CONFORMING AMENDMENT.—Section 615(c) of the Fair Credit Reporting Act (15 U.S.C. 1681m(c)) is amended by striking "subsections (a) and (b)" and inserting "this section".

SEC. 112. AMENDMENTS RELATING TO CIVIL LIABILITY.

(a) CIVIL LIABILITY FOR WILLFUL NONCOMPLIANCE, GENERALLY.—Section 616 of the Fair Credit Reporting Act (15 U.S.C. 1681n) is amended by striking "Any consumer reporting agency or user of information which" and inserting "(a) IN GENERAL.—Any person who".

(b) MINIMUM CIVIL LIABILITY FOR WILLFUL NONCOMPLIANCE.—Section 616(1) of the Fair Credit Reporting Act (15 U.S.C. 1681n(1)) is amended to read as follows:

"(1)(A) any actual damages sustained by the consumer as a result of the failure or damages of no less than $100 and no more than $1,000; or

"(B) in the case of liability of a natural person for obtaining a consumer report under false pretenses or knowingly without a permissible purpose, actual damages sustained by the consumer as a result of the failure or $1,000, whichever is greater;".

(c) CIVIL LIABILITY FOR NEGLIGENT NONCOMPLIANCE.—Section 617 of the Fair Credit Reporting Act (15 U.S.C. 1681o) is amended by striking "Any consumer reporting agency or user of information which" and inserting "(a) IN GENERAL.—Any person who".

(d) ATTORNEY'S FEES.—

(1) WILLFUL NONCOMPLIANCE.—Section 616 of the Fair Credit Reporting Act (15 U.S.C. 1681n) is amended by adding at the end the following:

"(b) ATTORNEY'S FEES.—On a finding by the court that an unsuccessful pleading, motion, or other paper filed in connection with an action under this section was filed in bad faith or for purposes of harassment, the court shall award to the prevailing party attorney's fees reasonable in relation to the work expended in responding to the pleading, motion, or other paper.".

(2) NEGLIGENT NONCOMPLIANCE.—Section 617 of the Fair Credit Reporting Act (15 U.S.C. 1681o) is amended by adding at the end the following:

"(b) ATTORNEY'S FEES.—On a finding by the court that an unsuccessful pleading, motion, or other paper filed in connection with an action under this section was filed in bad faith or for purposes of harassment, the court shall award to the prevailing party attorney's fees reasonable in relation to the work expended in responding to the pleading, motion, or other paper.".

SEC. 113. AMENDMENTS RELATING TO RESPONSIBILITIES OF PERSONS WHO FURNISH INFORMATION TO CONSUMER REPORTING AGENCIES.

(a) IN GENERAL.—The Fair Credit Reporting Act (15 U.S.C. 1681 et seq.) is amended by

redesignating section 623 as section 624 and inserting after section 622 the following new section:

"§ 623. Responsibilities of furnishers of information to consumer reporting agencies

"(a) DUTY OF FURNISHERS OF INFORMATION TO PROVIDE COMPLETE AND ACCURATE INFORMATION.—

"(1) PROHIBITIONS.—A person shall not furnish any information to any consumer reporting agency if the person knows or should have known the information is incomplete or inaccurate.

"(2) DUTY TO CORRECT AND UPDATE INFORMATION.—A person who—

"(A) regularly and in the ordinary course of business furnishes information to one or more consumer reporting agencies about the person's transactions or experiences with any consumer; and

"(B) has furnished to a consumer reporting agency information that the person determines is not complete or accurate;

shall promptly notify the consumer reporting agency of that determination and provide to the agency any corrections to that information, or any additional information, that is necessary to make the information provided by the person to the agency complete and accurate, and shall not thereafter furnish to the agency any of the information that remains not complete or accurate.

"(3) DUTY TO PROVIDE NOTICE OF DISPUTE.—If the completeness or accuracy of any information furnished by any person to any consumer reporting agency is disputed to such person by a consumer, the person may not furnish the information to any consumer reporting agency without notice that such information is disputed by the consumer.

"(4) DUTY TO PROVIDE NOTICE OF CLOSED ACCOUNTS.—A person who regularly and in the ordinary course of business furnishes information to a consumer reporting agency regarding a consumer who has a credit account with that person shall notify the agency of the voluntary closure of the account by the consumer, in information regularly furnished for the period in which the account is closed.

"(5) DUTY TO PROVIDE NOTICE OF DELINQUENCY OF ACCOUNTS.—A person who furnishes information to a consumer reporting agency regarding a delinquent account being placed for collection, charged to profit or loss, or subjected to any similar action shall, by not later than 90 days after furnishing the information, notify the agency of the month and year of the commencement of the delinquency which immediately preceded the action.

"(b) DUTIES OF FURNISHERS OF INFORMATION UPON NOTICE OF DISPUTE.—

"(1) IN GENERAL.—After receiving notice pursuant to section 611(a)(2) of a dispute with regard to the completeness or accuracy of any information provided by a person to a consumer reporting agency, the person shall—

"(A) complete an investigation with respect to the disputed information;

"(B) review all relevant information provided by the consumer reporting agency pursuant to section 611(a)(2);

"(C) report the results of the investigation to the consumer reporting agency; and

"(D) if the investigation finds that the information is incomplete or inaccurate, report those results to all other consumer reporting agencies to which the person furnished the information and that compile and maintain files on consumers on a nationwide basis.

"(2) DEADLINE.—A person shall complete all investigations, reviews, and reports required under paragraph (1) regarding information provided by the person to a consumer reporting agency, before the end of the period under section 611(a)(1) within which the consumer reporting agency is required to complete actions required by that section regarding that information.

"(c) LIMITATION ON LIABILITY.—Sections 616 and 617 do not apply to any failure to comply with subsection (a), except as provided in section 621(c)(1)(B).

"(d) LIMITATION ON ENFORCEMENT.—Subsection (a) may be enforced exclusively under section 621 by the Federal agencies and officials and the State officials identified in that section.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of the Fair Credit Reporting Act (15 U.S.C. 1681a et seq.) is amended by striking the item relating to section 623 and inserting the following:

"623. Responsibilities of furnishers of information to consumer reporting agencies.
"624. Relation to State laws.".

SEC. 114. INVESTIGATIVE CONSUMER REPORTS.

Section 606 of the Fair Credit Reporting Act (15 U.S.C. 1681d) is amended—

(1) in subsection (a)(1) by striking "or" after the semicolon at the end and inserting "and";

(2) by striking subsection (a)(2) and inserting the following:

"(2) the person certifies or has certified to the consumer reporting agency that—

"(A) the person has made the disclosures to the consumer required by paragraph (1); and

"(B) the person will comply with subsection (b).";

(3) in subsection (b) by striking "shall" the second place it appears; and

(4) by adding at the end the following:

"(d) PROHIBITIONS.—

"(1) CERTIFICATION.—A consumer reporting agency shall not prepare or furnish an investigative consumer report unless the agency has received a certification under subsection (a)(2) from the person who requested the report.

"(2) INQUIRIES.—A consumer reporting agency shall not make an inquiry for the purpose of preparing an investigative consumer report on a consumer for employment purposes if the making of the inquiry by an employer or prospective employer of the consumer would violate any applicable Federal or State equal employment opportunity law or regulation.

"(3) CERTAIN PUBLIC RECORD INFORMATION.—Except as otherwise provided in section 613, a consumer reporting agency shall not furnish an investigative consumer report which includes information which is a matter of public record and which relates to an arrest, indictment, conviction, civil judicial action, tax lien, or outstanding judgment, unless the agency has verified the accuracy of the information within the 30-day period ending on the date the report is furnished.

"(4) CERTAIN ADVERSE INFORMATION.—A consumer reporting agency shall not prepare or furnish an investigative consumer report on a consumer that contains information that is adverse to the interest of the consumer and that is obtained through a personal interview with a neighbor, friend, or associate of the consumer or with another person with whom the consumer is acquainted or who has knowledge of such item of information, unless—

"(A) the agency has followed reasonable procedures to obtain confirmation of the information, from an additional source that has independent and direct knowledge of the information; or

"(B) the person interviewed is the best possible source of the information.".

SEC. 115. INCREASED CRIMINAL PENALTIES FOR OBTAINING INFORMATION UNDER FALSE PRETENSES.

(a) OBTAINING INFORMATION UNDER FALSE PRETENSES.—Section 619 of the Fair Credit Reporting Act (15 U.S.C. 1681q) is amended by striking "fined not more than $5,000 or imprisoned not more than one year, or both" and inserting "fined under title 18, United States Code, imprisoned for not more than 2 years, or both".

(b) UNAUTHORIZED DISCLOSURES BY OFFICERS OR EMPLOYEES.—Section 620 of the Fair Credit Reporting Act (15 U.S.C. 1681r) is amended by striking "fined not more than $5,000 or imprisoned not more than one year, or both" and inserting "fined under title 18, United States Code, imprisoned for not more than 2 years, or both".

SEC. 116. ADMINISTRATIVE ENFORCEMENT.

(a) AVAILABLE ENFORCEMENT POWERS.—Section 621(a) of the Fair Credit Reporting Act (15 U.S.C. 1681s(a))—

(1) is amended in the second sentence by striking "Act and shall be subject to enforcement by the Federal Trade Commission under section 5(b) thereof with respect to any consumer reporting agency or person subject to enforcement by the Federal Trade Commission pursuant to this subsection, irrespective" and inserting "Act. All functions and powers of the Federal Trade Commission under the Federal Trade Commission Act shall be available to the Commission to enforce compliance with this title by any person subject to enforcement by the Federal Trade Commission pursuant to this subsection and not subject to enforcement pursuant to section 8 of the Federal Deposit Insurance Act, irrespective";

(2) as amended by paragraph (1), is further amended by inserting before the 3rd period the following: ", including the power to enforce the provisions of this title in the same manner as if the violation had been a violation of any Federal Trade Commission trade regulation rule"; and

(3) as amended by paragraph (1), is further amended by adding after the 3rd period the following: "Notwithstanding the preceding sentence, a court may not impose any civil penalty on a person for a violation of section 623(a)(1) unless the person has been enjoined from committing the violation, or ordered not to commit the violation, in an action or proceeding brought by or on behalf of the Federal Trade Commission and has violated the injunction or order, and the court may not impose any civil penalty for any violation occurring before the date of the violation of the injunction or order.".

(B) AGENCIES RESPONSIBLE FOR ENFORCEMENT.—Section 621 of the Fair Credit Reporting Act (15 U.S.C. 1681s) is amended—

(1) in subsection (a), by inserting "ENFORCEMENT BY FEDERAL TRADE COMMISSION.—" before "Compliance with the requirements"; and

(2) in subsection (b), by striking the matter preceding paragraph (1) and inserting the following:

"(b) ENFORCEMENT BY OTHER AGENCIES.—Compliance with the requirements imposed under this title with respect to consumer reporting agencies, persons who use consumer reports from such agencies, persons who furnish information to such agencies, and users of information who are subject to section 615(e) shall be enforced under—".

SEC. 117. STATE ENFORCEMENT OF FAIR CREDIT REPORTING ACT.

Section 621 of the Fair Credit Reporting Act (15 U.S.C. 1681s) is amended by redesignating subsection (c) as subsection (d) and inserting after subsection (b) the following new subsection:

"(c) STATE ACTION FOR VIOLATIONS.—

"(1) AUTHORITY OF STATES.—In addition to such other remedies as are provided under State law, whenever the chief law enforcement officer of a State, or an official or agency designated by a State, has reason to believe that any person has violated or is violating this title, the State—

"(A) may bring an action to enjoin such violation in any appropriate United States district court or in any other court of competent jurisdiction;

"(B) subject to paragraph (5), may bring an action on behalf of its residents to recover—

"(i) damages for which the person is liable to such residents under sections 616 and 617 as a result of the violation;

"(ii) in the case of a violation of section 623(a), damages for which the person would, but for section 623(c), be liable to such residents as a result of the violation; or

"(iii) damages of not more than $1,000 for each willful or negligent violation; and

"(C) in the case of any successful action under subparagraph (A) or (B), shall be awarded the costs of the action and reasonable attorney fees as determined by the court.

"(2) RIGHTS OF FEDERAL REGULATORS.—The State shall serve prior written notice of any such action upon the Federal Trade Commission or the appropriate Federal regulator determined under subsection (b) and provide the Commission or appropriate Federal regulator with a copy of its complaint, except in any case where such prior notice is not feasible, in which case the State shall serve such notice immediately upon instituting such action. The Federal Trade Commission or appropriate Federal regulator shall have the right (A) to intervene in the action, (B) upon so intervening, to be heard on all matters arising therein, (C) to remove the action to the appropriate United States district court, and (D) to file petitions for appeal.

"(3) INVESTIGATORY POWERS.—For purposes of bringing any action under this subsection, nothing in this subsection shall prevent the chief law enforcement officer, or an official or agency designated by a State, from exercising the powers conferred on the chief law enforcement officer or such official by the laws of such State to conduct investigations or to administer oaths or affirmations or to compel the attendance of witnesses or the production of documentary and other evidence.

"(4) LIMITATION ON STATE ACTION WHILE FEDERAL ACTION PENDING.—Whenever the Federal Trade Commission or the appropriate Federal regulator has instituted a civil action or an administrative action under section 8 of the Federal Deposit Insurance Act for a violation of this title, no State may, during the pendency of such action, bring an action under this section against any defendant named in the complaint of the Commission or the appropriate Federal regulator for any violation of this title that is alleged in that complaint.

"(5) LIMITATIONS ON STATE ACTIONS FOR VIOLATION OF SECTION 621(a)(1).—

"(A) VIOLATION OF INJUNCTION REQUIRED.—A State may not bring an action against a person under paragraph (1)(B) for a violation of section 623(a)(1), unless—

"(i) the person has been enjoined from committing the violation, in an action brought by the State under paragraph (1)(A); and

"(ii) the person has violated the injunction.

"(B) LIMITATION ON DAMAGES RECOVERABLE.—In an action against a person under paragraph (1)(B) for a violation of section 623(a)(1), a State may not recover any damages incurred before the date of the violation of an injunction on which the action is based.".

SEC. 118. FEDERAL RESERVE BOARD AUTHORITY.

Section 621 of the Fair Credit Reporting Act (15 U.S.C. 1681s), is further amended by adding after subsection (d) (as redesignated by section 117) the following new subsection:

"(e) INTERPRETIVE AUTHORITY.—The Board of Governors of the Federal Reserve System may issue interpretations of any provision of this title as it may apply to any persons identified under paragraph (1), (2), and (3) of subsection (b), or to the holding companies and affiliates of such persons, in consultation with Federal agencies identified in paragraphs (1), (2), and (3) of subsection (b).".

SEC. 119. PREEMPTION OF STATE LAW.

Section 624 of the Fair Credit Reporting Act, as redesignated by section 113(a) of this Act, is further amended—

(1) by striking "This title" and inserting "(a) IN GENERAL.—Except as provided in subsections (b) and (c), this title"; and

(2) by adding at the end the following:

"(b) GENERAL EXCEPTIONS.—No requirement or prohibition may be imposed under the laws of any State—

"(1) with respect to any subject matter regulated under—

"(A) subsection (c) or (d) of section 604, relating to the prescreening of consumer reports;

"(B) section 611, relating to the time by which a consumer reporting agency must take any action, including the provision of notification to a consumer or other person, in any procedure related to the disputed accuracy of information in a consumer's file, except that this subparagraph does not apply to any State law in effect on the date of the enactment of the Consumer Reporting Reform Act of 1994;

"(C) section 615(a), relating to the duties of a person who takes any adverse action with respect to a consumer on the basis of information contained in a consumer report;

"(D) section 615(d), relating to the duties of persons who use a consumer report of a consumer in connection with any credit transaction which is not initiated by the consumer and which consists of a firm offer of credit;

"(E) section 605, relating to obsolete information, except that this subparagraph does not apply to any State law in effect on the date of the enactment of the Consumer Reporting Reform Act of 1994; or

"(F) section 623(b)(2), relating to the time by which a person must take any action required under section 623(b)(1) with respect to an investigation of information furnished by the person to a consumer reporting agency, except that this subparagraph does not apply to any State law in effect on the date of the enactment of the Consumer Reporting Reform Act of 1994;

"(2) with respect to the exchange of information among persons affiliated by common ownership or common corporate control, except that this paragraph does not apply to section 2480e (a) and (c)(1) of title 9, Vermont Statutes Annotated (as in effect on the date of the enactment of the Consumer Reporting Reform Act of 1994); or

"(3) with respect to the form and content of any disclosure required to be made under section 609(c).

"(c) DEFINITION OF FIRM OFFER OF CREDIT.—Notwithstanding any definition of the term 'firm offer of credit' (or any equivalent term) under the laws of any State, the definition of that term contained in section 603(l) shall be construed to apply in the enforcement and interpretation of the laws of any State governing consumer reports.

"(d) LIMITATIONS.—Subsections (b) and (c)—

"(1) do not affect any settlement, agreement, or consent judgment between any State Attorney General and any consumer reporting agency in effect on the date of the enactment of the Consumer Reporting Reform Act of 1994; and

"(2) do not apply to any provision of State law (including any provision of a State constitution) that—

"(A) is enacted after January 1, 2003;

"(B) states explicitly that the provision is intended to supplement this Act; and

"(C) gives greater protection to consumers than is provided under this Act.".

SEC. 120. ACTION BY FTC.

(a) MODIFICATION OF REQUIREMENTS BY FTC AUTHORIZED.—

(1) IN GENERAL.—Section 621 of the Fair Credit Reporting Act (15 U.S.C. 1681s), is further amended by adding after subsection (e) (as added by section 118 of this Act) the following:

"(f) MODIFICATION OF REQUIREMENTS BY FTC AUTHORIZED.—If it considers such action necessary for the protection of consumers, the Federal Trade Commission may, after consultation with each Federal agency referred to in section 621(b) and with appropriate State regulatory and law enforcement agencies, promulgate regulations in accordance with section 553 of title 5, United States Code, to impose requirements—

"(1) that are more stringent than those imposed under—

"(A) section 611, relating to the time by which a consumer reporting agency must take any action, including the provision of notification to a consumer or other person, in any procedure related to the disputed accuracy of information in a consumer's file;

"(B) section 615(a), relating to the duties of a person who takes any adverse action with respect to a consumer on the basis of information contained in a consumer report;

"(C) section 615(d), relating to the duties of persons who use a consumer report on a consumer in connection with any credit transaction which is not initiated by the consumer and that consists of a firm offer of credit; or

"(D) section 623(b)(2), relating to the time by which a person must take any action required under section 623(b)(1) with respect to an investigation of information furnished by the person to a consumer reporting agency; and

"(2) with respect to the form and content of any disclosure required to be made under section 609(c).".

(2) CLERICAL AMENDMENTS.—

(A) The heading for section 621 of the Fair Credit Reporting Act (15 U.S.C. 1681s) is amended to read as follows:

"§ 621. Administrative enforcement and authorities; State actions".

(B) The table of contents at the beginning of the Fair Credit Reporting Act is amended by striking the item relating to section 621 and inserting the following:

"621. Administrative enforcement and authorities; State actions.".

(b) DEADLINE TO PRESCRIBE MATTERS.—The Federal Trade Commission shall prescribe all matters required by this title (including the amendments made by this title) to be prescribed by that Commission, before the end of the 300-day period beginning on the date of the enactment of this Act.

SEC. 121. AMENDMENT TO FAIR DEBT COLLECTION PRACTICES ACT.

Section 807(11) of the Fair Debt Collection Practices Act (15 U.S.C. 1692e), relating to certain practices constituting prohibited representations, is amended to read as follows:

"(11) The failure to disclose clearly, in any written communication made to collect a debt or to obtain information about a consumer, that the debt collector is attempting to collect a debt and that any information obtained will be used for that purpose, except that this paragraph does not apply to a communication—

"(A) to acquire location information in accordance with section 804;

"(B) made solely to acknowledge receipt of monies or payments; or

"(C) that consists solely of information requested by the consumer or the consumer's attorney.".

SEC. 122. FURNISHING CONSUMER REPORTS FOR CERTAIN PURPOSES RELATING TO CHILD SUPPORT.

Section 604(a) of the Fair Credit Reporting Act (15 U.S.C. 1681b) is amended in subsection (a) (as designated by section 103(a)(1) of this Act) by adding at the end the following:

"(4) In response to a request by the head of a department, agency, or office of any State or any political subdivision of any State that is responsible under law for enforcing child support orders (or an official authorized by the head of any such department, agency, or office), if the person making the request certifies to the consumer reporting agency that—

"(A) the consumer report is needed to establish an individual's capacity to make child support payments, or to determine the appropriate level of such payments;

"(B) the person has provided at least 10 days prior written notice to the consumer whose report is requested, by certified or registered mail to the last known address of the consumer, that the report will be requested; and

"(C) the consumer report obtained pursuant to this paragraph will be kept confidential, will be used solely for establishing child support payment obligations, and will not be used in connection with any other civil, administrative, or criminal proceeding or for any other purpose.".

SEC. 123. DISCLOSURE OF INFORMATION AND CONSUMER REPORTS TO FBI FOR COUNTERINTELLIGENCE PURPOSES.

(a) IN GENERAL.—The Fair Credit Reporting Act (15 U.S.C. 1681 et seq.) is amended by adding after section 624, as redesignated by section 113(a) of this Act, the following new section:

"§ 625. Disclosures to FBI for counterintelligence purposes

"(a) IDENTITY OF FINANCIAL INSTITUTIONS.—Notwithstanding section 604 or any other provision of this title, a consumer reporting agency shall furnish to the Federal Bureau of Investigation the names and addresses of all financial institutions (as that term is defined in section 1101 of the Right to Financial Privacy Act of 1978) at which a consumer maintains or has maintained an account, to the extent that information is in the files of the agency, when presented with a written request for that information, signed by the Director of the Federal Bureau of Investigation, or the Director's designee, which certifies compliance with this section. The Director or the Director's designee may make such a certification only if the Director or the Director's designee has determined in writing that—

"(1) such information is necessary for the conduct of an authorized foreign counterintelligence investigation; and

"(2) there are specific and articulable facts giving reason to believe that the consumer—

"(A) is a foreign power (as defined in section 101 of the Foreign Intelligence Surveillance Act of 1978) or a person who is not a United States person (as defined in such section 101) and is an official of a foreign power; or

"(B) is an agent of a foreign power and is engaging or has engaged in international terrorism (as that term is defined in section 101(c) of the Foreign Intelligence Surveillance Act of 1978) or clandestine intelligence activities that involve or may involve a violation of criminal statutes of the United States.

"(b) IDENTIFYING INFORMATION.—Notwithstanding the provisions of section 604 or any other provision of this title, a consumer reporting agency shall furnish identifying information respecting a consumer, limited to name, address, former addresses, places of employment, or former places of employment, to the Federal Bureau of Investigation when presented with a written request, signed by the Director or the Director's designee, which certifies compliance with this subsection. The Director or the Director's designee may make such a certification only if the Director or the Director's designee has determined in writing that—

"(A) such information is necessary to the conduct of an authorized counterintelligence investigation; and

"(B) there is information giving reason to believe that the consumer has been, or is about to be, in contact with a foreign power or an agent of a foreign power (as defined in section 101 of the Foreign Intelligence Surveillance Act of 1978).

"(c) COURT ORDER FOR DISCLOSURE OF CONSUMER REPORTS.—Notwithstanding section 604 or any other provision of this title, if requested in writing by the Director of the Federal Bureau of Investigation, or a designee of the Director, a court may issue an order ex parte directing a consumer reporting agency to furnish a consumer report to the Federal Bureau of Investigation, upon a showing in camera that—

"(1) the consumer report is necessary for the conduct of an authorized foreign counterintelligence investigation; and

"(2) there are specific and articulable facts giving reason to believe that the consumer whose consumer report is sought—

"(A) is an agent of a foreign power; and

"(B) is engaging or has engaged in international terrorism (as that term is defined in section 101(c) of the Foreign Intelligence Surveillance Act of 1978) or clandestine intelligence activities that involve or may involve a violation of criminal statutes of the United States.

The terms of an order issued under this subsection shall not disclose that the order is issued for purposes of a counterintelligence investigation.

"(d) CONFIDENTIALITY.—No consumer reporting agency or officer, employee, or agent of a consumer reporting agency shall disclose to any person, other than those officers, employees, or agents of a consumer reporting agency necessary to fulfill the requirement to disclose information to the Federal Bureau of Investigation under this section, that the Federal Bureau of Investigation has sought or obtained the identity of financial institutions or a consumer report respecting any consumer under subsection (a), (b), or (c) and no consumer reporting agency or officer, employee, or agent of a consumer reporting agency shall include in any consumer report any information that would indicate that the Federal Bureau of Investigation has sought or obtained such information or a consumer report.

"(e) PAYMENT OF FEES.—The Federal Bureau of Investigation shall, subject to the availability of appropriations, pay to the consumer reporting agency assembling or providing reports or information in accordance with procedures established under this section, a fee for reimbursement for such costs as are reasonably necessary and which have been directly incurred in searching, reproducing, or transporting books, papers, records, or other data required or requested to be produced under this section.

"(f) LIMIT ON DISSEMINATION.—The Federal Bureau of Investigation may not disseminate information obtained pursuant to this section outside of the Federal Bureau of Investigation, except to the Department of Justice as may be necessary for the approval or conduct of a foreign counterintelligence investigation, or, where the information concerns a person subject to the Uniform Code of Military Justice, to appropriate investigative authorities within the military department concerned as may be necessary for the conduct of a joint foreign counterintelligence investigation.

"(g) RULES OF CONSTRUCTION.—Nothing in this section shall be construed to prohibit information from being furnished by the Federal Bureau of Investigation pursuant to a subpoena or court order, or in connection with a judicial or administrative proceeding to enforce the provisions of this Act. Nothing in this section shall be construed to authorize or permit the withholding of information from the Congress.

"(h) REPORTS TO CONGRESS.—On a semiannual basis, the Attorney General of the United States shall fully inform the Permanent Select Committee on Intelligence and the Committee on Banking, Finance and Urban Affairs of the House of Representatives, and the Select Committee on Intelligence and the Committee on Banking, Housing, and Urban Affairs of the Senate concerning all requests made pursuant to subsections (a), (b), and (c).

"(i) DAMAGES.—Any agency or department of the United States obtaining or disclosing any consumer reports, records, or information contained therein in violation of this section is liable to the consumer to whom such consumer reports, records, or information relate in an amount equal to the sum of—

"(1) $100, without regard to the volume of consumer reports, records, or information involved;

"(2) any actual damages sustained by the consumer as a result of the disclosure;

"(3) if the violation is found to have been willful or intentional, such punitive damages as a court may allow; and

"(4) in the case of any successful action to enforce liability under this subsection, the costs of the action, together with reasonable attorney fees, as determined by the court.

"(j) DISCIPLINARY ACTIONS FOR VIOLATIONS.—If a court determines that any agency or department of the United States has

violated any provision of this section and the court finds that the circumstances surrounding the violation raise questions of whether or not an officer or employee of the agency or department acted willfully or intentionally with respect to the violation, the agency or department shall promptly initiate a proceeding to determine whether or not disciplinary action is warranted against the officer or employee who was responsible for the violation.

"(k) GOOD-FAITH EXCEPTION.—Notwithstanding any other provision of this title, any consumer reporting agency or agent or employee thereof making disclosure of consumer reports or identifying information pursuant to this subsection in good-faith reliance upon a certification of the Federal Bureau of Investigation pursuant to provisions of this section shall not be liable to any person for such disclosure under this title, the constitution of any State, or any law or regulation of any State or any political subdivision of any State.

"(l) LIMITATION OF REMEDIES.—Notwithstanding any other provision of this title, the remedies and sanctions set forth in this section shall be the only judicial remedies and sanctions for violation of this section.

"(m) INJUNCTIVE RELIEF.—In addition to any other remedy contained in this section, injunctive relief shall be available to require compliance with the procedures of this section. In the event of any successful action under this subsection, costs together with reasonable attorney fees, as determined by the court, may be recovered.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of the Fair Credit Reporting Act (15 U.S.C. 1681a et seq.), as amended by section 114(b) of this Act, is further amended by adding after the item relating to section 624 the following:

"625. Disclosures to FBI for counterintelligence purposes.".

(c) REPEAL OF PROVISIONS.—The following provisions of the Fair Credit Reporting Act, as amended by this section, are repealed:

(1) Section 625.

(2) In the table of contents at the beginning of the Fair Credit Reporting Act, the item relating to section 625.

SEC. 124. EFFECTIVE DATES.

(a) IN GENERAL.—Except as provided in subsection (b), the amendments and repeals made by this title shall take effect 365 days after the date of the enactment of this Act.

(b) EXCEPTIONS.—

(1) The amendment made by section 121 shall take effect 90 days after the date of the enactment of this Act.

(2) The amendments made by subsections (a) and (b) of section 123 shall take effect on the date of the enactment of this Act.

(3) Subsection (c) of section 123 shall take effect on the date that is 5 years after the date of the enactment of this Act.

SEC. 125. RELATIONSHIP TO OTHER LAW.

Nothing in this title or the amendments made by this Act shall be considered to supersede or otherwise affect section 2721 of title 18, United States Code, with respect to motor vehicle records for surveys, marketing, or solicitations.

SEC. 126. SENSE OF SENATE.

It is the sense of the Senate that—

(1) individuals should generally be judged for credit worthiness based on their own credit worthiness and not on the zip code or neighborhood in which they live; and

(2) the Federal Trade Commission after consultation with the appropriate Federal banking agencies shall report to the Committee on Banking, Housing, and Urban Affairs of the Senate within 6 months as to whether and how the location of the residence of an applicant for unsecured credit is considered by many companies and financial institutions in deciding whether an applicant should be granted credit.

SEC. 127. TECHNICAL CORRECTION TO DEPOSITORY INSTITUTIONS MANAGEMENT INTERLOCKS ACT.

Section 209(c)(1)(C) of the Depository Institution Management Interlocks Act (12 U.S.C. 3207(c)(1)(C), as added by section 338(b) of the Riegle Community Development and Regulatory Improvement Act of 1994) is amended by inserting "or institutions" after "newly chartered institutions".

TITLE II—CREDIT REPAIR ORGANIZATIONS

SEC. 201. REGULATION OF CREDIT REPAIR ORGANIZATIONS.

Title IV of the Consumer Credit Protection Act is amended to read as follows:

"TITLE IV—CREDIT REPAIR ORGANIZATIONS

"Sec.
"401. Short title.
"402. Findings and purposes.
"403. Definitions.
"404. Prohibited practices.
"405. Disclosures.
"406. Credit repair organizations contracts.
"407. Right to cancel contract.
"408. Noncompliance with this title.
"409. Civil liability.
"410. Administrative enforcement.
"411. Statute of limitations.
"412. Relation to State law.
"413. Effective date.

"SEC. 401. SHORT TITLE.

"This title may be cited as the 'Credit Repair Organizations Act'.

"SEC. 402. FINDINGS AND PURPOSES.

"(a) FINDINGS.—The Congress makes the following findings:

"(1) Consumers have a vital interest in establishing and maintaining their creditworthiness and credit standing in order to obtain and use credit. As a result, consumers who have experienced credit problems may seek assistance from credit repair organizations which offer to improve the credit standing of such consumers.

"(2) Certain advertising and business practices of some companies engaged in the business of credit repair services have worked a financial hardship upon consumers, particularly those of limited economic means and who are inexperienced in credit matters.

"(b) PURPOSES.—The purposes of this title are as follows:

"(1) To ensure that prospective buyers of the services of credit repair organizations are provided with the information necessary to make an informed decision regarding the purchase of such services.

"(2) To protect the public from unfair or deceptive advertising and business practices by credit repair organizations.

"SEC. 403. DEFINITIONS.

"For purposes of this title—

"(1) CONSUMER.—The term 'consumer' means an individual.

"(2) CONSUMER CREDIT TRANSACTION.—The term 'consumer credit transaction' means any transaction in which credit is offered or extended to an individual for personal, family, or household purposes.

"(3) CREDIT REPAIR ORGANIZATION.—The term 'credit repair organization'—

"(A) means any person who uses any instrumentality of interstate commerce or the mails to sell, provide, or perform (or represent that such person can or will sell, provide, or perform) any service, in return for the payment of money or other valuable consideration, for the express or implied purpose of—

"(i) improving any consumer's credit record, credit history, or credit rating; or

"(ii) providing advice or assistance to any consumer with regard to any activity or service described in clause (i); and

"(B) does not include—

"(i) any nonprofit organization which is exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986;

"(ii) any attorney-at-law who is a member of the bar of the highest court of any State or otherwise licensed under the laws of any State, with respect to services rendered which are within the scope of regulations applicable to members of such bar or such licensees; or

"(iii) any creditor (as defined in section 103 of the Truth in Lending Act), with respect to any consumer, to the extent the creditor is assisting the consumer to restructure any debt owed by the consumer to the creditor.

"(4) CREDIT.—The term 'credit' has the meaning given to such term in section 103(e) of this Act.

"SEC. 404. PROHIBITED PRACTICES.

"(a) IN GENERAL.—No person may—

"(1) make any statement, or counsel or advise any consumer to make any statement, which is untrue or misleading (or which, upon the exercise of reasonable care, should be known by the credit repair organization, officer, employee, agent, or other person to be untrue or misleading) with respect to any consumer's creditworthiness, credit standing, or credit capacity to—

"(A) any consumer reporting agency (as defined in section 603(f) of this Act); or

"(B) any person—

"(i) who has extended credit to the consumer; or

"(ii) to whom the consumer has applied or is applying for an extension of credit;

"(2) make any statement, or counsel or advise any consumer to make any statement, the intended effect of which is to alter the consumer's identification to prevent the display of the consumer's credit record, history, or rating for the purpose of concealing adverse information that is accurate and not obsolete to—

"(A) any consumer reporting agency;

"(B) any person—

"(i) who has extended credit to the consumer; or

"(ii) to whom the consumer has applied or is applying for an extension of credit;

"(3) make or use any untrue or misleading representation of the services of the credit repair organization; or

"(4) engage, directly or indirectly, in any act, practice, or course of business that constitutes or results in the commission of, or an attempt to commit, a fraud or deception on any person in connection with the offer or sale of the services of the credit repair organization.

"(b) PAYMENT IN ADVANCE.—No credit repair organization may charge or receive any money or other valuable consideration for the performance of any service which the credit repair organization has agreed to perform for any consumer before such service is fully performed.

"SEC. 405. DISCLOSURES.

"(a) DISCLOSURE REQUIRED.—Any credit repair organization shall provide any consumer with the following written statement before any contract or agreement between the consumer and the credit repair organization is executed:

"'Consumer Credit File Rights Under State and Federal Law

"'You have a right to dispute inaccurate information in your credit report by contacting the credit bureau directly. However, neither you nor any "credit repair" company or credit repair organization has the right to have accurate, current, and verifiable information removed from your credit report. The credit bureau must remove accurate, negative information from your report only if it is over 7 years old. Bankruptcy information can be reported for 10 years.

"'You have a right to obtain a copy of your credit report from a credit bureau. You may be charged a reasonable fee. There is no fee, however, if you have been turned down for credit, employment, insurance, or a rental dwelling because of information in your credit report within the preceding 60 days. The credit bureau must provide someone to help you interpret the information in your credit file. You are entitled to receive a free copy of your credit report if you are unemployed and intend to apply for employment in the next 60 days, if you are a recipient of public welfare assistance, or if you have reason to believe that there is inaccurate information in your credit report due to fraud.

"'You have a right to sue a credit repair organization that violates the Credit Repair Organization Act. This law prohibits deceptive practices by credit repair organizations.

"'You have the right to cancel your contract with any credit repair organization for any reason within 3 business days from the date you signed it.

"'Credit bureaus are required to follow reasonable procedures to ensure that the information they report is accurate. However, mistakes may occur.

"'You may, on your own, notify a credit bureau in writing that you dispute the accuracy of information in your credit file. The credit bureau must then reinvestigate and modify or remove inaccurate or incomplete information. The credit bureau may not charge any fee for this service. Any pertinent information and copies of all documents you have concerning an error should be given to the credit bureau.

"'If the credit bureau's reinvestigation does not resolve the dispute to your satisfaction, you may send a brief statement to the credit bureau, to be kept in your file, explaining why you think the record is inaccurate. The credit bureau must include a summary of your statement about disputed information with any report it issues about you.

"'The Federal Trade Commission regulates credit bureaus and credit repair organizations. For more information contact:

The Public Reference Branch
Federal Trade Commission
Washington, D.C. 20580'.

"(b) SEPARATE STATEMENT REQUIREMENT.—The written statement required under this section shall be provided as a document which is separate from any written contract or other agreement between the credit repair organization and the consumer or any other written material provided to the consumer.

"(c) RETENTION OF COMPLIANCE RECORDS.—

"(1) IN GENERAL.—The credit repair organization shall maintain a copy of the statement signed by the consumer acknowledging receipt of the statement.

"(2) MAINTENANCE FOR 2 YEARS.—The copy of any consumer's statement shall be maintained in the organization's files for 2 years after the date on which the statement is signed by the consumer.

"SEC. 406. CREDIT REPAIR ORGANIZATIONS CONTRACTS.

"(a) WRITTEN CONTRACTS REQUIRED.—No services may be provided by any credit repair organization for any consumer—

"(1) unless a written and dated contract (for the purchase of such services) which meets the requirements of subsection (b) has been signed by the consumer; or

"(2) before the end of the 3-business-day period beginning on the date the contract is signed.

"(b) TERMS AND CONDITIONS OF CONTRACT.—No contract referred to in subsection (a) meets the requirements of this subsection unless such contract includes the following information (in writing):

"(1) The terms and conditions of payment, including the total amount of all payments to be made by the consumer to the credit repair organization or to any other person.

"(2) A full and detailed description of the services to be performed by the credit repair organization for the consumer, including—

"(A) all guarantees of performance; and

"(B) an estimate of—

"(i) the date by which the performance of the services (to be performed by the credit repair organization or any other person) will be complete; or

"(ii) the length of the period necessary to perform such services.

"(3) The credit repair organization's name and principal business address.

"(4) A conspicuous statement in bold face type, in immediate proximity to the space reserved for the consumer's signature on the contract, which reads as follows: 'You may cancel this contract without penalty or obligation at any time before midnight of the 3rd business day after the date on which you signed the contract. See the attached notice of cancellation form for an explanation of this right.'.

"SEC. 407. RIGHT TO CANCEL CONTRACT.

"(a) IN GENERAL.—Any consumer may cancel any contract with any credit repair organization without penalty or obligation by notifying the credit repair organization of the consumer's intention to do so at any time before midnight of the 3rd business day which begins after the date on which the contract or agreement between the consumer and the credit repair organization is executed or would, but for this subsection, become enforceable against the parties.

"(b) CANCELLATION FORM AND OTHER INFORMATION.—Each contract shall be accompanied by a form, in duplicate, which has the heading 'Notice of Cancellation' and contains in bold face type the following statement:

"'You may cancel this contract, without any penalty or obligation, at any time before midnight of the 3rd day which begins after the date the contract is signed by you.

"'To cancel this contract, mail or deliver a signed, dated copy of this cancellation notice, or any other written notice to [name of credit repair organization] at [address of credit repair organization] before midnight on [date]

"'I hereby cancel this transaction,

[date]

[purchaser's signature].'.

"(c) CONSUMER COPY OF CONTRACT REQUIRED.—Any consumer who enters into any contract with any credit repair organization shall be given, by the organization—

"(1) a copy of the completed contract and the disclosure statement required under section 405; and

"(2) a copy of any other document the credit repair organization requires the consumer to sign,

at the time the contract or the other document is signed.

"SEC. 408. NONCOMPLIANCE WITH THIS TITLE.

"(a) CONSUMER WAIVERS INVALID.—Any waiver by any consumer of any protection provided by or any right of the consumer under this title—

"(1) shall be treated as void; and

"(2) may not be enforced by any Federal or State court or any other person.

"(b) ATTEMPT TO OBTAIN WAIVER.—Any attempt by any person to obtain a waiver from any consumer of any protection provided by or any right of the consumer under this title shall be treated as a violation of this title.

"(c) CONTRACTS NOT IN COMPLIANCE.—Any contract for services which does not comply with the applicable provisions of this title—

"(1) shall be treated as void; and

"(2) may not be enforced by any Federal or State court or any other person.

"SEC. 409. CIVIL LIABILITY.

"(a) LIABILITY ESTABLISHED.—Any person who fails to comply with any provision of this title with respect to any other person shall be liable to such person in an amount equal to the sum of the amounts determined under each of the following paragraphs:

"(1) ACTUAL DAMAGES.—The greater of—

"(A) the amount of any actual damage sustained by such person as a result of such failure; or

"(B) any amount paid by the person to the credit repair organization.

"(2) PUNITIVE DAMAGES.—

"(A) INDIVIDUAL ACTIONS.—In the case of any action by an individual, such additional amount as the court may allow.

"(B) CLASS ACTIONS.—In the case of a class action, the sum of—

"(i) the aggregate of the amount which the court may allow for each named plaintiff; and

"(ii) the aggregate of the amount which the court may allow for each other class member, without regard to any minimum individual recovery.

"(3) ATTORNEYS' FEES.—In the case of any successful action to enforce any liability under paragraph (1) or (2), the costs of the action, together with reasonable attorneys' fees.

"(b) FACTORS TO BE CONSIDERED IN AWARDING PUNITIVE DAMAGES.—In determining the amount of any liability of any credit repair organization under subsection (a)(2), the court shall consider, among other relevant factors—

"(1) the frequency and persistence of noncompliance by the credit repair organization;

"(2) the nature of the noncompliance;

"(3) the extent to which such noncompliance was intentional; and

"(4) in the case of any class action, the number of consumers adversely affected.

"SEC. 410. ADMINISTRATIVE ENFORCEMENT.

"(a) IN GENERAL.—Compliance with the requirements imposed under this title with respect to credit repair organizations shall be enforced under the Federal Trade Commission Act by the Federal Trade Commission.

"(b) VIOLATIONS OF THIS TITLE TREATED AS VIOLATIONS OF FEDERAL TRADE COMMISSION ACT.—

"(1) IN GENERAL.—For the purpose of the exercise by the Federal Trade Commission of the Commission's functions and powers under the Federal Trade Commission Act, any violation of any requirement or prohibition imposed under this title with respect to credit repair organizations shall constitute an unfair or deceptive act or practice in commerce in violation of section 5(a) of the Federal Trade Commission Act.

"(2) ENFORCEMENT AUTHORITY UNDER OTHER LAW.—All functions and powers of the Federal Trade Commission under the Federal Trade Commission Act shall be available to the Commission to enforce compliance with this title by any person subject to enforcement by the Federal Trade Commission pursuant to this subsection, including the power to enforce the provisions of this title in the same manner as if the violation had been a violation of any Federal Trade Commission trade regulation rule, without regard to whether the credit repair organization—

"(A) is engaged in commerce; or

"(B) meets any other jurisdictional tests in the Federal Trade Commission Act.

"(c) STATE ACTION FOR VIOLATIONS.—

"(1) AUTHORITY OF STATES.—In addition to such other remedies as are provided under State law, whenever the chief law enforcement officer of a State, or an official or agency designated by a State, has reason to believe that any person has violated or is violating this title, the State—

"(A) may bring an action to enjoin such violation;

"(B) may bring an action on behalf of its residents to recover damages for which the person is liable to such residents under section 409 as a result of the violation; and

"(C) in the case of any successful action under subparagraph (A) or (B), shall be awarded the costs of the action and reasonable attorney fees as determined by the court.

"(2) RIGHTS OF COMMISSION.—

"(A) NOTICE TO COMMISSION.—The State shall serve prior written notice of any civil action under paragraph (1) upon the Federal Trade Commission and provide the Commission with a copy of its complaint, except in any case where such prior notice is not feasible, in which case the State shall serve such notice immediately upon instituting such action.

"(B) INTERVENTION.—The Commission shall have the right—

"(i) to intervene in any action referred to in subparagraph (A);

"(ii) upon so intervening, to be heard on all matters arising in the action; and

"(iii) to file petitions for appeal.

"(3) INVESTIGATORY POWERS.—For purposes of bringing any action under this subsection, nothing in this subsection shall prevent the chief law enforcement officer, or an official or agency designated by a State, from exercising the powers conferred on the chief law enforcement officer or such official by the laws of such State to conduct investigations or to administer oaths or affirmations or to compel the attendance of witnesses or the production of documentary and other evidence.

"(4) LIMITATION.—Whenever the Federal Trade Commission has instituted a civil action for violation of this title, no State may, during the pendency of such action, bring an action under this section against any defendant named in the complaint of the Commission for any violation of this title that is alleged in that complaint.

"SEC. 411. STATUTE OF LIMITATIONS.

"Any action to enforce any liability under this title may be brought before the later of—

"(1) the end of the 2-year period beginning on the date of the occurrence of the violation involved; or

"(2) in any case in which any credit repair organization has materially and willfully misrepresented any information which—

"(A) the credit repair organization is required, by any provision of this title, to disclose to any consumer; and

"(B) is material to the establishment of the credit repair organization's liability to the consumer under this title,

the end of the 2-year period beginning on the date of the discovery by the consumer of the misrepresentation.

"SEC. 412. RELATION TO STATE LAW.

"This title shall not annul, alter, affect, or exempt any person subject to the provisions of this title from complying with any law of any State except to the extent that such law is inconsistent with any provision of this title, and then only to the extent of the inconsistency.

"SEC. 413. EFFECTIVE DATE.

"This title shall apply after the end of the 6-month period beginning on the date of the enactment of the Credit Repair Organizations Act, except with respect to contracts entered into by a credit repair organization before the end of such period.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Massachusetts [Mr. KENNEDY] will be recognized for 20 minutes, and the gentleman from California [Mr. MCCANDLESS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. KENNEDY].

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

Mr. Speaker, I am pleased to again bring before the House one of the most important pieces of consumer legislation we will consider in this Congress. I want to thank the gentleman from Texas, Chairman GONZALEZ, the gentleman from Iowa [Mr. LEACH], the gentleman from California [Mr. MCCANDLESS], and the gentleman from California [Mr. TORRES], for working with me to fashion an excellent piece of legislation. This past summer, the House passed by voice vote a virtually identical version of this bill. Since that time, Members of the House and the other body have met to reconcile differences in each Chamber's bill. The bill before the House today represents a compromise that is not only bipartisan, but bicameral, as well.

Let me briefly describe what this bill attempts to do. In a nutshell, it reforms the credit reporting industry—an industry that affects the lives of virtually every working American. Credit bureaus—especially TRW, Equifax, and Transunion, the big 3—have 450 million files on individual consumers. They process over 2 billion pieces of data each month, and do so at practically the speed of light. The credit reports they compile determine whether a consumer will obtain a mortgage, a car or business loan, a job, and even an apartment.

If these reports are not accurate, or if they are distributed without a legitimate purpose, then our whole society suffers. Consumers may be unfairly deprived of credit, employment, and their privacy. And businesses may lose out on the opportunity to gain new customers.

Unfortunately, today the consumer reporting industry is riddled with problems. The Federal Trade Commission receives 9,000 complaints each year about credit bureaus—more than it receives about any other businesses, including auto dealers and debt collectors. One recent study shows why: 48 percent of all credit reports—nearly half—contain at least one error, and 20 percent or all reports contain errors so serious that they could cost consumers a mortgage, a loan, or a job.

Credit bureaus have shown little interest in correcting these mistakes on their own. Even after being contacted by consumers about possible mistakes, the bureaus fail to respond 26 percent of the time to inquiries. As a result, consumers must often wait months, even years, to clean up error-riddled consumer reports. In the meantime, they may have lost an opportunity to own a home or a car, or land a better job.

Equally disturbing is the growing distribution of credit reports without a consumer's knowledge or consent. These reports contain very personal information about a consumer's life. When that information is sent far and wide without consent, then the consumer suffers an invasion of privacy that can be personally embarrassing and financially damaging. Several years ago, someone wrongfully obtained a copy of former Vice President Quayle's consumer report, and distributed it widely. These practices must stop. The right to privacy is sacred to all Americans, and we should not tolerate its erosion.

For tens—if not hundreds—of thousands of consumers, the promise of the information highway has given way to an Orwellian nightmare of erroneous and unknowingly disseminated credit reports. The legislation we bring to the floor today takes a number of steps to improve both the accuracy and privacy of consumer reports:

It requires credit bureaus to investigate consumer complaints within 30 days, and delete any information they cannot verify. That way, consumers will not be plagued for months or years by someone else's bad debts.

It caps the cost of a credit report at $3, and allows consumers to obtain free copies of their credit reports after a reinvestigation or adverse action, or if they are unemployed, on public assistance, or believe they are victims of fraud. By making credit reports more affordable, this provision will help consumers detect and correct errors before they do damage.

The bill also requires credit providers—like banks and department stores—who furnish information to credit bureaus to do so accurately, and to correct mistakes promptly. By requiring these furnishers of information to be more careful, we will improve the quality of information that is put into a credit report to begin with, and hopefully avoid many of the problems we now see taking place.

The bill improves privacy protections by requiring employers to obtain a consumer's written consent before obtaining the consumer's credit report. It also allows a consumer to learn who has seen his or her report, and why, to help prevent unauthorized uses of that report.

Last, this bill regulates, for the first time, so-called credit repair organizations. These firms frequently promise to clear up a consumer's bad credit, but in fact either fail to follow through, or do so only by misleading credit bureaus. H.R. 1015 bars credit repair firms from making untrue or misleading statements to credit bureaus. In addition, it allows these firms to collect payment from a consumer only after they have fully performed their services. These provisions will help weed out the corrupt actors in this growing industry.

This legislation does not only benefit consumers. It also benefits business. In the areas of prescreening and information-sharing among affiliates, it extends new liberties to industry. Hopefully, those liberties will result in new credit opportunities for consumers. The bill also carefully ensures that grantors will not be the subject of frivolous lawsuits.

In addition, H.R. 1015 gives industry an 8-year Federal preemption of State laws. This compromise provision is the product of a careful effort to balance industry's desire for nationwide uniformity with States' vital interest in protecting their citizens. This has been a contentious issue for quite some time, and has impeded the progress of this bill in the past. I would have preferred that there be no Federal preemption in this bill. Federal law usually sets a floor, not a ceiling, for consumer protection—allowing States to adopt added measures to protect their citizens. Nevertheless, the 8-year preemption mandated by this bill will test the viability of a uniform national standard. If after 8 years the Federal law is not adequately protecting consumers, then I would expect States to step in once again and do the job.

In closing, Mr. Speaker, I would like to reiterate that this is landmark legislation. It gives consumers protections that they desperately need. And it provides industry with benefits that will enable more efficient operations. I believe that it merits the support of the entire House, and I urge its adoption.

□ 1420

Mr. Speaker, I also want to take a brief moment to acknowledge the tremendous efforts on behalf of consumers by the chairman of the full Committee on Banking, Finance and Urban Affairs, the gentleman from Texas [Mr. GONZALEZ]. Mr. GONZALEZ played a key role over the course of the last several years in forming this legislation. He has been the bulwark to consumer protections that are contained in this bill, and without his unflinching willingness to stand up for the consumers, Mr. Speaker, I do not believe that this legislation could have been nearly as good and as strong as it is today. So, I want to very much thank the chairman for the efforts he has made, and I again want to thank and congratulate the gentleman from California [Mr. MCCANDLESS]. I thank him for all his help in fashioning the compromise.

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

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

Mr. Speaker, the House is being asked today to suspend the rules and pass a bill to substantially amend the Fair Credit Reporting Act [FCRA]. Basically, what we are doing is calling-up S. 783, deleting the text of the bill, and inserting the text of a compromise bill that resembles very closely a bill that the House passed earlier this year. I urge my colleagues to support this compromise bill.

By way of background, the FCRA was passed over 20 years ago to ensure the accuracy and completeness of information about consumers that credit bureaus collect, maintain, and report. Although the credit reporting industry has changed dramatically over the last 20 years, the FCRA has not been substantially amended since its passage.

Not surprisingly, the FCRA is out-of-date. When it was originally passed, credit reporting was still a local business activity. Today, however, credit reporting is a nationwide industry that utilizes the very latest in technology. Credit reporting is carried out today in ways that were not foreseen 20 years ago.

This compromise bill is drafted with an eye toward the future. Hopefully, the FCRA, as amended by this compromise bill, will not need to be amended for another 20 years.

I mentioned earlier that this compromise bill closely resembles a bill that the House passed earlier this year. That bill was H.R. 1015 which passed the House on June 13, 1994 by voice vote. I want to briefly discuss just two of this compromise bill's provisions to assure Members that the essential elements of H.R. 1015 have been retained.

First, I want to assure Members that the FCRA, as amended by this compromise bill, will be the law of the land for the next 8 years beginning January 1, 1995—just as it would have been under H.R. 1015. After 8 years, States will be able to enact tougher laws if they choose to do so. I think that 8 years is long enough to foster national uniformity, but not too long to stifle State ingenuity.

Second, I want to assure Members that the FCRA, as amended by this compromise bill, will generally allow credit bureaus to charge a reasonable fee for providing credit reports. Only under certain circumstances will they have to provide credit reports for free. The language in the compromise bill is exactly the same on this issue as it was in H.R. 1015.

The bill that we passed in June was a good bill, but the compromise bill we have before us today is an even better bill. It is a bill that all of us can support without reservation. I urge my colleagues to suspend the rules and pass this compromise bill.

Mr. KENNEDY. Mr. Speaker, I yield such time as he may consume to the chairman of the full Committee on Banking, Finance and Urban Affairs, the gentleman from Texas [Mr. GONZALEZ].

Mr. GONZALEZ. Mr. Speaker, I rise merely to compliment both the chairman of the subcommittee, the gentleman from Massachusetts [Mr. KENNEDY], and the ranking minority member, the gentleman from California [Mr. MCCANDLESS]. I can only testify to the fact that since I was in on the initial basic legislation and, obviously, understood at the time, as on this occasion, that it is a question in a legislative process of compromise, and so these needed amendments, if we just took the effort poured into the amendments to the basic act, that would be enough to render praise to such individuals as the gentleman from California [Mr. MCCANDLESS] and also the predecessor chairman of the subcommittee, the gentleman from California [Mr. TORRES]. He brought a bill after going through what I called this long, interminable journey of this legislative package. The journey was fraught with not only chuckholes, but assaults on the way, some monstrously large as they were in the last Congress. In other words, Mr. Speaker, this is actually a process that has gone through more than one Congress.

So, I wanted to compliment these gentlemen, including the gentleman from California [Mr. TORRES] who is here again today even though he does not belong to our Committee on Banking, Finance and Urban Affairs any longer. He has gone up to the prestigious power centers of appropriations where the money is. But I do want to render tribute because this again demonstrates what so often in our country we do not tend to appreciate, and that is the beauty of the American system of procedure and legislative consideration under the utmost democratic of processes and where finally after refinement, after refinement, we have something that in the words of the gentleman from California [Mr. MCCANDLESS] should be acceptable to every Member of the House.

Mr. Speaker, I end up by rendering tribute to these distinguished chairmen like the gentleman from Massachusetts [Mr. KENNEDY], the gentleman from California [Mr. MCCANDLESS], the

gentleman from California [Mr. TORRES], and others.

Mr. Speaker, today I hope the House will cast its final vote for one of the most important consumer protection bills to come before Congress this session: the Consumer Reporting Reform Act of 1994.

S. 783 represents the very diligent work of not only both sides of the aisle, but both sides of Capitol Hill. Earlier this summer, this legislation received the overwhelming approval of the Senate, passing by a vote of 87 to 10. The House bill, H.R. 1015, also received overwhelming support and passed on a voice vote. The bill before the Members this morning represents a fair compromise between those two popular bills. Like the previous bills, this legislation still represents long overdue reform on the Fair Credit Reporting Act. It still improves credit bureau information so that lenders can make better business decisions. It still demands accuracy from companies that provide information to credit bureaus. And it still gives consumers more control over who can access their personal financial information that credit bureaus collect.

I have taken the House floor many times to apprise my colleagues of the horror stories I have heard about credit bureau mistakes. Mr. Speaker, I have told you about the families who could not purchase their first home, about unemployed workers kept from jobs, and about taxpayers unfairly labeled deadbeats because of credit reporting mistakes. For the past 4 years, I have fought to make the Fair Credit Reporting Act work better for consumers, and I believe S. 783 achieves that goal. I hope and trust the Senate will pass the bill with the amendments the House proposes, so that these reforms can be enacted at last.

Mr. McCANDLESS. Mr. Speaker, I yield 3 minutes to the gentleman from Wyoming [Mr. THOMAS], an outstanding member of the Committee on Banking, Finance and Urban Affairs.

Mr. THOMAS of Wyoming. Mr. Speaker, I rise in support of S. 783, the Fair Credit Reporting Act, and I want to recognize the work of Mr. McCANDLESS and Mr. KENNEDY on this legislation. What started out in subcommittee as overly bureaucratic, antibusiness legislation that would have had the effect of restricting credit to consumers, has become a commonsense balance between the interests of consumers and the businesses who grant credit. Mr. McCANDLESS and Mr. KENNEDY deserve much credit for that evolution.

The current Fair Credit Reporting Act is out of date. It was passed in 1970, and we all have agreed for some time that we needed to make changes. Time and again over the years, we witnessed legislation come out of the Banking Committee that didn't strike the kind of balance we have in today's bill. Those of us who support the private sector have stood together year after year in opposition to those efforts.

While many have used the word "Gridlock" in a negative sense over the past few years, this is a case where gridlock worked. Legislation that would have limited credit to consumers was turned back and held up until the sponsors of this bill finally decided that it was time to deal, and we were able to make vast improvements to the legislation.

We struck a compromise that allows consumers to protect their privacy and their ability to gain access to their reports and correct errors. We have compromised on the preemption issue so companies will not have to comply with a patchwork of State laws. We were able to find a way to make credit reports available for free to those who truly need them without requiring credit bureaus to just give away their product. In short, we have a compromise piece of legislation that will help consumers without hurting business.

Finally, Mr. Speaker, I want to point out that this is another important piece of legislation that has come out of the Banking Committee this year. We heard a lot of talk earlier this year that Whitewater was preventing us from working on other important issues that would effect the American people. That is simply not been the case.

We passed the community development financial institution bill, which included flood insurance legislation, high cost mortgage legislation, regulatory relief for banks and small business secondary market development. The President is due to sign the interstate banking and branching legislation tomorrow. And today we take a step toward passing the fair credit reporting legislation we have worked on for so many years. Clearly, this committee has been able to work together to pass important legislation despite our differences on other issues. I am encouraged by that, and I want to congratulate my fellow members of the committee for that success.

□ 1430

Let me finally say on behalf of my friend, the gentleman from California [Mr. McCANDLESS], who will be leaving the House soon, that his leadership in this committee and other committees on which we have served together has been invaluable. Since I was not here last night, I wish the gentleman would listen while I am saying these nice things about him, because I may not do it again.

In any event, it has been wonderful to have his leadership, and we appreciate very much what he has done, and we truly will miss him in the House.

Mr. McCANDLESS. I am sorry, I did not hear what the gentleman said. The full chairman is smiling, so I am not sure what the intent of his remark is.

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

Mr. THOMAS of Wyoming. I yield to the gentleman from Texas.

Mr. GONZALEZ. Mr. Speaker, would it not be like AL McCANDLESS to turn his back while they were trying to say nice things about him?

Mr. KENNEDY. Mr. Speaker, I am just surprised the gentleman from California [Mr. McCANDLESS] did not ask him to repeat it.

In any event, I yield 5½ minutes to the gentleman from California [Mr. TORRES] who did yeoman's work in getting this legislation passed in his time as chairman of the same subcommittee which I now chair. He did a fantastic job in bringing this legislation along. I take delight in yielding time to the gentleman.

Mr. TORRES. Mr. Speaker, I thank the gentleman for his fine comments.

Mr. Speaker, I rise today in strong support of the House substitute amendments to S. 783, a bill to reform our Nation's credit reporting system. This bipartisan compromise bill may be the most important consumer legislation considered by this Congress. This legislation will increase the accuracy of consumer reports and better protect the privacy of those reports. It seeks to modernize and reform the Fair Credit Reporting Act of 1970—a law that has not been substantially updated in more than 20 years.

The FCRA was enacted to ensure that the Nation's credit reporting system functioned fairly, accurately, and without undue intrusion into the consumer's privacy. But our country has changed dramatically over the past two decades, and so too has the technology which facilitates the credit reporting system. Credit reports are no longer filed in manilla envelopes and stored in metal cabinets. Today, reports are stored, manipulated and relayed by the most sophisticated computers in the world. When the FCRA was passed in 1970, the largest credit bureau had 27 million files on consumers. Today, each of the three largest bureaus keeps files on 170 to 200 million consumers.

The present state of computer technology and the volume of credit transactions which fuel the American economy have rendered the FCRA dangerously ill-equipped to meet the needs of today's consumers.

The FCRA sought to achieve a balance between the legitimate business need to obtain accurate consumer credit information and the right of consumers to protect the privacy of their personal and financial records. But that delicate balance has been lost.

Today, consumers' lives are an open book. Sensitive personal and financial data is bought and sold with little or no regard for the privacy of the consumer. Workers are denied employment or even blackballed because of erroneous information in their files. Furthermore, inaccurate credit information is difficult, if not impossible, to correct. Clearly, it is time to regain the balance to protect American consumers against the abuses of the credit reporting industry.

The human consequences of these abuses can be devastating. Moreover, virtually every adult in America is at risk of falling victim to an industry that is out of control. Whenever you apply for a loan, rent an apartment, buy a house, purchase insurance or apply for a job, you are at the mercy of the consumer reporting industry—an industry that is responsible for untold horror stories. As the former chairman of the Subcommittee on Consumer Affairs and Coinage, I spent 2 years examining the credit reporting industry. After extensive hearings and a thorough investigation, the subcommittee found an industry desperately in need of major reform.

The most serious problem uncovered by the subcommittee was the number of errors contained in credit reports. In 1991 alone, 10,000 consumers complained to the Federal Trade Commission about inaccurate credit reports. Recent studies have found that almost half of all credit reports contain errors and that one of every four reports has serious errors which could result in the denial of credit, insurance, or even the loss of a job.

These studies have also found that consumers spend an average of 6 months getting credit bureaus to correct errors in their reports, and that even if mistakes are corrected, they often show up as errors in subsequent reports.

This bill will put an end to the pain and suffering that the consumer reporting industry is causing thousands of decent and responsible Americans. It will increase the accuracy of credit reports and better protect the privacy of those reports.

This compromise bill will give consumers greater access to their credit histories and makes it easier to correct mistakes. It holds banks and merchants accountable for the quality of the information they turn over to credit bureaus. And it increases privacy by requiring employers to get permission before they can check a worker's credit report. This bill offers greatly needed reforms.

I would like to extend my gratitude to the chairman of the Subcommittee on Consumer Reporting and Insurance, the Honorable JOSEPH KENNEDY and to the chairman of full Banking, the Honorable HENRY B. GONZALEZ. On February 18, 1993, Chairman GONZALEZ and KENNEDY joined me in introducing this legislation. Since that time they have worked tirelessly to advance the bill to the House floor. Against great odds, and the opposition of some of the most powerful interests in the country, they have refined this bill to make it acceptable to both consumer and industry representatives, as well as Democrats and Republicans alike. They are the true heroes of this reform effort.

Finally, I would be remiss if I did not acknowledge the efforts of the staff who have worked behind the scenes on this legislation. I particularly want to acknowledge the work of Banking Committee counsel Amy Friend, who has labored on this legislation for almost 4 years. Without her superb efforts, I seriously doubt that we would be considering this bill today.

Mr. Speaker, I urge my colleagues to vote for this critical piece of consumer legislation.

Mr. MCCANDLESS. Mr. Speaker, I yield 5 minutes to the gentleman from Alabama [Mr. BACHUS], a member of the Committee on Banking, Finance and Urban Affairs.

Mr. BACHUS of Alabama. Mr. Speaker, I rise in support of this legislation. I believe this legislation will have a positive effect on the American public in their dealings with credit agencies in applying for credit.

Every day in America countless numbers of our citizens apply for home mortgages, attempt to finance the purchase of automobiles, make application for credit cards or minimum extensions of credit, and seek employment or admission to schools, associations and organizations. Sadly, in preparing credit reports in connection with these transactions, there are errors, omissions and foul-ups. They cannot be avoided entirely. However, we can and we should attempt to minimize these miscues, and seek also to lessen the scope and damage occasioned by these mistakes. The legislation, I am convinced, will do just that. I support it because I sincerely believe that it will help the American public as they apply for and utilize the credit market, and make credit reports more accurate and more reliable.

Before I talk about two positive provisions in this legislation I would like to say that last night this House honored the ranking minority member of this committee, the gentleman from California [Mr. MCCANDLESS], on the floor of this House, and this will, I am sure be the last piece of legislation that the gentleman from California will be actively involved in on this floor.

□ 1440

I want to tell the gentleman personally that he will be missed by members of this committee. I think this legislation and his work on it is certainly a fitting tribute in this, his last year.

I also want to say to the gentleman from Massachusetts [Mr. KENNEDY], I commend him for his hard work.

I want to point out, first of all, an amendment that I offered to correct an injustice currently confronting consumers victimized by erroneous credit reports.

Under current law, innocent consumers have the obligation to wade through credit reporting bureaucracy to get erroneous information changed on their credit report.

With the adoption of my amendment, now contained within this bill, the responsibility will be placed where it ought to be—on the source of the error. With this new automated system, the consumer need only contact one credit reporting agency, yet the error will be corrected on the reports of all three nationwide credit reporting agencies.

For too long, erroneous credit reports that just keep reappearing year after year have been a never-ending nightmare for some consumers. Many consumers never realized and never were told that in order to correct a single error they may need to begin three separate reinvestigation processes.

Modern technology gives us the ability to communicate simultaneously. The adoption of this amendment utilizes this technology to communicate the correct information to all three nationwide reporting agencies. One contact and credit information nationwide is corrected.

A second issue of interest to me is a revision to the Fair Debt Collection Practices Act. In 1977 when the Congress passed the Fair Debt Collection Practices Act, it was intended for this law to stop abusive debt collection practices. One of the unintended results was a rise in technical lawsuits filed against collection agencies.

Few of these law suits are for substantive violations of the Fair Debt Collection Practices Act and few reach the courts. What has happened because of the $1,000 statutory damages provision in the law, collectors settle out of court because the cost of fighting the suit, even if they win, would exceed an out-of-court settlement.

It is not uncommon for a lawyer to call a collector, threaten suit and then quickly add, "it will cost you a minimum of $1,000 in statutory damages plus legal fees, however, we will settle for $750." And what are the "abusive practices" that lead to these suits. One prominent example was the collector who was called by a consumer and asked to provide a receipt for a check the consumer had written to the debt collection agency. When the receipt was received, it did not contain the words "this is an attempt to collect a debt and any information obtained will be used for that purpose." That wording is required every time a collector communicates with a debtor. But certainly Congress did not expect that the language be contained on a receipt, especially when it was requested by a debtor. In this case, however, the collector was threatened with legal action because the "wording" was not on the receipt. Mr. Speaker, there are many such cases, mostly of a technical nature.

It is my understanding that Section 121 of S. 783 begins to address the problem of technical violations of the Fair Debt Collection Practices Act. It provides that the required collection disclosure only be contained in written

communications, not oral ones and that receipts or information requested by a consumer or attorney need not contain the warning.

This provision has been endorsed by the Federal Trade Commission at both the staff and Commission level. The provision would not in any way weaken the Fair Debt Collections Practices Act. Still contained in the law is a broad provision that a collector cannot use fraudulent or deceptive means to collect a debt. So even though a collector would not have to give the warnings on telephone calls, they could not misrepresent the purpose of their calls.

Now I would like to take a minute to engage the chairman of the Consumer Credit and Insurance Subcommittee in a brief colloquy.

Mr. Speaker, under the terms of section 121 of S. 783, which is before us today, is it the intent of the legislation that the disclosures contained in section 807 (11) of the Fair Debt Collection Practices Act would no longer have to be made in telephone calls between debt collectors and consumer debtors?

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

Mr. BACHUS of Alabama. I yield to the gentleman from Massachusetts.

Mr. KENNEDY. The gentleman is correct. However, nothing in the bill undercuts the general rule of section 807 in that all communications, including those by phone, must not be false or misleading.

Mr. BACHUS of Alabama. Second, I would like to point out that in many cases a third party has taken over responsibility for the payment of a debt of a consumer. This is particularly true in student loan situations.

It is not uncommon, for instance, for the parents of a student to take responsibility for the payment of that loan.

In those cases where a third party, whether it is a parent or otherwise, has taken responsibility for the loan, is it the intent of the authors of this legislation that section 121 would also govern contact between responsible third parties and the debt collector?

Mr. KENNEDY. Mr. Speaker, if the gentleman will continue to yield, the gentleman is correct, so long as the third party is a minor. If the third party is the age of the majority, then the act could be read to prevent the collector from collecting from the third party.

Mr. BACHUS of Alabama. I appreciate the response of the subcommittee chairman but I would like to point out that section 805(b) of the Fair Debt Collection Practices Act allows a consumer to assign responsibility for a debt to a third party, regardless of the age of the debtor. Since the legislation before us today does not in any way amend Section 805, it is clear that the ability of a debt collector to contact a third party when authorized to do so by the consumer-debtor is not in any way changed by today's legislation. Thus it is clear that a consumer-debtor, regardless of age, can authorize a collector to contact a third-party in connection with a debt.

Again, I would like to commend the members of this committee for what I consider a strong bipartisan effort and resulting in legislation which will have a very positive impact on consumers and the American public as they make their way through the credit reporting bureaucracy.

Mr. MCCANDLESS. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Mr. Speaker, I thank the gentleman from California [Mr. MCCANDLESS] for yielding time to me.

I wish to acknowledge his service and work in the body as this is perhaps one of the last bills that he will work with as the ranking member on leadership from the Republican side of the aisle. He has been a friend and a good colleague on the Committee on Banking, Finance and Urban Affairs. We appreciate the contributions that he has made over this long distinguished career in the House.

I rise in support of this legislation. This has been a challenge, and I want to pay credit to the chairman of the committee, the gentleman from Texas [Mr. GONZALEZ], the subcommittee chairman, the gentleman from Massachusetts [Mr. KENNEDY], and of course, the gentleman from California [Mr. TORRES], our colleague, who has worked so hard on this.

I think it is a real mark of Congressman TORRES' service in this Congress that even after moving to a different committee, he has continued his interest in this issue, which I think demonstrates his concern for consumers, as that of the gentleman from Texas [Mr. GONZALEZ] and the subcommittee chairman, the gentleman from Massachusetts [Mr. KENNEDY].

This has been a tough issue—credit report policy—to address, but the major outline in this legislation tries to deal with the nameless, faceless recordkeeping that seems to come to visit our constituents it terms of eliminating or stopping one from obtaining credit at various times of need. The people in our districts are experiencing problems, as was pointed out, and have been the victims of errors and mistakes in recordkeeping.

It is no longer the manila folders that are the source of the information. Now it is an electronic system that seems to be almost incapable of making modifications and corrections.

The advocates insist the improvement in computers and how much better they make recordkeeping. But somehow the mistakes and errors seem to be repeated and replicated beyond any human control. The system needs accountability.

Mr. Speaker, this bill starts to deal with the businesses of credit making and the use of that information in a proper way, providing, obviously, when there is incorrect or adverse information consumers may deceive a free report and provides a nominal charge on a yearly basis for any consumer to check and review that information that the credit agency is sharing with others when the consumer seeks credit, and providing for eliminating improper use, for instance, in employment application and work place service most employers would no longer use credit report information.

Mr. Speaker, it is a good bill. It is not everything we want. I think we will need to be aware of this and working on this in the years ahead to address the needs of the consumers and the people we represent, but it is a significant step forward.

Mr. Speaker, I rise in strong support of S. 783, the Consumer Reporting Reform Act of 1994. This legislation is an overdue initiative that sets in place crucial consumer protections against faulty credit reports and the unauthorized sharing or credit history.

I am certain that many of my colleagues have heard from consumers about the problems caused by inaccurate credit reports. They have heard about jobs that are lost, loans not made and apartments not rented solely because of a credit bureau that has passed on inaccurate information. They have also heard from constituents about the difficulty that these consumers have had in seeking to correct their credit reports.

Mr. Speaker, S. 783 remedies many of the intrinsic problems in the nationwide credit reporting system. This legislation sets in place a requirement that consumers be notified of adverse action taken against them which is based on their consumer credit reports. The bill provides a workable mechanism for consumers to dispute and correct inaccurate information in a timely fashion and imposes a new threshold on providers of information to ensure that that information is accurate. The bill also increases consumer access to reports by limiting the charges that can be assessed for a report and by requiring a free copy of a report when an adverse action has been taken.

The legislation contains important worker rights protections. All too often workers rights have been trampled in the pursuit of "protecting business interests." Whether it is eavesdropping on phone conversations or using credit reports for employment purposes, basic worker privacy has been thrown out the window. This legislation is an important step to restore employee privacy rights. Rather than the current unrestricted use and abuse of these reports, the bill includes new safeguards to protect the privacy of employees and job applicants. Under this legislation, consumer credit reports can only be used for specific types of employment; prior approval is required and prior to taking an adverse action, the employee or job applicant must be notified and be given an opportunity to respond.

Mr. Speaker, this legislation is a balanced bill that provides consumers with long needed, essential protections. It is time to end the economic disruption that occurs from inaccurate

reports. It is time to end the bureaucratic maze that consumers must fight to correct those reports. I urge the adoption of this legislation.

Mr. KENNEDY. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland [Mr. MFUME].

Mr. MFUME. Mr. Speaker, I want to join with others in thanking and congratulating the gentleman from Texas [Mr. GONZALEZ], the full committee chair, the gentleman from Massachusetts [Mr. KENNEDY], who has seen this through his own subcommittee, and the gentleman from California [Mr. MCCANDLESS], whose leadership both on the other side of the aisle and in this House we will all sorely miss. The gentleman from California [Mr. TORRES] was here and left. It was the gentleman from California [Mr. TORRES] who was the driving force behind this in previous Congresses.

As Members know, this legislation informs the credit reporting industry, and industry that affects all of our lives. Unfortunately, that industry has been riddled with problems, many of those have been addressed in this bill.

It has been equally disturbing by many that the distribution of credit reports, kind of willy-nilly across this Nation without consumers' knowledge and consent. This legislation seeks to deal with many of those problems.

It requires credit bureaus to investigate consumer complaints in 30 days. It caps the cost of a credit report at $3. The bill also provides credit providers who furnish information to bureaus with the responsibility of doing that accurately. Then making them correct mistakes promptly. It improves privacy protections by requiring employers to obtain the consumers' written permission before obtaining a credit report. And last, the bill regulates for the first time the so-called credit repair agencies.

One of the aspects of the bill that I fought hard for and was able to get amended in committee and adopted was also a provision that would allow consumers who became unemployed and who got behind in a payment to be able, after a year of making payments on time and current, to be able to go in and to have information removed from their record. There had been some disagreement in the other House about that.

We were able, myself along with the distinguished Senator from Nevada, Mr. BRYAN, to work out a compromise for the sake of moving this bill forward.

I am comfortable with that and the Senator is. We feel, quite frankly, that while this bill does not do everything, it certainly takes us a quantum leap from where we were.

I urge its passage, and I congratulate those Members on both sides of the aisle who have worked so hard to bring it to this point.

Mr. MCCANDLESS. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. SCHUMER], a member of our committee.

□ 1450

Mr. SCHUMER. Mr. Speaker, I thank the gentleman for yielding time to me, and for his leadership and help on this bill.

Mr. Speaker, I rise in support of this legislation. The reforms in this bill are necessary to give consumers the protections and information necessary in the complex and treacherous world of credit information. I applaud Chairman CONZALEZ and Representative KENNEDY for their diligence in continuing to push for this bill. Because of their persistence and leadership on this issue, consumers will benefit greatly from the protections included in this legislation.

In the modern era, one punch of a computer button can instantly deliver to anyone with a computer terminal more confidential information about an American citizen than a private detective could unearth in a week.

When that information is correct, there is a legitimate fear of big brother. Who has access to this information and for what purposes?

When that information is wrong, lives can be ruined. We have all heard the horror stories of people denied mortgages, car loans, jobs—all because of a "mixup at the credit bureau." While we will never be able to eliminate all of the foulups, we must strengthen consumers' ability to correct false reports as quickly as possible. And when such errors are inflicted willfully or by negligence, credit bureaus must know they will be liable.

The 20-year-old Fair Credit Reporting Act is woefully out of date. The balance between consumer rights and legitimate business interests that was struck in the original legislation has been fundamentally altered by advances in technology, the expanding use of credit information, and continued inaccuracies in credit reports. The time has come for changes that address these issues, ensures the accuracy of credit reports, and protects consumers' privacy.

This bill does those things. For example, under the bill, disputed information must be removed from a credit report if a credit bureau cannot verify its accuracy within 30 days. After the disputed information is removed, consumers will receive a free copy of their credit report to make sure it stays out. And as part of the credit report, consumers will be told who has received a copy of their report.

I am also happy that this bill preserves the protection consumers now enjoy from unauthorized intrusions into their credit files by direct marketers. The FTC's current interpretation of the fair credit bill correctly prohibits such privacy violations and the bill before us does not disturb that prohibition. The issue is currently being litigated and I am certain that the courts will uphold the FTC's reading of current law.

I urge my colleagues to support the bill and give consumers the protections they so critically need.

Mr. MCCANDLESS. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. FLAKE], an outstanding member of our committee.

Mr. FLAKE. Mr. Speaker, I rise in support of Senate bill 783, the Consumer Reporting Reform Act of 1994 which amends the Fair Credit Reporting Act by improving the accuracy of and protecting the privacy of information contained in consumer credit reports.

The Fair Credit Reporting Act of 1970 was enacted to guarantee the fairness and accuracy of consumer reporting. However, as communications technology has continued to expand, so to has the frequency of error and abuse of consumer information easily accessed through credit reporting agencies.

The Consumer Reporting Reform Act of 1994 successfully addresses the need to enhance current protection mechanisms against abuse, error, and in many cases, breaches of confidentiality. These have resulted in the loss of jobs, the inability to obtain homes, to rent homes, or even to secure credit. This bill provides additional safeguards needed to ensure that consumers are accurately informed of their rights, and to ensure that credit reports are used only for proper purposes.

I commend Senator BRYAN, Chairman KENNEDY, and my colleagues for moving legislation that requires the Nation's credit reporting agencies to inform consumers of the information contained in their reports, to investigate and update incorrect information in a timely manner, and legislation that hold banks and retailers accountable for information they provide to credit reporting agencies.

Mr. Speaker, I urge my colleagues to support Senate bill 783.

Mr. MCCANDLESS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. KLECZKA). The gentleman from Massachusetts [Mr. KENNEDY] has 1½ minutes remaining.

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

Mr. Speaker, the gentleman from California [Mr. MCCANDLESS] and I are pleased to present this bill to our colleagues and we thank the members of the Banking Committee and their staffs for their outstanding and persistent efforts in bringing this meaningful legislation to the floor. There is one provision in the bill on which we seek additional clarification. In order that the record reflect our bipartisan interpretation of and intention regarding this provision, and because there is no committee report accompanying the final language being

acted upon by the House I am asking that this statement appear in the record of today's proceedings.

This bill contains a definition of and several references to the term "consumer reporting agency that complies and maintains files on consumers on a nationwide basis." I think it would be helpful to all of us to clarify which companies and types of companies are covered by this term and which companies are not included.

Usually the credit reporting industry has to correct the misconception most people have that there are only three consumer reporting agencies in this country. There are, in fact, hundreds of consumer reporting agencies operating locally and regionally across the country.

However, for the purposes of this definition, we want to differentiate between the truly nationwide consumer reporting agencies—specifically Equifax, Trans Union and TRW—and the local agencies, such as the Credit Bureau in Hyannis or the Credit Bureau of Fresno County. We seek here to underscore that these three agencies, which are the repositories of information in the credit reporting industry, operate differently from local affiliates, even if those affiliates operate on an interstate basis.

Only three systems are truly nationwide consumer reporting agencies which compile and maintain consumers' files on an automated basis. The three repositories we mentioned above regularly engage in the practice of gathering or evaluating public record information and credit account information from credit grantors and others who furnish such information regularly and in the ordinary course of business on consumers residing in substantially all of the 50 States. The repositories maintain this information for the purpose of furnishing consumer reports which have a bearing on the consumer's credit worthiness, credit standing, or credit capacity to third parties who have a permissible purpose established under the Fair Credit Reporting Act.

Another reason for defining the nationwide consumer reporting agency in section 603 is that we are aware that other organizations meet the definition of a "consumer reporting agency" in the FCRA. However, they engage in specialized reporting areas, such as medical information, mortgage reporting, commercial credit reporting, check verification, and insurance claims. Companies involved in these and similar activities are not meant to be included under the definition of a nationwide consumer reporting agency.

While the expression, "consumer reporting agency that complies and maintains files on consumers on a nationwide basis," would presently apply only to the three companies identified above, we should recognize the possibility exists that some other company may someday decide to engage in this activity. If that company meets all the terms and conditions, as we have attempted to define them, as an automated nationwide credit reporting agency, the provisions of this bill regarding such nationwide consumer reporting agencies would be applicable.

Mr. Speaker, we appreciate the opportunity to provide this important clarification regarding this definition.

Mr. Speaker, I would also like to acknowledge the efforts of several staff members who did a tremendous job on this very technical and complex piece of legislation. Franci Livingston and Katie Ryan of my staff, Amy Friend of the full committee, and Joe Seidel, Sean Cassidy, and Margo Tank of minority staff deserve to be acknowledged and thanked for all their hard work. Without their efforts, we would not be here today.

Mr. Speaker, additionally, I would like to thank Shawn Maher, who has done a yeoman's work on this bill, as well.

Mr. CASTLE. Mr. Speaker, I rise in support of this compromise legislation to amend the Fair Credit Reporting Act. This is a sound piece of legislation that balances consumer protection and fairness to business.

As my colleagues know, it was not easy to achieve the compromise embodied in this bill. During the last Congress, the House was unable to pass fair credit reform legislation. In this session of Congress, it has taken us a full 2 years to complete the bill before us today. While it has not been easy, the bill will protect consumers without placing an unfair burden on the credit industry.

The Fair Credit Reporting Act is intended to ensure that every consumer's credit history is accurately collected, maintained, and reported by credit bureaus. If a consumer believes that there is inaccurate information in his or her credit file, they should be able to have this corrected in a timely fashion. This legislation will ensure that credit information is maintained accurately and that if a mistake is made, it must be reinvestigated quickly. Consumers are entitled to have access to their credit reports for a reasonable fee, or in some cases for free if they have had an adverse credit action or are unemployed.

Equally as important, this compromise will not place an unfair regulatory burden on companies that provide credit to consumers. Credit card issuers are an especially important component of the economy of my State of Delaware. They provide thousands of good jobs to our citizens, in addition to making credit available to Americans across the country.

A number of important and controversial issues have been fairly resolved in this compromise. For example, the bill will permit affiliated companies to share credit information if the consumer is notified and given an opportunity to opt-out. In addition, State and Federal authorities will be able to sue furnishers of credit information that knowingly produce inaccurate information. Consumers will be protected without exposing legitimate businesses to excessive lawsuits. This legislation also recognizes that the credit industry is now a complex, nationwide business. The bill would establish a uniform, national standard for credit reporting for 8 years. This Federal preemption will allow businesses to comply with one law on credit reports rather than a myriad of State laws. This was one of the toughest issues to resolve, but I believe it will benefit consumers and businesses.

Mr. Speaker, I believe this hard-won compromise will protect the privacy of consumers and improve the accuracy of credit information, without undermining the ability of credit card issuers to do business in a cost-effective manner. I want to thank Representative AL MCCANDLESS for his tireless efforts to produce a balanced bill, as well as Chairman KENNEDY for his diligent efforts on behalf of consumers. I urge passage of the bill.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts [Mr. KENNEDY] that the House suspend the rules and pass the Senate bill, S. 783, as amended.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MFUME. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

SAFE DRINKING WATER ACT AMENDMENTS OF 1994

Mr. WAXMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3392) to amend the Safe Drinking Water Act to assure the safety of public water systems, as amended.

The Clerk read as follows:

H.R. 3392

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 "Safe Drinking Water Act Amendments of 1994".

SEC. 2. REFERENCES; EFFECTIVE DATE; DISCLAIMER.

(a) REFERENCE TO SAFE DRINKING WATER ACT.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title XIV of the Public Health Service Act (the Safe Drinking Water Act) (42 U.S.C. 300f and following).

(b) EFFECTIVE DATE.—Except as otherwise specified in this Act or in the amendments made by this Act, the amendments made by this Act shall take effect on the date of enactment of this Act.

(c) DISCLAIMER.—Nothing in this Act or in any amendments made by this Act to title XIV of the Public Health Service Act (the Safe Drinking Water Act) or any other law shall be construed by the Administrator of the Environmental Protection Agency or the courts as affecting, modifying, expanding, changing, or altering (1) the provisions of the Federal Water Pollution Control Act, (2) the duties and responsibilities of the Administrator under that Act, or (3) the regulation or control of point or nonpoint sources of pollution discharged into waters covered by that Act. The Administrator shall identify in the agency's annual budget all funding and full-time equivalents administering the Safe Drinking Water Act separately from funding and staffing for the Federal Water Pollution Control Act.

SEC. 3. NATIONAL DRINKING WATER REGULATIONS.

(a) NEW CONTAMINANT SELECTION.—Section 1412(b)(3) is amended to read as follows:

"(3) REGULATION OF UNREGULATED CONTAMINANTS.—

"(A) PROPOSED LISTS.—(i) Within 1 year after the enactment of the Safe Drinking Water Act Amendments of 1994, the Administrator, after consultation with the scientific community, including the Science Advisory Board, shall select and publish a proposed list of not fewer than 15 contaminants which are known or anticipated to occur in public water systems, which are not subject to any proposed or promulgated national primary drinking water regulation, and which may require regulation under this title.

"(ii) Within 5 years after the enactment of the Safe Drinking Water Act Amendments of 1994 and every 4 years thereafter, the Administrator, after consultation with the scientific community, including the Science Advisory Board, and after considering the occurrence data base established under section 1445(g), shall (in addition to the contaminants listed under clause (i)) select and publish a proposed list of not fewer than 12 contaminants which are not subject to any proposed or promulgated national primary drinking water regulation, which are known or anticipated to occur in public water systems, and which may require regulation under this title.

"(iii) If, after the year 2010, the Administrator determines that the number of unregulated contaminants meeting the criteria for the list under clause (ii) is fewer than 12, the Administrator may, by rule, waive the requirement to select at least 12 contaminants every 4 years under that clause. At any time after such rule is promulgated, the Administrator may, after consultation with the scientific community, including the Science Advisory Board and after considering the occurrence data base established under section 1445(g), select a proposed list of 1 or more contaminants (in addition to the contaminants listed under clause (i) or (ii)) which are known or anticipated to occur in public water systems, which are not subject to any proposed or promulgated national primary drinking water regulation, and which may require regulation under this title.

"(iv) In selecting unregulated contaminants for the proposed lists referred to in this paragraph, the Administrator shall select contaminants that present the greatest public health concern. The Administrator, in making such selection, shall take into consideration, among other factors of public health concern, the effect of such contaminants upon subgroups that comprise a meaningful portion of the general population (such as pregnant woman and children) that are identifiable as being at greater health risk than the general population, based on adequate scientific information. The unregulated contaminants considered for such proposed lists shall include, but not be limited to, substances referred to in section 101(14) of the Comprehensive Environmental Response Compensation and Liability Act of 1980, and substances registered as pesticides under the Federal Insecticide, Fungicide, and Rodenticide Act.

"(v) The Administrator's decision whether or not to select an unregulated contaminant for a proposed list pursuant to this paragraph shall not be subject to judicial review.

"(B) FINAL LIST.—Each proposed list established in subparagraph (A) shall be subject to public comment for a period of at least 60 days. Within 6 months after the close of the public comment period, and not later than 1 year after the proposed list is published, the Administrator shall publish in the Federal Register the final list of contaminants meeting the requirements of subparagraph (A), together with responses to significant comments. Each final list shall include at least the minimum number of contaminants specified in subparagraph (A).

"(C) DETERMINATION TO REGULATE.—At any time after the final list of contaminants established under subparagraph (B) is published, but not later than 30 months thereafter, the Administrator shall determine, by rule, whether or not to regulate each of the contaminants on such final list. The Administrator, after notice in the Federal Register, may extend the period for making such determination for any or all of the contaminants on the list for up to 9 months. The Administrator shall allow at least 90 days for public comment prior to making a determination under this subparagraph. A determination to regulate a contaminant shall be based on the following three findings:

"(i) A finding that the contaminant is known to occur in public water systems.

"(ii) A finding that, based on the best available public health information, the contaminant occurs in concentrations which have or may have any adverse effect on the health of persons.

"(iii) A finding that regulation of such contaminant presents a meaningful opportunity for public health risk reduction for persons served by public water systems.

The Administrator may regulate a contaminant that does not appear on a list published under subparagraph (A) or (B) if the determination to regulate is pursuant to this subparagraph.

"(D) REGULATION.—For each contaminant under subparagraph (C) that the Administrator determines shall be regulated, the Administrator shall promulgate, by rule, maximum contaminant level goals and national primary drinking water regulations as provided in paragraphs (4) and (5) of this subsection. The Administrator shall propose the maximum contaminant level goal and national primary drinking water regulation not later than 18 months after the determination to regulate under subparagraph (C), and may publish such proposed regulation concurrent with the determination to regulate. The Administrator shall allow at least 90 days for public comment on any such proposed goal and proposed regulation. The Administrator shall promulgate a maximum contaminant level goal and national primary drinking water regulation within 18 months after the proposal thereof. The Administrator, by notice in the Federal Register, may extend the deadline for such promulgation for up to 9 months.

"(E) HEALTH ADVISORIES.—The Administrator may publish health advisories (which are not regulations) or take other appropriate actions for contaminants not subject to any national primary drinking water regulation.

"(F) STUDY OF HEALTH EFFECTS.—As part of the Administrator's study, under existing authorities of the Administrator, of the health effects of contaminants for regulatory purposes, the Administrator shall examine, among other health related issues, methods for identifying subpopulations that may be impacted by contaminants and the extent and nature of such impacts, taking into consideration other risks to such subpopulations. There are authorized to be appropriated such sums as may be necessary for the Administrator to examine the health effects of drinking water contaminants for such regulatory purposes.

"(G) CRYPTOSPORIDIUM.—(i) Not later than December 31, 1996, the Administrator shall publish a maximum contaminant level goal and promulgate an interim national primary drinking water regulation for cryptosporidium for public water systems serving 10,000 persons or more. Such regulation shall take effect not later than 24 months after the date of promulgation.

"(ii) Not later than December 31, 1998, the Administrator shall promulgate a national primary drinking water regulation for cryptosporidium. Such regulation shall take effect, for public water systems of all sizes, not later than 24 months after the date of promulgation.

Each date for publication and promulgation specified in clause (i) and (ii) may be delayed by up to 6 months if the Administrator determines that such additional time is necessary to review information under the Administrator's information collection rule.".

(b) LIMITED ALTERNATIVE TO FILTRATION REQUIREMENTS.—Section 1412(b)(7)(C) is amended by adding at the end the following:

"(v) As an additional alternative to the regulations promulgated pursuant to clauses (i) and (iii), including the criteria for avoiding filtration contained in 40 CFR 141.71, a State exercising primary enforcement responsibility for public water systems may establish, on a case-by-case basis and after notice and an opportunity of at least 90 days for public comment, alternatives to filtration requirements in effect on such date of enactment, in the case of systems having uninhabited, undeveloped watersheds in consolidated ownership, and having control over access to, and activities in, those watersheds if (taking into consideration the effects of wildlife in such watersheds) the State determines (and the Administrator concurs) that the public health will be fully protected by such alternatives consistent with the requirements of this title. The authority of a State to establish alternatives under this clause shall expire 3 years after the enactment of the Safe Drinking Water Act Amendments of 1994.".

(c) COMPLIANCE DATES.—Section 1412(b) is amended by striking the first sentence in paragraph (10) and by adding the following at the end thereof:

"(12) Within 24 months after the promulgation of a national primary drinking water regulation under this subsection, each State exercising primary enforcement responsibility for public water systems shall adopt corresponding State regulations under section 1413(a)(1). The Administrator shall specify the date upon which public water systems must comply with each national primary drinking water regulation promulgated under this subsection. Such compliance date may not be more than 36 months after the date of promulgation, except that if the Administrator determines that additional time is necessary for capital improvements required to meet the national primary drinking water regulations, the Administrator may establish a later compliance date. Such later date shall not be later than 48 months after the date of promulgation (or 60 months in the case of systems serving fewer than 3,300 persons). Each State with primary enforcement responsibility may determine a public water system's eligibility for any extension beyond 36 months. Nothing in this paragraph shall limit the discretion of the Administrator to differentiate among the compliance dates on the basis of system size or other factors considered appropriate by the Administrator, or to establish interim compliance milestones.".

SEC. 4. STANDARD SETTING.

Section 1412 is amended as follows:

(1) The second sentence of subsection (b)(4) is amended by inserting before the period the following: "or a treatment technique established pursuant to paragraph (7)(A) of this subsection".

(2) Subsection (b)(5) is amended as follows:

(A) In the first sentence, strike "feasible" after "means" and insert "achievable"; and after "technology" strike ", treatment techniques and" and insert "or".

(B) Insert "(A)" after "(5)" and add the following at the end thereof:

"(B) For purposes of taking costs into consideration pursuant to the first sentence of subparagraph (A) of this paragraph, in the case of any national primary drinking water regulation proposed and promulgated after enactment of the Safe Drinking Water Act Amendments of 1994 (other than a national primary drinking water regulation covered by subparagraph (C) or (D)), the Administrator shall consider (in the

case of nonthreshold contaminants) and may consider (in the case of threshold contaminants) both the incremental compliance costs likely to be incurred and the incremental public health risk reduction benefits afforded by alternative levels. The terms 'costs' and 'benefits', as used in this subparagraph—

"(i) shall include additional and identifiable reductions, if any, of regulated contaminants not covered by such proposed or promulgated regulation that are expected to be achieved solely from the use of the applicable technology or technologies that form the basis for such regulation, and

"(ii) shall include consideration of the effects of such contaminants upon subgroups that comprise a meaningful portion of the general population, such as pregnant women and children, that are identifiable as being at greater health risk than the general population based on adequate scientific information.

"(C) Subparagraph (B) shall not take effect with respect to the first promulgation after the date of enactment of the Safe Drinking Water Act Amendments of 1994, or with respect to the initial revision after such date, of a national primary drinking water regulation for the following:

"(i) Contaminants covered by the proposed national primary drinking water regulation for radionuclides as set forth in 56 Federal Register 33050, July 19, 1991.

"(ii) Sulfate.

"(iii) Contaminants covered by the proposed negotiated rules on (I) disinfectants and disinfection by-products as set forth in 59 Federal Register 38668, July 29, 1994, and (II) enhanced surface water treatment as set forth in 59 Federal Register 38832, July 29, 1994. Subparagraph (B) shall also not take effect with respect to the promulgation of a second stage regulation for contaminants covered by the proposed negotiated rules referred to in clause (iii).

Any subsequent revision of any such regulation shall be subject to the provisions of subparagraph (D).

"(D) In the case of any national primary drinking water regulation for a contaminant regulated prior to enactment of the Safe Drinking Water Act Amendments of 1994, or any subsequent revision of a national primary drinking water regulation established in accordance with subparagraph (C), subparagraph (B) shall apply to any proposal to amend such national primary drinking water regulation only if a review required pursuant to paragraph (9) results in findings by the Administrator, published in the Federal Register, that changes in technology, treatment techniques, or other means permit greater protection of the health of persons. If the Administrator promulgates such regulation in accordance with subparagraph (B), such regulation must provide for greater protection of the health of persons. If the Administrator does not promulgate a regulation in accordance with subparagraph (B) because such greater protection of the health of persons is not achievable, the Administrator may initiate a new rulemaking under subparagraph (A) or retain the existing national primary drinking water regulations.

"(E) Any subsequent revision of a national primary drinking water regulation for contaminants regulated in accordance with subparagraph (C) or (D) (where such revision is pursuant to the standard setting language of subparagraph (B)) shall, at a minimum, provide greater protection of the health of persons than the regulation in effect on the date of enactment of the Safe Drinking Water Act Amendments of 1994 for such contaminant or, in the case of contaminants subject to subparagraph (C), than the regulation promulgated under subparagraph (C). If the Administrator does not promulgate such regulation in accordance with subparagraph (B) because such greater protection is not achievable, the Administrator may initiate a new rulemaking pursuant to subparagraph (A) or retain the existing national primary drinking water regulations.

"(F) In the absence of scientific evidence suggesting new or more serious health effects than existing on the date of enactment of the Safe Drinking Water Act Amendments of 1994, for purposes of proposal and promulgation after such date of a national primary drinking water regulation for sulfate, the Administrator shall include—

"(i) best technology or other means under subsection (b)(5), and

"(ii) public notification and options for provision of alternative water to populations at risk as alternative means for complying with such regulation.

Such proposal shall be made within 6 months after such date of enactment and such rule shall be promulgated within 2 years after such date of enactment.

"(G)(i) Except as provided in clause (ii), notwithstanding any provision of any law enacted prior to the enactment of the Safe Drinking Water Act Amendments of 1994, within 6 months of such date of enactment, the Administrator shall promulgate a national primary drinking water regulation for radon.

"(ii) For the period of 5 years from the date of promulgation of the regulation under clause (i) or from the end of the 6-month period referred to in such clause, whichever comes first, such regulation shall provide that public water systems may comply with an alternative maximum contaminant level of 1000 picocuries per liter. If the Congress enacts legislation which reauthorizes the Indoor Radon Abatement Act in the 103d or 104th Congress, such alternative maximum contaminant level shall thereafter be deemed to be the applicable maximum contaminant level for purposes of such regulation.".

(3) In the first sentence of subsection (b)(7)(A), strike the word "ascertain" and insert "measure".

(4) In subsection (b)(9) strike "3-year" and insert "5-year". No change to section 1412(b)(9) made by this Act shall be a basis for delaying the promulgation of any rule proposed pursuant to section 1412(b)(9) prior to the date of the enactment of this Act.

(5) Add the following new subsection at the end thereof:

"(f) METHODOLOGIES; RISK ASSESSMENT.—(1) The Administrator, in carrying out the provisions of this title, is expected, consistent with the intent of Congress, to use at all times sound, unbiased, and objective scientific practices and methodologies. The Administrator, in carrying out the Administrator's responsibilities under this title, shall ensure that the presentation of information on significant health risks is unbiased and informative.

"(2) To the extent feasible, documents made available to the general public which describe the degree of risk from exposure shall, at a minimum, characterize the population or populations, (including any identifiable subpopulations, as referred to in section 1412(b)(5)(B)(ii), at greater risk than the general population) addressed by any agency risk estimates; state the expected risk for the specific population; and state the reasonable range or other equivalent description of uncertainty in the assessment process.".

SEC. 5. SMALL SYSTEM TECHNOLOGY.

Section 1412(b)(6) is amended to read as follows:

"(6)(A) For purposes of this section and section 1415, at the time the Administrator proposes and promulgates a national primary drinking water regulation establishing a maximum contaminant level for any contaminant, the Administrator shall propose and promulgate a listing of the best technology or other means available for achieving compliance with such regulation for large public water systems, and a listing of the best technology or other means, if any, available for achieving compliance with such regulation for public water systems in each of the following categories:

"(i) Systems serving fewer than 10,000 persons but not fewer than 3,300 persons.

"(ii) Systems serving 3,300 persons or fewer.

In proposing and promulgating lists for systems described in clauses (i) and (ii), the Administrator shall consider cost variations associated with system size.

"(B) For purposes of this section and section 1415, at the time the Administrator proposes and promulgates a national primary drinking water regulation establishing a treatment technique for any contaminant, the Administrator shall propose and promulgate, for large public water systems, and for systems in the size ranges referred to in clause (i) and (ii) of subparagraph (A), a listing of the best technology or other means, if any, available for achieving a level of protection for public health equivalent to the level of protection provided by such treatment technique for systems in such size ranges.

"(C) A listing under this paragraph of the best technology or other means under subparagraph (A) shall not be construed to require or authorize that any specified technology or other means be used for purpose of meeting any national primary drinking water regulation.

"(D) A listing under this paragraph of the best technology or other means shall provide as much reliable information as practicable on performance, effectiveness, limitations, costs, and other relevant factors in support of the listing, including the applicability of such technology or other means to surface and underground source waters, or both. Consistent with such reliable information, each State exercising primary enforcement responsibility for such systems shall presume (pending the availability of monitoring data, pending availability of information on a system's viability, including the availability of financial assistance under this title, and pending other relevant factors) that use of such technology or other means should enable the public water system concerned to meet the national primary drinking water regulation.

"(E) The Administrator shall, on a continuing basis, assess the engineering feasibility, performance, effectiveness, costs, and limitations of best technologies and other means of meeting national primary drinking water regulations, and may, by rule, revise the list under subparagraph (A) or (B) as appropriate.

"(F) As used in this paragraph, the term 'best technology' for public water systems shall include, whenever appropriate, innovative and alternative technologies.

"(G) At any time after the promulgation of a national primary drinking water regulation, the Administrator may add to the lists under this paragraph, by guidance published in the Federal Register, any new or innovative technology or other means. A State may treat such technologies in the same manner as those listed pursuant to subparagraph (A) or (B).

"(H) To the greatest extent possible, within 24 months after the enactment of the Safe Drinking Water Act Amendments of 1994, the Administrator shall publish each of the following for public water systems in the size ranges referred to in clauses (i) and (ii) of subparagraph (A)—

"(i) For contaminants subject to a maximum contaminant level promulgated prior to such publication, a list of best technologies available that achieve compliance with such maximum contaminant level.

"(ii) For contaminants subject to a treatment technique promulgated prior to such publication, a list of alternative technologies that achieve a level of protection of public health equivalent to the level of protection provided by such treatment technique.".

SEC. 6. AMENDMENTS TO SECTION 1413.

(a) EMERGENCY PLANS.—Section 1413(a)(5) is amended by inserting after "emergency circumstances" the following: "including earthquakes, floods, hurricanes, and other natural disasters".

(b) PROTECTION OF DRINKING WATER DISTRIBUTION SYSTEMS.—Section 1413(a) is amended by adding the following after paragraph (6), as added by section 7(a):

"(7) has adopted (pursuant to guidance issued by the Administrator not later than 3 years after the date of the enactment of the Safe Drinking Water Act Amendments of 1994) and implemented requirements for public water systems in the State to take feasible measures to protect the distribution system from contamination due to leakage from sewer lines.".

(c) RECYCLING OF FILTER BACKWASH.—Section 1413 is amended by adding at the end thereof the following:

"(c) RECYCLING OF FILTER BACKWASH.—The Administrator shall promulgate a regulation to govern the recycling of filter backwash water within the treatment process of a public water system. The Administrator shall promulgate such regulation not later than 3 years after the date of the enactment of the Safe Drinking Water Act Amendments of 1994 unless such recycling has been addressed by the Administrator's 'enhanced surface water treatment rule' prior to such date. Any regulation under this subsection shall be deemed to be a national primary drinking water regulation for purposes of this title.".

SEC. 7. CERTIFICATION OF LABORATORIES AND OPERATORS.

(a) CERTIFICATION.—Section 1413(a) is amended by striking "and" at the end of paragraph (4), by striking the period at the end of paragraph (5) and inserting a semicolon, and by adding the following at the end thereof:

"(6) has adopted and is implementing, within 2 years after the promulgation of regulations pursuant to section 1442(h), requirements for the certification of—

"(A) laboratories conducting tests pursuant to this part, and

"(B) operators of community and nontransient noncommunity public water systems; and".

(b) STANDARDS.—Section 1442 is amended by adding the following at the end thereof:

"(h) MINIMUM STANDARDS.—(1) Not later than 30 months after the date of enactment of the Safe Drinking Water Act Amendments of 1994 and after consultation with States exercising primary enforcement responsibility for public water systems, the Administrator shall promulgate regulations specifying minimum standards for certification (and recertification) of the operators of public water systems. Such regulations shall take into account existing State programs, the complexity of the system and other factors aimed at providing an effective program at reasonable cost to States and public water systems, taking into account the size of the system.

"(2) Not later than 3 years after the date of enactment of the Safe Drinking Water Act Amendments of 1994 and after consultation with States exercising primary enforcement responsibility for public water systems, the Administrator shall promulgate regulations specifying minimum standards for certification (and recertification) of laboratories conducting tests pursuant to this part. Such regulations shall contain minimum criteria to ensure, to the extent possible, nationwide uniformity in such testing.

"(3) For any State exercising primary enforcement responsibility for public water systems which has an operator certification program in effect on the date of the enactment of the Safe Drinking Water Act Amendments of 1994, the regulations under paragraph (1) shall allow the State to enforce such program in lieu of the regulations under paragraph (1) if the State submits the program to the Administrator within 18 months after the promulgation of such regulations unless the Administrator determines (within 9 months after the State submits the program to the Administrator) that such program is inconsistent with such regulations. If disapproved it may be resubmitted in accordance with section 1428(c).".

(c) STUDY OF TRANSIENT SYSTEMS.—The Administrator of the Environmental Protection Agency shall survey various categories of transient noncommunity public water systems nationwide to evaluate any potential public health threat posed by any lack of operator certification or training for such systems, and within 4 years after the date of the enactment of the Safe Drinking Water Act Amendments of 1994, report to Congress with appropriate recommendations.

SEC. 8. ENFORCEMENT OF DRINKING WATER REGULATIONS.

(a) NOTICE.—Section 1414(a)(1)(A) is amended by striking "he shall so notify the State and" and inserting "the Administrator shall so notify the State, provide the State with an opportunity to confer with the Administrator, and notify".

(b) EFFECTIVE DATE.—Section 1414(g)(2) is amended as follows:

(1) Amend the first sentence to read as follows: "In the case of a State exercising primary enforcement responsibility for public water systems, an order issued under this subsection to enforce section 1445 shall not take effect until after the Administrator has provided such State with an opportunity to confer with the Administrator regarding the order.".

(2) Strike "proposed" in the second sentence.

(c) CIVIL PENALTY.—Section 1414(g)(3) is amended as follows:

(1) In subparagraph (B), strike "$5,000" and insert "$75,000 (or $100,000 if the violation occurs for more than 15 days or the public water system serves more than 10,000 persons)".

(2) In subparagraph (C), strike "$5,000" and insert "$75,000 (or $100,000 if the violation occurs for more than 15 days or the public water system serves more than 10,000 persons)".

(d) ENFORCEABILITY OF STATE REQUIREMENTS.—Section 1414 is amended by adding the following at the end thereof:

"(h) STATE REQUIREMENTS.—For a State exercising primary enforcement responsibility for public water systems, any violation of a State requirement that implements a national primary drinking water regulation shall be treated as a violation of a national primary drinking water regulation in effect under section 1412, except to the extent that the State requirement includes elements that are more stringent, or broader in scope, than elements of the national primary drinking water regulation.".

SEC. 9. QUARTERLY NONCOMPLIANCE REPORTING.

(a) NONCOMPLIANCE REPORTING.—Section 1413 is amended by inserting the following new subsection after subsection (c):

"(d) QUARTERLY NONCOMPLIANCE REPORTING.—(1) Each State exercising primary enforcement responsibility for public water systems shall submit quarterly reports to the Administrator on a schedule and in a format prescribed by the Administrator, consisting of each of the following items:

"(A) Violations, during the previous quarter, by public water systems in the State of State regulations adopted to implement the requirements of national primary drinking water regulations.

"(B) Enforcement actions taken, during the previous quarter, by the State against public water systems with respect to State regulations adopted to implement the requirements of national primary drinking water regulations.

"(C) Notification of any variance or exemption granted during the previous quarter. The notice shall include a statement of reasons for the granting of the variance or exemption, including documentation of the need for the variance or exemption and the finding that the granting of the variance or exemption will not result in an unreasonable risk to health. The State may use a single notification statement to report 2 or more similar variances or exemptions.

"(2) The reports under paragraph (1)(A) shall include information specifying the contamination level in the case of any exceedance of any maximum contaminant level included in a national primary drinking water regulation.

"(3) The Administrator shall make all information reported to the Administrator under this subsection available to the public in such manner as will ensure maximum accessibility and comprehension by the public.".

(b) COMPLIANCE WITH SUBSECTION (h).—Section 1413(a)(3) is amended by inserting ", including reports under subsection (d)," after "reports".

SEC. 10. SMALL SYSTEM ASSISTANCE PROGRAM.

(a) BAAT VARIANCE.—Section 1415 is amended by adding the following at the end thereof:

"(e) SMALL SYSTEM ASSISTANCE PROGRAM.—

"(1) BAAT VARIANCES.—In the case of public water systems serving 3,300 persons or fewer, a variance under this section shall be granted by a State which has primary enforcement responsibility for public water systems allowing the use of Best Available Affordable Technology in lieu of best technology or other means where—

"(A) no best technology or other means is listed under subparagraph (A)(ii) or subparagraph (B) of section 1412(b)(6) for a given contaminant for public water systems serving 3,300 persons or fewer;

"(B) the Administrator has identified BAAT for that contaminant pursuant to paragraph (3); and

"(C) the State finds that the conditions in paragraph (4) are met.

"(2) DEFINITION OF BAAT.—The term 'Best Available Affordable Technology' or 'BAAT' means the most effective technology or other means for the control of a drinking water contaminant or contaminants that is available and affordable to systems serving fewer than 3,300 persons.

"(3) IDENTIFICATION OF BAAT.—(A) As part of each national primary drinking water regulation proposed and promulgated after the enactment of the Safe Drinking Water Act Amendments of 1994, the Administrator shall identify BAAT in any case where no 'best technology or other means' is listed under subparagraph (A)(ii) or subparagraph (B) of section 1412(b)(6) for that contaminant for systems serving fewer than 3,300 persons. No such identified BAAT shall require a technology from specific manufacturer or brand. BAAT need not be adequate to achieve the applicable maximum contaminant level or treatment technique, but shall bring the public water system as close to achievement of such maximum contaminant level as practical or as close to the level of health protection provided by such treatment technique as practical, as the case may be. Any technology or other means identified as BAAT must be determined by the Administrator to be protective of public health. Simultaneously with identification of BAAT, the Administrator shall list any assumptions underlying the public health determination referred to in the preceding sentence, where

such assumptions concern the public water system to which the technology may be applied, or its source waters. The Administrator shall provide the assumptions used in determining affordability, taking into consideration the number of persons served by such systems. Such listing shall provide as much reliable information as practicable on performance, effectiveness, limitations, costs, and other relevant factors in support of such listing, including the applicability of BAAT to surface and underground waters or both.

"(B) To the greatest extent possible, within 24 months after the date of the enactment of the Safe Drinking Water Act Amendments of 1994, the Administrator shall identify BAAT for all national primary drinking water regulations proposed or promulgated prior to such date of enactment where no best technology or other means is listed under subparagraph (A)(ii) or subparagraph (B) of section 1412(b)(6) for that contaminant for systems serving fewer than 3,300 persons, and where compliance by such small systems is not practical. In identifying BAAT for such national primary drinking water regulations, the Administrator shall give priority to evaluation of atrazine, asbestos, selenium, pentachlorophenol, antimony, and nickel.

"(4) CONDITIONS FOR BAAT VARIANCE.—To grant a variance under this subsection, the State must determine that—

"(A) the public water system cannot install 'best technology or other means' because of the system's small size;

"(B) the public water system could not comply with the maximum contaminant level through use of alternate water supplies or through management changes or restructuring, as described in section 1419 (relating to public water system viability);

"(C) the public water system has the capacity to operate and maintain BAAT; and

"(D) the circumstances of the public water system are consistent with the public health assumptions identified by the Administrator under paragraph (3).

"(5) SCHEDULES.—Any variance granted by a State under this subsection shall establish a schedule for the installation and operation of BAAT within a period not to exceed 2 years after the issuance of the variance, except that the State may grant an extension of 1 additional year upon application by the system. The application shall include a showing of financial or technical need. Variances under this subsection shall be for a term not to exceed 5 years (including the period allowed for installation and operation of BAAT), but may be renewed for such additional 5-year periods by the State upon a finding that the criteria in paragraph (4) continued to be met.

"(6) MICROBIOLOGICAL CONTAMINANTS.—No variance may be issued under this subsection for microbiological contaminants.

"(7) REVIEW.—Any review by the Administrator under paragraphs (4) and (5) shall be pursuant to subsection (a)(1)(G)(i).".

(b) TECHNICAL AND CONFORMING CHANGES.—(1) Section 1415 is amended by striking "best technology, treatment techniques, or other means" and "best available technology, treatment techniques or other means" each place such terms appear and inserting in lieu thereof "best technology or other means".

(2) Section 1415(a)(1)(A) is amended by striking the third sentence and by striking "Before a schedule prescribed by a State pursuant to this subparagraph may take effect" and all that follows down to the beginning of the last sentence.

(3) Section 1415(a)(1)(C) is amended as follows:

(A) Amend the first sentence to read as follows: "Before a variance is issued and a schedule is prescribed pursuant to this subsection or subsection (e) by a State, the State shall provide notice and an opportunity for a public hearing on the proposed variance and schedule.".

(B) Insert "under this section" before the period at the end of the third sentence".

(4) Section 1415(a)(1)(D) is amended as follows:

(A) Strike "under subparagraph (A)" and insert "under this section".

(B) Strike "that subparagraph" in each place it appears and insert in each such place "this section".

(C) Strike the last sentence.

(5) Section 1415(a)(1)(F) is amended by striking "3-year" and inserting "5-year" and by amending the first sentence to read as follows: "Not later than 5 years after the enactment of the Safe Drinking Water Act Amendments of 1994, the Administrator shall complete a review of the variances granted under this section (and the schedules prescribed in connection with such variances).".

(6) Section 1415(a)(1)(G)(i) is amended by striking "subparagraph (A) or (B)" and inserting "this section".

(7) Section 1415(b) is amended by striking "paragraph (1)(B) or (2) of subsection (a)" and inserting "this section".

(8) Section 1415(c) is amended by striking "subsection (a)" and inserting "this section".

(9) Section 1415(d) is amended to read as follows:

"(d) [REPEALED.]".

SEC. 11. EXEMPTIONS.

(a) SYSTEMS SERVING FEWER THAN 3,300 PERSONS.—Section 1416 is amended by adding the following at the end thereof:

"(h) SMALL SYSTEMS.—(1) For public water systems serving fewer than 3,300 persons, the maximum exemption period shall be 4 years if the State is exercising primary enforcement responsibility for public water systems and determines that—

"(A) the public water system cannot meet the maximum contaminant level or install Best Available Affordable Technology ('BAAT') due in either case to compelling economic circumstances (taking into consideration the availability of financial assistance under section 1443(c), relating to State Revolving Funds) or other compelling circumstances;

"(B) the public water system could not comply with the maximum contaminant level through the use of alternate water supplies;

"(C) the granting of the exemption will provide a drinking water supply that protects public health given the duration of exemption; and

"(D) the State has met the requirements of paragraph (2).

"(2)(A) Before issuing an exemption under this section or an extension thereof for a small public water system described in paragraph (1), the State shall—

"(i) examine the public water system's technical, financial, and managerial capability (taking into consideration any available financial assistance) to operate in, and maintain compliance with, this title, and

"(ii) determine if management or restructuring changes (or both) can reasonably be made that will result in compliance with this title or, if compliance cannot be achieved, improve the quality of the drinking water.

"(B) Management changes referred to in subparagraph (A) may include rate increases, accounting changes, the hiring of consultants, the appointment of a technician with expertise in operating such systems, contractual arrangements for a more efficient and capable system for joint operation, or other reasonable strategies to improve viability.

"(C) Restructuring changes referred to in subparagraph (A) may include ownership change, physical consolidation with another system, or other measures to otherwise improve customer base and gain economies of scale.

"(D) If the State determines that management or restructuring changes referred to in subparagraph (A) can reasonably be made, it shall require such changes and a schedule therefore as a condition of the exemption. If the State determines to the contrary, the State may still grant the exemption. The decision of the State under this subparagraph shall not be subject to review by the Administrator, except as provided in subsection (d).

"(3) Paragraphs (1) and (3) of subsection (a) shall not apply to an exemption issued under this subsection. Subparagraph (B) of subsection (b)(2) shall not apply to an exemption issued under this subsection, but any exemption granted to such a system may be renewed for additional 4-year periods upon application of the public water system and after a determination that the criteria of paragraphs (1) and (2) of this subsection continue to be met.

"(4) No exemption may be issued under this section for microbiological contaminants.".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—(1) Section 1416(b)(1) is amended by striking "prescribed by a State pursuant to this subsection" and inserting "prescribed by a State pursuant to this subsection or subsection (h)".

(2) Section 1416(c) is amended by striking "under subsection (a)" and inserting "under this section" and by striking "including" in the second sentence and inserting "including, in the case of an exemption under subsection (a),".

(3) Section 1416(d)(1) is amended by striking "3-year" and inserting "4-year" and by amending the first sentence to read as follows: "Not later than 4 years after the date of enactment of the Safe Drinking Water Act Amendments of 1994, the Administrator shall complete a comprehensive review of the exemptions granted (and schedules prescribed pursuant thereto) by the States during the 4-year period beginning on such date.".

(4) Section 1416(b)(2)(C) is repealed.

(c) SYSTEMS SERVING MORE THAN 3,300 PERSONS.—Section 1416(b)(2)(A)(ii) is amended by striking "12 months" and inserting "4 years" and section 1416(b)(2)(B) is amended by striking "3 years after the date of the issuance of the exemption" and inserting "4 years after the expiration of the initial exemption".

SEC. 12. PUBLIC WATER SYSTEM VIABILITY.

Part B is amended by adding the following at the end thereof:

"SEC. 1419. PUBLIC WATER SYSTEM VIABILITY.

"(a) EPA GUIDELINES.—Within 18 months after the enactment of the Safe Drinking Water Act Amendments of 1994, the Administrator shall issue guidelines for purposes of subsection (b) for State programs to bring public water systems into compliance with this title and to maintain such compliance. The guidelines shall be developed in consultation with the States.

"(b) STATE PROGRAMS TO ASSURE VIABILITY.—Within 2 years after issuance of guidelines under subsection (a), each State exercising primary enforcement responsibility for public water systems shall develop and implement a comprehensive program to assure the viability of community and noncommunity nontransient public water systems within that State which are subject to the provisions of subsection (e). The program shall be treated as approved by the Administrator unless disapproved by the Administrator within 6 months after the date of its submittal. If disapproved it may be resubmitted in accordance with section 1428(c).

"(c) FINANCIAL ASSISTANCE FOR SMALL SYSTEMS.—(1) Except as provided in paragraph (2), no financial assistance may be provided from funds made available under section 1443(c) to any public water system in operation on the date of enactment of the Safe Drinking Water Act Amendments of 1994 that—

"(A) serves fewer than 10,000 persons, and

"(B) has a history of violations of monitoring requirements or violations of national primary drinking water regulations,

unless the State determines whether the public water system has, or will have, the technical, managerial, and financial capability to operate in compliance, and maintain compliance, with this title. Such determination shall be based on such information as the public water system may provide to the State and such other information as may be available to the State. In making such determination the State shall take into consideration the financial assistance which may be available to the public water system.

"(2)(A) If the State determines under paragraph (1) that a public water system lacks the capability referred to in paragraph (1), the State shall require adoption by the system of management or restructuring changes or both before providing funding to the system under section 1443(c), except as provided in subparagraph (B). Management changes may include rate increases, accounting changes, the hiring of consultants, the appointment of a technician with expertise in operating such systems, contractual arrangements for a more efficient and capable system for joint operation, or other reasonable strategies to improve viability. Restructuring changes may include ownership change, physical consolidation with another system, or other measures to otherwise improve customer base and gain economies of scale.

"(B) If the State determines under paragraph (1) that a system lacks the capability referred to in paragraph (1), funds provided under section 1443(c) (relating to State Revolving Funds) shall be available only to support such physical consolidation.

"(d) NEW SYSTEMS.—No financial assistance of any kind may be provided under this title to any public water system that is established, and begins operations, in any State after the enactment of the Safe Drinking Water Act Amendments of 1994, unless the Administrator determines that the State has an effective operating permit program or other means to ensure, before commencing operation, that the system has the management and technical capacity and financial capability, taking into account its customer base and other relevant factors, to comply and maintain compliance with the applicable requirements of this title. No change in the ownership of a public water system shall result in the application of the prohibition contained in this subsection to such system.

"(e) STATE VIABILITY ASSESSMENTS.—(1) Before the end of the first full fiscal year after the enactment of the Safe Drinking Water Act Amendments of 1994, each State shall establish a program for assessing, over a 5-year period, the long-term technical, managerial, and financial capability of community and nontransient noncommunity public water systems serving fewer than 10,000 persons that are in violation of this title or may be in jeopardy of not maintaining compliance with this title. The State shall establish a schedule for determining which systems to include in the assessment program.

"(2) The assessment program referred to in paragraph (1) shall include any public water system that has been in significant noncompliance (as defined in guidelines issued prior to the enactment of the Safe Drinking Water Act Amendments of 1994 or any revisions thereof and in national primary drinking water regulations promulgated after such date of enactment) or violated any maximum contaminant level or treatment technique, any variance, or any exemption under this title during the 2 years prior to the date on which the State makes a determination (in accordance with the schedule under in paragraph (1)) regarding whether to include such system in the assessment program.

"(3) For all public water systems referred to in paragraph (1) (other than those referred to in paragraph (2)), the State shall establish, in consultation with the Administrator, a system of priorities, as part of the program for conducting assessments, where there has been other noncompliance during such 2-year period which the State considers serious. The State shall publish such priorities and file them with the Administrator. The State, in its discretion and considering its resources, may, but is not required to, conduct assessments of public water systems which are in compliance during such period.

"(f) WAIVER.—The Administrator may waive any requirements of this section in the case of a State viability program adopted before the enactment of this section if the Administrator finds that such State viability program is fully achieving the objectives of this section.

"(g) AVAILABILITY OF SRF FUNDS.—Unless the State has—

"(1) prior to the end of the first full fiscal year after the enactment of the Safe Drinking Water Act Amendments of 1994, established a program meeting the requirements of subsection (e), and

"(2) beginning with the third fiscal year after the Administrator issues guidelines under subsection (a), developed and implemented an approved program under subsection (b),

only 50 percent of the funds that would otherwise be allocated to that State under section 1443(c) (relating to State Revolving Funds) may be made available to the State.

"(h) EPA REVIEW.—The decisions of the State under this section regarding any particular public water system are not subject to review by the Administrator.".

SEC. 13. SOURCE WATER ASSESSMENT AND PETITION PROGRAM.

(a) GUIDELINES AND PROGRAMS.—Section 1428 is amended by adding "**AND SOURCE WATER**" after "**WELLHEAD**" in the section heading and by adding at the end thereof the following:

"(l) SOURCE WATER ASSESSMENT.—

"(1) GUIDANCE.—Within 12 months after enactment of the Safe Drinking Water Act Amendments of 1994, after notice and comment, the Administrator shall publish guidance for States exercising primary enforcement responsibility for public water systems to carry out directly or through delegation (for the protection and benefit of public water systems and for the support of monitoring flexibility) a source water assessment program within the State's boundaries.

"(2) PROGRAM REQUIREMENTS.—A source water assessment program under this subsection shall—

"(A) delineate the boundaries of the assessment areas in such State from which one or more public water systems in the State receive supplies of drinking water, using all reasonably available hydrogeologic information on the sources of the supply of drinking water in the State and the water flow, recharge, and discharge and any other reliable information as the State deems necessary to adequately determine such areas; and

"(B) identify for contaminants regulated under this title for which monitoring is required under this title (or any unregulated contaminants which the State, for the purposes of this subsection, has determined to present an urgent threat to public health), to the extent practical, the origins within each delineated area of such contaminants to determine the susceptibility of the public water systems in the delineated area to such contaminants.

"(3) APPROVAL, IMPLEMENTATION, AND MONITORING RELIEF.—A State source water assessment program under this subsection shall be submitted to the Administrator within 18 months after the Administrator's guidance is issued under this subsection and shall be deemed approved 9 months after the date of such submittal unless the Administrator disapproves the program as provided in subsection (c). States shall begin implementation of the program immediately after its approval. The Administrator's approval of a State program under this subsection shall include a timetable, established in consultation with the State, allowing not more than 2 years for completion after approval of the program. Public water systems seeking monitoring relief in addition to the interim relief provided under section 1418(a) shall be eligible for monitoring relief, consistent with section 1418(b), upon completion of the assessment in the delineated source water assessment area or areas concerned.

"(4) TIMETABLE.—The timetable referred to in paragraph (3) shall take into consideration the availability to the State of funds under section 1443(c) (relating to State Revolving Funds) for assessments and other relevant factors. The Administrator may extend any timetable included in a State program approved under paragraph (3) to extend the period for completion by an additional 18 months. The timetable shall be deemed to be part of the guidance published under paragraph (1) and shall be subject to section 1450(j). Compliance with subsection (g) shall not affect any State permanent monitoring flexibility program approved under section 1418(b). To avoid duplication and to encourage efficiency, the program shall, to the extent practicable, be coordinated with other existing programs and mechanisms, including the wellhead protection program, vulnerability assessments, sanitary surveys, and monitoring programs.

"(5) DEMONSTRATION PROJECT.—The Administrator shall, as soon as practicable, conduct a demonstration project, in consultation with other Federal agencies, to demonstrate the most effective and protective means of assessing and protecting source waters serving large metropolitan areas and located on Federal lands.

"(m) PETITION PROGRAM.—

"(1) SUBMISSION OF PETITIONS.—Within 18 months after publication by the Administrator of guidance under subsection (l), each State exercising primary enforcement responsibility shall adopt and submit to the Administrator a source water petition program. A petition under such program may request that the State assist in addressing the origins of contaminants regulated under this title (or unregulated contaminants for which the State has determined, for purposes of this section, that there is an urgent threat to public health) and that are not adequately addressed by the wellhead protection program or other programs. The origins of such contaminants may include, to the extent practicable, the specific activities that affect the drinking water supply of a community. Such program shall also include provisions for voluntary partnerships, including those in which public water systems and local governments participate and submit petitions. The program shall provide for public notice of petitions.

"(2) CONTENTS OF PETITIONS.—Petitions submitted to the State under this subsection may seek assistance in directing, or redirecting, consistent with applicable program authorities administrative, technical, or financial resources to address the origins of drinking water contaminants regulated under this title (or unregulated contaminants for which the State has determined, for purposes of this section, that there is an urgent threat to public health) and that are not adequately addressed by the wellhead protection program or other programs. Any such petition shall, at a minimum—

"(A) include delineation of the source water area covered by the petition, based on the source water assessment delineation areas set forth in subsection (l)(2)(A);

"(B) based on reasonably available data, identify the nature of the problem that is the basis for the petition;

"(C) to the extent practicable, identify the origins of such drinking water contaminants; and

"(D) identify any missing data necessary to adequately characterize the problem that is the basis of the petition.

Identification of a contaminant or contaminants in a petition shall be contaminant specific. Contaminants may be combined in a single petition. The State may elect to waive the requirement for the petitioner to meet subparagraph (D).

"(3) RESPONSE TO PETITIONS.—Each State receiving a petition under this subsection shall respond to the petition in an expeditious manner unless the State determines, in its discretion, that the petition is frivolous. The State response may include, as appropriate, utilization and coordination of programs, technical assistance, financial assistance, education, training, contingency plans and demonstration projects for the delineated areas to protect the drinking water supply of systems within those areas from such contaminants. Nothing in this paragraph is intended or shall be interpreted to create or convey any new authority in any State, political subdivision of a State, or public water system for any control measure or limit in any way any authority of a State, political subdivision of a State, or water system.

"(4) APPROVAL OF PETITION PROGRAM.—The Administrator's approval of a State source water petition program under this subsection is not required unless the State uses grant funds under section 1443(c) (relating to State Revolving Funds) to adopt and implement the program. The State may use grants allotted to the State under section 1443(c) for such purposes only with the approval of the Administrator. If adopted with the use of funds made available under section 1443(c) by a State exercising primary enforcement responsibility for public water systems, the State shall comply with the delineation requirements set forth in subsection (l)(2)(A) and the program shall contain, as appropriate, one or more of the elements referred to in section 1428(a)(4).".

(b) PUBLIC PARTICIPATION.—Subsection (b) of section 1428 is amended by adding the following at the end thereof: "No funds shall be available to the State under section 1443(c) (relating to State Revolving Funds) for the purpose of carrying out a State source water petition program unless the State procedures referred to in this section also apply to any State source water petition program adopted under subsection (m).".

(c) APPROVAL AND DISAPPROVAL OF STATE PROGRAMS.—Section 1428 is amended as follows:

(1) Amend the first sentence of subsection (c)(1) to read as follows: "If, in the judgment of the Administrator, a State program or portion thereof under subsection (a) is not adequate to protect public water systems as required by subsection (a) or a State program under subsection (l) or (m) or section 1418(b) does not meet the applicable requirements of subsection (l), (m) or section 1418(b), the Administrator shall disapprove such program or portion thereof.".

(2) Add after the second sentence of subsection (c)(1) the following: "A State program developed pursuant to subsection (l) or (m) or section 1418(b) shall be deemed to meet the applicable requirements of subsection (l), (m) or section 1418(b) unless the Administrator determines within 9 months of the receipt of the program that such program (or portion thereof) does not meet such requirements.".

(3) In the third sentence of subsection (c)(1) and in subsection (c)(2) strike "is inadequate" and insert "is disapproved".

(4) Add the following at the end of subsection (c)(1): "Notwithstanding any other provision of this subsection, the provisions of this subsection shall apply to source water petition programs under subsection (m) only if the State uses grants under section 1443(c) (relating to State Revolving Funds) for such program.".

(5) In subsection (b), add the following before the period at the end of the first sentence: "and source water assessment programs under subsection (l)".

(6) In subsection (g)—

(A) insert after "under this section" the following: ", State source water assessment programs under subsection (l) and State petition programs under subsection (m) for which the State uses grants under section 1443(c) (relating to State Revolving Funds)"; and

(B) strike "Such" in the last sentence and inserting "In the case of wellhead protection programs, such".

SEC. 14. MONITORING OF REGULATED CONTAMINANTS.

Part B is amended by adding the following after section 1417:

"SEC. 1418. MONITORING OF CONTAMINANTS.

"(a) INTERIM MONITORING RELIEF AUTHORITY.—(1) A State exercising primary enforcement responsibility for public water systems may modify the monitoring requirements for—

"(A) regulated chemical pesticide contaminants,

"(B) polychlorinated byphenyls,

"(C) dioxin, and

"(D) unregulated contaminants for which monitoring is required under phase II as set forth on January 30, 1991, in volume 56 of the Federal Register, page 3526 and phase V as set forth on July 17, 1992, in volume 57 of the Federal Register, page 31776

for an interim period to provide that any public water system serving 3,300 persons or fewer shall not be required to conduct additional quarterly monitoring during an interim relief period for such contaminants if—

"(i) monitoring, conducted at the beginning of the period for the contaminant concerned and certified to the State by the public water system, fails to detect the presence of the contaminant in the ground or surface water supplying the public water system, and

"(ii) the State, (considering the hydrogeology of the area and other relevant factors), determines in writing that the contaminant is unlikely to be detected by further monitoring during such period.

"(2) The interim relief period referred to in paragraph (1) shall terminate when permanent monitoring relief is adopted and approved for such State, or at the end of 36 months after the enactment of the Safe Drinking Water Act Amendments of 1994, whichever comes first. In order to serve as a basis for interim relief, the monitoring conducted at the beginning of the period must occur at the time determined by the State to be the time of the public water system's greatest vulnerability to the contaminant concerned in the relevant ground or surface water, taking into account in the case of pesticides the time of application of the pesticide for the source water area and the travel time for the pesticide to reach such waters and taking into account, in the case of other contaminants, seasonality of precipitation and contaminant travel time.

"(b) PERMANENT MONITORING RELIEF AUTHORITY.—(1) Each State exercising primary enforcement responsibility for public water systems under this title and having an approved wellhead protection program and a source water assessment program may adopt, in accordance with guidance published by the Administrator, and submit to the Administrator as provided in section 1428(c), tailored alternative monitoring requirements for public water systems in such State (as an alternative to the monitoring requirements specified in the Administrator's standardized monitoring framework for chemical contaminants and the applicable national primary drinking water regulations) where the State concludes that (based on data available at the time of adoption concerning susceptibility, use, occurrence, wellhead protection, or from the State's drinking water source water assessment program) such alternative monitoring would provide assurance that it complies with the Administrator's guidelines. The State program must be adequate to assure compliance with, and enforcement of, applicable national primary drinking water regulations. Alternative monitoring shall not apply to regulated microbiological contaminants, disinfectants and disinfection by-products, or corrosion by-products. The preceding sentence is not intended to limit other authority of the Administrator under other provisions of this title to grant monitoring flexibility.

"(2)(A) The Administrator shall issue, after notice and comment and at the same time as guidelines are issued for source water assessment under section 1428(l), guidelines for States to follow in proposing alternative requirements to the standardized monitoring framework for chemical contaminants. The Administrator shall publish such framework in the Federal Register. The guidelines shall assure that the public health will be protected from drinking water contamination. The guidelines shall require that a State alternative monitoring program apply on a contaminant-by-contaminant basis and that, to be eligible for such alternative monitoring program, a public water system must show the State that the contaminant is not present in the drinking water supply or, if present, it is reliably and consistently below the maximum contaminant level.

"(B) For purposes of subparagraph (A), the phrase 'reliably and consistently below the maximum contaminant level' means that, although contaminants have been detected in a water supply, the State has sufficient knowledge of the contamination source and extent of contamination to predict that the maximum contaminant level will not be exceeded. In determining that a contaminant is reliably and consistently below the maximum contaminant level, States shall consider the quality and completeness of data, the length of time covered and the volatility or stability of monitoring results during that time, and the proximity of such results to the maximum contaminant level. Wide variations in the analytical results, or analytical results close to the maximum contaminant level, shall not be considered to be reliably and consistently below the maximum contaminant level.

"(3) The guidelines issued by the Administrator under paragraph (2) shall require that if, after the monitoring program is in effect and operating, a contaminant covered by the alternative monitoring program is detected at levels at or above the maximum contaminant level or is no longer reliably or consistently below the maximum contaminant level, the public water system must either—

"(A) demonstrate that the contamination source has been removed or that other action has been taken to eliminate the contamination problem, or

"(B) test for the detected contaminant pursuant to the applicable national primary drinking water regulation.

"(c) TREATMENT AS NPDWR.—All monitoring relief granted by a State to a public water system for a regulated contaminant under subsection (a) or (b) shall be treated as part of the national primary drinking water regulation for that contaminant.

"(d) OTHER MONITORING RELIEF.—Nothing in this section shall be construed to affect the authority of the States under the standard monitoring framework for chemical contaminants and under applicable national primary drinking water regulations to alter monitoring requirements through waivers in effect at the time of the enactment of the Safe Drinking Water Act Amendments of 1994. States are encouraged to use such authority.".

SEC. 15. FEDERAL FACILITIES.

(a) IN GENERAL.—Part C is amended by adding at the end thereof the following new section:

"SEC. 1429. FEDERAL FACILITIES.

"(a) IN GENERAL.—Each department, agency, and instrumentality of the executive, legislative, and judicial branches of the Federal Government—

"(1) owning or operating any facility in a wellhead protection area,

"(2) engaged in any activity at such facility resulting, or which may result, in the contamination of water supplies in any such area, or

"(3) owning or operating any public water system

shall be subject to, and comply with, all Federal, State, interstate, and local requirements, both substantive and procedural (including any requirement for permits or reporting or any provisions for injunctive relief and such sanctions as may be imposed by a court to enforce such relief), respecting the protection of such wellhead areas and respecting such public water systems in the same manner and to the same extent as any person is subject to such requirements, including the payment of reasonable service charges. The Federal, State, interstate, and local substantive and procedural requirements referred to in this subsection include, but are not limited to, all administrative orders and all civil and administrative penalties and fines, regardless of whether such penalties or fines are punitive or coercive in nature or are imposed for isolated, intermittent, or continuing violations. The United States hereby expressly waives any immunity otherwise applicable to the United States with respect to any such substantive or procedural requirement (including, but not limited to, any injunctive relief, administrative order or civil or administrative penalty or fine referred to in the preceding sentence, or reasonable service charge). The reasonable service charges referred to in this subsection include, but are not limited to, fees or charges assessed in connection with the processing and issuance of permits, renewal of permits, amendments to permits, review of plans, studies, and other documents, and inspection and monitoring of facilities, as well as any other nondiscriminatory charges that are assessed in connection with a Federal, State, interstate, or local regulatory program respecting the protection of wellhead areas or public water systems. Neither the United States, nor any agent, employee, or officer thereof, shall be immune or exempt from any process or sanction of any State or Federal Court with respect to the enforcement of any such injunctive relief. No agent, employee, or officer of the United States shall be personally liable for any civil penalty under any Federal, State, interstate, or local law concerning the protection of wellhead areas or public water systems with respect to any act or omission within the scope of the official duties of the agent, employee, or officer. An agent, employee, or officer of the United States shall be subject to any criminal sanction (including, but not limited to, any fine or imprisonment) under any Federal or State requirement adopted pursuant to this title, but no department, agency, or instrumentality of the executive, legislative, or judicial branch of the Federal Government shall be subject to any such sanction. The President may exempt any facility of any department, agency, or instrumentality in the executive branch from compliance with such a requirement if he determines it to be in the paramount interest of the United States to do so. No such exemption shall be granted due to lack of appropriation unless the President shall have specifically requested such appropriation as a part of the budgetary process and the Congress shall have failed to make available such requested appropriation. Any exemption shall be for a period not in excess of 1 year, but additional exemptions may be granted for periods not to exceed 1 year upon the President's making a new determination. The President shall report each January to the Congress all exemptions from the requirements of this section granted during the preceding calendar year, together with his reason for granting each such exemption.

"(b) ADMINISTRATIVE ENFORCEMENT ACTIONS.—(1) The Administrator may commence an administrative enforcement action against any department, agency, or instrumentality of the executive, legislative, or judicial branch of the Federal Government subject to the provisions of subsection (a) pursuant to the enforcement authorities contained in this title. The Administrator shall initiate an administrative enforcement action against such a department, agency, or instrumentality in the same manner and under the same circumstances as an action would be initiated against another person. Any voluntary resolution or settlement of such an action shall be set forth in a consent order.

"(2) No administrative order issued to such a department, agency, or instrumentality shall become final until such department, agency, or instrumentality has had the opportunity to confer with the Administrator.

"(c) LIMITATION ON STATE USE OF FUNDS COLLECTED FROM FEDERAL GOVERNMENT.—Unless a State law in effect on the date of the enactment of the Safe Drinking Water Act Amendments of 1994 or a State constitution requires the funds to be used in a different manner, all funds collected by a State from the Federal Government from penalties and fines imposed for violation of any substantive or procedural requirement referred to in subsection (a) shall be used by the State only for projects designed to improve or protect the environment or to defray the costs of environmental protection or enforcement.".

(b) CONFORMING AMENDMENTS.—Section 1447(a) is amended as follows:

(1) By striking out "(1) having jurisdiction over any federally owned or maintained public water system or (2)".

(2) By striking out "respecting the provision of safe drinking water and".

(3) Section 1447(c) is amended by striking out "the Safe Drinking Water Amendments of 1977" and inserting "this title" and by striking "this Act" and inserting "this title".

SEC. 16. EMERGENCY POWERS.

Section 1431(b) is amended by striking out "$5,000" and inserting in lieu thereof "$15,000".

SEC. 17. TAMPERING.

Section 1432 is amended as follows:

(1) In subsection (d), by striking "or" at the end of paragraph (1) and by striking paragraph (2) and inserting the following:

"(2) to knowingly and deliberately interfere with the operation of a public water system with the intent to cause economic harm to the system or cause the system to violate this title; or

"(3) to knowingly and deliberately render inaccurate a monitoring device with the intent to falsify monitoring results.".

(2) By adding at the end the following:

"(e) FAILURE TO REPORT.—Any owner or operator of a public water system who knowingly and deliberately fails to report for more than 90 days to the State with primary enforcement responsibility for public water systems, or to the public as required by this title, or to the Administrator, a violation of a maximum contaminant level or treatment technique shall be subject to a fine of not more than $10,000, imprisonment for not more than 2 years, or both, except that failure to comply with the exact form and contents of a notice shall not be considered a failure to report which is subject to enforcement under this subsection.

"(f) FALSE STATEMENTS.—State requirements applicable to public water systems in States with primary enforcement responsibility for public water systems under this title, or requirements of the Administrator under this title, respecting statements, representations, writings, or documents shall be construed to be subject to the provisions of section 1001 of title 18 of the United States Code and for such purposes such requirements shall be treated as a matter within the jurisdiction of a department or agency of the United States and solely for that purpose such State shall be treated as a Federal department or agency.".

SEC. 18. FUNDS FOR SAFE DRINKING WATER.

(a) STATE REVOLVING FUNDS.—Section 1443 is amended by redesignating subsection (c) as subsection (d) and by adding the following new subsection after subsection (b):

"(c) STATE REVOLVING FUNDS.—

"(1) GENERAL AUTHORITY.—

"(A) GRANTS TO STATES TO ESTABLISH REVOLVING FUNDS.—The Administrator shall enter into agreements with States to make capitalization grants, including letters of credit, to the States under this subsection solely to further the health protection objectives of this title, promote the efficient use of fund resources, and for such other purposes as specified in this title. The grants shall be deposited in drinking water treatment revolving funds established by the State, except as otherwise provided in this subsection and in other provisions of this title. No portion of any specific percentage amount of such grants referred to in paragraph (5), (8), or (9) or authorized by other provisions of this title to be used for other purposes specified in this title shall be deposited in any State revolving fund. All such grants shall be allotted to the States in the same manner as funds are allotted to States under subsection (a)(4), except as provided in paragraph (8) and except that the State allotment for a State not exercising primary enforcement responsibility for public water systems shall not be deposited in any such fund but shall be allotted by the Administrator as follows: 30 percent of such allotment shall be available to the Administrator as needed to exercise primary enforcement responsibility under this title in such State and the remainder shall be reallotted to States exercising primary enforcement responsibility for public water systems for deposit in such funds. Whenever the Administrator makes a final determination pursuant to section 1413(b) that the requirements of section 1413(a) are no longer being met by a State, additional grants for such State under this title shall be immediately terminated by the Administrator.

"(B) USE OF FUNDS.—Except as otherwise authorized by this title, amounts deposited in such revolving funds, including loan repayments and interest earned on such amounts, shall be used only for providing loans or other financial assistance of any kind or nature that the State deems appropriate to public water systems. Such financial assistance may be used by a public water system only for expenditures (not including monitoring, operation, and maintenance expenditures) of a type or category which the Administrator has determined, through guidance, will facilitate compliance with national primary drinking water regulations applicable to such system under section 1412 or otherwise significantly further the health protection objectives of this title. Such financial assistance may be used for acquisition from willing sellers, at fair market value, of real property or interests therein

which are integral to such systems. 15 percent of the amount credited to any revolving fund established under this section in any fiscal year shall be available solely for providing loan assistance to public water systems which regularly serve fewer than 10,000 persons.

"(C) FUND MANAGEMENT.—Each State revolving fund under this subsection shall be established, maintained, and credited with repayments and interest. The fund corpus shall be available in perpetuity for providing financial assistance under this section. To the extent amounts in each such fund are not required for current obligation or expenditure, such amounts shall be invested in interest bearing obligations of the State or of the United States.

"(D) GRANTS FROM REVOLVING FUNDS.—A State may not provide assistance in the form of grants from a State revolving fund established under this subsection in an aggregate amount which exceeds the sum of the interest collected on deposits in such State revolving fund plus amounts deposited in such fund by the State pursuant to paragraph (3). Such grants may only be made to public water systems owned by a governmental or inter-governmental agency, a non-profit organization, an Indian tribe, or any combination thereof which the State finds to be experiencing financial hardship.

"(E) INVESTOR-OWNED PUBLIC WATER SYSTEMS.—In the case of any public water system not owned by a governmental or inter-governmental agency, a non-profit organization, an Indian tribe, or any combination thereof, the State may provide assistance from a State revolving fund under this subsection according to priorities established by the State based on the greatest public health needs and financial need. The State may provide loan assistance to any such system from such a State revolving fund only after making a determination that the system has the ability to repay the loan according to its terms and conditions. States are authorized to require such systems to identify a dedicated source for repayment of the loans and to impose such other requirements as may be necessary to assure loan repayment.

"(2) SPECIFIC REQUIREMENT.—No loan or other financial assistance may be provided to a public water system from a revolving fund established under this subsection to be used for any expenditure that could be avoided or significantly reduced by appropriate consolidation of that public water system with any other public water system, except that in such cases such assistance may be provided from the revolving fund for such consolidation.

"(3) STATE CONTRIBUTION.—In the case of grants made after fiscal year 1995, each agreement under this subsection shall require that the State deposit in the fund from State moneys an amount equal to at least 20 percent of the total amount of the grant to be made to the State on or before the date on which the grant payment is made to the State.

"(4) COMBINED FINANCIAL ADMINISTRATION.—Notwithstanding subparagraph (C) of paragraph (1), a State may (as a convenience and to avoid unnecessary administrative costs) combine, in accordance with State law, the financial administration of a revolving fund established under this subsection with the financial administration of any other revolving fund established by the State if otherwise not prohibited by the law under which such revolving fund was established and if the Administrator determines that—

"(A) the grants under this subsection, together with loan repayments and interest, will be separately accounted for and used solely for the purposes specified in paragraph (1); and

"(B) the authority to establish assistance priorities and carry out oversight and related activities (other than financial administration) with respect to such assistance remains with the State agency having primary responsibility for administration of the State program under this part.

"(5) ADMINISTRATION.—(A) Each State may annually use up to 4 percent of the funds allotted to the State under this subsection to cover the reasonable costs of administration of the assistance program under this subsection and of providing technical assistance to public water systems within the State. For fiscal year 1995 and each fiscal year thereafter, each State may use up to an additional 5 percent of the funds allotted to the State under this subsection for public water system supervision if the State matches such expenditures with at least an equal amount of non-Federal funds. At least half of such match must be additional to the amount expended by the State for public water supervision in fiscal year 1993. An additional 1 percent of the funds annually allotted to the State under this subsection shall be used by each State to provide technical assistance to public water systems in such State.

"(B) The Administrator shall publish such guidance and promulgate such regulations as may be necessary to carry out the provisions of this section, including—

"(i) provisions to ensure that each State commits and expends funds allotted to the State under this subsection as efficiently as possible in accordance with this title and applicable State laws,

"(ii) guidance to prevent waste, fraud, and abuse, and

"(iii) guidance to avoid the use of funds made available under this subsection to finance the expansion of any public water system in anticipation of future population growth.

Such guidance and regulations shall also insure that the States, and public water systems receiving assistance under this subsection, use accounting, audit, and fiscal procedures that conform to generally accepted accounting standards.

"(C) Each State administering a revolving fund and assistance program under this subsection shall publish and submit to the Administrator a report every 2 years on its activities under this subsection, including the findings of the most recent audit of the fund and the entire State allotment. The Administrator shall periodically audit all revolving funds established by, and all other amounts allotted to, the States pursuant to this subsection in accordance with procedures established by the Comptroller General.

"(6) NEEDS SURVEY.—The Administrator shall conduct an assessment of financial needs of all public water systems in the United States and submit a report to the Congress containing the results of such assessment within 2 years after the date of the enactment of the Safe Drinking Water Act Amendments of 1994. The Administrator shall revise such report periodically as appropriate.

"(7) INDIAN TRIBES.—1½ percent of the amounts appropriated annually to carry out this subsection may be used by the Administrator to make grants to Indian Tribes and Alaskan Native Villages which are not otherwise eligible to receive either grants from the Administrator under this subsection or assistance from State revolving funds established under this subsection. Such grants may only be used for expenditures by such tribes and villages for public water system expenditures referred to in paragraph (1)(B).

"(8) OTHER AREAS.—Of the funds annually available under this section for grants to States, the Administrator shall make allotments in accordance with section 1443(a)(4) for the District of Columbia, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, and the Republic of Palau. The grants allotted as provided in this paragraph may be provided by the Administrator to the governments of such areas, to public water systems in such areas, or to both, to be used for the public water system expenditures referred to in paragraph (1)(B). Such grants shall not be deposited in revolving funds. The total allotment of grants under this subsection for all areas described in this paragraph in any fiscal year shall not exceed 1 percent of the aggregate amount made available to carry out this subsection in that fiscal year.

"(9) ADDITIONAL SET-ASIDES.—Any State exercising primary enforcement responsibility for public water systems may use up to 4 percent of the annual grants under this subsection allotted to that State for the following:

"(A) To establish and implement wellhead protection programs under section 1428.

"(B) For a period of 5 years after the Administrator publishes guidance under section 1428(l), to establish and implement source water assessment programs under section 1428.

"(C) For a 7-fiscal year period after guidelines are issued under section 1419(a), to develop and implement a viability program under section 1419(b) and assess viability under section 1419(e).

Not more than 2 percent of such annual grant allotment for any such State in any fiscal year may be used by that State for purpose of subparagraph (C). If any State exercising primary enforcement responsibility for public water systems adopts a petition program under section 1428(m), the State may use not more than 1 percent of the grant under this subsection allotted to the State in any fiscal year for establishing and implementing such program. No such funds shall be used for such a petition program if the State fails to implement the program.

"(10) DEMONSTRATION PROJECT FOR STATE OF VIRGINIA.—Notwithstanding the other provisions of this subsection limiting the use of funds deposited in a State revolving fund from any State allotment, the State of Virginia may, as a single demonstration and with the approval of the Virginia General Assembly and the Administrator, conduct a program to demonstrate alternative approaches to intergovernmental coordination to assist in the financing of new drinking water facilities in the following rural communities in southwestern Virginia where none exists on the date of the enactment of the Safe Drinking Water Act Amendments of 1994 and where such communities are experiencing economic hardship: Lee County, Wise County, Scott County, Dickenson County, Russell County, Buchanan County, Tazewell County, and the city of Norton, Virginia. The funds allotted to that State and deposited in the State revolving fund may be loaned to a regional endowment fund for the purpose set forth in this paragraph under a plan to be approved by the Administrator. The plan may include an advisory group that includes representatives of such counties.

"(11) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out the purposes of this subsection $599,000,000 for the fiscal year 1994 and $1,000,000,000 for each of the fiscal years 1995, 1996, and 1997, and such sums as may be necessary thereafter. Sums shall remain available until expended.".

(b) REPORT.—Not later than 18 months after the date of the enactment of this Act, the Administrator of the Environmental Protection Agency shall report to the Congress, after notice and public comment, on the appropriateness of using State revolving funds under section 1443(c) of the Public Health Service Act for acquisition of real property or interests therein from willing sellers where such acquisition is undertaken in addition to, or as an alternative to, system development as a means of complying

with national primary drinking water regulations. The review of the use of such funds shall examine any cost savings and environmental benefits for safe drinking water and any problems related thereto.

(c) TECHNICAL ASSISTANCE.—(1) The Administrator of the Environmental Protection Agency may provide technical assistance to small public water systems to enable such systems to achieve and maintain compliance with applicable national primary drinking water regulations. Such assistance may include circuit-rider programs, training, and preliminary engineering evaluations. There is authorized to be appropriated to the Administrator to be used for such technical assistance $15,000,000 for the fiscal year 1994, and such sums as may be necessary for fiscal years thereafter. No portion of any State revolving fund established under section 1443(c) of the Public Health Service Act and no portion of any funds made available under this subsection may be used either directly or indirectly for lobbying expenses. Of the total amount appropriated under this subsection, 3 percent shall be used for technical assistance to public water systems owned or operated by Indian tribes. Nothing in this Act or the amendments made by this Act authorizes scientific or environmental research and development.

(2) Section 1442(g) is amended to read as follows:

"(g) [RESERVED].".

(d) PUBLIC WATER SYSTEMS SUPERVISION GRANTS.—Section 1443(a) is amended as follows:

(1) Paragraph (4) is amended by adding the following at the end thereof: "The allotment of grant funds under this subsection for States not exercising primary enforcement responsibility for public water systems shall not be provided to such States but shall be available to the Administrator for the costs of administering this title in those States.".

(2) Paragraph (7) is amended by striking out "not more than the following amounts" and all that follows down through the end of such paragraph and inserting "such sums as may be necessary for fiscal years after fiscal year 1994.".

SEC. 19. RECORDS AND INSPECTIONS.

(a) REQUIREMENTS.—Section 1445(a)(1) is amended by inserting "(A)" after "(1)" and by adding at the end the following:

"(B) Instead of using the authority under subparagraph (A) for the purposes set forth in this paragraph or subsection (b), the Administrator may, on a case-by-case basis, require by certified mail any public water system to provide, on a 1-time, periodic, or continuous basis, such records, reports, and information as the Administrator may reasonably require in determining whether such system has acted or is acting in compliance with this title. The Administrator shall provide the State exercising primary enforcement responsibility for public water systems a copy of such certified mail. This subparagraph shall not be construed to change any requirements of other applicable laws, such as the Paperwork Reduction Act of 1980. Nothing in this subparagraph shall be construed to affect the authority of the Administrator to use the authority of subsection (b) to determine compliance with this title.".

(b) PENALTIES.—Section 1445(c) is amended by adding at the end the following: "Such penalty may be assessed by the Administrator after notice and opportunity for a public hearing on the record in accordance with section 554 of title 5 of the United States Code.".

SEC. 20. MONITORING FOR UNREGULATED CONTAMINANTS.

Section 1445(a) is amended as follows:

(1) By adding at the end of paragraph (2) the following sentence: "Within 24 months after the enactment of the Safe Drinking Water Act Amendments of 1994 and every 5 years thereafter, the Administrator shall review and, if necessary, revise the list of unregulated contaminants for which monitoring is required.".

(2) In paragraph (3), by inserting "not more than 40" after "shall list" in the first sentence.

(3) In paragraph (4), by adding at the end thereof: "Prior to the 24-month deadline established under subsection (g), the State, where it is exercising primary enforcement responsibility for public water systems under this title, shall provide the results of such monitoring to the Administrator for inclusion in the occurrence data base under subsection (g).".

SEC. 21. OCCURRENCE DATA BASE.

Section 1445 is amended by adding the following new subsection at the end thereof:

"(g) OCCURRENCE DATA BASE.—Not later than 24 months after enactment of the Safe Drinking Water Act Amendments of 1994, the Administrator shall assemble and maintain a national drinking water occurrence data base, using monitoring data on the occurrence of both regulated and unregulated contaminants in public water supply systems obtained under subsection (a) of this section, and information from other public and private sources.".

SEC. 22. GENERAL PROVISIONS.

(a) GUIDELINES.—Section 1450 is amended by adding the following at the end thereof:

"(j) GUIDELINES.—(1) All guidelines issued by the Administrator for States exercising primary enforcement responsibility for public water systems for any purpose pursuant to any requirement established by the Safe Drinking Water Act Amendments of 1994 shall be published in the Federal Register and shall remain in effect until changed by the Administrator in accordance with the same procedure as they were established. Such guidelines shall not be considered to be rules and shall not be enforceable as rules. Adoption by a State of a program covered by such guidelines and approval of the program by the Administrator shall be treated as an agreement by the State with, and acceptance of, the guidelines.

"(2) Except as otherwise provided in this title, failure of a State to abide by a guideline referred to in paragraph (1) shall not be a basis for the State's loss of primary enforcement responsibility for public water systems.

"(3) The Administrator shall order a State to halt use of a monitoring relief program under section 1418 to which any guideline referred to in paragraph (1) applies if the Administrator makes a finding, in writing, after notice to the State, that the State has failed to comply with such guideline and gives the State at least 90 days to correct the alleged problem.

"(4) The Administrator may, in the Administrator's discretion, reduce by 50 percent the amount of grants otherwise made available to the State in any fiscal year under section 1443(c) (relating to State revolving funds) if the Administrator makes a finding in writing, after notice to the State, that the State has failed to comply with any guideline referred to in paragraph (1) and gives the State at least 90 days to correct the alleged problem.".

(b) WHISTLE BLOWER.—Section 1450(i) is amended as follows:

(1) Amend paragraph (2)(A) by striking "30 days" and inserting "180 days" and by inserting before the period at the end "and the Environmental Protection Agency".

(2) Amend paragraph (2)(B)(i) by inserting before the last sentence the following: "Upon conclusion of such hearing and the issuance of a recommended decision that the complaint has merit, the Secretary shall issue a preliminary order providing the relief prescribed in clause (ii), but may not order compensatory damages pending a final order.".

(3) Amend paragraph (2)(B)(ii) by inserting "and" before "(III)" and by striking "compensatory damages, and (IV) where appropriate, exemplary damages" and inserting "and the Secretary may order such person to provide compensatory damages to the complainant".

(4) Redesignate paragraphs (3), (4), (5), and (6) as paragraphs (4), (5), (6), and (7), respectively, and insert after paragraph (2) the following:

"(3)(A) The Secretary shall dismiss a complaint filed under paragraph (1), and shall not conduct the investigation required under paragraph (2), unless the complainant has made a prima facie showing that any behavior described in subparagraphs (A) through (C) of paragraph (1) was a contributing factor in the unfavorable personnel action alleged in the complaint.

"(B) Notwithstanding a finding by the Secretary that the complaint has made the showing required by paragraph (1)(A), no investigation required under paragraph (2) shall be conducted if the employer demonstrates, by clear and convincing evidence, that it would have taken the same unfavorable personnel action in the absence of such behavior.

"(C) The Secretary may determine that a violation of paragraph (1) has occurred only if the complainant has demonstrated that any behavior described in subparagraphs (A) through (C) of paragraph (1) was a contributing factor in the unfavorable personnel action alleged in the complaint.

"(D) Relief may not be ordered under paragraph (2) if the employer demonstrates clear and convincing evidence that it would have taken the same unfavorable personnel action in the absence of such behavior.".

(5) Add at the end the following:

"(8) This subsection may not be construed to expand, diminish, or otherwise affect any right otherwise available to an employee under Federal or State law to reduce the employee's discharge or other discriminatory action taken by the employer against the employee. The provisions of this subsection shall be prominently posted in any place of employment to which this subsection applies.".

(c) EFFECTIVE DATE.—The amendments made by subsection (b) shall apply to claims filed under section 1450(i) of the Public Health Service Act on or after the date of the enactment of this Act.

SEC. 23. ADMINISTRATIVE PENALTIES.

Part E is amended by adding at the end the following new section:

"SEC. 1452. ADMINISTRATIVE PENALTIES.

"(a) IN GENERAL.—The Administrator may assess an administrative penalty for violations of section 1412, 1415, 1416, or 1442(h). Such a penalty may only be assessed—

"(1) after providing notice (in accordance with section 1414(a)(1)(A)) of at least 45 days of the Administrator's intention to assess such penalty to the State exercising primary enforcement responsibility for public water systems and to the public water system in violation of such section, and

"(2) after opportunity for a hearing on the record in accordance with section 554 of title 5, United States Code.

"(b) PENALTY.—The penalty under subsection (a) shall be not more than $5,000 per day of violation. The total penalty under such subsection shall not exceed—

"(1) $50,000 for violation of section 1442(h) (relating to minimum standards for certification of operators and laboratories), or

"(2) $90,000 in the case of violations of sections 1412, 1415, and 1416.

In assessing such penalties, the Administrator shall consider the size of the public water system, the ability of the system to operate in compliance with this title, the seriousness of the violation, the economic impact of such violation, and history of violations.".

SEC. 24. WATER RETURN.

Part E is amended by adding at the end the following:

"SEC. 1453. WATER RETURN.

"Not later than 18 months after the date of the enactment of the Safe Drinking Water Act Amendments of 1994, the Administrator shall issue, after public notice, guidelines to assist public water systems in assessing the conditions, when it is consistent with the requirements and public health objectives of this title, to return water from the public water system used for heat pumps and similar devices to the distribution system of the public water system.".

SEC. 25. WATER CONSERVATION PLAN.

Part E is amended by adding at the end the following:

"SEC. 1454. WATER CONSERVATION PLAN.

"(a) GUIDELINES.—Not later than 1 year after the date of the enactment of the Safe Drinking Water Act Amendments of 1994, the Administrator shall publish in the Federal Register guidelines for water conservation plans for public water systems serving fewer than 3,300 persons, public water systems serving between 3,300 and 10,000 persons, and public water systems serving more than 10,000 persons, taking into consideration such factors as water availability and climate.

"(b) SRF LOANS OR GRANTS.—Within 1 year after publication of the guidelines under subsection (a), a State exercising primary enforcement responsibility for public water systems may require a public water system, as a condition of receiving a loan or grant from a State revolving fund under section 1443(c), to submit with its application for such loan or grant a water conservation plan consistent with such guidelines.".

SEC. 26. SUBMERSIBLE PUMPS; FITTINGS; AND RESIDENTIAL WATER TREATMENT UNITS.

Part F is amended by adding at the end the following:

"SEC. 1466. SUBMERSIBLE PUMPS.

"(a) IN GENERAL.—(1) Except as provided in subsection (b), within 3 years after the date of the enactment of the Safe Drinking Water Act Amendments of 1994 the Administrator shall promulgate regulations containing a health effects based performance standard establishing minimal leaching levels of lead from new submersible pumps reasonably anticipated to be used in domestic water wells, taking into account marketing and sales information and other relevant factors. Such standard shall apply to new pumps manufactured for, or first introduced into, interstate commerce after the effective date of the regulation promulgating the standard.

"(2) At a minimum, the standard under this section shall not allow lead concentration in drinking water to increase by more than 15 parts per billion (ppb) when in prolonged contact with the pump. Such standard shall be effective 3 years after the date of its promulgation or at such earlier time as the Administrator determines that pumps subject to paragraph (1) can reasonably be anticipated to be in compliance with such standards.

"(b) EXCEPTION.—(1) If the Administrator determines, after notice and opportunity for public comment, that—

"(A) voluntary standards have been developed that are at least as protective as the minimum standard described in subsection (a)(2), and

"(B) pumps subject to paragraph (1) of subsection (a) can reasonably be anticipated to be in compliance with such voluntary standards within 6 years after the date of the enactment of the Safe Drinking Water Act Amendments of 1994,

the Administrator shall not promulgate regulations establishing the standard under subsection (a) or, if such regulations have been promulgated, provide that such regulations shall not take effect or be enforced.

"(2) Within 2 years after the date of the enactment of the Safe Drinking Water Act Amendments of 1994, the Administrator shall determine, after notice and opportunity for public comment, whether new submersible pumps which convey drinking water and which contain brass alloys containing 0.2 percent lead or more are being manufactured for, or first introduced into, interstate commerce. If the Administrator determines, at that time, that such pumps are not being manufactured for, or first introduced into, interstate commerce, the Administrator shall not promulgate regulations establishing the standard under subsection (a) or make a determination under subsection (b)(1), or if such regulations have been promulgated, provide that such regulations shall not take effect or be enforced.

"SEC. 1467. FITTINGS.

"(a) IN GENERAL.—Within 1 year after the date of the enactment of the Safe Drinking Water Act Amendments of 1994, the Administrator shall determine if—

"(1) voluntary standards for new plumbing fittings manufactured for or introduced into interstate commerce which convey drinking water have been developed that are at least as protective of human health as the minimum performance standard promulgated under subsection (b), and

"(2) such fittings can reasonably be anticipated to comply with such standards within 5 years after such date of enactment.

"(b) REGULATIONS.—If the Administrator determines that such voluntary standards for new plumbing fittings which convey drinking water have not been developed or that such fittings cannot reasonably be anticipated to comply, within 5 years of such date of enactment, with such voluntary standards, the Administrator shall, within 2 years after the date of such determination, promulgate regulations setting a health effects based performance standard establishing minimal leaching levels of lead from such new plumbing fittings. Such regulation shall take effect 3 years after the date of such promulgation. Under such regulation, such fittings shall not cause lead concentration in drinking water to increase by more than 15 parts per billion when in prolonged contact with such fitting.

"SEC. 1468. ENFORCEMENT OF SECTIONS 1466 AND 1467.

"(a) IN GENERAL.—Any person who manufactures or first introduces in interstate commerce any new submersible pump or new plumbing fitting which violates any requirement established by the Administrator by regulation under section 1466 or 1467, shall be liable to the United States for a civil penalty in an amount not to exceed $10,000 for each such violation. To assess such civil penalty, the Administrator shall, after notice and opportunity for hearing on the record in accordance with sections 554 and 556 of title 5, United States Code, issue an order assessing such civil penalty.

"(b) ACTIONS.—The Administrator may commence a civil action to enjoin any violation of section 1466 or 1467 or to assess and recover any civil penalty under subsection (a). Any such action may be brought in the district court of the United States for the district in which the violation is alleged to have occurred or in which the defendant resides or has the defendant's principal place of business. Such a court shall have jurisdiction to issue injunctive relief and to assess a civil penalty.

"(c) ORDER.—The Administrator may issue an order to require any person to comply with any requirement of section 1466 or 1467.

"(d) FUTURE COMPLIANCE.—The Administrator shall periodically evaluate compliance with the standards under sections 1466 and 1467.

"SEC. 1469. RESIDENTIAL WATER TREATMENT UNITS.

"(a) FTC INVESTIGATION.—The Federal Trade Commission, in consultation with the Administrator of the Environmental Protection Agency, shall conduct an investigation, pursuant to the Federal Trade Commission Act, into the veracity of claims that devices manufactured, sold, or distributed in interstate commerce for use in single and multi-family residences will improve the quality of drinking water or eliminate or reduce the level of 1 or more drinking water contaminants (for which a national primary drinking water regulation is promulgated under the Safe Drinking Water Act) and shall take such action pursuant to section 5 of such Act against any person who introduces, delivers for introduction, sells, advertises, or offers for sale, in interstate commerce, such devices as the Commission deems appropriate to ensure that such claims are consistent with the requirements of that Act and any applicable decisions and orders of the Commission under section 5 of that Act. The Commission shall, consistent with the requirements of such Act, report the results of its investigation and the actions it takes to the Congress within 2 years after enactment of this Act. The Commission may, from time to time, issue rules (pursuant to section 553 of title 5 of the United States Code) and any violation of such rules shall be treated by the Commission as a violation of a rule under section 18 of the Federal Trade Commission Act (15 U.S.C. 57a) regarding unfair or deceptive acts or practices.

"(b) EPA REPORT.—The Administrator, taking into account any available results of such study, shall, within 3 years after the date of the enactment of the Safe Drinking Water Act Amendments of 1994, submit a report to Congress containing recommendations regarding the effectiveness of such devices, and recommendations for legislation, to the extent necessary to assure the effectiveness of such devices in reducing the level of drinking water contaminants.".

SEC. 27. BOTTLED DRINKING WATER STANDARDS.

Section 410 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 349) is amended—

(1) by striking "Whenever" and inserting "(a) Except as provided in subsection (b), whenever"; and

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

"(b) BOTTLED DRINKING WATER STANDARDS.—(1) Not later than 180 days after the Administrator of the Environmental Protection Agency promulgates a national primary drinking water regulation for a contaminant under section 1412 of the Public Health Service Act (42 U.S.C. 300g-1), the Secretary, after public notice and comment, shall issue a regulation under this subsection for that contaminant in bottled water or make a finding that such a regulation is not necessary to protect the public health because the contaminant is contained in water in public water systems (as defined under section 1401(4) of such Act (42 U.S.C. 300f(4)) but not in water used for bottled drinking water. In the case of contaminants for which national primary drinking water regulations were promulgated under such section 1412 before the date of enactment of the Safe Drinking Water Act Amendments of 1994, the Secretary shall issue such regulation within 1 year after such date of enactment.

"(2) A regulation issued by the Secretary as provided in this subsection shall include any monitoring requirements that the Secretary determines appropriate for bottled water.

"(3) A regulation issued by the Secretary as provided in this subsection shall require the following:

"(A) In the case of contaminants for which a maximum contaminant level is established in a

national primary drinking water regulation under section 1412 of the Public Health Service Act, the regulation under this subsection shall establish a maximum contaminant level for the contaminant in bottled water which is at least as stringent as the maximum contaminant level provided in the national primary drinking water regulation.

"(B) In the case of contaminants for which a treatment technique is established in a national primary drinking water regulation under section 1412 of the Public Health Service Act, the regulation under this subsection shall require that bottled water be subject to requirements no less protective of the public health than those applicable to water provided by public water systems using the treatment technique required by the national primary drinking water regulation.

"(4)(A) If the Secretary fails to establish a regulation under this subsection within the 180-day period described in paragraph (1), the national primary drinking water regulation referred to in paragraph (1) shall be considered, as of the date on which the Secretary is required to establish a regulation under paragraph (1), as the regulation applicable under this subsection to bottled water.

"(B) Not later than 30 days after the end of the 180-day period, or the 1-year period if applicable, described in paragraph (1), the Secretary shall, with respect to a national primary drinking water regulation that is considered applicable to bottled water as provided in subparagraph (A), publish a notice in the Federal Register that—

"(i) sets forth the requirements of the national primary drinking water regulation, including monitoring requirements, which shall be applicable to bottled water, and

"(ii) provides that such requirements shall take effect on the date on which the national primary drinking water regulation for the contaminant takes effect under section 1412 of the Public Health Service Act (or in the case of national primary drinking water regulations promulgated before the enactment of the Safe Drinking Water Act Amendments of 1994, on the date 18 months after the enactment of such Act).".

SEC. 28. ARSENIC.

(a) STUDY.—Subject to availability of appropriations, the Administrator of the Environmental Protection Agency shall enter into an agreement with the National Academy of Sciences to conduct a comprehensive study of the human health effects of arsenic (which is subject to regulation as a contaminant under the Safe Drinking Water Act), taking into consideration the fact that arsenic occurs naturally. Such study shall be completed within 2 years of the date the agreement is entered into. A report shall be transmitted to the Administrator of the Environmental Protection Agency for purposes of subsection (b).

(b) REGULATION.—

(1) PROPOSED REGULATION.—Not later than December 31, 1996, the Administrator of the Environmental Protection Agency shall propose a national primary drinking water regulation for arsenic. If the study under subsection (a) is begun before May 31, 1996, the Administrator may not, except as provided in paragraph (2), promulgate such regulation until the National Academy of Sciences has issued a report under such subsection. When the National Academy of Sciences issues such report, the Administrator shall reopen the comment period on the proposed regulation for 60 days.

(2) REGULATION.—The Administrator shall promulgate a national primary drinking water regulation for arsenic not later than December 31, 1999, except that the Administrator may extend such date for 1 year if the Administrator has issued a new proposed regulation for arsenic. The Administrator may promulgate such regulation prior to such date if the Administrator finds that arsenic in drinking water is associated with an imminent and substantial endangerment to the health of persons and publishes such determination in the Federal Register.

(3) STANDARD SETTING PROCESS.—In issuing the national primary drinking water regulation for arsenic, the Administrator may promulgate a national primary drinking water regulation pursuant to section 1412(b)(5)(A) and (B) of the Safe Drinking Water Act.

SEC. 29. DEFINITIONS.

(a) PIPED WATER.—Section 1401 is amended by adding at the end the following:

"(15) The term 'piped water' means, in addition to water carried in pipes, water carried in culverts, canals, or similar conveyances. Such term does not include irrigation water provided to incidental nonagricultural users if the Administrator or State (in the case of a State exercising primary enforcement responsibility for public water systems) determines that alternative drinking water to achieve the equivalent level of health protection provided by the applicable national primary drinking water regulations is provided for drinking, cooking, and bathing, or where the Administrator or State (in the case of a State exercising primary enforcement responsibility for public water systems) determines that the water provided for drinking, cooking, and bathing is treated by the provider of such irrigation water, or a pass-through entity providing water for drinking, cooking, and bathing, to achieve the equivalent level of health protection provided by the applicable national primary drinking water regulations. This paragraph shall not be construed to affect the meaning of the term 'human consumption' as used in any other provision of this title. As used in this paragraph, the term 'conveyance' does not include rivers, streams, lakes, or ponds. Nothing in this paragraph shall create new or additional requirements for public water system.".

(b) ALTERNATIVE QUALITY CONTROL AND TESTING PROCEDURES.—Section 1401(1)(D) is amended by adding the following at the end thereof: "At any time after promulgation of a regulation referred to in this paragraph, the Administrator may add equally effective quality control and testing procedures by guidance published in the Federal Register. Such procedures shall be treated as an alternative for public water systems to the quality control and testing procedures listed in the regulation.".

SEC. 30. REPORTS ON ENVIRONMENTAL PROTECTION AGENCY ADMINISTERED PROGRAMS.

For States and Indian Tribes in which the Administrator of the Environmental Protection Agency has revoked primary enforcement responsibility under part B of title XIV of the Public Health Service Act (the Safe Drinking Water Act) or is otherwise administering such title, the Administrator shall provide every 2 years, a report to Congress on the implementation by the Administrator of all applicable requirements of that title in such States.

SEC. 31. GENERAL AUTHORIZATION.

(a) IN GENERAL.—Part A is amended by adding the following new section after section 1401:

"SEC. 1402. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this title for the first 8 fiscal years following the enactment of the Safe Drinking Water Act Amendments of 1994.".

(b) CONFORMING AMENDMENTS.—The heading for part A is amended to read as follows:

"PART A—GENERAL PROVISIONS".

SEC. 32. CLERICAL AMENDMENT.

Section 1421(b)(3)(B)(i) is amended by striking "number or States" and inserting "number of States".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California [Mr. WAXMAN] will be recognized for 20 minutes, and the gentleman from Virginia [Mr. BLILEY] will be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. WAXMAN].

GENERAL LEAVE

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the legislation now under consideration.

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

There was no objection.

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

Mr. Speaker, this bipartisan consensus on Safe Drinking Water is the result of months of negotiations, as members and staff from both sides of the aisle in the Energy and Commerce Committee have worked with one another and outside groups to hammer out a compromise that addresses the legitimate concerns of all sides in the safe drinking water debate.

Remarkable, the package of amendments before us today is supported by the water supply community, by State and local governments, by the public interest community, and by agricultural interests.

Organizations supporting passage of this legislation, include, to name a few: the American Water Works Association, the National Association of Water Companies, the National Rural Water Association, the National League of Cities, the American Public Health Association, the National Governor's Association, the Natural Resources Defense Council, the U.S. Public Interest Research Group, the National Conference of Farmer Cooperatives, and the National Agricultural Chemicals Association. I will put a more complete list of supporting organizations in the RECORD accompanying my remarks.

There are good reasons why this bipartisan legislation has such broad support.

It is a good deal for State and local governments because it offers new flexibility and new funding to: establish more intergovernment cooperation, carve a greater role for the States, and address concerns about unfunded mandates.

It is a good deal for the public water suppliers because it reduces the financial burden of monitoring for contaminants unlikely to be a problem, clarifies that future regulatory efforts should focus on contaminants associated with the greatest public health risks, revises the standard-setting provisions to expressly allow the consideration of incremental costs and benefits

in evaluating the feasibility of drinking water technologies for some new standards, and provides broad new authorities for variance and exemptions from the act's requirements, where consistent with continued health protection.

And, finally, it is a good deal for public interest groups because it establishes a new program to see that operators of public water systems are properly trained, puts in place a new State effort to assure that small water systems have the resources and expertise needed to provide safe water, promotes pollution prevention, enhances health protection for subpopulations especially sensitive to drinking water contamination, such as the elderly or pregnant women, puts in place a new program to reduce contamination of drinking water distribution lines from leaking sewer lines, and calls for prompt establishment of new standards for cryptosporidium—the drinking water contaminant responsible for the tragic disease outbreak in Milwaukee last year.

This cooperative effort is only possible because President Clinton made the enactment of safe drinking water legislation a top environmental priority for this Congress. He has been steadfast in his commitment to providing regulatory relief while still maintaining important public health protection.

I want to commend my colleagues on both sides of the aisle for their efforts in helping to make this difficult compromise possible. In particular, I want to express my deep appreciation to Chairman DINGELL for his leadership in this matter and to Congressman BLILEY and Congressman MOORHEAD who have worked hard to see all the legitimate issues addressed as they have helped to forge this bipartisan consensus.

I also want to commend Congressman SYNAR for his work in helping us put this package together, and to give special commendations to Congressman SLATTERY, Congressman STUDDS, and Congressman LAMBERT for their efforts in helping to bridge the gap between the water supply community and the public interest community. Without their invaluable work, the progress we have made would simply not have been possible.

Finally, I want to commend the EPA staff who contributed greatly to the negotiations, including the head of the drinking water program, Jim Elder, as well as Phil Metzker, Tom Wall, John Reeder, and Julie Anderson.

I look forward to continuing to work with my colleagues to see this bill rapidly enacted into law.

Mr. Speaker, I include for the RECORD a list of organizations supporting the bipartisan consensus in H.R. 3392:

ORGANIZATIONS SUPPORTING THE BIPARTISAN CONSENSUS IN H.R. 3392

Among the organizations supporting passage of this legislation are:

The American Water Works Association,
The Association of Metropolitan Water Agencies,
The National Association of Water Companies,
The National Rural Water Association,
The National League of Cities,
The National Association of Counties,
The National Governor's Association,
The National Resources Defense Council,
Friends of the Earth,
The U.S. Public Interest Research Group,
The American Oceans Campaign,
Clean Water Action,
Physicians for Social Responsibility,
The U.S. Conference of Mayors,
The National Conference of State Legislatures,
The Association of State Drinking Water Administrators,
The National Association of Regulatory Utility Commissioners,
The National Water Resources Association,
The National Conference of Farmer Cooperatives,
The National Agricultural Chemicals Association,
The Food Industry Environmental Council,
The National Audubon Society,
The National Wildlife Federation,
The American Public Health Association, and
The Clean Water Industry Coalition.

Mr. Speaker, I also include for the RECORD a memorandum to the members and staff of the Committee on Energy and Commerce regarding the markup of Safe Drinking Water Act amendments:

[Memorandum]

Re mark-up of Safe Drinking Water Act Amendments.
To: Members and Staff of the Energy and Commerce Committee
From: Henry A. Waxman
Date: September 19, 1994.

Legislation amending the Safe Drinking Water Act is scheduled to be marked up at the Health and the Environment Subcommittee on Tuesday, September 21 at 11:00 a.m.; and at the full Energy and Commerce Committee on the afternoon of September 21.

The mark-up vehicle will be H.R. 3392, amendments to the Safe Drinking Water Act introduced by Congressmen Slattery and Bliley. A bipartisan comprehensive substitute to this bill will be offered at the Subcommittee mark-up with support from Chairman Waxman, Chairman Dingell, Representatives Slattery and Bliley, and Representatives Synar, Studds and Lambert (the sponsors of H.R. 4314, an alternate drinking water bill).

The comprehensive substitute is the product of more than 6 months of negotiations, and is intended to address the concerns of state and local governments and water suppliers (who have sought greater flexibility in the control of drinking water contamination and greater federal financial and technical assistance); and the concerns of the public interest community (which has sought greater assurance of public health protection, and adoption of more effective programs to address carcinogens in drinking water and prevent water borne disease outbreaks such as the one occurring last year in Milwaukee).

The text of the Substitute is attached. This compromise includes:

A major new program of federal financial and technical assistance to help drinking water suppliers, especially those in rural areas, meet the health protection requirements of the Safe Drinking Water Act;

More flexible monitoring requirements designed to reduce the burden on water suppliers while assuring continued protection of the public health;

Extended timeframes for compliance with new drinking water standards;

A new source water assessment program to encourage prevention of drinking water contamination at the source;

A revised approach to the regulation of new contaminants to assure that new regulatory efforts focus on those contaiminats associated with the greatest health threats;

A revised standard setting approach providing EPA with greater flexibility to consider incremental costs and benefits in establishing standards for drinking water contaminants not yet the subject of proposed or final regulations;

New provisions using federal financial assistance to assure that small water suppliers have the financial, technical, and managerial expertise to meet the health protection requirements of the Safe Drinking Water Act;

A new program allowing small water systems (those serving less than 3,300 persons) to utilize alternative technologies tailored to their more limited capabilities in meeting drinking water standards;

Broad state authority to grant small water systems renewable exemptions from Safe Drinking Water Act requirements, where the terms of the exemptions continue to assure health protection;

Expanded state authority to grant larger water systems up to two four-year exemptions from Safe Drinking Water Act requirements, where the terms of the exemptions continue to assure health protection.

New state programs to assure that individuals operating public water systems have the training and expertise necessary to properly and safely operate drinking water systems;

A new program to assure that plumbing fixtures and submersible pumps do not contribute unsafe levels of lead to drinking water;

More streamlined EPA authority to impose administrative penalties comparable to the agency's enforcement authorities under other environmental laws;

New penalties for the falsification of monitoring results, for interfering with the operation of a public water system, and for knowing and deliberate failures to report violations of drinking water standards;

New directives for the Food and Drug Administration to issue standards for bottled water supplies that are at least as protective of the public health as applicable regulations for tap water;

A new program to prevent "cross-connections"—where sewage escaping from leaky sewer lines contaminates drinking water;

A new reporting system and widely available data base with comprehensive information on violations of drinking water standards;

New provisions promoting more cost-effective approaches to the contamination of drinking water by sulfate and arsenic;

A requirement for EPA to promptly publish a new standard for cryptosporidium, the currently unregulated drinking water contaminant responsible for the disease outbreak in Milwaukee; and

A less burdensome approach to drinking water contamination with radon, where effective national policies are adopted for control of radon in indoor air pollution.

A copy of the substitute is attached. If you have any questions, please contact Greg Wetstone or Phil Barnett of the Subcommittee staff at ext. 67620.

□ 1500

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

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

Mr. Speaker, I rise in support of H.R. 3392, the Safe Drinking Water Act Amendments of 1994.

Almost a year ago, Congressman JIM SLATTERY and I introduced legislation to reform the Safe Drinking Water Act. Our efforts were motivated by a concern that the Safe Drinking Water Act was broken and that it had lost the confidence of those it is intended to protect and those who are responsible for enforcing it.

This legislation changes that. This legislation includes important reforms that will ensure that drinking water is safe and that public resources are allocated efficiently.

As the chairman of the subcommittee, Mr. WAXMAN, has already described, this legislation is the product of literally months of negotiations among a number of members of the Energy and Commerce Committee. I am pleased to see that the compromise bill contains a number of elements that are contained in legislation that I introduced with Congressman SLATTERY more than a year ago.

I am also proud that this legislation is supported by a broad coalition of elected officials and public water systems, including the National Governors' Association, the National League of Cities, the U.S. Conference of Mayors, the National Conference of State Legislatures, and representatives of virtually every kind of public water system in the United States.

Indeed, some 39 separate organizations support this legislation.

Mr. Speaker, I include this list of organizations supporting this legislation in the RECORD, as follows:

National Governors' Association.
National League of Cities.
U.S. Conference of Mayors.
National Association of Counties.
National Conference of State Legislatures.
Association of State Drinking Water Administrators.
National Association of Regulatory Utility Commissioners.
American Water Works Association.
Association of Metropolitan Water Agencies.
National Association of Water Companies.
National Rural Water Association.
National Water Resources Association.
Natural Resources Defense Council.
Friends of the Earth.
Clean Water Action.
Physicians for Social Responsibility.
American Oceans Campaign.
U.S. Public Interest Research Group.
Agricultural Retailers Association.
American Crop Protection Association (formerly NACA).
American Farm Bureau Federation.
American Feed Industry Association.
American Soybean Association.
Clean Water Industry Coalition.
CF Industries, Inc.
Equipment Manufacturers Institute.
Farmland Industries, Inc.
Food Industry Environmental Council.
National Association of Conservation Districts.
National Association of State Departments of Agriculture.
National Association of Wheat Growers.
National Corn Growers Association.
National Cotton Council.
National Potato Council.
National Council of Farmer Cooperatives.
National Grange.
National Pork Producers Council.
National Milk Producers Federation.
United Fresh Fruit and Vegetable Association.

Mr. Speaker, it was the coalition of elected officials and public water systems that brought to my attention the need to reform the Safe Drinking Water Act, and it is this coalition that deserves the credit for the fact that we are considering a bipartisan bill to make important reforms to the Safe Drinking Water Act. I want to emphasize that this is reform that started outside the Washington, DC beltway, not inside of it.

Let me take just a moment to describe a few of the important reforms that this bill would make to the Safe Drinking Water Act. First, this legislation changes the way that EPA would choose new contaminants to regulate. Under current law, EPA is required to regulate 25 new contaminants every 3 years. This bill changes that, requiring EPA to choose which contaminants to regulate based on whether regulation would result in a meaningful opportunity to protect the public health.

Second, this legislation changes the way in which EPA sets standards for new drinking water contaminants by giving EPA the authority to consider the costs and benefits of various options. The bill also requires EPA to provide risk assessment information which is sound and unbiased.

Third, this legislation contains a number of important changes that will benefit small public water systems. More than 80 percent of the public water systems in the United States are small systems, and they have been hit particularly hard by the dramatically increasing costs of complying with the Safe Drinking Water Act. This legislation requires EPA to identity technologies that small systems can use to meet the standards under the act. This legislation also creates new variance and exemption procedures when small systems just do not have the resources to comply with the standards established for larger systems.

In conclusion, I want to thank Congressman JIM SLATTERY for his cooperation and hard work on H.R. 3392. I also want to thank the 200 Members of the House who have cosponsored H.R. 3392 and helped to move it forward. Finally, I want to thank Chairman DINGELL and Chairman WAXMAN for agreeing to work with us to develop legislation which attempts to solve problems.

Mr. Speaker, I also want to thank the gentleman from Pasadena, CA [Mr. MOORHEAD], my ranking Member; the gentlewoman from Arkansas [Ms. LAMBERT]; the gentleman from Oklahoma [Mr. SYNAR]; and the gentleman from Massachusetts [Mr. STUDDS] for their work in the committee to move this bill forward in a bipartisan way.

I also want to thank EPA for their willingness to work with us. I want to thank our staff, particularly Charles Ingebretson and Nandan Kenkeremath.

Mr. Speaker, this bill will help restore confidence in the Safe Drinking Water Act, both for all of us who drink the water but also for those who are entrusted with enforcing the law and making it work. I certainly urge my colleagues to support this bill.

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

Mr. WAXMAN. Mr. Speaker, I yield 5 minutes to the gentlewoman from Arkansas [Ms. LAMBERT], an important member of our committee and a member who made an important contribution to this particular legislation.

Ms. LAMBERT. Mr. Speaker, it is with satisfaction and some exhaustion that I rise in strong support of this long-awaited bill. This bill has been a long time in coming, and I want to thank my colleagues who have been working tirelessly over the past 6 months—Mr. DINGELL, Mr. BLILEY, Mr. WAXMAN, Mr. SLATTERY, my original cosponsor, Mr. SYNAR and Mr. STUDDS and their staffs. A special thanks to Mindy Byrns O'Brien of my staff.

We have a rare situation where we have strong support from many interested parties to enact this piece of legislation into law. To name a few, we have the support of the Governors, the mayors, the cities and counties, the big water suppliers, the rural water suppliers, the environmentalists, and the agricultural community. I believe reaching a consensus of this magnitude is something to be very proud of.

H.R. 3392 is a responsible bill and one that provides some needed relief to public water systems without compromising the health of their water consumers. In addition, H.R. 3392 includes $1.3 billion worth of already appropriated Federal funds to help States run their drinking water programs. This is one bill that does not contain unfunded Federal mandates.

Most importantly to me, coming from a rural district, is the relief and assistance provided to our rural water suppliers. For years, small rural public water systems have been compelled to monitor for some contaminants that do not even exist in their watersheds, and at great expense. This compromise

would permit systems to receive monitoring relief in these type of situations so that their limited resources can be devoted to more productive purposes like getting safe drinking water to the many people of my district. We also secured technical and financial assistance grants for organizations such as the National Rural Water Association and the Rural Community Assistance Program to continue to conduct their circuit rider and managerial support programs to help small systems stay in compliance with the act. These programs have been extremely successful and cost effective over the years, and I anticipate their continued success.

I also appreciate the chairmen's accommodation of agricultural interests. Through these negotiations, we have been able to create a bottoms-up approach to prevent the contamination of our drinking water supplies. Through a petition process, concerned stakeholders, such as our farmers, can work together with the local governments, local public water systems, and the States in voluntary partnerships to protect the integrity of our drinking water to avoid the installation of expensive treatment technology. Like preventative health care, we can elude certain contamination problems before they become irreversible.

When we started, there were two bills—one introduced by Mr. SLATTERY and Mr. BLILEY and one introduced by Mr. STUDDS, Mr. SYNAR, and myself. At the beginning we were pretty far apart in our approaches. However, through diligent negotiations and sheer determination, we were able to work out our differences and produce a responsible and effective bill.

Therefore, I urge my colleagues to support H.R. 3392 and vote yes for Safe Drinking Water.

□ 1510

Mr. BLILEY. Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. MOORHEAD], the ranking minority member on the committee.

Mr. MOORHEAD. Mr. Speaker, I rise in support of H.R. 3392, the Safe Drinking Water Act Amendments of 1994.

As Chairman WAXMAN and the gentleman from Virginia, Mr. TOM BLILEY, ranking member of the subcommittee have already mentioned, this bill is the product of many months of negotiations among members and staff of the Energy and Commerce Committee. I will admit that it is not a perfect bill, but it is a good compromise because it contains many important reforms to the Safe Drinking Water Act, and because it is supported by a broad coalition of elected officials and other organizations.

This legislation contains many important reforms for small public water systems. I want to point out that this bill also contains reforms that will benefit large public water systems, such as the one that serves most of my constituents in southern California, the metropolitan water district.

First of all, the bill directs EPA to use a new process for selecting new contaminants to regulate, and authorizes EPA to consider incremental costs and benefits when it sets new drinking water regulations.

The bill also includes language requiring EPA to ensure that risk assessment information is presented in a fair and unbiased fashion. Together, these provisions will help to ensure that public water systems are spending their limited resources on the most significant public health risks.

This legislation also helps large public water systems by giving them more time to comply with new EPA regulations. New treatment technologies can take a while to finance and construct. The bill gives EPA the authority to extend compliance timeframes to take these considerations into account.

Finally, the bill includes a new source water assessment program that will help States and public water systems identify sources of drinking water contamination before they become big problems. I am pleased to note that the bill also includes a petition program that will allow public water systems to receive assistance from the State and other sources to address potential sources of drinking water contamination before they require the installation of expensive treatment technologies.

I want to commend Congressman BLILEY and Congressman SLATTERY for their work over the past year to reform and improve the Safe Drinking Water Act. They have listened to Governors, mayors, and other elected officials and they have stood fast for real reform in the Federal drinking water program.

I also want to commend Chairman DINGELL and Chairman WAXMAN, and Ms. LAMBERT, Mr. SYNAR, and Mr. STUDDS, and their staffs, for their efforts in developing this compromise. This legislation offers our first opportunity in a long time to make an environmental law more cost effective and flexible. I urge my colleagues to support the bill.

Mr. WAXMAN. Mr. Speaker, I yield 3 minutes to the gentleman from Oklahoma [Mr. SYNAR], a key player in the development of this compromise.

Mr. SYNAR. Mr. Speaker, I rise in strong support of H.R. 3392, the bipartisan compromise bill negotiated by several members of the Energy and Commerce Committee. This bill achieves something that has been long sought by the small rural water systems that I represent: significant reform of the current Safe Drinking Water Act.

When Congress strengthened the Safe Drinking Water Act in 1986 after years of the Reagan administration's unwillingness to regulate even the most basic contaminants polluting America's drinking water supplies, we went a little too far, quite frankly. Our actions were justified at the time, but I am afraid that we did not fully appreciate the impact that the 1986 amendments would have on already struggling small water systems, especially in light of dwindling Federal resources available to fund the mandates imposed on local water systems and States by the act.

The Environment, Energy and Natural Resources Subcommittee, which I chair, held oversight hearings in 1990 and 1994 on this issue and requested several U.S. General Accounting Office reviews of EPA's efforts to address small system compliance problems with the act. Small systems have the greatest difficulties complying with the act because they lack the financial resources and technical capabilities to carry out the basic requirements of the original 1974 law, let alone the additional costly requirements of the 1986 amendments. In testimony before the subcommittee, representatives of small systems complained that their scarce resources were going to pay for sometimes excessive or unnecessary testing of contaminants, rather than needed infrastructure improvements.

In 1992, I introduced legislation to provide small systems with appropriate monitoring relief. In 1993, the Clinton administration proposed 10 principles for the act's reauthorization, designed to address the needs of small systems. Earlier this year, I joined with my colleagues, Representatives BLANCHE LAMBERT and GERRY STUDDS, to introduce comprehensive legislation to provide relief to small systems and reform the current requirements of the Safe Drinking Water Act. Representatives SLATTERY and BLILEY introduced competing reform legislation backed by a strong coalition of States, municipalities, and local water systems.

After almost 7 months of staff negotiations, we reached agreement with Representatives DINGELL, WAXMAN, SLATTERY, and BLILEY on all of the complex and contentious issues raised at the negotiating table. The final bill is supported by a wide range of groups, including the States, municipalities, urban and rural water systems, the agricultural community, and environmental groups. The fact that so many diverse interests support the bill is a tribute to the leadership shown by committee Chairman DINGELL and subcommittee Chairman WAXMAN, especially. And I want to say a special thanks to Representatives LAMBERT and STUDDS and their staff members for the extensive time and effort they put in on this important issue.

The compromise legislation incorporates many of the key provisions included in the Lambert-Synar-Studds bill, including encouraging drinking water systems to protect their source

waters and to implement programs to assess and prevent pollution of their drinking water supplies. Importantly, the bill eliminates the act's requirement that EPA arbitrarily regulate 25 additional contaminants every 3 years, and instead adopts a revised approach to ensure that EPA regulates only those contaminants that occur in the water and present actual health threats to citizens. The bill also revises the standard setting process to ensure that compliance costs and risk reduction benefits are considered when regulating new contaminants, and directs EPA to regulate the dangerous contaminant that caused hundreds of thousands of people in the Milwaukee, WI, area to become sick last year.

Most importantly, the bill provides substantial monetary and technical assistance to small systems trying to achieve or maintain compliance with the act. Fully 15 percent of the newly established State revolving fund [SRF] for drinking water systems is set aside specifically for small systems. That amounts to almost $200 million in financial assistance to small systems right off the bat, since that money has already been appropriated. In addition, 1 percent of the SRF will be used by States to provide much needed technical assistance to water systems, and an additional $15 million per year is authorized in new funding for technical assistance to small systems.

The bill also grants an automatic 3-year interim monitoring relief period for small systems to ensure that their scarce resources are not spent testing for contaminants not likely to be found. This relief extends to contaminants that are particularly expensive to monitor and test for, such as pesticides, dioxin, PCB's, and unregulated contaminants. Moreover, the bill contains opportunities for all systems to obtain long-term permanent monitoring relief in States with strong wellhead protection or source water assessment programs. The bill's provisions also grant drinking water systems substantial relief from the costly testing and treatment of contaminants such as radon, arsenic, and sulfate. The compromise also contains a new program directing EPA to identify technologies available to help small systems meet Federal standards. If small systems cannot afford conventional technologies, the bill allows systems to obtain a variance from the law by installing the best available affordable technologies, as determined by EPA. Under the legislation, small systems are given additional time to come into compliance with new EPA regulations—up to 5 years instead of the current 18 months.

Finally, I want to point out that this legislation includes provisions which will enhance public health protection and assist small systems, in particular, in their efforts to achieve long-term compliance with the act. For example, the bill requires all drinking water operators to be trained and certified. We require drivers to have a license to operate a motor vehicle; we should accept no less from the folks who are, in effect, driving the delivery of drinking water safe enough to protect public health. This bill also contains Federal financial assistance to States to ensure that systems are viable and that they have the financial, technical, and managerial experience necessary to meet the health protection requirements of the act. GAO testified last March that one of the biggest problems facing small water systems is the fact that there are so many systems that operate on the margin financially. The viability provisions included in this bill will help systems achieve and maintain long-term compliance with the statute. Throughout the process, we endeavored to avoid any unfunded mandates, and the bill provides for grandfathering of existing programs where appropriate and ample time for systems to come into compliance with new requirements.

Mr. Speaker, each time we turn on the tap, it is an act of faith that the water will be safe. Public water systems need new tools—not endless regulations—to be able to do their jobs. This bill gives it to them. I urge support for H.R. 3392.

Mr. BLILEY. 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 me the time and giving me this opportunity to rise to express my concern about this bill, the Safe Drinking Water Act Amendments of 1994, and the fact that it is being considered under suspension of the rules. While I commend the Committee on Energy and Commerce for its efforts to bring this initiative to the House floor, I have strong reservations about a single provision. That provision is claiming only States with primacy are eligible to receive Federal funding.

As many may or may not know, Wyoming is a State, I think the only State in the Nation that does not claim primacy over drinking water standards. Wyoming does not choose to exercise drinking water primacy because of the annual administrative costs of up to $1 million it would take to hire an additional 35 employees to administer the EPA rules. EPA currently, however, does it with a total of 11 employees, and of course this is obviously much more efficient.

I have been following this debate for some time, even when efforts to pass the bill failed last year over jurisdictional disputes, and I am pleased with the provisions of this bill that will ease the heavy-handed Federal regulations that have been mandated in water systems throughout the country.

Since the 1986 Safe Drinking Water Act, water systems large and small in urban and rural districts have been calling for Congress to change and relieve them of some of the burdens, and I commend the committee for doing that. But I am concerned, as Members can imagine, and I had hoped that we would go to the Rules Committee and would have a chance to take a look at section 18 of this bill which excludes Wyoming from Federal funding simply because we do not claim primacy. I believe it is unjust to exclude one State with a population of 460,000 people from this important source of funding simply because the Federal Government wants to give us in this bill a federally unfunded mandate for primacy.

The Senate passed its version of the Safe Drinking Water Act in May, and the measure did not contain this unfair discrepancy. I compliment the Senate for their work.

So I of course have a certain amount of conflict in my mind. I think this is a good bill. I support the bill. But this provision is very troublesome to me and to my State.

□ 1520

I am hopeful that we can give it some consideration and some work during the conference committee, as I expect it will pass here and, indeed, it should. But I think there is an unfair provision, and I want to express my concern about that unfair provision and ask that it be given some consideration during the conference committee.

Mr. WAXMAN. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. DINGELL], the distinguished chairman of the Committee on Energy and Commerce, without whom this bill would not be before us today.

Mr. DINGELL. Mr. Speaker, I rise in strong support of the bipartisan bill, H.R. 3392, to amend the Safe Drinking Water Act. It was reported by our Committee on Energy and Commerce by a vote of 43 to 1. It has the support of the National Governors' Association, the Conference of Mayors, the League of Cities, the National Association of Counties, the Rural Water Systems, agricultural interests, the environmentalists, and many others.

I commend subcommittee Chairman HENRY WAXMAN and the subcommittee's ranking Republican, TOM BLILEY, for their leadership in forging this balanced, bipartisan compromise. In addition, I call attention to the tireless efforts of Representatives MIKE SYNAR, JIM SLATTERY, GERRY STUDDS, CARLOS MOORHEAD, and BLANCHE LAMBERT. Without their participation and support, the compromise would not likely have been achieved.

I also want to express my appreciation to the committee staff, majority and minority, the staff of the subcommittee, and the staff of these other Members. They, together with the Office of the Legislative Counsel, devoted

long hours and several weekends toward this effort.

Mr. Speaker, this is a good bill. It is balanced. It is bipartisan. It will help the States and public water systems comply with the law at less cost. It makes changes in the law aimed at making it more effective. It does not weaken existing regulations. It is fiscally and environmentally sound. I urge its adoption.

Mr. Speaker, all of us embarked on this endeavor because we believed it important to make the Safe Drinking Water Act more workable and effective. We understand that this national program is very important to the health of the people we serve. When our citizens go to turn on the tap, they rightfully expect that the water from that tap is of good quality and safe for drinking, cooking, bathing, washing, and other uses that relate to the good health of persons. That is the purpose of the Safe Drinking Water Act which was last amended in 1986. However, as we all have learned from recent experiences in Wisconsin and the District of Columbia we cannot take it for granted that our drinking water is always safe.

We must be vigilant. We must monitor the water to ensure that contaminants of any kind are not threatening to make our water unsafe. We must be watchful that our public water supply systems are capable of supplying safe water to our taps and that they are actually doing just that.

At the same time, we are all aware of the complaints of the States and local governments and the public water systems about the act. They contend that it imposes unnecessary costs on States, local governments that operate public water systems, the privately operated water systems, and ultimately the ratepayers who are our constituents. They object to monitoring requirements that they believe are unnecessary and raise costs. They contend that the regulations fail to consider the size and rate base of water systems. Indeed, more than 87 percent of the public water systems in the United States serve less than 10,000 persons; 83 percent of those serve under 3,300 persons with many serving fewer than 1,000 persons.

One of the principle areas of concern to the States and the EPA relates to the obligations of the States under the act to properly administer the law as so-called primacy States; that is, States with enforcement responsibility over public water systems which includes all States but Wyoming. The States believing they were overburdened by the act have threatened to give up primacy which would require the EPA to administer the program in those States as it now does in Wyoming because that State has never accepted primacy. This concern was the subject of an investigation by the General Accounting Office. The following is our correspondence with the EPA about that investigation:

HOUSE OF REPRESENTATIVES, SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS OF THE COMMITTEE ON ENERGY AND COMMERCE,
Washington, DC, August 3, 1993.

Hon. CAROL M. BROWNER,
Administrator, Environmental Protection Agency, Washington, DC.

DEAR ADMINISTRATOR BROWNER: Pursuant to Rules X and XI of the House of Representatives, this Subcommittee has been examining, with the help of the General Accounting Office (GAO), the actions of the states and the Environmental Protection Agency (EPA) in carrying out fully and in a timely manner the requirements of the Safe Drinking Water Act (SDWA). In furtherance of that continuing effort, the GAO has provided the enclosed report (B-252821) of June 25, 1993 entitled "States Face Increased Difficulties in Meeting Basic Requirements." The GAO found that:

Many states granted primary drinking water program enforcement authority by the EPA are not effectively carrying out the monitoring enforcement and other mandatory elements of the program which GAO says is a key condition to retaining primacy.

Resource constraints have made it more difficult for the states to carry out existing requirements and the situation promises to deteriorate further as these requirements expand.

EPA is hopeful that Alaska, Maine, and Washington, which are threatened by EPA with withdrawal of their primacy authority, will resolve these problems before EPA must take over and run their programs.

Alabama has only one staff person to oversee implementation of the lead/copper rule by the state's 600 small water systems and thus can not educate their operators on compliance, which could lead to violations.

The EPA has identified the primacy issue as a material weakness under the Federal Manager's Financial Integrity Act.

Preliminary studies show that the resource gap is $147 million now and will grow to $200 million by 1998.

EPA's guidance on priority setting, which is to give states time to gain funding while focusing on the most vital activities to protect public health, does not appear to address the problem of insufficient resources.

EPA, facing budget constraints, acknowledges that it could not effectively administer these programs either; that such EPA operation would be significantly less effective in protecting the public than an adequate state program; and that it would impose substantially greater costs upon water systems.

Since 1986, the number of contaminants regulated has grown from 23 to 85 today and is expected to reach 111 by 1995. If radionuclides rules are finalized as proposed, EPA estimates that the states will spend $15 to $28 million for one-time start-up costs and $10 to $19 million annually on compliance and enforcement.

EPA's Phase II and V rules, which set standards for over 60 contaminants, including pesticides, are presenting problems for the states. The high cost of testing, which GAO says ranges from $2,500 to $10,000 for each set of analyses, is expected to generate heavy resistance from many water systems.

The GAO report recommends: We recommend that as part of EPA's strategy to deal with the drinking water program's funding crisis, the Administrator, EPA, work with the cognizant committees of the Congress to identify a funding level for the program that (1) will maintain the integrity of the program and (2) better reflects the program's importance in protecting human health. This remedy should be part of an integrated strategy that also considers the need to (1) find innovative and cost-effective alternatives to achieve compliance and (2) bring the program's spiraling regulatory costs under control.

While this Committee is certainly receptive to the idea of EPA identifying an appropriate funding level for the program, in connection with our Committee's consideration of H.R. 1701 to establish a Drinking Water State Revolving Fund under the Act, Chairman Waxman and I tried to work with EPA to address funding for the primacy function in FY 1994. As a result, our Committee reported the bill with a provision for funding for the primacy states. However, as I understand the matter, the Office of Management and Budget (OMB) opposed this idea. As a result, you wrote to me on July 7, 1993 that the Administration does not now favor such a provision. In expressing this view, your letter notes that the fiscal year budget for 1994 proposes the same level of funding for primacy as in FY 1993, but adds that funding for this program has increased 80% since FY 1989. On the other hand, GAO states that despite vastly increased duties, the states have received relatively modest increases in grants since 1986. Specifically, GAO said the grants went from $33.5 million in FY 1997 to $58.9 million in FY 1993. That is far short of closing the gap noted above by the GAO.

Given the present budgetary climate and OMB's views, I question whether, once identified, the Administration would fund primacy at the level suggested by the EPA. However, I request your comments, in consultation with OMB, on this part of the GAO recommendation. Please also comment on the funding gap set forth by the GAO, and on whether you agree with the GAO estimates.

As the GAO observes, improved primacy funding is not a panacea. Finding ways to help public water systems and their customers meet the costs of regulation is crucial. I believe that the President's initiative for a revolving fund could provide early help, beginning in October, for many small systems, although it too is not a panacea because funding is limited. However, the Administration's criticisms of this legislation, coupled with reports that the Senate does not want to pass such limited legislation without reauthorizing the Act, certainly raises doubts that such help will be available before October 1. In this regard, I note that the report required by section 519 of Public Law 102-389 has not been issued and the Committee on Energy and Commerce has not had an airing of the broader reauthorization issues.

Please also comment on the remainder of the GAO recommendation concerning alternatives to achieve compliance and to control regulatory costs.

In addition, please respond to the following questions:

1. Please provide the status of primacy compliance by Alaska, Maine, Washington, California, Kansas, Alabama, Illinois, North Dakota, and Iowa. What is the status of withdrawal actions by the EPA in these states, taking into consideration the recent litigation concerning the applicable regulations? What enforcement actions has EPA taken in these states under section 1414(a)(1)?

(2) Do you agree with GAO's estimates of costs of testing for contaminants? If not, why not? Who must pay these costs?

3. The GAO states that EPA's priority setting guidance is legally consistent with the

Act. However, GAO raises at least two issues at pages 8 and 9. Please respond to each.

4. Please explain EPA's contingency plan for takeover in Alaska, Maine, and Washington. The GAO cites a letter to Maine that states that compliance, after EPA takeover, would be by enforcement rather than by preventive assistance. Please explain the basis for this view. What is EPA's capability to carry out this threat in Maine or other states?

5. Congressman Washington and others have expressed concern that public water systems do not adequately address the needs of the poor and low income people who are threatened with water shut-offs. I request your comments on this concern and on what actions can and should be taken by the EPA or others to address this matter.

I request your response to these matters within 30 days after receipt of this letter. I also welcome comments by the states and the public water supply systems on these matters.

With every good wish,

Sincerely,

JOHN D. DINGELL,
Chairman.

Enclosure.

ENVIRONMENTAL PROTECTION AGENCY,
Washington, DC. November 15, 1993.

Hon. JOHN DINGELL,
Chairman, Subcommittee on Oversight and Investigations, Committee on Energy and Commerce, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: Thank you for your letter of August 3, 1993, to Administrator Carol M. Browner, transmitting the General Accounting Office (GAO) report entitled, "States Face Increased Difficulties in Meeting Basic Requirements." Your letter and the GAO report advance several serious issues that we have been grappling with for some time. States have not allocated sufficient resources to keep pace with the increased regulatory requirements in the Public Water Supply Supervision (PWSS) program and this has jeopardized some States' ability to maintain primacy. I would like to take this opportunity to let you know what the Environmental Protection Agency (EPA) is doing about the problem.

As GAO points out, the funding shortfalls in State programs are serious. Since the GAO interviews were conducted, we have updated our estimates of State program needs. Our latest estimates show that State program needs for Fiscal Year 1993 total $304 million. Almost $59 million was provided by Federal grants in 1993, and States contributed an additional $83 million, leaving a shortfall of $162 million. This is somewhat higher than the shortfall estimate of $147 million that we provided to GAO during its review.

To help reduce this shortfall, we began in 1988 to implement a State Capacity Initiative to inform State legislatures and outside groups of the increased requirements under the Safe Drinking Water Act (SDWA) and the need for increased funding. This initiative has met with moderate success. Since its inception, States have provided an additional $53 million for drinking water through the passage of fee legislation or through the redirection of general revenues. During this same period, however, a number of States experienced reductions in funding because of severe budget shortfalls during the recent economic slowdown. At the Federal level, grants to States have risen by $25.5 million since 1988, a 76 percent increase.

In spite of increases at the State and Federal levels, we know that substantial shortfalls remain and States are having difficulties fully meeting primacy requirements. Until recently, many States responded by making their own decisions about which parts of the program to implement first and EPA's Regional offices had no guidelines on withdrawing primacy from a State. Recognizing this, EPA crafted a three-pronged strategy that involved: (1) providing States and Regions with guidance which identified activities with the highest priority and established where EPA would draw the line on primacy, (2) devising a systematic way to evaluate State performance, and (3) developing a contingency plan in the event that a State returns primacy or EPA is forced to withdraw primacy. As you point out, we also identified State primacy as a material weakness under the Federal Managers Financial Integrity Act.

I would like to describe briefly the status of our implementation of the three major elements of our strategy. EPA issued the PWSS priority guidance in June 1992. It is intended to focus limited State resources first on oversight of requirements with the most significant impact on public health and to allow States time to allocate resources to fully implement the program. It is not intended to defer any statutory or regulatory requirements. If conflicts arise, the statutory and regulatory requirements would, of course, prevail. Although we were concerned about potential misunderstandings regarding the intent of the priority guidance, we believe that it is better to establish consistent and clear goals upon which we can measure program progress rather than have each State set its own priorities. We also believe that the EPA Regions can and do act more decisively when they have clear guidance on when to consider initiating primacy withdrawal.

GAO contends that some States are unable to meet the minimum State program criteria outlined in the priority guidance. Over a year ago, we developed a systematic way to evaluate individual State performance. The results of this effort are enclosed. We plan to update this evaluation each year—the next one is scheduled to be completed after all of the information for FY 1993 is available. In addition, we arranged for EPA headquarters staff to visit and review the PWSS programs of seven States: Vermont, West Virginia, New Mexico, Kansas, Colorado, California, and Idaho. We have completed all seven reviews and our findings are that while none of the States are currently about to implement all of the regulatory requirements, they are doing a good job of implementing the Priority One and "Base Minimum" elements of their programs. The areas in which the State programs seem weakest are: following up on enforcement actions after they have been issued, updating their data management systems to accommodate the new contaminants and requirements, and maintaining technical capabilities to provide support in areas such as corrosion control optimization and vulnerability assessments. Most States with past problems have been successful in securing new sources of revenue to fund existing program requirements; however, there is widespread understanding and concern that current funding levels will be insufficient for future needs.

Our contingency plan for primacy withdrawal/return was developed to give Regions a blueprint for action should they need to withdraw primary for a State. Our ability to take over State programs is admittedly limited because of our own resource constraints. Because of this, the contingency plan recommends that EPA-operated programs focus on those activities specifically required by the Safe Drinking Water Act and the drinking water regulations. Consequently, a program implemented by EPA would be heavily weighted towards enforcement and data management. EPA could not carry out a preventative program like many States do. As a result, we would expect States, systems, and outside organizations to take the lead in working to maintain and fund drinking water activities at the State level.

EPA recognizes that the priority guidance and the contingency plan are, at best, only temporary measures to address the problem of maintaining State primacy. We agree with GAO that a permanent solution must involve an integrated strategy which combines increased funding of State programs with finding innovative alternatives to achieve compliance, and bringing the increase in the program's regulatory costs under control. We have evaluated these matters as part of a study required by Section 519 of Public Law 102-389 (i.e., the Chafee-Lautenberg Amendment to the FY 1993 Appropriations Act). The Administrator transmitted the report to Congress on September 8, along with the Administration's recommendations for reauthorization of the Safe Drinking Water Act (SDWA). The Administration supports a Federal backstop fee to help States find the resources necessary to meet primary requirements, and streamlined procedures to improve program efficiency. I am sure Congress will wish to consider the critical importance of the State capacity issue in its deliberations on reauthorization of the SDWA.

In addition to States, public water systems are facing increased difficulties complying with the new regulations. As you know, the Administration supports authorization of appropriations for a five-year, multibillion dollar Drinking Water State Revolving Fund which will help public water systems meet SDWA requirements. We thank you for your support and the support that other members of your committee have given to developing specific proposals in this regard.

You raised several specific questions in your letter. Our response to these is enclosed.

Thank you again for your continued interest in the PWSS program. The Office of Water would be pleased to work with you to shape solutions to the serious primary problems that States face. If you have any questions in the meantime, please contact me or have your staff call James R. Elder, Director, Office of Ground Water and Drinking Water, at (202) 260-5543.

Sincerely,

ROBERT PERCIASEPE,
Assistant Administrator.

Enclosure.

Question one: Please provide the status of primacy compliance by Alaska, Maine, Washington, California, Kansas, Alabama, Illinois, North Dakota, and Iowa. What is the status of withdrawal actions by the EPA in these states, taking into consideration the recent litigation concerning the applicable regulations? What enforcement actions has EPA taken in these states under section 1414(a)(1)?

Response: Alaska—EPA's Region X Office wrote to the State of Alaska on February 5, 1993, indicating that they intended to initiate primacy withdrawal because the State had not adopted the Surface Water Treatment Rule (SWTR) and the Total Coliform Rule (TCR) within the required time frame.

The Region was also concerned about the State's commitment to the drinking water program, identifying several management-related problems.

The State adopted the SWTR and TCR shortly after the February letter and submitted the final primacy package and formal Attorney General's statement soon thereafter. The Region and the State also developed a 34-step agreement to strengthen management of the program. While the State has made limited progress toward meeting the terms of this agreement, we remain concerned about the State's willingness to fulfill its commitments. The Region will meet with State officials every few months to review progress.

The Alaska Native Villages are facing a host of sanitation problems in addition to drinking water. EPA, in conjunction with a number of Federal and State Agencies, is working to strengthen the delivery of Federal assistance to them.

EPA took the following enforcement actions in Alaska between October 1, 1992 and July 31, 1993: nine Notices of Violation (NOV's); seven Proposed Administrative Orders (PAO); and six Final Administrative Orders (FAO).

Maine—EPA's Region I Office wrote to the State of Maine in January 1993, indicating that EPA may initiate primacy withdrawal. The State program was substantially understaffed, preventing them from meeting the minimum requirements for maintaining primacy. The Legislature passed a user fee proposal in July 1993. The authorizing legislation requires appointment of a commission by the Governor within 60 days of passage. The primary responsibility of this commission will be to review the funding needs of the drinking water program on an annual basis and set the level of the user fee based on that review. The drinking water program is concurrently funding five positions independent of this recent legislative action. These staffing increases are in addition to several positions being funded by the New England Interstate and the Maine Rural Water Association. We anticipate the total number of persons assigned to the drinking water program to increase from the current level of 14 to 25.

We are encouraged by these events and expect to receive a detailed action plan from the State. While concurrence with a satisfactory plan will allow us to put the primacy withdrawal process on hold, we will continue to give close attention to State activities until the increased resources to run a complete program are realized.

EPA took the following enforcement actions in Maine between October 1, 1992 and July 31, 1993: two NOV's.

Washington—EPA's Region X Office wrote to the State of Washington on January 7, 1993, indicating that they intended to initiate primacy withdrawal because the State failed to adopt the Surface Water Treatment (SWTR) and Total Coliform Rule (TCR) within the required time frame.

The State responded on February 12, 1993, with a detailed schedule of actions which culminated in the adoption of the SWTR and TCR in March 1993. The rules became effective in April 1993. EPA recently approved these regulations and a notice was placed in the Federal Register on August 4, 1993.

EPA took the following enforcement actions in Washington between October 1, 1992 and July 31, 1993: 59 NOV's, nine PAO's, two FAO's, and (1) 1431 emergency order, and one referral to the Department of Justice.

California—EPA became concerned about the ability of the State of California to maintain primacy when they announced two years ago that they could not adopt the Lead and Copper rule without additional funding. The State and EPA were able to work out a compromise that resulted in the State requesting and receiving a two year extension for rule adoption. The State is currently working towards adoption of the rule with the full intent of maintaining primacy. In the interim, the State and EPA's Region IX Office in San Francisco are jointly implementing the requirements of the Federal rule. The State has already approved its regulations for the Surface Water Treatment Rule (SWTR) and Total Coliform Rule (TCR). The State has extensions for adoption of the Phase II and V rules through December 1993. EPA took the following enforcement actions in California between October 1, 1992 and July 31, 1993: 284 NOV's, 66 PAO's, 53 FAO's, and one (1) 1431 emergency order.

Kansas—EPA had become concerned over time that Kansas did not have sufficient personnel to fully implement the program. The State was also late in adopting several of the early rules and we questioned how committed the State was to maintaining a strong drinking water program.

Fortunately, the State's position has changed over the past two years, and EPA is encouraged that the State will continue to make improvements in their program. The State is now up-to-date on rule adoption and in 1992 received an increase in the drinking water user fee in order to dedicate additional personnel to the program.

EPA took the following enforcement actions in Kansas between October 1, 1992 and July 31, 1993: five NOV's, three PAO's, three FAO's, and held one public hearing.

Alabama—EPA is not seriously concerned about the ability of Alabama to meet current primacy requirements. However, EPA is concerned about the State's ability to fund expanding program requirements. Alabama has adopted all of their regulations and is proceeding with implementation.

The GAO report specifically mentioned a concern about the ability of the State to implement the Lead and Copper rule due to the fact that only one State person is available to oversee 600 small systems.

EPA does not anticipate that the small systems will have many action level exceedences. There were no action level exceedences in either the first or second round of monitoring of the large systems, and only two systems exceeded the action level in the first round of monitoring for the medium-sized systems. (Data on the second round of the medium-sized systems is not yet available.) While small systems will probably present a monitoring and reporting problem, small system oversight for the Lead and Copper rule is considered a Priority Two issue under the EPA's Priority Guidance. EPA's direction to the State is to undertake Priority One activities. In this case, the State would focus on large and medium systems oversight first, while it builds ample capacity to implement the full Lead and Copper Rule by 1998.

There were no EPA enforcement actions in Alabama in FY 1993.

Illinois—Primacy is not an issue in Illinois. Illinois has adopted all of their regulations and is proceeding with implementation.

The GAO report specifically mentioned a concern about the ability of the State to increase funding for the program. The issue of tight budgets and competition with other programs is a problem facing nearly all State drinking water programs. It often takes States two-three years to pass a fee proposal.

EPA took the following enforcement actions in Illinois between October 1, 1992 and July 31, 1993: 37 NOV's, 18 PAO's, nine FAO's, and one (1) 1431 emergency order.

North Dakota—EPA is not currently concerned about the ability of North Dakota to maintain primacy. North Dakota has adopted all of their regulations and is proceeding with implementation. The GAO report specifically mentioned a concern about the ability of the State to increase funding resources for the program. The North Dakota Legislature did approve an increase of five positions recently and will be reviewing the long-term funding picture at the end of this year.

EPA took the following enforcement actions in North Dakota, between October 1992 and July 31, 1993: two NOV's

Iowa—EPA is looking closely at Iowa's ability to meet current requirements in order to maintain primacy. As with many States, it will be difficult for Iowa to meet future requirements without substantial funding increases.

GAO noted that Iowa is planning to allow small, nonvulnerable systems to take a single sample per sampling point instead of quarterly samples mandated in the Phase II rules, even if the sample is taken after the October 1, 1993 deadline of the Chafee-Lautenberg Amendment to the FY '93 Appropriations Act. EPA's policy interpreting this amendment made it clear that systems must take the single sample before that deadline. EPA has not given Iowa primacy for the Phase II rule and could not approve the State's rule if it were less stringent than the Federal rule.

EPA took the following enforcement actions in Iowa between October 31, 1992 and July 31, 1993: 11 NOV's.

Question two: Do you agree with GAO's estimates of costs of testing for contaminants? If not, why not? Who must pay these costs?

Reponse: In general, EPA agrees with GAO's estimates to contaminant costs associated with the Phase II and V contaminants. However, our actual upper level estimates are lower, as they range from $2,500-$4,000 for one complete set of samples. It is not clear to us whether the GAO range estimate is for one set of samples, or whether it reflects annual costs. Many of the contaminants require quarterly monitoring, which could account for their $10,000 estimate.

Monitoring costs are either paid by the system and its ratepayers or by the State. Some States conduct all monitoring for the systems, at no cost to the system. Other States provide monitoring at a subsidized cost. In a majority of States, however, systems use private, certified laboratories and are responsible for paying for their own monitoring costs.

The Association of State Drinking Water Administrators (ASDWA) is initiating a survey of all States to determine the actual (or best estimate) costs for systems to comply with Phase II and V monitoring requirements. The survey is expected to be completed by the end of Winter.

Question three: The GAO states that EPA's priority setting guidance is legally consistent with the Act. However, GAO raises at least two issues at pages 8 and 9. Please respond to each.

Response: GAO's two issues are that the provisions of the Priority Guidance are, in some respects, inconsistent with regulatory requirements and that the guidance is, at best, only a partial solution to the underlying fiscal crisis affecting the program. GAO

recommends that EPA and Congress reexamine the funding priority of the program rather than compromise its overall integrity.

The priority setting guidance clearly states that the guidance does not defer any statutory or regulatory requirements. If any conflicts arise between the guidance and requirements, the requirements would prevail. In GAO's example, the guidance identifies implementing the Lead and Copper Rule for small systems as a Priority Two activity while the regulations require States to designate or approve optimal corrosion control treatment for small systems that exceed the lead level by December 1996. GAO interprets the guidance to give States until 1998 to start on Priority Two activities. To clarify, the Priority Guidance is in effect between 1993 and 1998. During this time, States must focus first on Priority One activities and then begin Priority Two activities. States must be concurrently working to close the resource gap so that all activities can be undertaken as soon as possible. There is a chance that some States may not be working on some Priority Two activities by 1996 and that some of their systems may exceed that action level for lead. In such an instance, the State would be legally obligated to designate the corrosion control treatment. States could, as an option, designate a standard corrosion control (e.g., adjust pH) for all small systems that exceed the action level and still satisfy the regulatory requirement.

We fully acknowledge that the guidance is only a partial solution to the primacy problem. We have recently completed a report on the drinking water program pursuant to the requirements of Public Law 102-389 (i.e., Chafee-Lautenberg Amendment to the FY '93 Appropriations Act). The report along with recommendations for reauthorization of the Act were sent to Congress on September 8, 1993, and a copy was provided to your staff at that time.

Question four: Please explain EPA's contingency plan for takeover in Alaska, Maine, and Washington. The GAO cites a letter to Maine that states that compliance, after EPA take-over, would be by enforcement rather than by preventative assistance. Please explain the basis for this view. What is EPA's capability to carry out this threat in Maine or other states?

Response: EPA's contingency plan for these States, as well as any other State in which we would have to initiate primacy withdrawal, is the same. The nucleus of a direct implementation program operated by EPA would focus on enforcement and data management. Our technical assistance and other preventative services would remain very modest because of resource constraints. Rather, we would reserve our efforts for activities specifically required by the Safe Drinking Water Act and the National Primary Drinking Water Regulations. The contingency plan gives EPA some level of consistency for all State programs that may be returned or withdrawn and sends an early signal to States, systems, and outside organizations about what an EPA operated program would look like.

Our capability to carry out direct implementation programs is, admittedly, limited. As indicated in our contingency plan, we would use the grant funds that the affected State would have received and we would redirect EPA staff from within the drinking water program as well as from other water programs, both at the national and regional levels. If more than one or two State programs were returned or withdrawn, we would have to look beyond water program resources or approach OMB regarding the need for a supplemental budget request.

Question five: Congressman Washington and others have expressed concern that public water systems do not adequately address the needs of the poor and low income people who are threatened with water shut-offs. I request your comments on this concern and on what actions can and should be taken by the EPA or others to address this matter.

Response: We share Congressman Washington's concern and we realize that the many new regulations being promulgated pursuant to Congressional mandates may aggravate this situation. However, specific programs to address the needs of low-income people who are threatened with water shut-offs are best structured and implemented at the State and local level. A responsive program needs to take into account the variable circumstances among different locales, including increased costs for wastewater treatment and other environmental programs.

There is a full range of programs designed to help the needy in cities across the U.S. For example, Congressman Washington's home city of Houston established a contribution program to a "water fund" via the regular water bill, minimum billing rates for low income households, special payment arrangements in cases of hardship, and several layers of notification to ensure that customers are aware of their status and their options. These efforts must involve coordination among the water system and other community agencies such as those responsible for housing and welfare.

EPA has several activities underway to specifically assist disadvantaged communities. Small systems, some of which would fall into the category of minority and disadvantaged, are receiving technical assistance and training to support their system operators through an EPA grant to the National Rural Water Association (NRWA). NRWA currently receives nearly $4 million to provide this assistance. In addition, the Rural Community Assistance Program (RCAP) receives $750,000 per year to help low income rural communities.

EPA's drinking water and wastewater programs are considering an environmental justice initiative to find better ways to communicate with persons residing in communities likely to be affected by environmental equity concerns, so that EPA may provide these communities with targeted assistance, both technical and educational. Furthermore, EPA is working with other Federal agencies to streamline the delivery of Federal assistance to Alaskan Native Villages in order to help them solve their critical sanitation problems.

STATUS OF STATE PWSS PROGRAMS

[Final fiscal year 1992 report—Revised Jan. 30, 1993]

State	Rule scope	Rule implementation	Compliance rates	Data quality	Violation resolution	Violation prevention	State capability
Connecticut	High	Medium	Medium	Medium	Medium	Medium	Medium
Massachusetts	High	High	High	High	High	Medium	High
Maine	High	High	Medium	Medium	Low	Medium	Low
New Hampshire	High	High	Medium [1]	Undetermined	Medium [1]	Medium	Medium
Rhode Island	High	High	Medium [1]	Undetermined	Medium [1]	Medium	High
Vermont	High	High	Medium [1]	Low	Low [1]	Low	Medium
New Jersey	High	Medium	Low [1]	No OGWDW audit	Medium [1]	Medium	High
New York	High	Medium	Medium	Medium	Medium	High	High
Puerto Rico	High	High	Low [1]	No OGWDW audit	Medium [1]	Medium	Medium
Virgin Islands	Low	Low	Low [1]	No OGWDW audit	High [1]	Medium	Medium
District of Columbia	NA	High	High [1]	No OGWDW audit	High [1]	Low	NA
Delaware	High	Medium	Low [1]	No OGWDW audit	Medium [1]	Medium	Medium
Maryland	High	Medium	Medium	High	Low	Medium	Medium
Pennsylvania	High	Medium	Low	High	Medium	Medium	Medium
Virginia	High	High	Medium	Medium	Medium	Medium	Medium
West Virginia	High	Medium	Low [1]	No OGWDW audit	Low [1]	High	Medium
Alabama	High	High	Medium [1]	No OGWDW audit	Medium [1]	Medium	Low
Florida	High	High	Low	Medium	Medium	High	High
Georgia	High	Medium	Medium [1]	No OGWDW audit	Medium [1]	Medium	Medium
Kentucky	High	Medium	Low [1]	No OGWDW audit	Medium [1]	Medium	High
Mississippi	Medium	High	Medium	Medium	Medium	High	Low
North Carolina	Medium	Medium	Medium [1]	No OGWDW audit	High [1]	Medium	Low
South Carolina	High	Medium	Medium [1]	No OGWDW audit	Medium [1]	Medium	High
Tennessee	High	Medium	Medium [1]	No OGWDW audit	High [1]	Medium	Medium
Illinos	High	Medium	Low [1]	No OGWDW audit	Low [1]	Medium	Medium
Indiana	Medium	Medium	High [1]	Low	Medium [1]	Medium	Medium
Michigan	High	Medium	Medium [1]	No OGWDW audit	Medium [1]	Medium	Low
Minnesota	High	Medium	High [1]	No OGWDW audit	Medium [1]	Medium	Low
Ohio	High	Medium	Medium [1]	No OGWDW audit	Medium [1]	Medium	Medium
Wisconsin	High	Medium	Medium [1]	No OGWDW audit	Medium [1]	Medium	Low
Arkansas	High	Medium	Medium [1]	No OGWDW audit	Low [1]	High	Medium
Louisiana	High	Medium	Medium	High	Medium	Medium	High
New Mexico	High	Medium	Medium	High	Medium	Medium	Medium
Oklahoma	High	High	Low [1]	No OGWDW audit	Medium [1]	High	Medium
Texas	High	Medium	Medium	High	Medium	High	Low
Iowa	Medium	Low	Medium [1]	No OGWDW audit	High [1]	Medium	Low
Kansas	Low	Low	Low	High	Medium	Medium	Low
Missouri	High	Low	Medium [1]	No OGWDW audit	Medium [1]	Medium	Medium
Nebraska	Medium	Medium	Low [1]	No OGWDW audit	Medium [1]	High	Low

STATUS OF STATE PWSS PROGRAMS—Continued

[Final fiscal year 1992 report—Revised Jan. 30, 1993]

State	Rule scope	Rule implementation	Compliance rates	Data quality	Violation resolution	Violation prevention	State capability
Colorado	Medium	Medium	Medium	High	Medium	High	Low
Montana	Medium	Medium	Low	Medium	Low	Medium	Low
North Dakota	High	Medium	Medium [1]	No OGWDW audit	Low [1]	High	Low
South Dakota	Medium	High	Low [1]	No OGWDW audit	Medium [1]	Medium	Low
Utah	High	Medium	Low [1]	No OGWDW audit	Medium [1]	Medium	Medium
Wyoming	NA	High	Low [1]	No OGWDW audit	Medium [1]	Low	NA
Arizona	High	Medium	Medium	Medium	Medium	High	Medium
California	Medium	Low	High [1]	No OGWDW audit	Medium [1]	Medium	Medium
Hawaii	High	Medium	Medium [1]	No OGWDW audit	Medium [1]	Medium	High
Nevada	Medium	Medium	Low [1]	No OGWDW audit	Medium [1]	Medium	Low
Alaska	Low	Low	Low	Medium	Low	Medium	Medium
Idaho	Medium	Medium	Low [1]	No OGWDW audit	Medium [1]	Medium	Low
Oregon	Medium	High	Low [1]	No OGWDW audit	Medium [1]	Medium	Medium
Washington	Low	Medium	Low [1]	Low	Low [1]	Medium	Low

[1] Rating based on data of poor or uncertain quality.

Note: No OGWDW audit—standardized OGWDW audit not yet conducted; undetermined—audit conducted data, but results not yet known.
NA—Not applicable—program implemented by EPA, not State.

COMMITTEE ON ENERGY AND COMMERCE,
Washington, DC, October 21, 1993.

Hon. CAROL M. BROWNER,
Administrator, Environmental Protection Agency, Washington, DC.

DEAR ADMINISTRATOR BROWNER: Enclosed, pursuant to Rules X and XI of the Rules of the House of Representatives, is my letter to Chairman Louis Stokes of the Subcommittee on VA, HUD, and Independent Agencies concerning H.R. 2491, the Departments of Veterans Affairs, HUD, and Independent Agencies Appropriations Act of 1994.

I call your attention particularly to my comments regarding the provision added by the Senate regarding radionuclides and would appreciate your response to the following:

1. The 102nd Congress, at the urging of the Senate, adopted section 519(b) of Public Law 102-389. It required that the EPA conduct a study and risk assessment of radon, obtain recommendations from the Science Advisory Board (SAB), and provide a report to Congress by July 31, 1993. Please explain the status of these matters and the cause of delay in submitting the report to Congress.

In this regard, section 519(b) also refers to a court imposed deadline of October 1. I understand that the EPA has sought an extension. Please explain the status of this litigation and the effect of H.R. 2491 on the litigation and the rulemaking.

2. According to the July 30, 1993 edition of Inside EPA (copy enclosed), the SAB issued a "highly critical review of the agency's draft report on radon in drinking water, arguing that the agency has not addressed key uncertainties in its costs and risk analyses." Please provide that draft and the SAB review and recommendations. What is the EPA doing to address the SAB concerns and recommendations?

3. Please (a) describe the radon standard proposed by the EPA; (b) indicate the states and the water systems subject to the standard; (c) explain the need for this particular standard from a health standpoint and the risks; (d) explain whether the statute requires this particular standard or whether a less stringent standard is authorized; (e) explain the lead time allowed to meet the standard and explain whether that time is reasonable for all of the affected systems, taking into consideration the availability of the technology, the risks, and the costs; and (f) explain the means, measures, and technology for compliance by all types of systems and the expected initial costs and operating costs. Please summarize the public criticism of this standard in the rulemaking.

Finally, I appreciated receiving your recent communication of principles for amending the Safe Drinking Water Act. They are helpful, but I note that the EPA has not transmitted a legislative proposal to carry them out. To help our Committee in considering these principles, my staff requested on my behalf that you provide, as a drafting service, the legislation to carry out each of these principles. I am particularly interested in your drafting of the fee principle because of the need to avoid constitutional problems and to address the issue of whether the fees collected are subject to the appropriation process under the House Rules.

Also, I would appreciate your not endorsing any Senate bills that purport to carry out the EPA principles without discussing the matter with me and my staff, as well as with Subcommittee Chairman Waxman.

I request your response to the above matters as early as possible, as well as your reply to our letter of August 3, 1993 concerning this program.

With every good wish.

Sincerely,

JOHN D. DINGELL,
Chairman.

Enclosure.

ENVIRONMENTAL PROTECTION AGENCY,
Washington, DC, December 22, 1993.

Hon. JOHN D. DINGELL,
Chairman, Committee on Energy and Commerce, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: Thank you for your letter dated October 21, 1993, regarding the radon report to Congress and the drinking water radionuclides regulation.

The radon report was due to Congress on July 31, 1993. The Science Advisory Board (SAB) Executive Committee recommendations were received on July 30, 1993. The Agency worked to address SAB's concerns by incorporating changes to the report and also attaching a commentary to it that addressed each comment in detail by citing the change or explaining our perspective. In mid-October the report and commentary were forwarded to the Office of Management and Budget (OMB) for their review and comment. We are currently having discussions with OBM over the contents of the report. As soon as the radon report receives my final review, I will transmit it to Congress. In the interim, as requested, I have enclosed the July 15, 1993, version of the radon report, that was reviewed by the SAB Executive Committee, and all three SAB committee reviews.

In regard to your inquiry concerning the radionuclides regulation, specifically radon, enclosed is a detailed response to your questions regarding the radon standard, the associated health effects, those public water systems affected by the radon standard and the public comments received following the proposed rule.

Concerning your interest in legislative language to carry out the Administration's ten SDWA reauthorization recommendations, we would be pleased to provide assistance to Committee staff. Presently, we are drafting legislative language that must undergo OMB review. We anticipate having legislative language reflecting our ten recommendations by early next year.

You can be assured that my staff and I will not endorse any Senate bills purporting to carry out EPA principles without discussing the matters with you and your staff, as well as with, I expect, we will provide technical assistance to members as requested.

If you have any additional questions regarding the enclosed documents or the enclosed responses to your questions regarding radon, please do not hesitate to call me or have your staff contact Mr. Robert Perciasepe, Assistant Administrator for Water, at (202) 260-5700.

Sincerely,

CAROL M. BROWNER.

Enclosure.

ENCLOSURE

Several years ago the Agency conducted a comparative risk assessment of all pollutants being considered by the Agency. Radon ranked in the highest category among all the pollutants considered. The scientific evidence amassed to support the risk assessment of radon is among the strongest EPA has used to assess the health effects of an environmental pollutant. Radon is the most prevalent of all the radionuclides covered under EPA's proposed radionuclides rule which also includes radium, uranium, gross alpha, beta and photon emitters. Radon in drinking water poses the greatest health risk of all contaminants in this rule.

QUESTIONS REGARDING RADON

(A) Describe the radon standard proposed by the EPA.

The 1986 amendments to the SDWA require EPA to develop an MCL for radon. In July 1991, EPA proposed a drinking water standard for radon at 300 pCi/l. The total annual cost for all public ground water systems to comply was estimated to be $272 million. At 300 pCi/l, the Agency estimated that 26,000 systems would be affected.

(B) Indicate the States and the water systems subject to the standard.

All States are subject to the standard. Those States where systems are likely to find concentrations exceeding the proposed radon in drinking water MCL of 300 pCi/l are located in the northeastern, midwest and western United States.

Radon is a problem only for ground water dependent systems. A large percentage of the affected systems are small (an estimated 85 percent serve fewer than 500 people). Systems relying solely on surface water are not required to monitor for radon, because radon

is a highly volatile gas and is not expected to be found in surface water.

(C) Explain the need for this particular standard from a health standpoint and the risks.

At the proposed radon in drinking water standard of 300 pCi/l, the Agency estimates that 84 cancer cases, would be avoided annually. The estimated health benefit of regulating radon in water in the range of 500 to 200 pCi/l is estimated to be saving 57–100 cancer cases a year, respectively.

The health hazard posed by radon in water is due both 1) to its volatilization from water during household water use, and enrichment of indoor air radon levels, thereby contributing to increased risk of lung cancer, and 2) direct ingestion of radon contributing to risk of stomach and other cancers. While on average water makes a small contribution to indoor air radon (about 5% for houses served by ground water), it is prevalent in drinking water from ground water wells and does contribute to the very substantial risks posed by radon in the household environment overall. Because it is a volatile gas, very little radon is expected to be found in surface water, and surface water systems are not anticipated to require treatment. EPA estimated that 30,000 or more public water systems serving 30 million or more people may have radon in water at levels exceeding an estimated 110^{-4} risk level (150 pCi/l water).

Outdoor background levels of radon in air (about 0.1 to 0.5 pCi/l air) present estimated lifetime lung cancer risks of about 1 in 1,000, a risk level above those generally accepted in EPA regulatory programs. Typical indoor air radon levels (1–2 pCi/l air) pose estimated lifetime lung cancer risks near 1 in 100. Radon from all sources is estimated to cause 7,000 to 30,000 lung cancer deaths annually, of which about 40–400 may be attributed to radon from drinking water. While the average water contribution to indoor air radon is small relative to the contribution of soil gas (for most houses), it does represent a substantial estimated number of annual cancer cases and in many communities poses individual lifetime risks above EPA's historical lifetime cancer risk goal for drinking water regulations of 10^{-4} to 10^{-6}. While these risk estimates have inherent uncertainties, they are less here than for other contaminants regulated by EPA because this risk assessment is based on human data whereas most EPA risk assessments are based on animal studies.

(D) Explain whether the statute requires this particular standard or whether a less stringent standard is authorized.

Regulatory standards prepared under the SDWA are based on two parts. The first part is a Maximum Contaminant Level Goal (MCLG) which is a health based regulatory goal and is not enforceable. Radon is classified as a (known human) carcinogen by EPA and other organizations such as the International Agency for Research on Cancer. MCLGs for carcinogens are set at zero in accordance with EPA policy. The MCLG for radon is zero given that persons have a high risk of lung and internal organ cancer due to radon exposure.

The second part is a Maximum Contaminant Level (MCL) which is established as close to the MCLG as is technically feasible, taking cost into consideration, and is enforceable on this basis. The MCL (standard) for radon in drinking water was proposed at 300pCi/l.

(E) Explain the time allowed to meet the standard and explain whether that time is reasonable for all of the affected systems taking into consideration the availability of the technology, the risks, and the costs.

(F) Explain the means, measures and technology for compliance by all types of systems and the expected initial costs and operating costs.

The statute currently requires rules to become effective 18 months after signature by the EPA Administrator. Within the first three years, all public water systems need to complete the initial round of testing. The initial monitoring requirements for radon are for ground water systems and mixed ground and surface water systems to obtain four consecutive quarterly samples for one year.

The current statute requires EPA to set best available technology. Technologies are judged to be BAT based upon the following factors: high removal efficiency, general geographic applicability, cost, reasonable service life, compatibility with other water treatment processes, and the ability to bring all of the water in a system into compliance.

The Agency proposed that, of the technologies capable of removing radon from source water, only aeration fulfills the requirements of the SDWA as BAT for radon removal. Aeration has demonstrated radon removal efficiencies in excess of 99.9 percent. Aeration technology is currently available, and has been installed in public water supplies, and is compatible with other water treatment processes in different regions.

Legislative history focuses on feasibility considerations for large systems. The Administration's SDWA proposal envisions granting greater flexibility to small systems.

Implementation of this rule allows States to grant monitoring waivers to systems that demonstrate compliance with the MCL reliably and consistently in the initial compliance period, allowing systems to collect only one sample per three year compliance period for the remainder of the nine year compliance cycle. Systems relying solely on surface water are not required to monitor for radon, because radon is a highly volatile gas and is not expected to be found in surface water. Laboratories would be expected to accurately measure radon down to levels of the final radon standard at the time of sampling.

The Agency estimates the total annual cost (including treatment and operations and maintenance) to comply with the proposed radon standard of 300 pCi/l to be $272 million for the estimated 26,000 systems affected. The total capital investment for all systems meeting this standard would be approximately $1.6 billion.

(G) Please summarize the public criticism of this standard in the rulemaking.

Since the radionuclides rule was proposed, EPA received comments from more than 600 persons. A large majority of these commenters commented on the radon portion of the rule.

MAJOR COMMENTS WERE

1. Indoor air radon risk should receive higher priority than radon in drinking water.
2. EPA should give greater consideration to uncertainties in risk assessment.
3. EPA costs are significantly underestimated.
4. The role of cost effectiveness should be better evaluated in the decision making process regarding its priority status as well as the impact on setting a standard that will protect drinking water.
5. Analytical laboratories lack capacity to implement the monitoring requirements.
6. Monitoring requirements should be phased-in to give small systems a chance to comply.

The Agency is currently analyzing the public comments and preparing responses to all public comments. Responses will be provided in the Agency's final radionclides rule Response to Comments Document.

Mr. DINGELL. Mr. Speaker, on the other side of the coin, the environmentalists and the EPA also believed that changes in the law are needed to make it more effective, particularly in the area of enforcement.

Two bills were introduced in the House—H.R. 3392 and H.R. 4314. The administration did not propose a bill, but did provide a list of 10 principles for changes in the act. In early March, we began to work with the coalition of States and the public water systems, the agricultural interests, the environmentalists, and the EPA. In the beginning, the general discussions with these various interests indicated that differences, while significant, were not insurmountable. However, as time wore on and the discussions by the Members and the staff evolved, it soon became apparent that the differences were quite large. On several occasions, as I noted in an August 9, 1994 letter to the Appropriations Committee, I doubted that a timely resolution would be possible.

During the course of these discussions, the other body passed in May 1994 their version of amendments to the act, S. 2019. However, that 240 page bill was not really a help, because it contained so many extraneous amendments on such matters as the EPA cabinet bill, the Council on Environmental Quality, and private property rights. It was quickly recognized that S. 2019 involved jurisdictional interest of at least six committees.

Despite all of this, the subcommittee and the committee, working with these interests, devised a bipartisan amendment to H.R. 3392 that gained the enthusiastic support of all these interests. Regrettably, resolution took several months. But, we believe it is sound in that it does not weaken existing health based requirements for drinking water, while providing needed relief as the Congressional Budget Office indicates in item No. 7 of the following CBO letter:

CONGRESSIONAL BUDGET OFFICE,
Washington, DC, September 23, 1994.

Hon. JOHN D. DINGELL,
Chairman, Committee on Energy and Commerce, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 3392, the Safe Drinking Water Act Amendments of 1994.

Enactment of the bill would affect direct spending and receipts. Therefore, pay-as-you-go procedures would apply.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

ROBERT D. REISCHAUER,
Director.

Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: H.R. 3392.
2. Bill title: Safe Drinking Water Act Amendments of 1994.
3. Bill status: As ordered reported by the House Committee on Energy and Commerce on September 20, 1994.
4. Bill purpose: The bill would amend the Safe Drinking Water Act (SDWA) to require the Environmental Protection Agency (EPA) to make grants to states for capitalizing state revolving loan funds (SRFs) that would

finance facilities for the treatment of drinking water. The bill would authorize appropriations of $1 billion annually over the 1995–1997 period for these capitalization grants. In addition, major provisions of the bill would: amend the procedures EPA uses to identify contaminants for regulation under the SDWA; require EPA to establish an alternative monitoring program for drinking water; allow operators of small drinking water systems to obtain variances and exemptions from drinking water standards under certain conditions; direct EPA to define treatment technologies that are feasible for small drinking water systems when the agency issues new contaminant regulations; require states to ensure that public water systems have the technical expertise and financial resources to implement the SDWA; and establish an alternative standard for radon in drinking water.

5. Estimated cost to the Federal Government:

[By fiscal year, in millions of dollars]

	1995	1996	1997	1998	1999
Authorizations of appropriations:					
Specific authorizations	1,000	1,000	1,000	0	0
Estimated authorizations	30	31	32	1,070	1,105
Total authorizations	1,030	1,031	1,032	1,070	1,105
Estimated outlays	41	200	550	875	1,000
Revenues	(1)	(1)	(1)	(1)	(1)
Direct spending:					
Estimated budget authority	0	(1)	(1)	(1)	(1)
Estimated outlays	0	(1)	(1)	(1)	(1)

[1] Less than $500,000.

The costs of this bill fall within budget function 300.

Basis of estimate: For purposes of this estimate, CBO assumes that the bill will be enacted by October 1994, and that all funds authorized by the bill will be appropriated for each year. Estimated authorizations are based on information provided by EPA. Estimated outlays are based on historical spending patterns of ongoing SDWA programs administered by EPA and of its grant program for waste water treatment SRFs. A discussion of the estimated costs for significant provisions of each section of the bill follows.

Section 19 Funds for Safe Drinking Water. This section of the bill would authorize the appropriation of $599 million for 1994, $1 billion annually over the 1995-1997 period, and such sums as are necessary after 1997, for capitalization grants to states for new drinking water revolving loan funds. For this estimate, CBO assumes that the SRF capitalization grants would continue at $1 billion annually in 1998 and 1999, adjusted for inflation. Starting in 1996, states would be required to provide a 20 percent match to receive the federal grant. Each state would be authorized to make loans or offer other kinds of financial assistance to communities for capital projects that would facilitate compliance with national drinking water regulations.

The bill also would direct states to set aside specific amounts of their grants to pay for administration of the program, provide funds to establish and implement source water protection programs, and also pay for part of the public water system supervision program.

EPA Drinking Water Program Costs. EPA's ongoing drinking water research and regulatory activities have been funded annually through the appropriations process, even though the authorization for these programs expired in 1991. In 1994, EPA estimates it will spend about $74 million on this program, including: $31 million for implementing drinking water regulations, $20 million for research on drinking water contaminants, $16 million on protecting ground water, and $7 million for enforcing regulations.

While this bill would not specifically authorize additional appropriations for research and regulatory activities, based on information from EPA, CBO estimates that enactment of this bill would require the agency to increase its base funding for drinking water by about $15 million annually over the 1995–1999 period. This increase is largely for writing regulations and providing guidance and training to state programs.

In addition, section 19 would authorize the appropriation of $15 million for 1994 and such sums as are necessary for subsequent years for EPA to provide technical assistance to small drinking water systems. Based on the 1994 authorization, adjusted for inflation in subsequent years, we estimate this provision would cost $80 million over the 1995–1999 period, assuming appropriation of the necessary amounts.

Civil Penalties. The bill would strengthen the Administrator's ability to assess existing penalties and it also would make violators of certain regulations regarding the operation of public water systems subject to additional civil, administrative, and criminal penalties. Based on information provided by EPA, CBO expects that increases in federal government receipts from these changes would be insignificant.

Any criminal fines collected would be deposited in the Crime Victims Fund and spent in the following year. Thus, direct spending from the fund would match the increase in revenues from criminal fines with a one-year lag. Because collections from criminal fines are expected to be insignificant, increased direct spending from the fund would also be insignificant.

Bottled Drinking Water Regulations. The bill specifies that an EPA regulation regarding drinking water would apply to bottled water if the Food and Drug Administration (FDA) does not issue a regulation on bottled drinking water within 180 days. This provision may require the FDA to expedite review of regulations on bottled drinking water, and to increase inspections of bottled drinking water facilities. These activities may require additional resources, but CBO cannot estimate the cost of these activities because the FDA could not provide the necessary information.

6. Pay-as-you-go considerations: Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 sets up pay-as-you-go procedures for legislation affecting direct spending or receipts through 1998. Enactment of this bill would increase governmental receipts from civil and criminal penalties, as well as direct spending from the Crime Victims Fund, but CBO expects that the amounts involved would be insignificant.

Section 16 would explicitly waive any federal immunity from administrative orders or civil or administrative fines or penalties assessed under SDWA, and would clarify that federal facilities are subject to reasonable service charges assessed in connection with a federal or state program. This provision of SDWA may encourage states to seek to impose fines and penalties against the federal government under SDWA. If federal agencies contest these fines and penalties, it is possible that payments would have to be made from the government's Claims and Judgments Fund, if not otherwise provided from appropriated funds. The Claims and Judgments Fund is a permanent, open-ended appropriation, and any amounts paid from it would be considered direct spending. CBO cannot predict the number or the dollar amount of judgments against the government that could result from enactment of this bill. Further, we cannot determine whether those judgments would be paid from the Claims and Judgments Fund or from appropriated funds.

7. Estimated cost to State and local governments:

Summary

CBO estimates the bill would authorize appropriations of $1 billion annually over the 1995–1999 period for EPA grants to states to help public water supply systems comply with drinking water regulations. In 1994, EPA had about $75 million to promote to states for this purpose.

In addition to authorizing substantially greater appropriations to assist states with compliance, the bill would relieve many drinking water systems of the need to take significant steps to comply with regulations concerning radon in drinking water. (Estimates of the nationwide cost of complying with EPA's proposed maximum contaminant level (MCL) for radon in drinking water range from $0.3 billion to $2.5 billion annually.) Other provisions of the bill could lower the cost of complying with drinking water regulations for some systems, though CBO cannot qualify these savings. Finally, the bill would require states to take on some added responsibilities for water supply supervision, but states could use some federal funds to help offset the costs of these activities.

Current law

Information from the U.S. Bureau of the Census indicates that the public drinking water industry[1] has spent about $25 billion annually in recent years to fulfill its basic water service delivery mission and to comply with the SDWA. Of this amount, EPA has estimated that the costs of complying with the SDWA are about $1.4 billion annually. This annual cost includes annual operations and maintenance costs, water monitoring, and annual debt service on an estimated $8.6 billion in capital investments necessary to comply with the SDWA. A 1993 study prepared for the American Water Works Association (AWWA) estimates annual SDWA compliance costs at $2.3 billion. This study assumed a higher cost of capital financing than the EPA estimate did, and also assumed that many water utilities require multiple treatment sites for water contaminants. Neither of these estimates includes costs for complying with regulations governing radon or disinfection/disinfectant by-products, because they are not currently in effect. The study prepared for AWWA estimates that these two regulations could require a capital investment of $10 billion.

State public water supply supervision (PWSS) programs implement the SDWA at the state level. These programs perform critical functions, including enforcement, staff training, data management, sanitary surveys, and certification of testing laboratories. In 1994, EPA had about $64 million available for state PWSS grants. State funding for this activity is approximately $85 million. EPA and the Association of State

[1] There are about 200,000 public water systems regulated under the SDWA serving 243 million Americans. About 85 percent of the population is served by publicly owned drinking water systems. The estimates of the cost of SDWA compliance that are cited by CBO combine the costs to publicly owned and privately owned systems. Most of these costs are public spending.

Drinking Water Administrators (ASDWA) have estimated that these programs are inadequate to meet current law requirements and that they are underfunded by about $160 million annually.

Changes that would be made by the bill

State Revolving Funds. This bill would create state drinking water revolving funds (SRFs), which would be a significant new source of low-cost infrastructure financing for many public water supply systems. Although local water systems would have to repay SRF loans, each state could decide what level of financial assistance is appropriate for the communities in the state. Depending on how each state manages its SRF, these funds could potentially become independent and self-sustaining sources of capital for SDWA investments.

Compliance with Radon Standard. Section 4 would direct EPA to issue an alternative maximum contaminent level (MCL) for radon in drinking water within two years. EPA's draft MCL for radon is 300 picocuries per liter of water (pCi/L_{water}). Under current law, the agency expects to issue its standard in April, 1995. The bill would direct the agency to establish an alternative radon standard of 1,000 (pCi/L_{water}).

EPA estimates that public drinking water systems serving 17 million people would be required to comply with its draft radon MCL (300 pCi/L_{water}) at an annual cost of $275 million. A study prepared for the AWWA estimates that about 33,000 systems would need to meet this standard at an annual cost of $2.5 billion. The biggest difference between these estimates involves the cost of systems and technologies to treat water for radon. EPA believes that many water systems can rely on off-the-shelf packaged systems to comply with this regulation. The study done for AWWA assumes that more systems would face unique needs and would spend more on design and engineering costs to comply with this standard.

At an alternative radon standard of 1,000 pCi/L_{water}, EPA estimates that the nationwide costs for mitigating radon in drinking water would be reduced by roughly 75 percent. The study prepared for AWWA indicates cost savings of approximately 65 percent if the standard were 1,000 pCi/L_{water}. Therefore, CBO expects that establishing the alternative radon MCL would eliminate much of the costs water systems would incur under current law to deal with radon problems. We estimate that savings from this provision would be between $200 million and $1.5 billion annually, depending on what these systems would otherwise spend to correct radon problems under current law.

Other Compliance Costs. Other provisions of the bill could result in lower compliance costs for future SDWA regulations, but CBO does not have sufficient information to quantify these savings. (In particular, we do not know what contaminants EPA will decide to regulate in the future.) Section 11 would authorize states to give small water systems variances from compliance with EPA regulations if such systems install appropriate alternative treatment technologies as defined by EPA. Section 12 would allow states to exempt small systems from certain drinking water regulations if it cannot afford to install the best available affordable technology defined by EPA. Section 15 would allow states to provide interim relief from contaminant monitoring for certain small water systems. Finally, the bill would amend the method EPA uses to select drinking water contaminants for regulation so that, over the long term, systems are likely to face fewer regulations than they would under current law.

State Supervision Costs. The bill would require PWSS programs to undertake important new functions. Under section 13, each state would be required to establish a program to ensure the technical and financial viability of water systems in the state.

Section 8 would require states to certify the proficiency of drinking water system operators and testing laboratories. CBO estimates that the cost of these provisions would be less than $20 million a year. The bill would authorize states to use part of their drinking water SRF grant funds to pay for the water system viability programs.

8. Estimate comparison: None.

9. Previous CBO estimate: On April 29, 1993, CBO prepared a cost estimate for H.R. 1865, the Water Supply Construction Assistance Act of 1993, as ordered reported by the House Committee on Public Works and Transportation. This bill established an SRF for drinking water and authorized appropriations of $2.6 billion over the 1994–1996 period to capitalize these funds.

On May 3, 1993, CBO prepared a cost estimate for H.R. 1701, the Drinking Water and Public Health Enhancement Amendments of 1993, as ordered reported by the House Committee on Energy and Commerce. This bill established an SRF for drinking water and authorized appropriations of $4.6 billion over the 1994–1998 period to capitalize these funds.

On April 13, 1994, CBO prepared a cost estimate for S. 2019, the Safe Drinking Water Act Amendments of 1994, as ordered reported by the Senate Committee on Environment and Public Works on March 28, 1994. S. 2019 would establish an SRF for drinking water systems, and would authorize the appropriation of $1 billion annually over the 1995–2000 period to capitalize these funds. In addition, S. 2019 would authorize appropriations of $243 million annually over the 1995–2000 period for other EPA drinking water grant programs.

10. Estimate prepared by: Kim Cawley, Connie Takata, and Melissa Sampson.

11. Estimate approved by: C.G. Nuckols, Assistant Director for Budget Analysis.

Mr. DINGELL. Mr. Speaker, I believe the bill is sound and I hope it will be viewed favorably by the Senate. We do not intend upon passage of H.R. 3392 to join with S. 2019 and request a conference because of the many nongermane amendments to S. 2019. To do so, would involve too many other House committees. It would doom any chance for final passage of this needed bill in the 103d Congress. The issues related to safe drinking water are difficult enough. Hopefully, the Senate will accept this balanced bill or find another mechanism for resolution of any differences. Of course, I caution all that our compromise is fragile as noted by the environmentalists. Changes to one provision can reopen others and result in no bill. I feel sure that is not the outcome we all seek.

Before closing, I want to make clear that the committee, in our efforts to finalize the legislation, did not engage in an extensive discussion for legislative history purposes of the reported bill. Clearly, we did not have time to do so. The sparse legislative history in the committee's report represents the views of the committee. To the extent others address matters on the House floor, I want to make clear that they may not represent the committee's views, unless they are also a part of the report.

Finally, I include at this point a letter from the chairman of the Committee on Public Works and Transportation, my good friend Chairman Norman Mineta.

Mr. Speaker, I wish to agree with Chairman Mineta that the bill and their process does not prejudice future jurisdiction determination over the construction portion of such funds.

I urge adoption of the bill.

COMMITTEE ON PUBLIC WORKS
AND TRANSPORTATION,
Washington, DC, September 27, 1994.

Hon. JOHN D. DINGELL,
Chairman, Committee on Energy and Commerce, House of Representatives, Rayburn HOB, Washington, DC.

DEAR MR. CHAIRMAN: It is my understanding that the Committee on Energy and Commerce has reported an amendment in the nature of a substitute to H.R. 3392, the "Safe Drinking Water Act Amendments of 1993". That amendment would, in part, authorize funds for states to establish drinking water treatment revolving funds. As you know, H.R. 1865, the "Water Supply Construction Assistance Act of 1993", which was referred exclusively to the Committee on Public Works and Transportation and which was reported without amendment on May 17, 1993, would also authorize funds to states for the purpose of establishing drinking water revolving loan funds to provide assistance for the construction, rehabilitation, and improvement of water supply systems. We believe that the use of funds to construct safe drinking water facilities and systems for the filtration, disinfection and distribution of water for human consumption is basically a water supply construction assistance program and within the purview of our Committee. We understand that your Committee does not necessarily share that view.

Our Committee has no objection to this request pending your Committee's acknowledgement that nothing in the amendment, or in the legislative process this Congress on the issue of new safe drinking water state revolving funds, prejudges future jurisdictional determinations over the construction portion of such funds.

In addition, our Committee reserves its right to pursue conferees on the bill should the situation so dictate.

Lastly, I would appreciate your including our exchange of correspondence in the Record during consideration of the bill. Thank you for your cooperation in this matter.

Sincerely,

NORMAN Y. MINETA,
Chair.

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

Mr. Speaker, I would like to at this time congratulate and thank for her hard work the senior staff member on our side, Margaret Durbin, and also my own legislative director, James Derderian, for the work they put into this bill.

Mr. WAXMAN. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Washington [Mrs. UNSOELD].

Mrs. UNSOELD. Mr. Speaker, I rise in enthusiastic support of the bill.

Mr. Speaker, I rise in strong support of H.R. 3392, the Safe Drinking Water Act of 1994. I have received numerous letters and phone calls from my constituents stressing the urgent

need to amend and reauthorize the Safe Drinking Water Act this year. This legislation is very important to the people of southwest Washington who are concerned about maintaining high quality drinking water, but are struggling with the financial burdens created by the 1986 amendments to the act.

The 1986 amendments established a system to regulate an increasing list of contaminants without providing the funding necessary for communities to meet these mandatory requirements. This latter concern is of particular importance to the smaller communities in Southwest Washington which have a limited financial capacity to respond to these Federal obligations. No one disputes the responsibility of communities to provide safe drinking water to its citizens, but the way the act was working, towns trying to do the right thing have been hamstrung by lack of funds and unable to meet all of their Federal regulatory requirements.

H.R. 3392 is a carefully crafted bill designed to respond to compelling health and safety risks and address important economic considerations. This bill will meet the needs of the communities of southwest Washington and the communities around the Nation. I urge my colleagues to pass this bill today.

Mrs. MORELLA. Mr. Speaker, I rise in support of the Safe Drinking Water Act. This legislation passed the Senate in May, and it has been awaiting House action. It is a bipartisan bill that is the result of months of negotiations. Environmentalists, the EPA, State and local governments, and many other concerned groups have been part of the debate to write a bill that will ensure the quality of our nation's drinking water.

My own State of Maryland has played a role in the effort to reach an agreement that all parties could support. And the State does benefit from the current bill. Direct benefits include $14 million in Federal funds each year to be used for a State revolving loan fund for improving public water systems, monitoring relief for Maryland's nearly 1,000 small water systems serving less than 3,300 people, and funds for a new effort to preserve and protect sources of water supply for towns and cities. Among these cities is Rockville, the second largest city in the State, and a part of Maryland's Eighth Congressional District, which I represent.

Mr. Speaker, I ask my colleagues to join me in supporting this legislation. We cannot take safe drinking water for granted. Milwaukee's water problems resulted in illness and death. The boil-water advisory in Washington, DC and parts of northern Virginia alerted us to potential problems here. Let us assist State and local governments in providing safe drinking water. I urge a "yes" vote.

Mr. GEJDENSON. Mr. Speaker, I rise in support of H.R. 3392, the Safe Drinking Water Act Amendments of 1994. Many people are responsible for bringing this bill to the floor today and I would like to thank the gentleman from California [Mr. WAXMAN] for his tireless efforts over the past several months to forge the compromises necessary to achieve this bill. I also want to take a moment to thank the gentleman from Oklahoma [Mr. SYNAR] for his role in drafting this legislation, and so many other good bills during his tenure in Congress. He will be missed.

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While drinking water treatment in the United States is among the most sophisticated in the world, many people continue to drink water that is contaminated with biological pathogens, heavy metals and possible cancer-causing agents. According to the Environmental Protection Agency [EPA], waterborne disease-causing pathogens, such as cryptosporidium which killed more than 100 people in Milwaukee in 1993, kill about 1,800 and cause another 1.8 million Americans to get sick every year. Currently, the EPA does not regulate cryptosporidium. Some water supplies are also contaminated with suspected cancer-causing agents such as arsenic and nitrates.

Another problem with our current drinking water supply system is the large number of small systems, usually defined as those serving fewer than 3,300 people. Small systems often lack the financial resources necessary to install the latest treatment technology. Small systems almost uniformly serve rural areas of the country. These systems need financial and technical assistance to upgrade or consolidate to ensure that rural Americans have drinking water which meets the highest standards.

The bill before us today addresses these and other important issues. It implements a more manageable framework for EPA to select contaminants which might pose a threat to human health, study them and issue regulations to protect the public. The EPA must immediately act to review at least 15 unregulated contaminants which might be present in water systems to determine whether regulation is required. Over the long term, H.R. 3392 requires the EPA Administrator, within 5 years of enactment and every 4 years thereafter, to develop a list of 12 contaminants which may require regulation. After the list is finalized, regulations must be promulgated which set maximum contaminant levels [MCL] in drinking water and specify treatment techniques. Importantly, the Administrator is instructed to develop a MCL for cryptosporidium and radon and enter into an agreement with the National Academy of Sciences [NAS] to conduct a comprehensive study of the possible health effects of arsenic in drinking water. It is vitally important that cryptosporidium be regulated to reduce the likelihood of another disaster like the one in Milwaukee. Moreover, when setting drinking water standards, the Administrator must pay special attention to the possible effects of contaminants of certain groups, such as children, pregnant women, and the elderly. It is essential that standards are stringent enough to protect these, and other, vulnerable groups.

The bill requires States, using guidance from the EPA, to develop programs to certify laboratories and system operators. This is necessary to guarantee that lab analysis is accurate and that operators have the technical expertise to run systems properly. One inaccurate test or human error at a treatment plant can have serious consequences for those consuming the water. Possible human error lead to a boil water order in the District and parts of northern Virginia this spring. In addition, States are required to establish system viability assessment programs to gauge which systems have the technical, managerial and financial capability to meet all the requirements of the act. This is especially important because many small systems can not meet the full range of the act's requirements, but have not been adequately supervised under the current statute. States risk losing financial assistance if they fail to establish a viability program.

Finally, H.R. 3392 provides for Federal grants to States to establish SDWA State Revolving Funds [SRF]. States will make loans and grants to systems to upgrade and install new treatment technology. The bill authorizes $1 billion for contributions to SRF's in fiscal years 1995, 1996, and 1997 and such sums as may be necessary thereafter. In fiscal year 1995, the Congress has appropriated $700 million for this purpose and $599 million remains available from fiscal year 1994. These funds will help systems across the country to upgrade treatment technology. The bill prohibits loans and grants to small systems for any expenditures which could be avoided through consolidation with other small systems, but funds may be used for such consolidation. The goal of this restriction is to reduce the number of small systems which are not viable and often fail to protect public health.

Mr. Speaker, this is a bipartisan bill which is backed by a wide range of interests, including the National Governors' Association, Conference of State Legislatures, water system representatives and members of the environmental community. To ensure that every American has safe, healthy drinking water, it is essential that we pass this bill today.

Mr. SLATTERY. Mr. Speaker, 11 months ago, I met with the chairman of the Subcommittee on Health and the Environment, Mr. WAXMAN, to discuss the many problems of the Safe Drinking Water Act, as well as the bill which Representative THOMAS BLILEY and I were preparing to introduce to reform that act. In that meeting, we agreed to work together to advance reauthorization legislation. We have moved beyond that initial goal and have achieved a consensus bill.

We are here today to consider legislation which enjoys the support from the public interest community, State and local government associations, water industry associations, and the administration, as well as from all of the principal negotiators of this bill. This bill is a tribute to the hard work over the last 6 months of all parties involved in reaching this consensus.

As we consider the shortcomings of the current law, we will be able to judge the effectiveness of this legislation in addressing those shortcomings by measuring first, whether the bill will better protect and assure the safety of the drinking water supplies of this country, and second, whether the programs responsible for the delivery of drinking water have been made more reasonable and more efficient. On both counts, I am confident that the reforms incorporated in this bill will be successful.

When the Coalition of State and Local Government and Water Industry Associations first approached me regarding the reauthorization of the Safe Drinking Water Act, they criticized the current law for:

First, being inflexible with regard to the selection of new contaminants for regulation and to the setting of standards for those contaminants,

Second, being insensitive to the effect of the act's requirements on small systems,

Third, being overly prescriptive and unnecessarily costly with regard to the requirements for monitoring,

Fourth, underfunded with regard to the contribution by the Federal Government to State and local governments for the costs of administering the act, and

Fifth, simply unworkable with regard to variances and exemptions.

The conclusion these groups led me to is that the current law indeed is causing the wasteful spending of public resources.

On all of these issues, this bill proposes responsible reforms which will lead to vastly improved systems for the delivery of safe drinking water across this country.

Additionally, the public interest community is able to point to provisions in this bill which reform existing programs and create new programs with the intent of improving the quality and safety of our drinking water. The objective of these programs is to avoid the recent water quality problems experienced in Milwaukee and here in the Nation's Capital.

Mr. Speaker, I would like to thank Chairman DINGELL for his leadership and perseverance in negotiating this bill, and also to thank Representative WAXMAN, Representative BLILEY, Representative STUDDS, Representative SYNAR, and Representative LAMBERT, as well as Administrator Browner, for their commitment to crafting a bill which truly offers a balance of reforms which we are all proud to support.

Finally, I want to recognize the tremendous effort made by my colleague—the other original cosponsor of the Slattery/Bliley Safe Drinking Water bill—TOM BLILEY, and that of the minority staff. Throughout this process, Representative BLILEY worked with me in a bipartisan manner toward our mutual goal of enacting responsible reforms to the drinking water laws during this Congress. He has expended enormous amounts of energy on this bill, and the fact that this legislation is here before us for a vote is a tribute to his commitment to this process.

Mr. Speaker, I urge the House to favorably pass H.R. 3392.

Mr. STUDDS. Mr. Speaker, I rise in strong support of H.R. 3392, the Safe Drinking Water Act Amendments of 1994. the lengthy negotiations that went into this legislation have resulted in a bill that is endorsed by a wide range of interests—State and local government, environmental and agricultural organizations, and water suppliers.

They support this bill because it is a vast improvement over current law. It reduces the statute's burden on public water systems by providing more flexibility and—for the first time—financial assistance in the form of a State revolving loan fund program. At the same time, H.R. 3392 maintains and adds public health protections that are essential to a comprehensive overhaul of this law.

As a participant in the negotiations that produced this bill, I can state with assurance that it fairly and constructively balances the interests of the wide range of groups that will be affected by it.

The final agreement that was negotiated includes provisions that are similar in many respects to H.R. 4314, legislation that I introduced to update the Safe Drinking Water Act. These include a State revolving loan fund program, extended timeframes for compliance with drinking water standards, a more sensible method of choosing new contaminants to regulate, a new program allowing small water systems to use alternative, less costly technologies, and several others.

In addition, the bill contains a requirement—which mirrors a provision of my legislation—that States assess their source waters to identify potential contamination threats. We learned the hard way on Cape Cod that preventing pollution in the first place is a lot cheaper than cleaning it up after it's too late.

This bill offers monitoring relief to systems in States with source water assessment programs, saving them millions of dollars—as Massachusetts has done with a similar program it already has in place. While I would have preferred to have seen an even stronger source water protection program, this bill takes an important first step in that direction.

This bipartisan compromise agreement goes a long way toward addressing the concerns expressed to me by the water suppliers in my district and State and I urge my colleagues to give it their strong support.

Mr. LEHMAN. Mr. Speaker, I rise today to voice my opposition to the Safe Drinking Water Act reauthorization. The bill includes another one of those illogical unfunded mandates that could have been avoided by reasonable risk assessment.

Instead of granting water systems the flexibility to address the true contaminants in our water supply, this bill requires cities like Fresno, CA, to spend nearly $20 million a year to lower the level of radon in water, when it is widely known that radon in water only contributes 5 percent to the overall radon risk.

Simply put, this legislation forces local governments to spend millions of dollars on something that will have little or no impact on public health. By doing so, we are actually hindering efforts to remove the true contaminants in our drinking water. Clearly, Congress needs to enact risk-assessment legislation.

The legislation should establish a radon in drinking water standard to be driven by the background level of radon in outdoor air. The Senate supported this level in a vote of 94–6.

Tragically, water agencies, and ultimately our constituents, will bear the very high cost of this mandate for little benefit. If you are concerned about senseless unfunded mandates that are constantly bankrupting local and State governments, I strongly encourage you to vote "no" and send this legislation back to committee to change the radon provisions.

Mr. BAKER of California. Mr. Speaker, I rise in support of H.R. 3392, the Safe Drinking Water Act [SDWA] amendments.

The United States is in dire need of Safe Drinking Water Act [SDWA] reform. In my home district in California, water providers in Contra Costa and Alameda counties need flexibility to address the specific water safety threats facing our part of the county. We owe it to water customers, taxpayers, and ratepayers to ensure that we get the most bang for our buck. This bill helps us achieve this important goal.

I commend members of the Energy and Commerce Committee on both sides of the aisle for drafting a bill acceptable to all parties. I have heard from concerned citizens and various groups throughout the east bay area expressing the need for SDWA reform.

I'm pleased that a broad coalition of organizations has come together in support of the bill before us. These groups include numerous State and local water agencies, Clean Water Action, Gov. Pete Wilson, and the National Governors Association, various other environmental groups, the California American Farm Bureau, and many others.

This bill: Establishes a new regulatory regime to ensure that new regulations focus on contaminants that pose the greatest health threats; gives the EPA greater flexibility in considering both incremental compliance costs and incremental public health risk reduction benefits afforded by alternatives; establishes a source water petition program to encourage States and localities to work together to prevent contamination problems before they occur; directs the EPA to establish a new standard for the contaminant chryptosporidium; provides additional training for operators of public water systems; gives smaller water systems greater flexibility; and creates a program to reduce lead contamination.

I will continue to support constructive efforts like this one that bring differing parties together to solve our Nation's problems. It is only in talking with one another and truly understanding our individual concerns that we can undertake lasting solutions to our problems.

Again, I commend all who took part in discussions and look forward to similar efforts in the future.

Mr. ROBERTS. Mr. Speaker, I rise to voice my concerns with the legislation being debated and the way in which the House is considering this legislation. While I recognize the need for reform of the current law, the desire reduce costs, and bring regulatory relief—this is not the bill nor the way to accomplish those goals.

It is agreed by all parties—including organizations representing health and consumer interests, environmentalists, industry and agricultural groups—that our Nation's drinking water law is broken and must be fixed. Under existing laws, limited financial resources are being drained by costly testing and regulatory procedures that provide little or no safety or health benefit. Recognizing this situation, efforts began in the House and Senate during the 103d Congress to provide financial relief to municipalities and enhance health and safety issues contained in the law. Last year, the Senate was able to report a bill and now the House is considering passage of this bill—a far more detailed and far more reaching piece of legislation.

I applaud the efforts of all interests in working toward a common goal. I recognize the difficulty in fashioning such a compromise from such diverse interests and purposes. However, I feel I cannot support this legislation for the following reasons:

First, House procedures: no perfecting floor amendments allowed;

Second, radon language: overly restrictive radon provisions;

Third, EPA retroactive review not included: intended to provide real relief from nitrate and other testing requirements; and

Fourth, unfunded mandates: When is the Federal Government going to stop passing such costly regulations?

SUSPENSION VERSUS OPEN RULES

In bringing H.R. 3392 to the House floor for consideration, proponents have argued that time is running out in the 103d Congress and every procedural effort must be taken to ensure its quick passage. In forcing the immediate consideration of the bill, the Democratic House leadership has allowed this bill to be brought to the House floor for debate as a suspension.

In other words, the bill is considered as drafted, no amendments are allowed. House rules specifically outline when and if a bill should or would be qualified to be considered as a suspension. H.R. 3392 clearly should not be allowed as a suspension if House rules were applied.

In forcing this procedural move, proponents have been able to repress all perfecting amendments that would have been normally offered during floor consideration of this or any other bill. In doing so, they have successfully prevented me or any other Member from representing an opposing or other viewpoint. I was working with colleagues on offering two or three amendments to address issues of cost and contaminant standard setting. The House will not have the benefit of openly debating and considering those issues.

For that reason alone, I believe my colleagues should oppose this bill. If the bill were defeated today, I would support efforts to bring the bill back for floor debate tomorrow under an open rule that would allow all amendments, including mine, to be considered in a timely and thorough fashion.

RADON SECTION

My second concern with H.R. 3392 is the provisions regarding radon testing and the establishment of a 1,000 picocuries/liter tolerance threshold. I believe this threshold is far too low and should and could be increased without increasing any health or safety risk. Under the bill's language, the Kansas Department of Health and Environment estimates that 10 to 15 percent of all wells in Kansas would be out of compliance. With scientific data showing that this standard level could be increased without jeopardizing health or safety considerations, I would be supportive of amendments to increase the level to 1,500 or 2,000 pCis/liter.

The risk of radon contamination in water is an inhalation concern—that is, showing, et cetera. In water, the conversion rate of radon to air is 10,000 pCis/liter in water to 1 pCis/part in air. In other words, water would have to be contaminated by 10,000 pCis/liter to increase the air radon level by 1 pCi or 40,000 pCis/liter to reach the EPA indoor radon safety threshold of four picocuries.

It was agreed by several experts that an earlier EPA recommendation of 200 PCis/liter for water was excessive and would have caused impossible economic requirements on communities. Based upon the EPA's recommendation of 200 pCis/liter for water, KDHE estimates that 70 to 80 percent of all Kansas wells would be out of compliance. At an EPA rate of 300 pCis/liter, roughly 50 percent of wells would be out of compliance.

Unfortunately, a widely supported amendment to correct this situation will not be considered today during debate of H.R. 3392.

RETROACTIVE REVIEW—NITRATE LEVELS

My third reason for opposing this bill has to do with the practical effects of the current law and the administrative determinations made by the Environmental Protection Agency. Under existing legal requirements, municipal governments and water companies are forced to do regular testing for 110 elements. EPA was given the authority to establish the allowable standard levels for these elements taking into account scientific information and health and safety considerations. Prior to the 1986 enactment of this legislation, State governments regulated and established such standard levels. This law was intended to replace State authority by creating a national set of standards.

The practical impact by transferring this authority to EPA was the creation of standard levels that were consistently lower than the tolerance levels established earlier by the State of Kansas. In particular, the EPA established a standard level of 10 parts per million for nitrates, a level half the earlier Kansas-established standard of 20 ppm. As a result, several communities in Kansas became out of compliance with the EPA requirements and are being forced into spending millions of dollars to locate new water sources and construct new treatment facilities.

Why was the EPA level so much lower than that State level? Only EPA knows.

Yes, I agree, it is important that nitrates be monitored. When consumed in very high quantities, nitrates block the oxygen-carrying ability of our blood. While adults are unharmed by this effect, in infants it can lead to blue baby syndrome. This syndrome is not fatal and is easily reversed when diagnosed.

Since the 1950's, there have only been two cases of blue baby syndrome in Kansas. Both cases were of situations where bottle-fed infants were fed out of private wells with several hundred parts of nitrates per million. There has never been a documented case of blue baby syndrome caused by a municipal water source in Kansas.

In addition, as the EPA nitrate safety level was being put into effect, Jack Burris, a Kansas Department of Health and Environment—the agency in charge of health safety—said that contamination levels of below 20 parts per million were "not dangerous to either children or adults. The EPA level of 10 parts/million is ridiculous." Yet, several communities in Kansas are out of compliance and forced to take drastic action.

This situation is not corrected in this bill. I would have preferred that an amendment be considered during consideration of this bill to force the EPA to review the nitrate level and the other 109 contaminant standards established by the EPA to ensure that they are based on sound science. I have been working on such an amendment. Unfortunately, it will not be considered.

UNFUNDED MANDATES

Finally, I would like to comment on the overall cost of the existing SDWA law and this legislation. Yes, some financial relief will be provided to ease the regulatory burdens facing towns and cities, but not enough.

The Safe Drinking Water Act is one of the largest Federal mandates facing our local communities. Today, we are considering a bill that does provide limited relief, including a loan program to help pay the costs. Yes, a loan, not a grant. Yes, it has to be paid back. I don't believe that it true relief.

More importantly, as a member of the Congressional Caucus on Unfunded Mandates, I have strongly argued Congress should pay 100 percent of all costs associated with Federal mandates. If the Federal Government wants to monitor it and require it, then we should be prepared in Congress to pay for it. Better stated, no money, no mandate. If Congress doesn't pay for it, then it should become voluntary.

On November 22, 1993, I introduced H.R. 3686, a bill requiring that Congress pay the full costs of the Safe Drinking Water Act. Unfortunately, we do not do that in this legislation.

Again, I wish to congratulate and commend my colleagues for all their work. I wish I could support this bill. My hope is that these issues can be resolved in a conference between the House and Senate should this bill move forward.

I will be continuing my efforts to see that effective and true relief for communities is provided.

Thank you.

Mr. BEREUTER. Mr. Speaker, this Member rises in strong support of H.R. 3392, the Safe Drinking Water Act Amendments of 1994.

This Member would begin by expressing his sincere appreciation to the distinguished gentleman from Michigan, the chairman of the Energy and Commerce Committee, Mr. DINGELL, for his outstanding leadership in bringing this bill to the floor.

This Member also commends the distinguished gentleman from Kansas [Mr. SLATTERY], and the distinguished gentleman from Virginia [Mr. BLILEY], for their introduction of this legislation and their work in reaching this compromise version.

Mr. Speaker, there is general agreement that the current drinking water law is badly broken and needs to be fixed. There is an urgent need to make the Safe Drinking Water Act's regulations more flexible and less costly. H.R. 3392 presents a workable solution without compromising the safety of our Nation's water supply. This legislation helps correct some of the serious problems and reduces the substantial local costs created by the current law. Clearly, many of the current SDWA requirements result in prohibitive costs without any real health benefit or increase in water quality. This is an issue on which this Member has been speaking out and seeking corrective actions by the EPA for some time, but without results. However, in large part, it is Congress which is to blame for the statutory direction we have given to the EPA.

H.R. 3392 injects more reasonableness and common sense on this issue and allows States and communities to identify and focus on those contaminants which present an actual health risk in a particular area. Legislation enacted by Congress simply must take into account the economic and budgetary realities faced by States and communities. Blanket

Federal legislation for this yet very diverse Nation is usually ineffective, overreaching, inflexible, and expensive for States and communities of all sizes. That surely is the case with various parts of the current Safe Drinking Water Act.

As the defeat earlier this year of the rule for consideration of the EPA cabinet-level bill demonstrated, most Members and the informed American public now support an assessment of risks during the regulatory process. Clearly, some applications of environmental regulation have entered a phase of diminishing returns. Although great progress has been made in meeting threats to health and safety, a point has been reached where each new environmental regulation should undergo a cost/benefit estimate based on an analysis of risk.

H.R. 3392 gives State and local officials greater responsibility in tailoring a safe drinking water program based on sound science. These officials certainly have a powerful incentive to provide safe drinking water since they and their constituents will be drinking that water and they know full well where the buck stops. They certainly would not subject themselves and their family and friends to harmful water. Instead, they will focus their time and money on the problems unique to their community.

Mr. Speaker, there is a growing financial crisis for small communities that becomes more evident each year as new testing and treatment deadlines are imposed. Many Federal officials are now recognizing the dangers of an inflexible Federal approach to this problem. In fact, during a speech at the annual conference for the National Association of Towns and Townships last September, EPA Administrator Carol Browner stated her support for "more flexibility, more local and regional decision-making."

This Member's experience in visiting with local officials and listening to constituents at town hall meetings indicates that the regulations promulgated to enforce the Safe Drinking Water Act have become a major Federal irritant to local government officials and terribly expensive—for no real benefit. These regulations often result in diverting scarce local dollars to address problems or contaminants which do not exist. One of the most flagrant examples of a requirement which results in higher costs involves testing across the whole Nation for a pesticide used for Hawaiian pineapples, even though it is currently banned in the continental United States.

It costs nearly as much for a very small community to go through the mandated testing procedures as it does for a large community. In most cases, therefore, residents in smaller communities will be forced to pay much more per person, since the costs cannot be spread out over a larger population. Without changes in the current law, though, communities of all sizes will be severely impacted.

This Member would like to cite several examples of the problems facing communities in Nebraska's First District.

Wahoo—population 3,681—recently instituted a 10-percent rate increase due to increased testing costs. The community is expecting an annual increase in excess of $20,000 to pay for water testing requirements.

Homer—population 553—estimates that monthly water rates may nearly triple over the next several years as a result of the testing requirements. Just recently, water rates for customers were about $9 per month. Within a few years, this may jump to $25 per month.

Unadilla—population 294—is projecting that by 1997 each of its 120 households will have to pay an incredible $100 per year just for water testing costs.

Even a city the size of Lincoln—population 191,972—will face problems. The city is estimating that over the next 6 years, total costs for capital improvements and operation and maintenance due to proposed regulations for water quality may be as high as $185 million.

Communities throughout Nebraska and the United States are confronting similar predicaments. In addition to the costs of outrageously overreaching testing requirements, it is clear that the cost of water will skyrocket if truly unnecessary treatment is required. While the EPA sets its standards as close to zero risk as technologically possible, incredibly it takes costs into consideration only for water systems serving more than 1 million people. Also, this required treatment will often result in no actual health benefit.

The Slattery-Bliley bill recognizes that, consistent with sound health considerations, required technology should be based on the size of the community. The legislation reforms the current standard setting procedures by requiring the Environmental Protection Agency [EPA] to establish technologies suitable for use by small systems.

The bill also removes many of the rigid and arbitrary requirements of the current safe drinking water law. For instance, it eliminates the notorious and ridiculous current statutory mandate that EPA identify 25 contaminants every 3 years for regulation and replaces it with a system based on contaminants that, first, represent a public health concern and, second, actually occur in drinking water. The legislation also allows States to tailor monitoring requirements to particular circumstances, with responsible flexibility and reasonable exemptions more easily available.

Mr. Speaker, while everyone certainly recognizes the importance of providing safe drinking water for everyone, this Member believes it should be done in a realistic manner which does not inappropriately burden the communities affected. As stated previously, this Member does not support taking any action that will cause drinking water to become unsafe—for instance, where there is a problem with biological contamination, yes, treatment is obviously necessary. However, the Federal Government should provide more discretion to States so that they can use common sense and not be subject to arbitrary Nationwide standards that have no relevance in a particular State. For instance, the nature of water testing in Nebraska should reflect the State's uniquely strong ground water dependency. This Member has consistently conveyed these views to current and former EPA administrators.

Nebraska relies far more heavily on ground water sources for both drinking water and commercial uses than any other State in the Nation. For example, only 6 or 7 of the more than 700 public water supply entities in the State use any surface water. Chlorination of community drinking water from ground water sources could be requiring a solution to a nonproblem in most Nebraska communities, and in fact, it now appears, add a health hazard through chlorination itself where none now exists.

In a great many Nebraska communities, individual wells are located at various points in a community without being interconnected. This makes certain treatment requirements much more difficult than they may be for communities not using ground water. Since most Nebraska communities incorporate water from their wells directly into their distribution systems, a requirement for chlorination would have the effect of requiring centralization of their water supply systems or chlorination would sometimes have to be provided at each separate well site—an action which would be almost economically impossible for many Nebraska communities.

It is also important to note that Nebraska has not had a water-borne disease outbreak attributed to a public water supply system since at least 1969. That particular situation involved a transient population with an undetermined location or cause of illness.

Mr. Speaker, this Member urges his colleagues to support passage of H.R. 3392, which represents a responsible approach to providing safe drinking water. It will protect the health of individuals as well as communities.

Mrs. MINK of Hawaii. Mr. Speaker, it is Congress' duty to protect the Nation's vital resources and preserve public health and safety. Our duty sets an imperative before us—to vote today to reauthorize the Safe Drinking Water Act. It is important for us to act now and not allow the essential provisions in this act to wait another year; we have already left it unauthorized since 1991.

If we do not act on this bill today, our States and local governments will continue to bear enormous burdens of strict and costly monitoring and treatment criteria. They will continue to be unable to adequately address ongoing threats of waterborne disease and chemical pollutants in their piped water supply. In this greatly bipartisan act, the creation of new revolving loan funds would assist States and small communities to fulfill an essential right of their residents—the right to enjoy drinking water that will not make them sick.

For the numbers of small water systems serving my State of Hawaii, instead of having to comply with an additional 25 contaminants every 3 years, an easier list of 12 contaminants will be required from the EPA every 4 years. This act would allow small systems greater flexibility to evaluate and implement the best available affordable technologies. And small systems will be granted some relief from impractical monitoring requirements.

The amendments in H.R. 3392 include good compromises and solid changes to the currently outdated Safe Drinking Water Act. I urge you to approve this bill. It would be a shame to leave this act unauthorized any longer. Our water systems must be made safer, but with requirements that are realistic and reachable for our States and local governments.

Mr. FAZIO. Mr. Speaker, I rise in strong support of H.R. 3392, the Safe Drinking Water

Act amendments. I urge my colleague to support this important legislation.

Mr. Speaker, the legislation before the House is a significant improvement of the Safe Drinking Water Act. I want to call attention to the strong bipartisan support for this measure. Mr. WAXMAN and Mr. BLILEY, the chairman and the ranking member of the subcommittee urge your support for this measure so they can go forward to work with the Senate on this bill. Mr. DINGELL and Mr. MOORHEAD have also worked hard to bring this bill to the floor.

Their bipartisan efforts and their spirit of cooperation are to be applauded by the membership of this House. The bill is supported by the National Governors' Association, the National Associations of Counties, the League of Cities, and other State and local organizations.

I congratulate this bipartisan coalition for their help in resolving the many complex issues raised by this bill. Just reading a list of the issues resolved by the subcommittee and the committee would take the balance of my time, but I do want to highlight some of the more important provisions of this bill.

First, the Safe Drinking Water Act amendments establish a new State revolving fund to provide loans and grants for local water purveyors. That's important to the small, rural water districts I represent.

Next, the bill also streamlines the regulation of contaminants by focusing on contaminates associated with the greatest health threats. In short, the bill establishes a selection process for unregulated contaminates that incorporates good science.

In addition, the bill incorporates risk assessment principles to give EPA greater flexibility to consider both the costs of compliance and the health benefits associated with monitoring for contaminants.

Mr. Speaker, while Members representing agricultural and rural communities still have some concerns about the proposed radon standards, I believe this reauthorization bill needs to move forward. Passage of the Safe Drinking Water Act amendments will also allow the House and Senate conferees to begin crafting radon language acceptable to all. The committee has put together an excellent bill. Their hard work deserves your support. I urge my colleagues to vote "aye."

Mr. BLILEY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

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

The SPEAKER pro tempore (Mr. FIELDS of Louisiana). The question is on the motion offered by the gentleman from California [Mr. WAXMAN] that the House suspend the rules and pass the bill, H.R. 3392, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

VACATING OF ORDERING OF YEAS AND NAYS ON S. 783, CONSUMER REPORTING REFORM ACT OF 1994

Mr. MFUME. Mr. Speaker, I ask unanimous consent to vacate the ordering of the yeas and nays on the motion to suspend the rules and pass the Senate bill, S. 783, and that the question be put again.

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

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts [Mr. KENNEDY] that the House suspend the rules and pass the Senate bill, S. 783, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill, as amended, was passed.

A motion to reconsider was laid on the table.

CONTINUATION OF CERTAIN FEE COLLECTIONS FOR SECURITIES AND EXCHANGE COMMISSION

Mr. GIBBONS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5060) to provide for the continuation of certain fee collections for the expenses of the Securities and Exchange Commission for fiscal year 1995.

The Clerk read as follows:

H.R. 5060

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CONTINUED COLLECTION OF REVENUES AUTHORIZED.

During fiscal year 1995, the rate of fees under section 6(b) of the Securities Act of 1933 (15 U.S.C. 77f(b)) shall remain at 1/29 of 1 percent.

2. DEPOSIT OF COLLECTIONS.

The fees collected under section 6(b) of the Securities Act of 1933 (to the extent attributable to a rate in excess of 1/50 of 1 percent by reason of section 1 of this Act) shall be deposited as an offsetting collection to the amounts appropriated to the Securities and Exchange Commission for fiscal year 1995, to remain available until expended.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Florida [Mr. GIBBONS] will be recognized for 20 minutes, and the gentleman from Florida [Mr. SHAW] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Florida [Mr. GIBBONS].

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

Mr. Speaker, I rise in support of H.R. 5060, a bill to provide for the continuation of certain registration fee collections for the expenses of the Securities and Exchange Commission for fiscal year 1995.

H.R. 5060 provides that certain securities registration fees will continue to be collected at their current rate through fiscal year 1995. In addition, the bill provides that the amounts attributable to this 1-year extension would be deposited as offsetting collections to the amounts appropriated to the SEC for fiscal year 1995.

The Ways and Means Committee acted on H.R. 5060 because extending the current rate of registration fees is a revenue measure. Earlier in the year, the committee objected when the Senate included this measure in the Senate appropriations bill for the SEC, in violation of the Constitutional requirement that revenue measures originate in the House. Chairman OBEY recognized our jurisdictional concerns and assured us that the conference agreement for that legislation would not contain this provision.

In accordance with this assurance, the conference agreement did not include an extension of the current rate of registration fees. However, according to the SEC, the amount the conference agreement appropriates to the SEC for fiscal year 1995 falls far short of the amount needed to fund the agency for the year. In fact, the SEC believes that it will have to severely restrict its operations during the year if additional funding is not provided. Therefore, it is critical that we pass this bill in order to allow the SEC to be adequately funded in fiscal year 1995.

By passing this bill, we are sending a revenue measure to the Senate. However, I want to make it absolutely clear to the other Chamber that we will not proceed to conference on the bill if they add other provisions to it. The Senate must agree to a clean bill if they want to allow the SEC the funding necessary to continue its important regulatory functions.

Finally, I want to make it clear that the Committee on Ways and Means agreed to report H.R. 5060 favorably as a one-time, stop-gap measure in order to avert a potential shutdown of SEC operations. In future years, the committee fully expects that the SEC will be properly funded without recourse to further revenue legislation.

Mr. Speaker, I urge the House to pass this crucial legislation.

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

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

Mr. Speaker, as Chairman GIBBONS stated in his opening remarks, H.R. 5060 extends for 1 year at current levels the Securities and Exchange Commission registration fee on new stock issuances. This extension is required to forestall an impending funding crisis for the SEC beginning October 1 of this year.

If an extension of this fee is not enacted by October 1, the SEC will be forced to begin closing down its agency on that date with the consequence that stock issuances will be hampered and rigorous enforcement of the securities laws may not take place until the agency is properly funded. This is obviously an intolerable situation and is the primary reason Ways and Means Committee members unanimously reported the bill to the House floor by voice vote.

When the House Appropriations Committee reported legislation earlier this year funding the SEC for fiscal year 1995, it contained an extension of the securities registration fee as an offsetting collection. As this legislation moved to the House floor, this provision was stricken on the ground that it constituted legislating in an appropriations bill in violation of House rule XXI, clause 2. Consequently, the House-passed bill provided only partial funding for the SEC for fiscal year 1995.

Likewise, the other body also included an extension of the securities registration fee in its appropriations bill funding the SEC. This provision was deleted in Conference under threat of a blue slip, a procedure designed to protect the constitutional prerogative of the House to originate revenue measures.

I would like to echo Chairman GIBBONS' comment that this bill is intended to be a one-time, stop-gap measure designed to solve the current funding crisis the SEC faces in fiscal year 1995. The Ways and Means Committee report accompanying the bill contains clear and unequivocal language that the committee expects the SEC to be properly funded in future fiscal years without recourse to revenue measures within the jurisdiction of the Ways and Means Committee.

In closing, I would urge my colleagues to join with me in passing H.R. 5060 in order to avert a truly grave crisis in funding the SEC for fiscal year 1995.

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

Mr. GIBBONS. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan [Mr. DINGELL].

□ 1530

Mr. DINGELL. Mr. Speaker, I rise in strong support of the bill H.R. 5060 and urge its adoption.

First, Mr. Speaker, I commend my dear friends at the Committee on Ways and Means—I single out the leadership and hard work of acting Chairman SAM GIBBONS and ranking Republican member BILL ARCHER and their staffs,—in bringing H.R. 5060 to the House floor today.

At the outset, I want to note that the SEC is celebrating its 60th anniversary this week. For 60 years, the Nation has looked to the SEC to maintain the efficiency and honesty of the securities markets. By all accounts, it has done that job very well.

The SEC's principal activities—reviewing registration statements and other corporate disclosures; inspecting mutual funds, broker-dealers, and other market professionals; and investigating and punishing violations of the securities laws—are labor-intensive and never-ending. Not to fund these tasks fully or at all would shatter investor confidence and instigate a great national economic tragedy.

I believe that, Democrat and Republican alike, we in this body are united in believing in the importance of economic growth. That growth will not occur without sustained capital formation. Capital formation will not occur unless the securities markets operate efficiently and unless investors can have confidence in the honesty and fairness of those markets. A strong SEC is necessary to both of these.

As the committee report for the original Securities Act of 1933 stated:

The necessity for the bill arises out of the fact that billions of dollars have been invested in practically worthless securities, both foreign and domestic, including those of foreign governments, by the American public through incomplete, careless, or false representations. The result is dire national distress.

Today, more than 38 million individuals, one in every four households, own mutual fund shares. These millions of average Americans deserve vigilant and effective regulatory oversight over their savings. That objective can be accomplished only if the SEC is funded adequately.

Mr. Speaker, the Congress does not have to choose between mounting deficit reduction pressures and fully funding this agency. Currently, the SEC collects in fees twice what we appropriate to it for its budget. However, this money goes straight to the U.S. Treasury. The SEC gets no credit for or use of these moneys. This deplorable situation is explained in detail in the letter that follows my statement. Last year, the Committees on Ways and Means, Appropriations, and Budget played pivotal roles in responding to the financial needs of the SEC, and worked with the Energy and Commerce Committee to provide the SEC a stable source of funding. That collaboration produced the bill H.R. 2239 which passed the House unanimously in July 1993 but which was never acted on by the Senate. This inaction is an outrage. But our immediate problem is to avert the impending shutdown of this key Government agency and the resulting economic gridlock.

To that end, H.R. 5060 provides that the section 6(b) registration fees would continue to be collected at the current rate of one twenty-ninth of 1 percent for 1 additional year, that is, through the end of fiscal year 1995. The bill also provides that the amounts collected attributable to the continuation of the one-twenty-ninth-of-1-percent rate would be deposited as offsetting collections to the amounts appropriated to the SEC for fiscal year 1995. This would allow the incremental amounts raised by continued collection of the fee at the one-twenty-ninth-of-1-percent rate to be available for funding the SEC.

Mr. Speaker, I commend the Committee on Ways and Means for this legislation and announce my intention to continue to press for responsible self-funding legislation for the SEC. I urge my colleagues to support this bill.

I submit my letter to Chairman GIBBONS for the RECORD.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ENERGY AND COMMERCE,
Washington, DC, September 21, 1994.

Hon. SAM GIBBONS,
Acting Chairman, Committee on Ways and Means, Washington, DC.

DEAR MR. CHAIRMAN: I am writing to you today to thank you for working with me to resolve the budgetary crisis currently facing the Securities and Exchange Commission (SEC). The Committee on Energy and Commerce deeply appreciates the action taken by the Committee on Ways and Means to favorably report H.R. 5060 to provide for the continuation of certain fee collections for the expenses of the SEC for fiscal year 1995. H.R. 5060 was introduced yesterday by you and referred jointly to the Committees on Energy and Commerce and Ways and Means. Given the exigent circumstances and the need for expeditious processing of this legislation, this Committee will not asset its jurisdictional interest and agrees to be discharged from further consideration of H.R. 5060.

As you know, in 1990, under the leadership of the Democratic Steering and Policy Committee, our respective Committees engaged in discussions that resulted in the statement issued by Speaker Foley in January 1991 regarding the jurisdiction of House Committees with respect to distinguishing between user fees and taxes. See Jurisdictional Concepts Related to Clause 5 of Rule XXI, Congressional Record, Vol. 137, No. 10, P. H507 (Jan. 15, 1991).

Pursuant to that statement, I understand that the Committee on Ways and Means generally will not assert jurisdiction over "true" regulatory fees that meet the following requirements:

(i) The fees are assessed and collected solely to cover the cost of specified regulatory activities (not including public information activities and other activities benefiting the public in general);

(ii) The fees are assessed and collected only in such manner as may reasonably be expected to result in an aggregate amount collected during any fiscal year which does not exceed the aggregate amount of the regulatory costs referred to in (i) above;

(iii) The only persons subject to the fees are those who directly avail themselves of, or are directly subject to, the regulatory activities referred to in (i), above; and

(iv) The amounts of the fees (a) are structured such that any person's liability for such fees is reasonably based on the proportion of the regulatory activities which relate to such person, and (b) are nondiscriminatory between foreign and domestic entities.

Additionally, pursuant to the Speaker's statement, the mere reauthorization of a preexisting fee that had not historically been considered a tax would not necessarily require a sequential referral to the Committee on Ways and Means. However, if such a preexisting fee were fundamentally changed so that it acquires the attributes of a tax, it properly should be referred to the Committee on Ways and Means.

Pursuant to its statutory mandates, the SEC collects fees for the filing of registration statements and other documents, for transactions on the stock exchanges, and for certain other activities under its regulatory jurisdiction. *See* H. Rpt. 103-179 to Accompany H.R. 2239, the Securities and Exchange

Commission Authorization Act of 1993, at 23–24. Aggregate fees collected by the SEC are dependent upon fee rates established under the federal securities laws as well as upon the level of fee-generating activity. As a result of the 1990 Gramm-Rudman-Hollings deficit reduction legislation, the SEC fees collect a surplus in addition to its appropriated budget. In recent years, the SEC has been a net contributor to the U.S. Treasury well above its appropriated budget. See chart in H. Rpt. 103–179 at 25. The fees collected by the SEC go to the Treasury as general revenues. The SEC gets no use of or credit for these monies but rather receives its yearly appropriations under the discretionary spending caps.

In recent appropriations bills, additional funding has been provided for the SEC by increasing the rate of registration fees under section 6(b) of the Securities Act of 1933 and applying the amounts attributable to these increases as offsetting collections credited against the SEC's appropriations. However, because the SEC already collects more in fees than is necessary to cover the costs of the registration process, the amount of the fees is not rationally related to the services the SEC renders. Thus, increases in these fees are revenue measures. In the past, the Committee on Ways and Means has expressed strong jurisdictional concerns and the Energy and Commerce Committee has expressed strong substantive and public policy concerns see, e.g., letters from the Honorable John D. Dingell to the Honorable John Joseph Moakley (June 17, 1994) and from the Honorable John D. Dingell to the Honorable Alan B. Mollohan (June 17, 1994)) about addressing the funding problems of the SEC in this manner and, accordingly, last year's conference report on the Commerce-Justice-State appropriations for fiscal year 1994 included language noting the agreement of the conferees that this would not be repeated in subsequent appropriations bills.

Last year, the Committee on Ways and Means worked with the Congressional Budget Office (CBO) and the Committees on Appropriations, Budget, and Energy and Commerce, in writing legislation (H.R. 2239) to reauthorize the SEC and to enact a full-cost recovery mechanism to address the SEC's funding imbalance and bring its fee collections in line with the 1991 guidance cited and discussed above. As crafted by the four Committees, with technical assistance from CBO, H.R. 2239 maintained strict Congressional control over SEC fee collections and expenses by providing that the authority of the SEC to collect and deposit fees as offsetting collections would be available only to the extent provided in advance in appropriations Acts. The method of fee adjustment, deposit and credit of offsetting collections, and other safeguards were spelled out in the statute. So as not to increase the budget deficit and to maintain pay-go scorecard neutrality, H.R. 2239 required that SEC fees continue to collect general revenues for fiscal years 1994 through 1998. Thereafter, SEC fees would be set and collected solely to recover the costs of that agency's regulatory activities. H.R. 2239, which enjoys bipartisan cosponsorship, has the strong support of the Administration, the securities industry, the SEC, state securities regulators, the securities bar, consumer groups, and others. On July 20, 1993, the House passed H.R. 2239 unanimously.

Subsequently, the Senate Banking Committee's Subcommittee on Securities held hearings on the SEC's budget authorization, and, in August 1993, that subcommittee's chairman wrote to me indicating his support, and that of the leadership of the full Banking Committee, for legislation along the lines of H.R. 2239. He also expressed his intention to move full-cost recovery legislation in this Congress. See letter from Senator Christopher J. Dodd to the Honorable John D. Dingell (August 6, 1993); see also letter from Senator Alfonse M. D'Amato to the Honorable John D. Dingell (August 3, 1993). However, the Senate Banking Committee has taken no action on this or any other reauthorization for the SEC. Indeed, we were informed by Senate staff at an August 23, 1994 meeting, called at the behest of the Administration, that Senators Gramm, Dodd and Domenici were opposed to SEC full-cost recovery, thus leaving the House to resolve the problems that such opposition created.

On June, 28, 1994, the House passed H.R. 4603, to make appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies programs for fiscal year 1995. As reported by the Committee on Appropriations, H.R. 4603 included a provision that would have allowed continued collection of registration fees at the rate in effect during fiscal year 1994, with such amounts applied as an offsetting collection to the SEC's appropriation. This provision was subject to points of order and was stricken on the ground that it constituted legislating in an appropriations bill in violation of House Rule XXI, clause 2. As passed, the House bill therefore provided only partial funding for the SEC for fiscal year 1995.

On July 22, 1994, the Senate passed its version of H.R. 4603. The Senate amendments included a provision (substantially similar to the provision stricken from the House bill) extending the fiscal year 1994 registration fee rate increase for an additional year in order to provide additional funding for the SEC. However, in response to last year's conference agreement and the jurisdictional concerns of the Committee on Ways and Means, the conference agreement for H.R. 4603 did not include the extension of the registration fees to fund the SEC. According to OMB, due to the operation of the Anti-Deficiency Act, notwithstanding the conference report's implication that the SEC would have funds adequate to maintain its operations through February 1995, the amount appropriated in fact falls far short of the amount needed to fund the agency for the year and would result in the agency having to send out reduction-in-force notices and begin the process of shutting down its operations as soon as October 1994.

H.R. 5060 would avert this crisis by providing that the section 6(b) registration fees would continue to be collected at the current rate of 1/29 of one percent for one additional year, i.e., during fiscal year 1995, and that the amounts collected attributable thereto would be deposited as offsetting collections to the amounts attributable to the SEC for fiscal year 1995. It is my understanding that the House and Senate Committees on Appropriations will ensure enactment of the companion appropriations component. We agree with you that this is a one-time stop-gap measure that will not be repeated and pledge our continued vigorous efforts to secure enactment of a comprehensive solution that serves the public interest.

I wish to thank you again, Mr. Chairman, for your full cooperation and the cooperation of your staff in addressing this matter. Please include this letter in your Committee report on H.R. 5060.

Sincerely,

JOHN D. DINGELL,
Chairman.

Mr. MARKEY. Mr. Speaker, I would like to commend Chairman GIBBONS for his cooperative and timely assistance in providing the Securities and Exchange Commission with the funding it needs to continue its crucial responsibilities of safeguarding the investing public and promoting efficient securities markets. As things now stand, the SEC has been appropriated a mere $125 million for fiscal year 1995. That is far short of the $306 million appropriation requested by that agency and provided for in the President's budget. Without the prompt and responsible action taken today by Chairman GIBBONS and the members of the Committee on Ways and Means, the SEC would face a serious shortfall in its funding, with the possibility of reduction-in-force [RIF] notices having to be issued as early as October 5 of this year. We also applaud our colleagues on the Appropriations Committee, who have long been sensitive to the plight of the SEC, for working to effectuate a corresponding appropriation of funds.

The important work of the SEC must not be allowed to be interrupted. As the securities markets have grown in volume and complexity, the SEC's job has become both more difficult and more essential. Between 1981 and 1993, the value of public offerings has increased by 1,789 percent. The number of investment advisers over that period grew by 292 percent and the value of assets under their management has swelled by 2,033 percent. In the fast-growing mutual fund area, the number of investment companies has increased by 393 percent and assets have grown by 662 percent. As more and more investors enter the marketplace through mutual funds and defined contribution retirement programs, so the critical nature of the SEC's task is enhanced.

The funding problems of the SEC have their roots, ironically, in the SEC's status as a net contributor to the Federal Treasury. The fees collected by the SEC go to the Treasury as general revenues. The SEC gets no credit for those amounts, and as the imbalance has worsened over time, so has the pressure increased on the SEC to be "cash cow" to fund other Federal programs. For example, last year, the SEC collected over $600 million in fees, but received less than half that amount to fund its operations. The wider the gap between what the SEC takes in and what it uses, the more SEC fees look like taxes rather than user fees. Both my Committee and the Committee on Ways and Means would like to see these fees return to their historic status as user fees. In the interim, however, we have been forced to rely on stopgap attempts to satisfy both SEC's budget needs and the Treasury's hunger for revenues through an increase in SEC fees on new stock registrations. All we are doing today is extending that stopgap approach at the same level for yet another year.

There is, however, an alternative. Unfortunately, that alternative, approved unanimously by the House on July 20, 1993, in the form of H.R. 2239, is unavailable to use as it has not been pursued by our Senate colleagues. H.R. 2239 was specifically designed to resolve the SEC's budget problems once and for all, thus relieving Congress of having to take such stopgap measures as we are forced to take

today. This bill was drafted with the cooperative input of the administration, the Appropriations, Budget, Ways and Means and Energy and Commerce Committees, and the Congressional Budget Office. H.R. 2239 would create a mechanism to fully recover the costs of the agency's budget through fee collections. To mute any budget impact, it would wean the Treasury off any excess amounts collected over a 5-year period. The Senate, however, has proved obstinate in its refusal to take up this legislation this Congress. I hope that next year, we can persuade the Senate to do the right thing, and pass full cost recovery legislation, so that SEC funding can be assured and the SEC can focus exclusively on its mandate to protect investors and safeguard the nation's increasingly complex securities markets.

Mr. SHAW. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. GIBBONS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. (Mr. FIELDS of Louisiana). The question is on the motion offered by the gentleman from Florida (Mr. GIBBONS) that the House suspend the rules and pass the bill, H.R. 5060.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

AMERICAN HERITAGE AREAS ACT OF 1994

Mr. VENTO. Mr. Speaker, I move that the House suspend the rules and pass the bill (H.R. 5044) to establish the American Heritage Areas Partnership Program, and for other purposes, as amended.

The Clerk read as follows:

H.R. 5044

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "American Heritage Areas Act of 1994".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title and table of contents.
Sec. 2. Definitions.

TITLE I—AMERICAN HERITAGE AREAS PARTNERSHIP PROGRAM

Sec. 101. Short title.
Sec. 102. Congressional findings.
Sec. 103. Statement of purpose.
Sec. 104. Definitions.
Sec. 105. American Heritage Areas Partnership Program.
Sec. 106. Feasibility studies, compacts, management plans, and early actions.
Sec. 107. Management entities.
Sec. 108. Withdrawal of designation.
Sec. 109. Duties and authorities of Federal agencies.
Sec. 110. Lack of effect on land use regulation.
Sec. 111. Authorization of appropriations.
Sec. 112. Expiration of authorities.
Sec. 113. Report.
Sec. 114. Savings provision.

TITLE II—DESIGNATION OF AMERICAN HERITAGE AREAS

Sec. 201. American Coal Heritage Area.
Sec. 202. Augusta Canal American Heritage Area.
Sec. 203. Cane River American Heritage Area.
Sec. 204. Essex American Heritage Area.
Sec. 205. Hudson River Valley American Heritage Area.
Sec. 206. Ohio & Erie Canal American Heritage Area.
Sec. 207. Shenandoah Valley Battlefields American Heritage Area.
Sec. 208. Steel Industry American Heritage Area.
Sec. 209. Vancouver American Heritage Area.
Sec. 210. Wheeling American Heritage Area.

TITLE III—STUDIES REGARDING POTENTIAL AMERICAN HERITAGE AREAS

Sec. 301. Ohio River Corridor.
Sec. 302. Fox and Lower Wisconsin River Corridors.
Sec. 303. South Carolina Corridor.
Sec. 304. Northern Frontier.

TITLE IV—BLACKSTONE RIVER VALLEY NATIONAL HERITAGE CORRIDOR AMENDMENTS

Sec. 401. Boundaries, commission, and revision of plan.
Sec. 402. Implementation of plan.
Sec. 403. Authorization of appropriations.

TITLE V—BRAMWELL NATIONAL HISTORIC DISTRICT

Sec. 501. Bramwell National Historic District.

TITLE VI—SOUTHWESTERN PENNSYLVANIA AMERICAN HERITAGE AREA AMENDMENTS

Sec. 601. Short title.
Sec. 602. Designation of Southwestern Pennsylvania American Heritage Area.
Sec. 603. Powers of the commission.
Sec. 604. Federal participation.
Sec. 605. Congressional oversight.
Sec. 606. Authorization of appropriations.
Sec. 607. Path of progress.

SEC. 2. DEFINITIONS.

For purposes of this Act:

(1) The term "compact" means a compact described in section 106(a)(2).

(2) The term "Secretary" means the Secretary of the Interior.

TITLE I—AMERICAN HERITAGE AREAS PARTNERSHIP PROGRAM

SEC. 101. SHORT TITLE.

This title may be cited as the "American Heritage Areas Partnership Program Act of 1994".

SEC. 102. CONGRESSIONAL FINDINGS.

The Congress finds that—

(1) certain areas of the United States represent the diversity of the national character through the interaction of natural processes, distinctive landscapes, cultural traditions, and economic and social forces that have combined to create a particular pattern of human settlement and activity;

(2) in these areas, natural, historic, or cultural resources, or some combination thereof, combine to form a cohesive, nationally distinctive landscape arising from patterns of human activity shaped by geography;

(3) these areas represent the national experience through the physical features that remain and the traditions that have evolved in the areas;

(4) continued use and adaptive reuses of the natural and cultural fabric within these areas by people whose traditions helped to shape the landscapes enhance the significance of the areas;

(5) despite existing Federal programs and existing efforts by States and localities, the natural, historic, and cultural resources and recreational opportunities in these areas are often at risk; and

(6) the complexity and character of these areas distinguish them and call for a distinctive system of recognition, protection, and partnership management.

SEC. 103. STATEMENT OF PURPOSE.

The purposes of this title are—

(1) to recognize that the natural, historic, and cultural resources and recreational opportunities of the United States represent and are important to the great and diverse character of the Nation, and that these resources and opportunities must be guarded, preserved, and wisely managed so they may be passed on to future generations;

(2) to recognize that combinations of such resources and opportunities, as they are geographically assembled and thematically related, form areas that provide unique frameworks for understanding the historical, cultural, and natural development of the community and its surroundings;

(3) to preserve such assemblages that are worthy of national recognition, designation, and assistance, and to encourage linking such resources within such areas through greenways, corridors, and trails;

(4) to encourage appropriate partnerships among Federal agencies, State and local governments, nonprofit organizations, and the private sector, or combinations thereof, to preserve, conserve, and manage those resources and opportunities, accommodate economic viability, and enhance the quality of life for the present and future generations of the Nation;

(5) to authorize Federal financial and technical assistance to State and local governments and private nonprofit organizations, or combinations thereof, to study and promote the potential for conserving and interpreting these areas; and

(6) to prescribe the process by which, and the standards according to which, prospective American Heritage Areas may be assessed for eligibility and included in the American Heritage Areas Partnership Program established by this title.

SEC. 104. DEFINITIONS.

For purposes of this title:

(1) AMERICAN HERITAGE AREA.—The term "American Heritage Area" means an area so designated under this title.

(2) INDIAN TRIBE.—The term "Indian tribe" means any Indian tribe, band, nation, pueblo, or other organized group or community, including any Alaska Native village or regional corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.), which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

(3) TECHNICAL ASSISTANCE.—The term "technical assistance" means any guidance, advice, help, or aid, other than financial aid.

(4) UNIT OF GOVERNMENT.—The term "unit of government" means the government of a State, a political subdivision of a State, or an Indian tribe.

SEC. 105. AMERICAN HERITAGE AREAS PARTNERSHIP PROGRAM.

(a) ESTABLISHMENT.—In order to preserve nationally distinctive natural, historic, and

cultural resources, and to provide opportunities for conservation, education, and recreation through recognition of and assistance to areas containing such resources, there is hereby established within the Department of the Interior an American Heritage Areas Partnership Program, which shall consist of American Heritage Areas designated under subsection (d).

(b) GENERAL AUTHORITY OF SECRETARY.—In accordance with the purposes of this title, the Secretary is authorized—

(1) to evaluate, in accordance with the criteria established in subsection (c), areas nominated under this title for designation as American Heritage Areas;

(2) to advise State and local governments, nonprofit organizations, and other appropriate entities regarding suitable methods of recognizing and preserving thematically and geographically linked natural, historic, and cultural resources and recreational opportunities; and

(3) to consider any American Heritage Area, designated under this or any other Act, for nomination to the World Heritage List if the Secretary determines that such area meets the qualifications for such nomination.

(c) CRITERIA.—To be eligible for designation as an American Heritage Area, an area shall meet each of the following criteria:

(1) ASSEMBLAGE OF RESOURCES.—The area shall be an assemblage of natural, historic, or cultural resources that—

(A) together represent distinctive aspects of American heritage worthy of recognition, preservation, interpretation, and continuing use; and

(B) are best managed as such an assemblage, through partnerships among public and private entities, and by combining diverse and sometimes noncontiguous resources and active communities.

(2) TRADITIONS, CUSTOMS, BELIEFS, OR FOLKLIFE.—The area shall reflect traditions, customs, beliefs, or folklife, or some combination thereof, that are a valuable part of the story of the Nation.

(3) CONSERVATION OF NATURAL, CULTURAL, OR HISTORIC FEATURES.—The area shall provide outstanding opportunities to conserve natural, cultural, or historic features, or some combination thereof.

(4) RECREATIONAL AND EDUCATIONAL OPPORTUNITIES.—The area shall provide outstanding recreational and educational opportunities.

(5) THEMES AND INTEGRITY OF RESOURCES.—The area shall have an identifiable theme or themes, and resources important to the identified theme or themes shall retain integrity capable of supporting interpretation.

(6) SUPPORT.—Residents, nonprofit organizations, other private entities, and governments within the proposed area shall demonstrate support for designation of the area and for management of the area as appropriate for such designation.

(7) AGREEMENTS.—The principal organization and units of government supporting the designation shall be willing to commit to agreements to work in partnership to implement the management plan of the area.

(8) CONSISTENCY WITH ECONOMIC VIABILITY.—The proposal shall be consistent with continued economic viability in the affected communities.

(d) CONDITIONS FOR DESIGNATION.—An area may be designated as an American Heritage Area only by an Act of Congress or by the means provided in title II. Except as otherwise provided in title II, the Congress may designate an area as an American Heritage Area only after each of the following conditions is met:

(1) SUBMISSION OF STUDY AND COMPACT TO SECRETARY.—An entity requesting American Heritage Area designation for the area submits to the Secretary a feasibility study and compact meeting the requirements of section 106(a). The comments of the Governor of each State in which the proposed American Heritage Area lies, or a statement by the entity that such Governor has failed to comment within a reasonable time after receiving the study and compact, accompanies such submittal to the Secretary.

(2) APPROVAL AND SUBMISSION BY SECRETARY.—The Secretary approves, pursuant to section 106(b), the feasibility study and compact referred to in paragraph (1) and submits the study and compact to the Congress together with any comments that the Secretary deems appropriate regarding a preferred action.

(e) RELATION TO NATIONAL REGISTER OF HISTORIC PLACES.—The act of designation of an American Heritage Area shall not be deemed to signify that such American Heritage Area is included on, or eligible for inclusion on, the National Register of Historic Places, as established in accordance with section 101 of the National Historic Preservation Act (16 U.S.C. 470a). Designation of an American Heritage Area shall not preclude the American Heritage Area or any district, site, building, structure, or object located within the American Heritage Area from subsequently being nominated to, or determined eligible for inclusion on, the National Register.

SEC. 106. FEASIBILITY STUDIES, COMPACTS, MANAGEMENT PLANS, AND EARLY ACTIONS.

(a) CONTENTS AND REQUIREMENTS.—

(1) FEASIBILITY STUDIES.—Each feasibility study submitted under this title shall include sufficient information to determine whether an area has the potential to meet the criteria referred to in section 105(c). Such information shall include, but need not be limited to, each of the following:

(A) A description of the natural, historic, and cultural resources and recreational opportunities presented by the area, including an assessment of the quality and degree of integrity of, the availability of public access to, and the themes represented by such resources and opportunities.

(B) An assessment of the interest of potential partners, including units of government, nonprofit organizations, and other private entities.

(C) A description of tentative boundaries for an American Heritage Area proposed to be established in the area.

(D) Identification of a possible management entity for an American Heritage Area proposed to be established in the area.

(E) An inventory of the amount of land in the area owned by public, private, and private nonprofit entities, respectively.

(2) COMPACTS.—(A) A compact submitted under this title shall include information relating to the objectives and management of an area proposed for designation as an American Heritage Area. Such information shall include, but need not be limited to, each of the following:

(i) A delineation of the boundaries of the proposed American Heritage Area.

(ii) A discussion of the goals and objectives of the proposed American Heritage Area, including an explanation of the proposed approach to conservation and interpretation and a general outline of the protection measures committed to by the partners referred to in clause (iv).

(iii) An identification and description of the management entity that will administer the proposed American Heritage Area.

(iv) A list of the initial partners to be involved in developing and implementing the management plan referred to in paragraph (3) for the proposed American Heritage Area, and a statement of the financial commitment of the partners.

(v) A description of the role of the State or States in which the proposed American Heritage Area is located.

(B)(i) The compact shall be prepared with public participation.

(ii) Actions called for in the compact shall be likely to be initiated within a reasonable time after designation of the proposed American Heritage Area and shall ensure effective implementation of the State and local aspects of the compact.

(3) MANAGEMENT PLANS.—A management plan submitted under this title for an American Heritage Area shall present comprehensive recommendations for the conservation, funding, management, and development of the area. The plan shall take into consideration existing State, county, and local plans and involve residents, public agencies, and private organizations in the area. It shall include a description of the actions recommended to be taken, to protect the resources of the area, by units of government and private organizations. It shall specify existing and potential sources of funding for the protection, management, and development of the area. The plan also shall include the following, as appropriate:

(A) An inventory of the resources contained in the American Heritage Area, including a list of property in the area that should be preserved, restored, managed, developed, or maintained because of the natural, cultural, or historic significance of the property as it relates to the themes of the area.

(B) A recommendation of policies for resource management that consider and detail the application of appropriate land and water management techniques, including (but not limited to) the development of intergovernmental cooperative agreements to protect the historical, cultural, and natural resources and the recreational opportunities of the area in a manner consistent with the support of appropriate and compatible economic viability.

(C) A program, including plans for restoration and construction, for implementation of the management plan by the management entity specified in the compact referred to in paragraph (2) and specific commitments, for the first 5 years of operation of the plan, by the partners identified in the compact.

(D) An analysis of means by which Federal, State, and local programs may best be coordinated to promote the purposes of this title.

(E) An interpretive plan for the American Heritage Area.

(4) EARLY ACTIONS.—After designation of an American Heritage Area but prior to approval of the management plan for that area, the Secretary may provide technical and financial assistance for early actions that are important to the theme of the area and that protect resources that would be in imminent danger of irreversible damage without such early actions.

(b) APPROVAL AND DISAPPROVAL OF COMPACTS AND MANAGEMENT PLANS.—

(1) IN GENERAL.—The Secretary, in consultation with the Governors of each State in which the relevant American Heritage

Area, or proposed area, is located, shall approve or disapprove every compact or management plan submitted under this title not later than 90 days after receiving such compact or management plan. Prior to approving the compact or plan, the Secretary shall consult with the Advisory Council on Historic Preservation in accordance with section 106 of the National Historic Preservation Act (16 U.S.C. 470f).

(2) DISAPPROVAL AND REVISIONS.—If the Secretary disapproves a compact or management plan submitted under this title, the Secretary shall advise the submitter, in writing, of the reasons for the disapproval and shall make recommendations for revisions of the compact or plan. The Secretary shall approve or disapprove a proposed revision to such a compact or plan within 90 days after the date on which the revision is submitted to the Secretary.

(3) AMENDMENTS TO MANAGEMENT PLANS.—The Secretary shall review substantial amendments to management plans for American Heritage Areas. Funds appropriated pursuant to this title may not be expended to implement such amendments until the Secretary approves the amendments.

(4) NO REQUIREMENT FOR LAND USE REGULATION AS CONDITION FOR APPROVAL.—No provision of this title shall be construed to require any change in land use regulation as a condition of approval of a compact, management plan, or revision of a compact or management plan by the Secretary.

SEC. 107. MANAGEMENT ENTITIES.

(a) IN GENERAL.—

(1) RECEIPT OF FEDERAL FUNDS.—Management entities that are designated in compacts approved under section 106(b) for American Heritage Areas are authorized to receive Federal funds in support of cooperative partnerships to prepare and implement the management plans regarding the American Heritage Areas and to otherwise perform the functions contemplated in this title.

(2) ELIGIBILITY.—To be eligible for designation as the management entity of an American Heritage Area, a unit of government or private nonprofit organization must possess the legal ability to—

(A) receive Federal funds for use in preparing and implementing the management plan for the area;

(B) disburse Federal funds to other units of government or other organizations for use in preparing and implementing the management plan;

(C) account for all Federal funds so received or disbursed; and

(D) sign agreements with the Federal Government.

(b) AUTHORITIES OF MANAGEMENT ENTITY.—The management entity of an American Heritage Area may, for purposes of preparing and implementing the management plan for the area, use Federal funds made available under this title—

(1) to make grants and loans to States, political subdivisions thereof, private organizations, and other persons;

(2) to enter into cooperative agreements with Federal agencies; and

(3) to hire and compensate staff.

(c) DUTIES OF MANAGEMENT ENTITY.—The management entity for an American Heritage Area shall do each of the following:

(1) MANAGEMENT PLAN.—The management entity shall develop, and submit to the Secretary for approval, a management plan described in section 106(a)(3) within 3 years after the date of the designation of the area as an American Heritage Area.

(2) PRIORITIES.—The management entity shall give priority to the implementation of actions, goals, and policies set forth in the compact and management plan referred to in section 106(a), including—

(A) assisting units of government, regional planning organizations, and nonprofit organizations—

(i) in preserving the American Heritage Area;

(ii) in establishing and maintaining interpretive exhibits in the area;

(iii) in developing recreational opportunities in the area;

(iv) in increasing public awareness of and appreciation for the natural, historical, and cultural resources of the area;

(v) in the restoration of historic buildings that are located within the boundaries of the area and relate to the themes of the area; and

(vi) in ensuring that clear, consistent, and environmentally appropriate signs identifying access points and sites of interest are put in place throughout the area;

(B) consistent with the goals of the management plan referred to in section 106(a)(3), encouraging economic viability in the affected communities by appropriate means; and

(C) encouraging local governments to adopt land-use policies consistent with the management of the area and the goals of the management plan referred to in section 106(a)(3).

(3) CONSIDERATION OF INTERESTS OF LOCAL GROUPS.—The management entity shall, in developing and implementing the management plan referred to in section 106(a)(3), consider the interests of diverse governmental, business, and nonprofit groups within the geographic area.

(4) PUBLIC MEETINGS.—The management entity shall conduct public meetings at least quarterly regarding the implementation of the management plan referred to in section 106(a)(3).

(5) SUBMISSION OF CHANGES IN PLAN.—The management entity shall submit any substantial changes to the management plan referred to in section 106(a)(3) (including any increase of more than 20 percent in the cost estimates for implementation of the management plan) to the Secretary for the approval of the Secretary.

(6) ANNUAL REPORT.—The management entity shall, for any fiscal year in which it receives Federal funds under this title or in which a loan made by the entity with Federal funds under section 107(b)(1) is outstanding, submit an annual report to the Secretary setting forth its accomplishments, its expenses and income, and the entities to which it made any loans and grants during the year for which the report is made.

(7) COOPERATION WITH AUDITS.—The management entity shall, for any fiscal year in which it receives Federal funds under this title or in which a loan made by the entity with Federal funds under section 107(b)(1) is outstanding, make available for audit by the Congress, the Secretary, and appropriate units of government all records and other information pertaining to the expenditure of such funds and any matching funds, and require, for all agreements authorizing expenditure of Federal funds by other organizations, that the receiving organizations make available for such audit all records and other information pertaining to the expenditure of such funds.

(8) LIABILITY FOR LOANS.—The management entity shall be liable to the Federal Government for any loans that the management entity makes under section 107(b)(1).

(d) DISQUALIFICATION FOR FEDERAL FUNDING.—If a management plan regarding an American Heritage Area is not submitted to the Secretary as required under subsection (c)(1) within the time specified in such subsection, the American Heritage Area shall cease to be eligible for Federal funding under this title until such a plan regarding the American Heritage Area is submitted to the Secretary.

(e) PROHIBITION OF ACQUISITION OF REAL PROPERTY.—A management entity for an American Heritage Area may not use Federal funds received under this title to acquire real property or interest in real property. No provision of this title shall prohibit any management entity from using Federal funds from other sources for their permitted purposes.

(f) DURATION OF ELIGIBILITY FOR FINANCIAL ASSISTANCE.—

(1) IN GENERAL.—A management entity for an American Heritage Area shall be eligible to receive funds appropriated pursuant to this title for a 10-year period beginning on the day on which the American Heritage Area is designated, except as provided in paragraph (2).

(2) EXTENSION OF ELIGIBILITY.—The eligibility of a management entity for funding under this title may be extended, by the Secretary, for a period of not more than 5 years after the 10-year period referred to in paragraph (1), if—

(A) the management entity determines that the extension is necessary in order to carry out the purposes of this title and notifies the Secretary of such determination not later than 180 days prior to the end of the 10-year period referred to in paragraph (1);

(B) the management entity, not later than 180 days prior to the end of the 10-year period referred to in paragraph (1), presents to the Secretary a plan of its activities for the period of the extension, including provisions for becoming independent of the funds made available pursuant to this title; and

(C) the Secretary, after consulting with the Governor of each State in which the American Heritage Area is located, approves such extension of eligibility.

(3) LACK OF EFFECT OF EXTENSION ON FUNDING LIMITATIONS.—An extension provided under this subsection shall not be construed as waiving any limitation on funds provided pursuant to this title.

SEC. 108. WITHDRAWAL OF DESIGNATION.

(a) IN GENERAL.—The American Heritage Area designation of an area shall continue unless—

(1) the Secretary determines that—

(A) the American Heritage Area no longer meets the criteria referred to in section 105(c);

(B) the parties to the compact approved in relation to the area under section 106(b) are not in compliance with the terms of the compact;

(C) the management entity of the area has not made reasonable and appropriate progress in developing or implementing the management plan approved for the area under section 106(b); or

(D) the use, condition, or development of the area is incompatible with the criteria referred to in section 105(c) or with the compact approved in relation to the area under section 106(b); and

(2) after making a determination referred to in paragraph (1), the Secretary submits to the Congress notification that the American Heritage Area designation of the area should be withdrawn.

(b) PUBLIC HEARING.—Before the Secretary makes a determination referred to in subsection (a)(1) regarding an American Heritage Area, the Secretary or a designee shall hold a public hearing within the area.

(c) TIME OF WITHDRAWAL OF DESIGNATION.—

(1) IN GENERAL.—The withdrawal of the American Heritage Area designation of an area shall become final 90 legislative days after the Secretary submits to the Congress the notification referred to in subsection (a)(2) regarding the area.

(2) LEGISLATIVE DAY.—For purposes of this subsection, the term "legislative day" means any calendar day on which both Houses of the Congress are in session.

SEC. 109. DUTIES AND AUTHORITIES OF FEDERAL AGENCIES.

(a) DUTIES AND AUTHORITIES OF SECRETARY.—

(1) GRANTS.—The Secretary may make matching grants to provide assistance regarding feasibility studies and compacts described in section 106(a) and, upon request of the management entity for the relevant American Heritage Area, regarding management plans and early actions described in section 106(a) and capital projects and improvements undertaken pursuant to such management plans. The Secretary may make grants under this section to units of government, and, in consultation with affected units of government, to private nonprofit organizations. In awarding grants, the Secretary shall be guided by the criteria for eligibility for designation referred in section 105(c).

(2) TECHNICAL ASSISTANCE.—(A) The Secretary may provide technical assistance to units of government and private nonprofit organizations regarding feasibility studies and compacts described in section 106(a) and, upon request of the management entity for the relevant American Heritage Area, regarding management plans and early actions described in section 106(a) and capital projects and improvements undertaken pursuant to such management plans. In providing the technical assistance, the Secretary shall be guided by the criteria for eligibility for designation referred to in section 105(c).

(B) The Secretary may elect to provide all or part of the technical assistance authorized by this subsection through cooperative agreements with units of government and private nonprofit organizations whose missions and resources can contribute substantially to the purposes of this title.

(3) OTHER ASSISTANCE.—Nothing in this title shall be deemed to prohibit the Secretary or units of government from providing technical or financial assistance under any other provision of law.

(4) PRIORITIES FOR ASSISTANCE.—In assisting an American Heritage Area, the Secretary shall give priority to actions that assist in—

(A) conserving the significant natural, historic, and cultural resources which support the themes of the American Heritage Area; and

(B) providing educational, interpretive, and recreational opportunities consistent with the resources and associated values of the American Heritage Area.

(5) DETERMINATIONS REGARDING ASSISTANCE.—The Secretary shall decide which American Heritage Areas shall be awarded technical and financial assistance and the amount of the assistance. Such decisions shall be based on the relative degree to which each American Heritage Area effectively fulfills the objectives contained in the management plan for the area, achieves the purposes of this title, and fulfills the criteria referred to in section 105(c) and shall give consideration to projects which provide a greater leverage of Federal funds.

(6) NON-FEDERALLY OWNED PROPERTY.—The Secretary is authorized to spend Federal funds directly on nonfederally owned property to further the purposes of this title, giving priority to assisting units of government in appropriate treatment of districts, sites, buildings, structures, and objects listed or eligible for listing on the National Register of Historic Places.

(7) ANNUAL REPORT.—The Secretary shall submit an annual report to the Congress regarding the American Heritage Areas Partnership Program. Each report shall include—

(A) the number, amount, and recipients of any grants provided by the Secretary under this title and the nature of any technical assistance or early action provided under this title;

(B) a description of the status and condition of, and Federal funding provided under this Act to, each American Heritage Area;

(C) a description of the areas nominated for the American Heritage Partnership Program;

(D) the recommendations of the Secretary regarding areas to be designated by the Congress as American Heritage Areas; and

(E) the status of the implementation of all contractual agreements entered into by the Secretary under this title.

(8) OVERSIGHT OF HERITAGE AREAS WITH EXPIRED ELIGIBILITY.—The Secretary shall investigate, study, and continually monitor the welfare of all American Heritage Areas whose eligibility for Federal funding under this title has expired and shall report to the Congress periodically regarding the condition of such American Heritage Areas.

(9) PROVISION OF INFORMATION.—In cooperation with other Federal agencies, the Secretary shall provide the general public with information regarding the location and character of components of the American Heritage Areas Partnership Program.

(10) PROMULGATION OF REGULATIONS.—The Secretary shall promulgate such regulations as are necessary to carry out the purposes of this title.

(b) DUTIES OF FEDERAL ENTITIES.—Any Federal entity conducting or supporting activities within an American Heritage Area, and any unit of government acting pursuant to a grant of Federal funds or a Federal permit or agreement and conducting or supporting such activities, shall, to the maximum extent practicable—

(1) consult with the Secretary and the management entity for the American Heritage Area with respect to such activities;

(2) cooperate with the Secretary and the management entity in the carrying out of the duties of the Secretary and the management entity under this title, and coordinate such activities with the carrying out of such duties; and

(3) conduct or support such activities in a manner consistent with the management plan for the American Heritage Area unless the Federal entity or unit of government, after consultation with the Secretary and the management entity, determines that there is no practicable alternative.

SEC. 110. LACK OF EFFECT ON LAND USE REGULATION.

(a) LACK OF EFFECT ON AUTHORITY OF GOVERNMENTS.—Nothing in this title shall be construed to modify, enlarge, or diminish any authority of Federal, State, and local governments to regulate any use of land as provided for by current law or regulation.

(b) LACK OF ZONING OR LAND USE POWERS OF ENTITY.—Nothing in this title shall be construed to grant powers of zoning or land use to any management entity for an American Heritage Area.

(c) MANAGEMENT PLAN AVAILABILITY TO LOCAL GOVERNMENTS.—Any management plan referred to in section 106(a) and submitted to the Secretary by the management entity for an American Heritage Area shall be made available to the local governments having jurisdiction over land use regulations affecting the American Heritage Area for the use of the local governments in updating their growth management plans and in the event that such governments desire to amend current land use legislation as they may deem appropriate and in accordance with their legal authority.

SEC. 111. AUTHORIZATION OF APPROPRIATIONS.

(a) FEASIBILITY STUDIES, COMPACTS, MANAGEMENT PLANS, AND EARLY ACTIONS.—From the amounts made available to carry out the National Historic Preservation Act (16 U.S.C. 470 et seq.), there is authorized to be appropriated to the Secretary, for grants and technical assistance pursuant to section 109(a) and the administration of such grants and assistance, annually not more than $8,000,000, to remain available until expended, with the following conditions:

(1) PERCENT OF COST.—No grant under this title for a feasibility study, compact, management plan, or early action may exceed 75 percent of the cost, to the grantee, for such study, compact, plan, or early action.

(2) STUDIES.—The total amount of Federal funding under this title for feasibility studies for a proposed American Heritage Area may not exceed $100,000.

(3) COMPACTS.—The total amount of Federal funding under this title for compacts for a proposed American Heritage Area may not exceed $150,000.

(4) EARLY ACTION GRANTS.—The total amount of Federal funding under this title for early action grants for an American Heritage Area may not exceed $250,000.

(5) MANAGEMENT PLANS.—The total amount of Federal funding under this title for management plans for an American Heritage Area may not exceed $150,000.

(b) MANAGEMENT ENTITY OPERATIONS.—

(1) OPERATING COSTS.—From the amounts made available to carry out the National Historic Preservation Act (16 U.S.C. 470 et seq.), there is authorized to be appropriated to the Secretary, for each management entity of an American Heritage Area, not more than $250,000 annually for the operating costs of such management entity pursuant to section 107.

(2) COST SHARE.—The Federal contribution under this title to the operations of any management entity of an American Heritage Area shall not exceed 50 percent of the annual operating costs of the entity.

(c) PLAN IMPLEMENTATION.—From the amounts made available to carry out the National Historic Preservation Act (16 U.S.C. 470 et seq.), there is authorized to be appropriated to the Secretary, for grants and technical assistance for the implementation of management plans for designated American Heritage Areas and the administration of such grants and assistance, not more than *$14,500,000* annually, to remain available until expended, with the following conditions:

(1) PERCENT OF COST.—No grant under this title for implementation of a management plan may exceed 50 percent of the cost to the grantee of the implementation.

(2) PERCENT OF FUNDING FOR EACH AREA.—Not more than 10 percent of the annual appropriation for this subsection shall be made available, in any 1 year, to each American Heritage Area.

(3) TOTAL FUNDING FOR EACH AREA.—Not more than a total of $10,000,000 may be made available under this subsection to each American Heritage Area.

(4) AGREEMENTS.—Any payment made under this subsection shall be subject to an agreement that conversion, use, or disposal of the project so assisted for purposes contrary to the purposes of this title, as determined by the Secretary, shall result in a right of the United States to the greater of—

(A) reimbursement of all funds made available for such project; and

(B) the proportion of the increased value of the project attributable to such funds, as determined at the time of such conversion, use, or disposal.

(d) LIMITATION ON AMOUNTS FOR TECHNICAL ASSISTANCE.—The amount of Federal funding made available under this section for technical assistance for an American Heritage Area for a fiscal year may not exceed $150,000.

SEC. 112. EXPIRATION OF AUTHORITIES.

The authorities contained in this title shall expire on September 30 of the 25th fiscal year beginning after the date of the enactment of this title.

SEC. 113. REPORT.

The Secretary shall submit to the Congress, every 5 years while the authorities contained in this title remain in force, a report on the status and accomplishments of the American Heritage Areas Partnership Program as a whole.

SEC. 114. SAVINGS PROVISION.

Nothing in this title shall be construed to expand or diminish any authorities contained in any law designating an individual National Heritage Area or Corridor before the date of the enactment of this title.

TITLE II—DESIGNATION OF AMERICAN HERITAGE AREAS

SEC. 201. AMERICAN COAL HERITAGE AREA.

(a) CONGRESSIONAL FINDINGS.—The Congress finds that—

(1) the rise of American industry in the late 19th and 20th centuries led to tremendous growth in the Appalachian coal fields, creating an area of national historic significance in terms of its contributions to the industrial revolution, architecture, culture, and diversity;

(2) within the Appalachian coal belt, the coal mined in southern West Virginia and in southwestern Virginia produced some of the purest and most sought-after coal in the Nation, and the region associated with this coal contains a rich cultural heritage;

(3) the influx of labor needed to mine coal in this region created a diverse community of African Americans from the south, recent immigrants from southern and southeastern Europe, Americans from northern mining areas, and native Appalachians;

(4) it is in the national interest to preserve and protect physical remnants of the late 19th and early 20th century rise of American industry for the education and benefit of present and future generations; and

(5) there is a need to provide assistance to the preservation and promotion of the vestiges of the coal heritage of Appalachia that have outstanding cultural, historic, and architectural value.

(b) STATEMENT OF PURPOSE.—The purposes of this section are to preserve and interpret, for the educational and inspirational benefit of present and future generations, certain lands and structures with unique and significant historical and cultural values associated with the coal mining heritage of southern West Virginia and southwestern Virginia.

(c) DESIGNATION.—

(1) IN GENERAL.—Upon publication by the Secretary in the Federal Register of notice that a compact meeting the requirements for a compact under section 106(a)(2) has been approved by the Secretary under the procedures referred to in section 106(b), there is hereby designated the American Coal Heritage Area (hereinafter in this section referred to as the "Heritage Area").

(2) COMPACT.—The Secretary may not require, as a condition of approving a compact submitted pursuant to this section regarding the Heritage Area, that both the State of West Virginia and the Commonwealth of Virginia sign the compact.

(d) BOUNDARIES.—The Heritage Area shall be composed of the lands generally depicted on the map entitled "Coal Industry National Heritage Area", numbered CMNHA-80,008, and dated August 1994. The map shall be on file and available for public inspection in the office of the Director of the National Park Service.

(e) ADMINISTRATION.—The Heritage Area shall be considered to be part of the American Heritage Areas Partnership Program and shall be considered for all purposes, including but not limited to the management plan submission requirement of section 107(c)(1) and the provisions of section 108, to have been designated an American Heritage Area under section 105(d) on the date on which the Heritage Area is designated under subsection (c) of this section.

SEC. 202. AUGUSTA CANAL AMERICAN HERITAGE AREA.

(a) CONGRESSIONAL FINDINGS.—The Congress finds that—

(1) the Augusta Canal National Historic Landmark in the State of Georgia, listed on the National Register of Historic Places, is one of the last unspoiled and undeveloped areas in the State of Georgia, has remained largely intact, and has excellent water quality, beautiful rural landscapes, architecturally significant mill structures and mill villages, and large acreage in open space;

(2) the beautiful rural landscapes, scenic vistas and excellent water quality of the Augusta Canal contain significant undeveloped recreational opportunities for people throughout the United States;

(3) the existing mill sites and other structures throughout the Augusta Canal were instrumental in the development of the cotton textile industry in the south;

(4) several significant sites associated with Native Americans, the American Revolution, and African-Americans are located within the area; and

(5) the Augusta Canal Authority would be an appropriate management entity for an American Heritage Area established in the area of the Augusta Canal.

(b) STATEMENT OF PURPOSE.—The purposes of this section are to—

(1) designate the Augusta Canal as an American Heritage Area; and

(2) provide a management framework to assist the State of Georgia, its units of local and regional government, and citizens in the development and implementation of integrated cultural, historical, and recreational land resource management programs in order to retain, enhance, and interpret significant features of the lands, waters, historic structures, and heritage of the Augusta Canal.

(c) DESIGNATION.—Upon publication in the Federal Register of notice that a compact meeting the requirements for a compact under section 106(a)(2) has been approved by the Secretary under the procedures referred to in section 106(b), there is hereby designated the Augusta Canal American Heritage Area (hereinafter in this section referred to as the "Heritage Area").

(d) BOUNDARIES.—The Heritage Area shall be comprised of the lands generally depicted on the map entitled "The Augusta Canal", numbered AUCA-80,000, and dated August 1994. The map shall be on file and available for public inspection in the office of the Director of the National Park Service.

(e) ADMINISTRATION.—The Heritage Area shall be considered to be part of the American Heritage Areas Partnership Program and shall be considered for all purposes, including but not limited to the management plan submission requirement of section 107(c)(1) and the provisions of section 108, to have been designated an American Heritage Area under section 105(d) on the date on which the Heritage Area is designated under subsection (c) of this section.

SEC. 203. CANE RIVER AMERICAN HERITAGE AREA.

(a) CONGRESSIONAL FINDINGS.—The Congress finds that—

(1) the settlement in the Natchitoches area along Cane River, established in 1714, is the oldest settlement in the Louisiana Purchase Territory;

(2) the Cane River area is the locale of the development of Creole culture, from the French-Spanish interactions of the early 18th century to the living communities of today;

(3) the Cane River, historically a segment of the Red River, provided the focal point for early settlement in the area, serving as a transportation route upon which commerce and communication reached all parts of the colony;

(4) although a number of Creole structures, sites, and landscapes exist in Louisiana and elsewhere, most, unlike the Cane River area, are isolated examples and lack original outbuilding complexes or integrity;

(5) the Cane River area includes a great variety of historical features, with original elements, in both rural and urban settings and a cultural landscape that represents various aspects of Creole culture, providing the base for a holistic approach to understanding the broad continuum of history within the region;

(6) the Cane River region includes the Natchitoches National Historic Landmark District, composed of approximately 300 publicly and privately owned properties, 4 other national historic landmarks, and other structures and sites that may meet criteria for landmark significance following further study;

(7) historic preservation within the Cane River area has greatly benefited from individuals and organizations that have strived to protect their heritage and educate others about their rich history; and

(8) because of the complexity and magnitude of preservation needs in the Cane River area, and the vital need for a culturally sensitive approach, a partnership approach is desirable for addressing the many preservation and educational needs of the area.

(b) STATEMENT OF PURPOSE.—The purposes of this section are—

(1) to recognize the importance of the Cane River Creole culture as a significant element

of the cultural heritage of the United States; and

(2) to establish a Cane River American Heritage Area to be undertaken in partnership with the State of Louisiana, the city of Natchitoches, local communities and settlements of the Cane River area, preservation organizations, and private landowners, with full recognition that programs must fully involve the local communities and landowners.

(c) DESIGNATION.—In furtherance of the need to recognize the value and importance of the Cane River region, upon publication by the Secretary in the Federal Register of notice that a compact meeting the requirements for a compact under section 106(a)(2) has been approved by the Secretary under the procedures referred to in section 106(b), there is hereby designated the Cane River American Heritage Area (hereinafter in this section referred to as the "Heritage Area").

(d) BOUNDARIES.—

(1) IN GENERAL.—The Heritage Area shall be composed of the lands encompassing—

(A) an acre approximately 1 mile on both sides of the Cane River, as depicted on the map numbered "CARI-80,000", and dated January 1994;

(B) the Natchitoches National Historical Landmark District;

(C) the Los Adaes State Commemorative Area;

(D) the Fort Jesup State Commemorative Area;

(E) the Fort St. Jean Baptiste State Commemorative Area; and

(F) the Kate Chopin House.

(2) MAP.—The Secretary shall prepare a map of the Cane River American Heritage Area, which shall be on file and available for public inspection in the office of the Director of the National Park Service.

(e) ADMINISTRATION.—The Heritage Area shall be considered to be part of the American Heritage Areas Partnership Program and shall be considered for all purposes, including but not limited to the management plan submission requirement of section 107(c)(1) and the provisions of section 108, to have been designated an American Heritage Area under section 105(d) on the date on which the Heritage Area is designated under subsection (c) of this section.

(f) MANAGEMENT ENTITY.—Upon petition, the Secretary is authorized to recognize a coalition consisting of the following persons as the management entity, for purposes of title I, for the Cane River American Heritage Area:

(1) 1 member submitted by the mayor of Natchitoches.

(2) 1 member submitted by the Association for the Preservation of Historic Natchitoches.

(3) 1 member submitted by the Natchitoches Historic Foundation, Inc.

(4) 2 members, with experience in and knowledge of tourism in the area of the Cane River American Heritage Area, submitted by local business and tourism organizations.

(5) 1 member submitted by the Governor of the State of Louisiana.

(6) 1 member submitted by the Police Jury of Natchitoches Parish in Louisiana.

(7) 1 member submitted by the Concerned Citizens of Cloutierville.

(8) 1 member submitted by the St. Augustine Historical Society.

(9) 1 member submitted by the Black Heritage Committee.

(10) 1 member submitted by the Los Adaes/Robeline Community.

(11) 1 member submitted by the Natchitoches Historic District Commission.

(12) 1 member submitted by the Cane River Waterway Commission.

(13) 2 members who are landowners in and residents of the Cane River American Heritage Area.

(14) 1 member, with experience and knowledge of historic preservation, submitted by Museum Contents, Inc.

(15) 1 member, with experience and knowledge of historic preservation, submitted by the President of Northwestern State University of Louisiana.

(16) 1 member, with experience in and knowledge of environmental, recreational, and conservation matters affecting the Cane River American Heritage Area, submitted by the Natchitoches Sportsman's Association and other local recreational and environmental organizations.

(17) The superintendent of the Jean Lafitte National Historic Park and Preserve, or a designee.

SEC. 204. ESSEX AMERICAN HERITAGE AREA.

(a) CONGRESSIONAL FINDINGS.—The Congress finds that—

(1) Essex County, Massachusetts, was host to a series of historic events that influenced the course of the early settlement of the United States, its emergence as a maritime power, and its subsequent industrial development;

(2) the North Shore of Essex County and Merrimack River valley contain examples of significant early American architecture and significant Federal-period architecture, many sites and buildings associated with the establishment of the maritime trade in the United States, the site of the witchcraft trials of 1692, the birthplace of successful iron manufacture, and the establishment of the textile and leather industries in and around the cities of Peabody, Beverly, Lynn, Lawrence, and Haverhill;

(3) Salem, Massachusetts, has a rich heritage as one of the earliest landing sites of the English colonists, the first major world harbor for the United States, and an early thriving hub of American industries;

(4) the Saugus Iron Works National Historic Site is the site of the first sustained, integrated iron works in Colonial America, and the technology employed at the Iron Works was dispersed throughout the Colonies and was critical to the development of industry and technology in America;

(5) the Salem Maritime National Historic Site contains nationally significant resources that explain the manner in which the Nation was settled, its evolution into a maritime power, and its development as a major industrial force, and the story told at the Salem Maritime and Saugus Iron Works National Historic Sites would be greatly enhanced through the interpretation of significant theme-related resources in Salem and Saugus and throughout Essex County;

(6) partnerships between the private and public sectors have been created and additional partnerships will be encouraged to preserve the rich cultural heritage of the region, which will stimulate cultural awareness and preservation and economic development through tourism; and

(7) the resident and business communities of the region have formed the Essex Heritage Ad Hoc Commission for the preservation, interpretation, promotion, and development of the historic, cultural, and natural resources of the area and are investing significant private funds and energy to develop a plan to preserve the nationally significant resources of Essex County.

(b) PURPOSES.—The purposes of this section are—

(1) to designate the Essex American Heritage Area in order to recognize, preserve, promote, interpret, and make available for the benefit of the public the historic, cultural, and natural resources of the North Shore and lower Merrimack River valley in Essex County, Massachusetts, which encompass the 3 primary themes of the Salem Maritime National Historic Site and Saugus Iron Works National Historic Site (the histories of early settlement and industry, maritime trade, and textile and leather manufacturing); and

(2) to provide a management framework to assist the Commonwealth of Massachusetts and its units of local government in the development and implementation of an integrated cultural, historical, and land resource management program in order to retain, enhance, and interpret the significant values of the lands, waters, and structures located in the district.

(c) DESIGNATION.—Upon publication by the Secretary in the Federal Register of notice that a compact regarding the Heritage Area and meeting the requirements for a compact under section 106(a)(2) has been approved by the Secretary under the procedures referred to in section 106(b), there is hereby designated the Essex American Heritage Area (hereinafter in this section referred to as the "Heritage Area"), within the county of Essex in the Commonwealth of Massachusetts.

(d) BOUNDARIES.—The Heritage Area shall be comprised of the lands generally depicted on the map numbered NAR-51-80,000 and dated August 1994. The map shall be on file and available for public inspection in the office of the Director of the National Park Service.

(e) ADMINISTRATION.—The Heritage Area shall be considered to be part of the American Heritage Areas Partnership Program and shall be considered for all purposes, including but not limited to the management plan submission requirement of section 107(c)(1) and the provisions of section 108, to have been designated an American Heritage Area under section 105(d) on the date on which the Heritage Area is designated under subsection (c) of this section.

SEC. 205. HUDSON RIVER VALLEY AMERICAN HERITAGE AREA.

(a) CONGRESSIONAL FINDINGS.—The Congress finds that—

(1) the Hudson River Valley between Yonkers, New York, and Troy, New York, possesses important historical, cultural, and natural resources, representing themes of settlement and migration, transportation, and commerce;

(2) the Hudson River Valley played an important role in the military history of the American Revolution;

(3) the Hudson River Valley gave birth to important movements in American art and architecture through the works of Andrew Jackson Downing, Alexander Jackson Davis, Thomas Cole, and their associates, and played a central role in the recognition of the esthetic values of landscape and the development of an American esthetic ideal;

(4) the Hudson River Valley played an important role in the development of the iron, textile, and collar and cuff industries in the 19th century, exemplified in surviving structures such as the Harmony Mills complex at Cohoes, and in the development of early men's and women's labor and cooperative organizations, and is home of the first women's labor union in the United States and the first women's secondary school in the United States;

(5) the Hudson River Valley, in its cities and towns and its rural landscapes—

(A) displays exceptional surviving physical resources illustrating these themes and the social, industrial, and cultural history of the 19th and early 20th centuries; and

(B) includes numerous national historic sites and landmarks;

(6) the Hudson River Valley is the home of the traditions associated with Dutch and Huguenot settlements dating to the 17th and 18th centuries, was the locus of characteristic American stories such as "Rip Van Winkle" and the "Legend of Sleepy Hollow", and retains physical, social, and cultural evidence of these traditions and the traditions of other more recent ethnic and social groups;

(7) the State of New York has established a structure, in the Hudson River Greenway Communities Council and the Greenway Conservancy, for the Hudson River Valley communities to join together to preserve, conserve, and manage these resources and to link them through trails and other means; and

(8) the Heritage Area Committee jointly established by the Hudson River Valley Greenway Communities Council and the Greenway Conservancy (agencies established by the State of New York in its Hudson River Greenway Act of 1991) is expected to be the management entity for an American Heritage Area established in the Hudson River Valley.

(b) STATEMENT OF PURPOSE.—The purposes of this section are—

(1) to recognize the importance of the history and resources of the Hudson River Valley to the Nation;

(2) to assist the State of New York and the communities of the Hudson River Valley in preserving and interpreting these resources for the benefit of the Nation;

(3) to maintain agricultural viability and productivity in the region; and

(4) to authorize Federal financial and technical assistance to serve these purposes.

(c) DESIGNATION.—Upon publication by the Secretary in the Federal Register of notice that a compact regarding the Heritage Area and meeting the requirements for a compact under section 106(a)(2) has been approved by the Secretary under the procedures referred to in section 106(b), there is hereby designated the Hudson River Valley American Heritage Area (hereinafter in this section referred to as the "Heritage Area").

(d) BOUNDARIES.—

(1) IN GENERAL.—Except as otherwise provided in paragraph (2), the Heritage Area shall be comprised of the lands generally depicted on the map entitled "Hudson River Valley National Heritage Area", numbered P50-8002, and dated August 1994. The map shall be on file and available for public inspection in the office of the Director of the National Park Service.

(2) LOCAL AGREEMENT TO INCLUSION.—Each of the following counties, cities, and towns in the State of New York shall not be included within the boundaries of the Heritage Area unless the government of such county, city, or town agrees to be so included and submits notification of such agreement to the Secretary:

(A) The counties of Greene and Columbia.

(B) Any city or town within the county of Greene or Columbia.

(C) The counties of Rensselaer and Dutchess.

(D) Any city or town (except the town of Hyde Park) within the county of Rensselaer or Dutchess and located entirely within the 22d Congressional District of New York.

(e) ADMINISTRATION.—The Heritage Area shall be considered to be part of the American Heritage Areas Partnership Program and shall be considered for all purposes, including but not limited to the management plan submission requirement of section 107(c)(1) and the provisions of section 108, to have been designated an American Heritage Area under section 105(d) on the date on which the Heritage Area is designated under subsection (c) of this section.

SEC. 206. OHIO & ERIE CANAL AMERICAN HERITAGE AREA.

(a) CONGRESSIONAL FINDINGS.—The Congress finds that—

(1) the Ohio & Erie Canal, which opened for commercial navigation in 1832, was the first inland waterway to connect the Great Lakes at Lake Erie with the Gulf of Mexico via the Ohio and Mississippi Rivers and was a part of a canal network in Ohio that was one of the most extensive and successful systems in America during a period in history when canals were essential to the growth of the Nation;

(2) the Ohio & Erie Canal spurred economic growth in the State of Ohio that took the State from near bankruptcy to a position as the third most economically prosperous State in the Union in just 20 years;

(3) a 4-mile section of the Ohio & Erie Canal was designated a National Historic Landmark in 1966 and other portions of the Ohio & Erie Canal and many associated structures have been placed on the National Register of Historic Places;

(4) in 1974, 19 miles of the Ohio & Erie Canal were declared nationally significant, under National Park Service new area criteria, in the designation of the Cuyahoga Valley National Recreation Area;

(5) the National Park Service found the Ohio & Erie Canal nationally significant in a 1975 study entitled "Suitability/Feasibility Study, Proposed Ohio & Erie Canal"; and

(6) a 1993 Special Resource Study of the Ohio & Erie Canal Corridor, conducted by the National Park Service and entitled "A Route to Prosperity", has concluded that the corridor is eligible to become a National Heritage Corridor, an affiliated unit of the National Park System.

(b) STATEMENT OF PURPOSE.—The purposes of this section are—

(1) to preserve and interpret for the educational and inspirational benefit of present and future generations the unique and significant contributions to the national heritage of certain historic and cultural lands, waterways, and structures within the 87-mile Ohio & Erie Canal Corridor between Cleveland and Zoar; and

(2) to provide a management framework to assist the State of Ohio and its political subdivisions in developing and implementing a management plan for the area and developing policies and programs that will preserve, enhance, and interpret the cultural, historical, natural, recreational, and scenic resources of the corridor.

(c) DESIGNATION.—Upon publication by the Secretary in the Federal Register of notice that a compact regarding the Heritage Area and meeting the requirements for a compact under section 106(a)(2) has been approved by the Secretary under the procedures referred to in section 106(b), there is hereby designated the Ohio & Erie Canal American Heritage Area (hereinafter in this Act referred to as the "Heritage Area").

(d) BOUNDARIES.—The Heritage Area shall be composed of the lands that are generally the route of the Ohio & Erie Canal from Cleveland to Zoar, Ohio, as depicted in the 1993 National Park Service Special Resources Study, "A Route to Prosperity". The specific boundaries shall be those specified in the management plan submitted under subsection (e). The Secretary shall prepare a map of the area which shall be on file and available for public inspection in the office of the Director of the National Park Service.

(e) ADMINISTRATION.—The Heritage Area shall be considered to be part of the American Heritage Areas Partnership Program and shall be considered for all purposes, including but not limited to the management plan submission requirement of section 107(c)(1) and the provisions of section 108, to have been designated an American Heritage Area under section 105(d) on the date on which the Heritage Area is designated under subsection (c) of this section.

(f) MANAGEMENT ENTITY.—Upon petition, the Secretary is authorized to recognize a coalition consisting of the following persons as the management entity, for purposes of title I, for the Ohio & Erie Canal American Heritage Area:

(1) The Superintendent of the Cuyahoga Valley National Recreational Area.

(2) 2 individuals submitted by the Governor of Ohio, who shall be representatives of the Directors of the Ohio Department of Natural Resources and the Ohio Historical Society.

(3) 8 individuals submitted by the county commissioners or county chief executive of the Ohio counties of Cuyahoga, Summit, Stark, and Tuscarawas, including—

(A) from each county, 1 representative of the planning offices of the county; and

(B) from each county, 1 representative of a municipality in the county.

(4) 3 individuals submitted by the county or metropolitan park boards of the Ohio counties of Cuyahoga, Summit, and Stark.

(5) 1 individual with knowledge and experience in the field of historic preservation, submitted by the Director of the National Park Service.

(6) 1 individual with knowledge and experience in the field of historic preservation, submitted by the Ohio Historic Preservation Officer.

(7) 1 individual who is a director of a convention and tourism bureau within the area, submitted by the Director of the Ohio Department of Travel and Tourism.

(8) 4 individuals, who shall include 1 representative of business and industry from each of the counties of Cuyahoga, Summit, Stark, and Tuscarawas, submitted by the Greater Cleveland Growth Association, the Akron Regional Development Board, the Stark Development Board, and the Tuscarawas County Chamber of Commerce.

(g) ASSISTANCE.—The Secretary may provide to public and private entities within the Heritage Area (including the management entity for the Heritage Area) technical, financial, development, and operational assistance. Assistance provided under this subsection shall be provided on a reimbursable basis through the Cuyahoga Valley National Recreation Area.

SEC. 207. SHENANDOAH VALLEY BATTLEFIELDS AMERICAN HERITAGE AREA.

(a) CONGRESSIONAL FINDINGS.—The Congress finds that—

(1) there are situated in the Shenandoah Valley in the Commonwealth of Virginia the sites of several key Civil War battles;

(2) certain sites, battlefields, structures, and districts in the Shenandoah Valley are collectively of national significance in the history of the Civil War;

(3) in 1990 the Congress enacted legislation directing the Secretary of the Interior to prepare a comprehensive study of significant sites and structures associated with Civil War battles in the Shenandoah Valley;

(4) the study, which was completed in 1992, found that many of the sites within the

Shenandoah Valley possess national significance and retain a high degree of historical integrity;

(5) the preservation and interpretation of these sites will make an important contribution to the understanding of the heritage of the United States;

(6) the preservation of Civil War sites within a regional framework requires cooperation among local property owners and Federal, State, and local government entities; and

(7) partnerships between Federal, State, and local governments and their regional entities, and the private sector, offer the most effective opportunities for the enhancement and management of the Civil War battlefields and related sites in the Shenandoah Valley.

(b) STATEMENT OF PURPOSE.—The purposes of this section are—

(1) to preserve, conserve, and interpret the legacy of the Civil War in the Shenandoah Valley;

(2) to recognize and interpret important events and geographic locations representing key Civil War battles in the Shenandoah Valley, including those battlefields associated with the Thomas J. (Stonewall) Jackson campaign of 1862 and the decisive campaigns of 1864;

(3) to recognize and interpret the effect of the Civil War on the civilian population of the Shenandoah Valley during the war and postwar reconstruction period; and

(4) to create partnerships among Federal, State, and local governments and their regional entities, and the private sector, to preserve, conserve, enhance, and interpret the nationally significant battlefields and related sites associated with the Civil War in the Shenandoah Valley.

(c) DESIGNATION.—Upon publication by the Secretary in the Federal Register of notice that a compact regarding the Heritage Area and meeting the requirements for a compact under section 106(a)(2) has been approved by the Secretary under the procedures referred to in section 106(b), there is hereby designated the Shenandoah Valley Battlefield American Heritage Area (hereinafter in this section referred to as the "Heritage Area").

(d) BOUNDARIES.—The Heritage Area shall be composed of the areas of the Commonwealth of Virginia generally depicted on the map entitled "Shenandoah Valley National Heritage Area", numbered SVNHA-80,006, and dated August 1994. The map shall be on file and available for public inspection in the office of the Director of the National Park Service

(e) ADMINISTRATION.—The Heritage Area shall be considered to be part of the American Heritage Areas Partnership Program and shall be considered for all purposes, including but not limited to the management plan submission requirement of section 107(c)(1) and the provisions of section 108, to have been designated an American Heritage Area under section 105(d) on the date on which the Heritage Area is designated under subsection (c) of this section.

SEC. 208. STEEL INDUSTRY AMERICAN HERITAGE AREA.

(a) CONGRESSIONAL FINDINGS.—The Congress finds that—

(1) the industrial and cultural heritage of southwestern Pennsylvania, including the city of Pittsburgh and the counties of Allegheny, Beaver, Fayette, Greene, Washington, and Westmoreland, related directly to steel and steel-related industries, is nationally significant;

(2) these industries include steel-making, iron-making, aluminum, specialty metals, glass, coal mining, coke production, machining and foundries, transportation, and electrical industries;

(3) the industrial and cultural heritage of the steel and related industries in this region includes the social history and living cultural traditions of the people of the region;

(4) the labor movement of the region played a significant role in the development of the Nation, including both the formation of many key unions, such as the Congress of Industrial Organizations (CIO) and the United Steel Workers of America (USWA), and crucial struggles to improve wages and working conditions, such as the Rail Strike of 1877, the Homestead Strike of 1892, and the Great Steel Strike of 1919;

(5) there are significant examples of cultural and historic resources within this 6-county region that merit the involvement of the Federal Government to develop programs and projects, in cooperation with the Steel Industry Heritage Task Force, the Commonwealth of Pennsylvania, and other local and governmental bodies, to adequately conserve, protect, and interpret this heritage for future generations while providing opportunities for education and revitalization; and

(6) the Steel Industry Heritage Task Force would be an appropriate management entity for a Heritage Area established in the region.

(b) STATEMENT OF PURPOSE.—The purposes of this section are—

(1) to foster a close working relationship between all levels of government, the private sector, and the local communities in the steel industry region of southwestern Pennsylvania and empower the communities to conserve their heritage while continuing to pursue economic opportunities; and

(2) to conserve, interpret, and develop the historical, cultural, natural, and recreational resources related to the industrial and cultural heritage of the 6-county steel industry region of southwestern Pennsylvania.

(c) DESIGNATION.—Upon publication by the Secretary in the Federal Register of notice that a compact regarding the Heritage Area and meeting the requirements for a compact under section 106(a)(2) has been approved by the Secretary under the procedures referred to in section 106(b), there is hereby designated the Steel Industry American Heritage Area (hereinafter in this section referred to as the "Heritage Area").

(d) BOUNDARIES.—The Heritage Area shall be composed of the lands generally depicted on the map entitled "The Steel Industry American Heritage Area", numbered SINHA-80,007, and dated August 1994. The map shall be on file and available for public inspection in the office of the Director of the National Park Service.

(e) ADMINISTRATION.—The Heritage Area shall be considered to be part of the American Heritage Areas Partnership Program and shall be considered for all purposes, including but not limited to the management plan submission requirement of section 107(c)(1) and the provisions of section 108, to have been designated an American Heritage Area under section 105(d) on the date on which the Heritage Area is designated under subsection (c) of this section.

SEC. 209. VANCOUVER AMERICAN HERITAGE AREA.

(a) CONGRESSIONAL FINDINGS.—The Congress finds that—

(1) the lower Columbia River basin and Vancouver, Washington, have been the focal point of a number of important periods, themes, and events in American history and prehistory, including native settlements, westward expansion of the British colonies and the United States from 1763 to 1898, political and military affairs from 1865 to 1939, and military affairs from 1914 to 1941;

(2) the Columbia River is the central feature around which the history of the proposed Vancouver National Heritage Area and the entire Pacific Northwest revolves;

(3) the proposed Vancouver National Heritage Area is located on the shores of the Columbia River, 78 miles from the Pacific Ocean, and the Columbia River has been an artery for communication and trade since prehistoric times;

(4) Fort Vancouver National Historic Site, a unit of the National Park System, was founded in 1825 by the Hudson Bay Company and its development from 1825 to 1860 was seminal to Euro-American settlement of the Northwest;

(5) the Vancouver barracks served as the principal administrative outpost of the United States Army in the Pacific Northwest from 1849 until World War I, served as a command post during the Native American Wars of the mid- to late-19th century, and provided major facilities for support of United States military ventures throughout the Pacific during the Spanish American War and the 2 World Wars;

(6) Pearson Airfield was the site of significant events in the history of aviation in the Pacific Northwest, was particularly prominent during the interwar period between 1923 and 1941, and today continues to be an important home to historic aircraft and historic aviation;

(7) the proposed Vancouver American Heritage Area contains a number of discovered and unrecovered archaeological sites significant to the history of North America and the growth of the United States;

(8) the proposed Vancouver American Heritage Area is located close to major metropolitan areas, including Portland, Tacoma, and Seattle, and is immediately adjacent to Interstate 5, the major north-south interstate of the Pacific Northwest; and

(9) many Federal, State, and local government entities, as well as numerous private organizations and individuals—

(A) have expressed a desire to join forces and work together in a cooperative spirit in order to preserve, interpret, and enhance the cultural, recreational, and educational potential of the proposed American Heritage Area;

(B) have already demonstrated their ability to effectively cooperate in the course of preparing the "Vancouver National Historical Reserve Feasibility Study and Environmental Assessment", as required by Public Law 101-523 (104 Stat. 2297); and

(C) are capable of forming the continued cooperative alliances needed to enter into a compact, identify a management entity, and establish an appropriate management plan for the proposed Vancouver American Heritage Area.

(b) STATEMENT OF PURPOSE.—The purposes of this section are—

(1) to preserve, enhance, and interpret the significant aspects of the lands, water, structures, and history of the proposed Vancouver American Heritage Area; and

(2) to provide a partnership that will develop and implement an integrated cultural, historical, recreational, and educational land resource management program in order to achieve these purposes.

(c) DESIGNATION.—Upon publication by the Secretary in the Federal Register of notice that a compact regarding the Heritage Area and meeting the requirements for a compact

under section 106(a)(2) has been approved by the Secretary under the procedures referred to in section 106(b), there is hereby designated the Vancouver American Heritage Area (hereinafter in this section referred to as the "Heritage Area").

(d) BOUNDARIES.—The Heritage Area shall be composed of the lands generally depicted on the map entitled "Vancouver American Heritage Area", numbered VAAM-80,001, and dated August 1994. The map shall be on file and available for public inspection in the office of the Director of the National Park Service.

(e) ADMINISTRATION.—The Heritage Area shall be considered to be part of the American Heritage Areas Partnership Program and shall be considered for all purposes, including but not limited to the management plan submission requirement of section 107(c)(1) and the provisions of section 108, to have been designated an American Heritage Area under section 105(d) on the date on which the Heritage Area is designated under subsection (c) of this section, except that the responsibilities of the management entity for the Heritage Area shall not extend to those lands under the control of the Department of the Interior or the Department of the Army. The management entity may enter into cooperative agreements and partnerships with these and other entities as appropriate to further the purposes of this Act.

(f) PEARSON AIRPARK.—

(1) TRANSITION.—(A) General aviation shall cease at Pearson Airpark not later than April 3, 2022, unless a continuation of general aviation is expressly authorized by an Act of Congress.

(B) Not later than January 30, 2010, the management entity for the Heritage Area shall submit to the Secretary a plan regarding general aviation at Pearson Airpark that is consistent with this section.

(C) Not later than June 30, 2010, the Secretary shall—

(i) approve such a plan and transmit the plan to the Congress; or

(ii) notify the Congress that no acceptable plan has been submitted under subparagraph (B).

(D) If the management entity fails to submit a plan acceptable to the Secretary under subparagraph (B) before June 30, 2010—

(i) the Secretary may not provide further assistance to the Heritage Area under this Act; and

(ii) the Secretary shall prepare such a plan for submittal to the Congress not later than June 30, 2011.

(2) HISTORIC AIRCRAFT DEFINED.—For purposes of this section, the term "historic aircraft" means any aircraft representing aviation in World War II or earlier.

(3) VIABILITY AND MITIGATION PLAN.—Any management plan submitted to the Secretary pursuant to section 107(c)(1) and subsection (e) of this section regarding the Heritage Area shall include a Pearson Airpark Viability and Mitigation Plan that accomplishes the following:

(A) Identifies incentives and proposes regulations to facilitate a transition from the use of Pearson Airpark from predominantly general aviation to use for historic aircraft.

(B) Establishes a program to mitigate any conflicts related to the operation of Pearson Airpark and to other activities within the Heritage Area. The program shall, in coordination with the Federal Aviation Administration and other agencies as appropriate, address, but not be limited to, considerations of noise, safety, visual intrusion, and the location of new facilities. Mitigation measures shall include limitations on the number of air-worthy aircraft that may be based at the Airpark.

(4) PEARSON AIRPARK MUSEUM PLAN.—The management plan submitted pursuant to section 107(c)(1) and subsection (e) of this section regarding the Heritage Area shall include a Pearson Airpark Museum Plan, which shall include budgetary strategies by which proceeds from general aviation and other sources will fund the Pearson Airpark Museum and other aviation curation activities.

(5) MITIGATION MEASURES AND CONDITIONS REGARDING GENERAL AVIATION.—The management plan submitted pursuant to section 107(c)(1) and subsection (e) of this section regarding the Heritage Area shall permit general aviation at Pearson Airpark to continue until April 3, 2022, subject to the following conditions:

(A) Pearson Airpark and Pearson Airpark Museum shall be operated by the city of Vancouver or its designated entity. Beginning on June 30, 2002, the Secretary shall require payment at fair market value for any National Park Service lands leased within the boundaries of the Heritage Area, except as otherwise provided in this subparagraph. The Secretary may enter into agreements that provide that specific work performed or expenses paid by the city of Vancouver may be used, fairly valued, to reduce or offset the amount of the obligation of the city to pay rent pursuant to this subsection, *unless the city is obligated to perform the work or pay the expenses under a statute other than this Act.*

(B) Not later than June 30, 2003, the city of Vancouver shall remove from National Park Service property in the Heritage Area all nonhistoric aviation-related buildings and devices, including T-hangers and associated taxiways, except buildings and devices necessary for navigation and safety.

(C) The city of Vancouver shall not be compensated for historic buildings remaining on National Park Service property, but shall continue to bear liability and responsibility for continued use and maintenance of these structures.

(D) No structural improvements or structural additions to any structure or facility of the Pearson Airpark Museum located on property of the National Park Service may be made without the approval of the Secretary.

(E) Helicopters shall not use Pearson Airpark except in cases of emergency, disaster, or national security needs.

SEC. 210. WHEELING AMERICAN HERITAGE AREA.

(a) CONGRESSIONAL FINDINGS.—The Congress finds that—

(1) Wheeling, West Virginia, and its vicinity possess important historical, cultural, and natural resources, representing major heritage themes of transportation, commerce, industry, and Victorian culture in the United States;

(2) the city of Wheeling played an important part in the settlement of the Nation by serving as the western terminus of the National Road in the early 1800's, by serving as the Crossroads of America throughout the 19th century, by serving as one of the few major inland ports in the United States in the 19th century, and by hosting the establishment of the Restored State of Virginia, and later the State of West Virginia during the Civil War years;

(3) the city of Wheeling was the first capital of the new State of West Virginia, during the development and maintenance of many industries crucial to the expansion of the Nation, including iron, steel, and textile manufacturing, boat building, glass manufacturing, and stogie and chewing tobacco manufacturing, many of which are industries that continue to play an important role in the Nation's economy;

(4) the city of Wheeling has retained its national heritage themes with the designations of the old custom house, now Independence Hall, as a National Historic Landmark, with the designation of the historic suspension bridge as a National Historic Landmark, with 5 historic districts, and with many individual properties in the Wheeling area listed on or eligible for nomination to the National Register of Historic Places; and

(5) the heritage themes and number and diversity of the remaining resources of Wheeling should be appropriately retained, enhanced, and interpreted for the education, benefit, and inspiration of the people of the United States.

(b) STATEMENT OF PURPOSE.—The purposes of this section are—

(1) to recognize the special importance of the history and development of the Wheeling, West Virginia, area in the cultural heritage of the Nation;

(2) to provide a framework to assist the city of Wheeling and other public and private entities and individuals in the appropriate preservation, enhancement, and interpretation of resources in the Wheeling area that are emblematic of the contributions of Wheeling to the cultural heritage of the Nation; and

(3) to allow for limited Federal, State, and local capital contributions for planning and infrastructure investments to create the Wheeling American Heritage Area, in partnership with the State of West Virginia, the city of Wheeling, West Virginia, and their designees, and to provide for an economically self-sustaining American Heritage Area that will not be dependent on Federal assistance beyond the initial years necessary to establish the American Heritage Area.

(c) DESIGNATION.—Upon publication by the Secretary in the Federal Register of notice that a compact regarding the Heritage Area and meeting the requirements for a compact under section 106(a)(2) has been approved by the Secretary under the procedures referred to in section 106(b), there is hereby designated the Wheeling American Heritage Area (hereinafter in this Act referred to as the "Heritage Area") in the State of West Virginia.

(d) BOUNDARIES.—The Heritage Area shall be composed of the lands generally depicted on the map entitled "Boundary Map, Wheeling American Heritage Area, West Virginia", numbered WHNA-80,005, and dated August 1994. The map shall be on file and available for public inspection in the office of the Director of the National Park Service.

(e) ADMINISTRATION.—The Heritage Area shall be considered to be part of the American Heritage Areas Partnership Program and shall be considered for all purposes, including but not limited to the management plan submission requirement of section 107(c)(1) and the provisions of section 108, to have been designated an American Heritage Area under section 105(d) on the date on which the Heritage Area is designated under subsection (c) of this section.

(f) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There is authorized to be appropriated to carry out this section not more than—

(A) $5,000,000 for capital projects;

(B) $1,000,000 for planning and studies; and

(C) $500,000 for technical assistance.

(2) LIMITATIONS.—(A) Funds made available pursuant to subparagraph (A) or (B) of paragraph (1) for a capital project or for planning and studies regarding a project shall not exceed 50 percent of the total costs of the capital project or project, respectively.

(B) Funds made available under this section or any other Federal law for the Heritage Area or the Wheeling National Heritage Area (including the Wheeling project) may not exceed $6,500,000 in the aggregate.

(3) NOT ELIGIBLE FOR FUNDS UNDER TITLE I.—No funds may be appropriated under title I for purposes of the Heritage Area.

TITLE III—STUDIES REGARDING POTENTIAL AMERICAN HERITAGE AREAS

SEC. 301. OHIO RIVER CORRIDOR.

(a) CONGRESSIONAL FINDINGS.—The Congress finds that—

(1) the amenities and resources of the Ohio River, which flows through 6 States from its headwaters in the Commonwealth of Pennsylvania to its confluence with the Mississippi River and comprises a chain of commercial, industrial, historical, archaeological, natural, recreational, scenic, wildlife, urban, rural, cultural, and economic areas, are of major significance and importance to the Nation;

(2) the national interest is served by—

(A) preserving, protecting, and improving such amenities and resources for the benefit of the people of the United States; and

(B) improving the coordination between all levels of government in the Ohio River Corridor;

(3) the preservation, protection, and improvement of such amenities and resources are failing to be fully realized despite efforts by the States through which the Ohio flows, political subdivisions of such States, and volunteer associations and private businesses in such States;

(4) existing Federal agency programs are offering insufficient coordination to State and local planning and regulatory authorities to provide for resource management and economic development in a manner that is consistent with the protection and public use of the amenities and resources of the Corridor; and

(5) the Federal Government should assist in the coordination, preservation, and interpretation activities of public and private entities with respect to the significant amenities and resources associated with the Ohio River.

(b) STUDY OF OHIO RIVER CORRIDOR.—

(1) IN GENERAL.—Not later than 2 years after the date on which funds are made available to carry out this section, the Secretary shall complete a study on the suitability and feasibility of designating the Ohio River corridor, from its headwaters in the Commonwealth of Pennsylvania to its confluence with the Mississippi River, as an American Heritage Area.

(2) REPORT TO CONGRESS.—On completion of the study required by subsection (a), the Secretary shall submit a report describing the results of the study to the Committee on Natural Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate.

SEC. 302. FOX AND LOWER WISCONSIN RIVER CORRIDORS.

(a) CONGRESSIONAL FINDINGS.—The Congress finds that—

(1) the Fox-Wisconsin waterway is famous as the discovery route of Marquette and Joliet;

(2) as the connecting route between the Great Lakes and the Mississippi River, the waterway was critical to the opening of the Northwest Territory and served as a major artery in bringing commerce to the interior of the United States and providing a vital communication link for early explorers, missionaries, and fur traders;

(3) within the Fox and Lower Wisconsin River corridors are an abundance of historic and archaeological sites and structures representing early Native Americans, European exploration, and 19th-century transportation and settlement; and

(4) the unique aspects of the waterway, from the heavily developed portions of the Fox River to the pristine expanses of the Lower Wisconsin River, should be studied to determine the suitability and feasibility of the waterway for designation as an American Heritage Area.

(b) STUDY OF FOX-WISCONSIN RIVER CORRIDORS.—

(1) IN GENERAL.—Not later than 2 years after the date on which funds are made available to carry out this section, the Secretary shall complete a study on the suitability and feasibility of designating the Fox and Lower Wisconsin River corridors in the State of Wisconsin as an American Heritage Area.

(2) REPORT TO CONGRESS.—On completion of the study referred to in subsection (a), the Secretary shall submit a report describing the results of the study to the Committee on Natural Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate.

SEC. 303. SOUTH CAROLINA CORRIDOR.

(a) CONGRESSIONAL FINDINGS.—The Congress finds that—

(1) the counties of Oconee, Pickens, Anderson, Abbeville, Greenwood, McCormick, Edgefield, Aiken, Barnwell, Orangeburg, Bamberg, Dorchester, Colleton, and Charleston, in the State of South Carolina, form a corridor, more than 250 miles in length, which possesses a wide diversity of significant rare plants, animals, and ecosystems, agricultural and timber lands, shellfish harvesting areas, historic sites and structures, and cultural and multicultural landscapes related to the past and current commerce, transportation, maritime, textile, agricultural, mining, cattle, pottery, and national defense industries of the region, which provide significant ecological, natural, tourism, recreational, timber management, educational, and economic benefits;

(2) there is a national interest in protecting, conserving, restoring, promoting, and interpreting the benefits of the region for the residents of, and visitors to, the corridor area;

(3) a primary responsibility for conserving, preserving, protecting, and promoting the benefits of the region resides with the State of South Carolina and the various local units of government having jurisdiction over the corridor area; and

(4) in view of the longstanding Federal practice of assisting the States in creating, protecting, conserving, preserving, and interpreting areas of significant natural and cultural importance, and in view of the national significance of the corridor, the Federal Government has an interest in assisting the State of South Carolina, its units of local government, and the private sector in fulfilling their responsibilities.

(b) STUDY OF SOUTH CAROLINA CORRIDOR.—Not later than 2 years after the date of the enactment of this Act, the Secretary, acting through the National Park Service, shall cooperate with the South Carolina Department of Parks, Recreation, and Tourism in preparing a study on the suitability and feasibility of designating the corridor formed by the counties of Oconee, Pickens, Anderson, Abbeville, Greenwood, McCormick, Edgefield, Aiken, Barnwell, Orangeburg, Bamberg, Dorchester, Colleton, and Charleston, in the State of South Carolina, as an American Heritage Area.

SEC. 304. NORTHERN FRONTIER.

(a) CONGRESSIONAL FINDINGS.—The Congress finds that—

(1) the area comprising Tryon County, in the Mohawk Valley of the State of New York, and the Country of the Six Nations (Iroquois Confederacy), known during the American Revolutionary War period as the "Northern Frontier", offers excellent opportunities to study a little known or understood aspect of the American Revolution—the frontier experience;

(2) the Northern Frontier territory was extremely valuable to both sides of the American Revolutionary War and was contested because of its geopolitical, military, agricultural, transportation, and commercial attributes;

(3) because a complex social, economic, and political society was emerging on the Northern Frontier, the Continental Congress established the Northern Indian Department to conduct affairs there, and the English made the area, and its Indian population, the centerpiece of the English strategy to split the colonies;

(4) due to the struggle to control the Northern Frontier, privation and hardship were inflicted upon nearly all who lived there, a diverse mix of ethnic and racial groups willingly and unwillingly thrust into the struggle for independence, leaving many dead, homeless, orphaned, or dislocated by the end of the hostilities;

(5) the tensions on the Northern Frontier reached such a pitch that hostilities erupted, pitting neighbors, families, tribes, and clans against each other, and led to a bloody, savage, and destructive battle;

(6) new interpretations and interdisciplinary studies of this human drama are not only necessary, but timely because of the abundant supply of assets in the area, including sites, buildings, celebrations, folklore, and collections, many safely preserved and many at risk; and

(7) if these Northern Frontier assets can be thematically related and portrayed for the education and enjoyment of Americans and foreign visitors, an important and often overlooked chapter in the heritage of the Nation will be displayed for the benefit and edification of all peoples.

(b) STUDY.—

(1) IN GENERAL.—Not later than 2 years after the date on which funds are made available to carry out this section, the Secretary shall complete a study on the suitability and feasibility of designating Tryon County, in the Mohawk Valley of the State of New York, and the Country of the Six Nations (Iroquois Confederacy) as an American Heritage Area.

(2) REPORT TO CONGRESS.—On completion of the study referred to in subsection (a), the Secretary shall submit a report describing the results of the study to the Committee on Natural Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate.

TITLE IV—BLACKSTONE RIVER VALLEY NATIONAL HERITAGE CORRIDOR AMENDMENTS

SEC. 401. BOUNDARIES, COMMISSION, AND REVISION OF PLAN.

(a) BOUNDARIES.—Section 2(a) of the Act entitled "An Act to establish the Blackstone River Valley National Heritage Corridor in

Massachusetts and Rhode Island", approved November 10, 1986 (Public Law 99-647; 100 Stat. 3625), is amended by striking the first sentence and inserting the following new sentence: "The boundaries shall include the lands and waters generally depicted on the map entitled 'Blackstone River Valley National Heritage Corridor Boundary Map', numbered BRV-80-80,011, and dated May 2, 1993.".

(b) COMMISSION MEMBERSHIP.—(1) Section 3 of the Act entitled "An Act to establish the Blackstone River Valley National Heritage Corridor in Massachusetts and Rhode Island", approved November 10, 1986 (Public Law 99-647; 100 Stat. 3625), is amended—

(A) by amending subsection (b) to read as follows:

"(b) MEMBERSHIP.—(1) The Commission shall be composed of 19 members, appointed as follows:

"(A) the Director of the National Park Service, or a designee, ex officio;

"(B) 5 individuals appointed by the Secretary after consideration of recommendations from the Governor of Rhode Island;

"(C) 5 individuals appointed by the Secretary after consideration of recommendations from the Governor of Massachusetts;

"(D) 4 individuals appointed by the Secretary to represent the interests of local government in the State of Rhode Island; and

"(E) 4 individuals appointed by the Secretary to represent the interests of local government in the State of Massachusetts.

"(2) A vacancy in the Commission shall be filled in the manner in which the original appointment was made."; and

(B) in subsection (c), by inserting immediately before the period at the end the following: ", but may continue to serve until a successor has been appointed".

(2) Paragraph (1) shall take effect upon the expiration of the 90-day period beginning on the date of the enactment of this Act.

(c) REVISION OF PLAN.—Section 6 of the Act entitled "An Act to establish the Blackstone River Valley National Heritage Corridor in Massachusetts and Rhode Island", approved November 10, 1986 (Public Law 99-647; 100 Stat. 3625), is amended by adding at the end the following new subsection:

"(d) REVISION OF PLAN.—(1) Not later than 1 year after the date of the enactment of this subsection, the Commission shall revise the Cultural Heritage and Land Management Plan submitted under subsection (a) and shall submit the revised plan to the Secretary and the Governors of Massachusetts and Rhode Island for approval under the procedures referred to in subsection (b). The revision shall address any change in the boundaries of the Corridor that occurs after the submission of the plan required by subsection (a) and shall include a natural resource inventory of areas or features that should be protected, restored, or managed because of the natural and cultural significance of the areas or features.

"(2) No changes other than minor boundary revisions may be made in the plan approved under subsection (b) and revised under paragraph (1) of this subsection, unless the Secretary approves such changes. The Secretary shall approve or disapprove any proposed change in the plan, except minor revisions, in accordance with subsection (b).".

(d) TERMINATION OF COMMISSION.—Section 7 of the Act entitled "An Act to establish the Blackstone River Valley National Heritage Corridor in Massachusetts and Rhode Island", approved November 10, 1986 (Public Law 99-647; 100 Stat. 3630), is amended to read as follows:

"TERMINATION OF COMMISSION

"SEC. 7. The Commission shall terminate on December 31, 2003.".

SEC. 402. IMPLEMENTATION OF PLAN.

Section 8(c) of the Act entitled "An Act to establish the Blackstone River Valley National Heritage Corridor in Massachusetts and Rhode Island", approved November 10, 1986 (Public Law 99-647; 100 Stat. 3630), is amended to read as follows:

"(c) IMPLEMENTATION.—(1) To assist in the implementation of the Cultural Heritage and Land Management Plan, submitted and revised under section 6, in a manner consistent with the purposes of this Act, and to assist in the preservation and restoration of structures on or eligible for inclusion on the National Register of Historic Places, the Secretary is authorized to provide funds for projects in the Corridor that exhibit national significance or provide a wide spectrum of historic, recreational, environmental, educational, or interpretive opportunities, without regard to whether the projects are in public or private ownership. Applications for funds under this section shall be made to the Secretary through the Commission. Each such application shall include the recommendation of the Commission and its findings regarding the manner in which the project proposed to be funded will further the purposes of this Act.

"(2) The Commission shall not be eligible for funds under this section unless it submits to the Secretary an application that includes—

"(A) a 10-year development plan including the resource protection needs and projects critical to maintaining or interpreting the distinctive character of the Corridor; and

"(B) specific descriptions of any projects that have been identified and of the participating parties, roles, cost estimates, cost-sharing, or cooperative agreements necessary to carry out the development plan.

"(3) Funds made available pursuant to this subsection for any project shall not exceed 50 percent of the total cost of such project.

"(4) In making funds available under this subsection, the Secretary shall give priority to projects that attract greater non-Federal than Federal funding.

"(5) Any payment made under this subsection for the purposes of conservation or restoration of real property or of any structure shall be subject to an agreement—

"(A) to convey a conservation or preservation easement to the Department of Environmental Management or to the Historic Preservation Commission, as appropriate, of the State in which the real property or structure is located; or

"(B) that upon conversion, use, or disposal of the real property or structure for purposes contrary to the purposes of this Act, the recipient of the payment, or the successors or assigns of the recipient, shall pay to the United States the greater of—

"(i) the total of all Federal funds made available for conservation or restoration of the real property or structure, reduced pro rata over the useful life of the improvements funded; and

"(ii) the increased value attributable to such funds, as determined at the time of the conversion, use, or disposal.

"(6) The determination that, for purposes of paragraph (5)(B), a conversion, use, or disposal has been carried out contrary to the purposes of this Act shall be solely within the discretion of the Secretary.".

SEC. 403. AUTHORIZATION OF APPROPRIATIONS.

Section 10 of the Act entitled "An Act to establish the Blackstone River Valley National Heritage Corridor in Massachusetts and Rhode Island", approved November 10, 1986 (Public Law 99-647; 100 Stat. 3630), is amended—

(1) in subsection (a), by striking "$350,000" and inserting "$500,000"; and

(2) by amending subsection (b) to read as follows:

"(b) DEVELOPMENT FUNDS.—There is authorized to be appropriated to carry out section 8 for fiscal years beginning after September 30, 1994, not more than $5,000,000 in the aggregate, to remain available until expended.".

TITLE V—BRAMWELL NATIONAL HISTORIC DISTRICT

SEC. 501. BRAMWELL NATIONAL HISTORIC DISTRICT.

(a) CONGRESSIONAL FINDINGS.—The Congress finds that—

(1) the coal mining heritage of southern West Virginia is of historical and cultural significance;

(2) the town of Bramwell, West Virginia, possesses remarkable and outstanding historical, cultural, and architectural values relating to the coal mining heritage of southern West Virginia; and

(3) it is in the national interest to preserve the unique character of the town of Bramwell, West Virginia, and to enhance the historical, cultural, and architectural values associated with its coal mining heritage.

(b) STATEMENT OF PURPOSE.—The purpose of this section is to encourage the preservation, restoration, and interpretation of the historical, cultural, and architectural values of the town of Bramwell, West Virginia.

(c) DESIGNATION.—In order to preserve, protect, restore, and interpret the unique historical, cultural, and architectural values of Bramwell, West Virginia, there is hereby designated the Bramwell National Historic District (hereinafter in this section referred to as the "Historic District"). The Historic District shall consist of the lands and interest therein within the corporate limits of the town of Bramwell, West Virginia.

(d) COOPERATIVE AGREEMENTS.—

(1) IN GENERAL.—The Secretary is authorized to enter into cooperative agreements with the State of West Virginia, or any political subdivision thereof, to further the purposes of the Historic District.

(2) RATIO OF NON-FEDERAL FUNDS.—Funds authorized to be appropriated to the Secretary for the purposes of this subsection shall be expended in the ratio of 1 dollar of Federal funds for each dollar contributed by non-Federal sources. With the approval of the Secretary, any donation of land, services, or goods from a non-Federal source, fairly valued, may be considered as a contribution of dollars from a non-Federal source for the purposes of this subsection.

(3) AGREEMENTS REGARDING PAYMENTS.—Any payment made by the Secretary pursuant to a cooperative agreement under this subsection shall be subject to an agreement that conversion, use, or disposal of the project so assisted for any purpose contrary to the purpose of this section, as determined by the Secretary, shall result in a right of the United States to the greater of—

(A) reimbursement of all funds made available to such project; or

(B) the proportion of the increased value of the project attributable to such funds, as determined at the time of the conversion, use, or disposal.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $1,000,000 to carry out this section.

TITLE VI—SOUTHWESTERN PENNSYLVANIA AMERICAN HERITAGE AREA AMENDMENTS

SEC. 601. SHORT TITLE.

This title may be cited as the "Southwestern Pennsylvania American Heritage Area Amendments Act".

SEC. 602. DESIGNATION OF SOUTHWESTERN PENNSYLVANIA AMERICAN HERITAGE AREA.

The Act entitled "An Act to establish in the Department of the Interior the Southwestern Pennsylvania Heritage Preservation Commission, and for other purposes", approved November 19, 1988 (102 Stat. 4618), is amended by adding at the end the following new title:

"TITLE III—SOUTHWESTERN PENNSYLVANIA AMERICAN HERITAGE AREA

"SEC. 301. DESIGNATION.

"There is hereby designated the Southwestern Pennsylvania American Heritage Area, which shall be comprised of the region in southwestern Pennsylvania described in section 101(a).

"SEC. 302. CLASSIFICATION.

"The Southwestern Pennsylvania American Heritage Area shall not be considered to be an American Heritage Area for purposes of the American Heritage Areas Partnership Program Act of 1994 or the American Heritage Areas Partnership Program established by section 105(a) of such Act.".

SEC. 603. POWERS OF COMMISSION.

Section 103(h)(3) of the Act entitled "An Act to establish in the Department of the Interior the Southwestern Pennsylvania Heritage Preservation Commission, and for other purposes", approved November 19, 1988 (102 Stat. 4618), is amended by inserting "or an appropriate private nonprofit organization exempt from income taxes under section 501(c)(3) of the Internal Revenue Code of 1986," after "public agency,".

SEC. 604. FEDERAL PARTICIPATION.

Section 105 of the Act entitled "An Act to establish in the Department of the Interior the Southwestern Pennsylvania Heritage Preservation Commission, and for other purposes", approved November 19, 1988 (102 Stat. 4618), is amended to read as follows:

"SEC. 105. PROCEDURES FOR FEDERAL PARTICIPATION.

"(a) REVISION OF COMPREHENSIVE MANAGEMENT PLAN AND SCOPE AND COST DOCUMENT.—(1) The Commission shall revise, to carry out this title in a manner that provides for limited Federal involvement, the management plan developed before the date of the enactment of this section. The Commission shall also revise the scope and cost document developed before the date of the enactment of this section to reflect the total cost of each project proposed for approval under this section and the Federal portion of such cost. Both the management plan and the scope and cost document shall be submitted to the Secretary for approval.

"(2) The Secretary shall approve or disapprove any management plan or scope and cost document submitted under paragraph (1) not later than 90 days after receiving such plan or document. If the Secretary disapproves the submitted management plan or scope and cost document, the Secretary shall advise the Commission in writing of the reasons therefor and shall make recommendations for revisions in the plan or document. The Secretary shall approve or disapprove a proposed revision to such a plan or document within 90 days after the date on which the proposed revision is submitted to the Secretary.

"(b) LOANS, GRANTS, AND TECHNICAL ASSISTANCE USING FEDERAL FUNDS.—The Commission may not make loans or grants involving Federal funds under section 104 except as provided in this subsection. The Secretary may provide a loan, a grant, or technical assistance, for the purpose described in section 104, pursuant to an application made to the Secretary through the Commission in accordance with procedures required by the Secretary. Each such application shall include the findings of the Commission regarding the manner in which the proposed loan, grant, or technical assistance will further the purpose of this Act. Each such application shall also include the recommendations of the Commission regarding the proposed loan, grant, or technical assistance. The Secretary may approve such an application only if the Federal funds provided pursuant to the application will be used in a manner that is generally consistent with Federal law relating to the type of project or activity to be funded, as determined by the Secretary. Federal funds made available for loans or grants pursuant to section 104 or this subsection may be used to provide for the preservation or restoration of historic properties in an amount not to exceed $100,000 for each project so assisted.

"(c) USE OF FEDERAL FUNDS.—(1) Federal funds made available under this Act with respect to projects may be made available only for projects that are consistent with the Standards and Guidelines for Historic Properties promulgated by the Secretary.

"(2) Federal funds made available under this Act after the date of the enactment of this section with respect to a project may be used only for planning and design with respect to the project, except that such funds may be used to complete construction commenced before such date regarding Saltsburg Canal Park or West Overton Village.

"(3) The total amount of Federal assistance provided under this section for a project in any fiscal year may not exceed 20 percent of the total amount of Federal funds made available for that fiscal year for the Southwestern Pennsylvania National Heritage Area.

"(4) Federal funds made available under this title with respect to a project may not exceed 50 percent of the total costs of the project. In making such funds available, the Secretary shall give consideration to projects that provide a greater leverage of Federal funds. Any payment made under section 104 or 105 shall be subject to an agreement that conversion, use, or disposal of the project so assisted for any purpose contrary to the purpose of this Act, as determined by the Secretary, shall result in a right of the United States to the greater of—

"(A) compensation for all funds made available with respect to such project; and

"(B) the proportion of the increased value of the project attributable to such funds, as determined at the time of such conversion, use, or disposal.

"(5) No Federal funds made available to carry out this Act for fiscal years beginning after September 30, 1995, may be used to provide operational or maintenance support with respect to any building, site, or structure that is not owned by the Federal Government, except the Railroaders Memorial Museum, Saltsburg Canal Park, and West Overton Village. Such funds for the Railroaders Memorial Museum, Saltsburg Canal Park, and West Overton Village may not exceed $200,000 annually, in the aggregate.

"(6) No Federal funds made available to carry out this Act may be used for the construction of any visitor center, interpretive center, or museum, except West Overton Village.

"(7) The Secretary shall approve or disapprove the use of Federal funds made available pursuant to this title within 30 days after application for such funds by the Commission.".

SEC. 605. CONGRESSIONAL OVERSIGHT.

Section 104(b) of the Act entitled "An Act to establish in the Department of the Interior the Southwestern Pennsylvania Heritage Preservation Commission, and for other purposes", approved November 19, 1988 (102 Stat. 4618), is amended—

(1) in the first sentence, by inserting "and to the Congress" after "Secretary"; and

(2) by inserting after the first sentence the following: "Funds made available for a fiscal year to carry out this Act may not be obligated for that fiscal year until the report required for the preceding fiscal year by the preceding sentence is submitted to the Congress.".

SEC. 606. AUTHORIZATION OF APPROPRIATIONS.

Title I of the Act entitled "An Act to establish in the Department of the Interior the Southwestern Pennsylvania Heritage Preservation Commission, and for other purposes", approved November 19, 1988 (102 Stat. 4618), is amended by adding at the end the following new section:

"SEC. 106. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to the Secretary to carry out this Act the following:

"(1) For each of the fiscal years 1996, 1997, and 1998, $1,000,000 for planning and design, $1,600,000 for construction, $600,000 for grants and loans, and $400,000 for the operations of the Commission.

"(2) For that portion of fiscal year 1999 that occurs before the Commission ceases to exist under section 104(e), $250,000 for planning and design, $400,000 for construction, $150,000 for grants and loans, and $100,000 for the operations of the Commission.".

SEC. 607. PATH OF PROGRESS.

Title II of the Act entitled "An Act to establish in the Department of the Interior the Southwestern Pennsylvania Heritage Preservation Commission, and for other purposes", approved November 19, 1988 (102 Stat. 4618), is amended as follows:

(1) By amending the heading of the title to read as follows:

"TITLE II—PATH OF PROGRESS".

(2) By amending section 201 to read as follows:

"SEC. 201. IDENTIFICATION OF ROUTE.

"In order to provide for public appreciation, education, understanding, and enjoyment of certain nationally and regionally significant sites in Southwestern Pennsylvania which are accessible by public roads, the Secretary, with the concurrence of the agency having jurisdiction over such roads, may provide signs, interpretive materials, and other informational devices for a vehicular tour route, commonly known as the 'Path of Progress Heritage Route'.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Minnesota [Mr. VENTO] will be recognized for 20 minutes, and the gentleman from Utah [Mr. HANSEN] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

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 on the bill presently under consideration before us.

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

There was no objection.

Mr. VENTO. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, the bill before us is a bill for 1994 in reform and a proper initiative for Park Service activities today. It is a new idea to conserve natural and cultural resources and try to respond to the needs of today.

First of all, it reinvents the idea of a National Park Service designation, building upon the concept of national landmarks or historic register recognition, this provides for the opportunity to do an actual designation on the part of Congress for important natural and cultural resources. It is not a massive new Federal program; if anything, it is an attempt to try to empower the State and local governments to protect that which is within their areas.

Second, its funding, the American Heritage Partnership Act, is funded from existing authorized funds. Of course in a very modest manner. The fact is there is $150 million each year authorized. This authorizes but $22.5 million of that amount specifically for its purposes and some additional operation and maintenance funding.

It is a new use of exiting authorized funds. It preserves and protects property rights. I want to repeat that because there has been a lot of misunderstanding about this point. What we do not do is we do not superimpose the new wish list of property rights in this bill, as some have sponsored and sought.

Third, it is a true partnership, establishing State and local government compacts. They make agreements and match the funds on a 1-to-1 basis in most instances. In 10 years, when that 10-year window availability is over, the National Park Service and Federal support concludes.

Fourth, this is a good process bill. There has been a hearing on every one of the bills that are in the American Heritage Areas Partnership Act, they have been subject to a hearing, as has the basic act. The basic act was marked up and has bipartisan support.

Finally, Mr. Speaker, this provides that Federal Departments and Agencies will act together, it provides for consultation so that Federal entities will work together.

Mr. Speaker, the consultation does not indicate dictation. The fact is these agencies can go ahead and perform their assigned roles. We just want some communication between them and the American heritage areas, the units designated in this and future measures.

It is a good bill. It affects many areas, but small areas, in our Nation. You would have to have a magnifying lens to find them. Indeed I will show them to the Members as we go through this debate. I urge Members to support this program. It is good work product, it affects many Members, it is a good bill.

Mr. Speaker, H.R. 5044, the omnibus heritage areas legislation, established the American Heritage Areas Partnership Program, provides for individual American heritage area designations pursuant to that program, directs the National Park Service to study certain specific areas for inclusion in the program, and makes modifications to several laws that designated certain heritage corridors or areas in the 1980's. This legislation represents a consensus among the administration, a bipartisan group of members of the Committee on Natural Resources and other interested parties, that innovative ways must be found to extend national preservation efforts in a new cost-effective manner.

AMERICAN HERITAGE AREAS PARTNERSHIP PROGRAM

H.R. 5044 incorporates the provisions of H.R. 3707, which I introduced in November 1993, and which establishes the American Heritage Areas Partnership Program within the Department of the Interior. The bill was reported favorably to the House by the Committee on Natural Resources on May 25, 1994, and has the strong support of the administration and members on both sides of the aisle who are committed to developing this partnership between the Federal Government and State and local officials to assure the preservation and conservation of some of our most valuable resources.

These provisions have continued to evolve through discussions with the minority, with the administration, and with other interested parties, and I believe the version we are bringing to the floor today is a better bill because of this input.

I would like to commend my colleague on the committee, Mr. HINCHEY, for his efforts with regard to heritage area legislation. After introducing his own version, he has graciously agreed to work with me on my draft and has provided substantial insight into the process from his own experience in dealing with this type of legislation as a State legislator in New York. I appreciate his input.

As my colleagues know, I have advocated for some time the establishment of a more effective process by which to recognize the important resources contained in so-called heritage areas while limiting Federal involvement in their development and operation. Our Nation contains many geographically and thematically unified areas, which include significant resources worthy of preservation and conservation. In many cases, these areas are connected by greenways, trails, or natural corridors which could be the focus of innovative management ideas. Such areas are important nationally, and are best managed in a true Federal partnership with State and local government and private entities.

In fact, the strong State, local, and private support these areas receive, and their diverse resources, indicate that national involvement, while welcome and necessary, should be limited. The professional expertise of the National Park Service can be useful in identifying and providing assistance for defining, establishing, and managing these important areas. However, the diversity of their resources, the ownership patterns, and the variety of uses and activities taking place, suggest that a true Federal partnership, wherein the national Government provides recognition and limited financial and technical assistance, and other entities, through the State and local governments, manage and fund the largest share of the necessary preservation and interpretation, is the most appropriate method of preserving these areas.

Proposals for heritage areas or corridors have significantly increased in the past several years; there are currently four such areas affiliated with the National Park Service. The American Heritage Areas Program under consideration today would extend national preservation efforts in a new cost-effective manner and would assure that new heritage areas or corridors will have been properly reviewed.

The text of the bill we are considering today incorporates the consensus I have reached with various parties on these issues. The bill defines an American heritage area and lists the criteria for designation. Designation will require an act of Congress after an entity requesting designation has submitted a feasibility study and compact approved by the Secretary. Proposed areas may qualify for limited technical and financial assistance before designation, and after established, heritage areas may receive technical and financial assistance for the purposes of developing and implementing a comprehensive management plan. The bill also provides for the withdrawal of designation if the Secretary determines that the area no longer meets the criteria.

The legislation states minimum criteria for recognition of a management entity to administer an individual heritage area, prohibits the use of Federal funds received through this act for the acquisition of property, and limits a management entity's eligibility to receive Federal funds for 10 years, with an additional 5 authorized if the Secretary approves. Other Federal agencies are required to coordinate their activities within a designated heritage area to the extent possible.

Authorization for specified activities within an area are limited as follows:

A maximum of $100,000 for feasibility studies, $150,000 for compacts, $150,000 for management plans, and $250,000 for early actions. All of the preceding must receive a 25-percent match, and the total annual funding for all such assistance is limited to $8 million.

Management entities may receive up to $250,000 annually, but must provide a 50-percent match for Federal funding for this purpose.

For grants to assist in implementing management plans, the bill provides $14.5 million annually, with no one area eligible to receive more than 10 percent of the annual appropriation for this purpose, and with the conditions that the area must provide a 50-percent match, and that no area may receive more than $10 million for this purpose in total.

Technical assistance provided by the National Park Service is limited to $150,000 annually for each American heritage area. Such assistance is defined as guidance, advice, help, or aid, other than financial aid. Services

procured from the private sector by a management entity using funds provided under the American Heritage Areas Partnership Program are not considered technical assistance. Only that assistance provided by the employees of the Department of the Interior will be counted as technical assistance for the purposes of this program.

H.R. 5044, authorizes the program for 25 years, and states that this act does not affect existing authorities for established heritage areas.

Questions were raised during our discussions on heritage areas about certain provisions, and I would like to take this opportunity to set the record straight on a few issues.

This is not a Federal land grab. These areas will be established as the result of local initiative; heritage area designation will require initial nomination by local groups and a demonstration of strong commitment by local and State entities. Furthermore, the bill expressly forbids the use of Federal funds to acquire property. Finally, section 9 underscores the fact that nothing in this act shall be construed to enlarge, diminish or modify any current authority under Federal, State, and local law to regulate land use. Land use plans for a designated area may be adopted and implemented by local governments or those entities authorized by State law to exercise such authorities concerning private property use. While State and local governments may choose to adopt land use plans and regulations in support of American heritage areas, nothing in this bill requires such action, nor does this bill grant such authority to management entities. Zoning regulations are not affected by this act and remain under the jurisdiction of State and local governments. No new authorities, including the authority to impose or enforce new Federal regulations, are included or anticipated.

After discussion with interested parties on this issue, I have amended the legislation further to state that nothing in the American Heritage Areas Act requires the Secretary to consider land use regulations as a condition of approval of a management plan or compact. Further changes include a requirement that a feasibility study include an inventory of the amount of land in the proposed area owned by public, private, and private nonprofit entities respectively. I believe these amendments underscore the fact that the legislation in no way creates a system of Federal land use regulation nor does it purport to impose such regulation on appropriate State and local authorities.

The bill does direct other Federal entities to consult with the Secretary and to coordinate their activities within an American heritage area to the extent practicable. Such agencies are to conduct activities within a designated American heritage area consistent with the management plan unless the Federal entity determines that there is no practicable alternative.

This requirement does not subordinate other Federal agencies to the Secretary of the Interior. The affected Federal entities may take such actions as they deem necessary regardless of the Secretary's views. This provision merely requires appropriate coordination to eliminate wasteful duplication of efforts and to minimize the impacts of actions which may adversely affect the resources contained in the American heritage area. This language was suggested by OMB, which coordinated discussions with other Federal agencies, and is supported by the administration.

Finally, the funding levels prescribed by the bill as introduced were those suggested by the administration. This is a program designed to minimize the Federal Government's direct involvement in American heritage areas. Matches are required for each category of Federal funding, and there are conditions placed upon the future uses of projects completed with Federal funds. There is an overall cap on spending for each American heritage area, and Federal funding is limited to 10 years for each area, with a 5-year renewal subject to certain conditions.

As Members know, there have been many requests for funding through the appropriations process, and we are seeing more and more Members seeking park designation for such areas which are not really appropriate for inclusion in the National Park System. This program, and the level of funding associated with it, are designed to encourage this limited approach instead of continuing the earmarks and park designations now consuming so much of the National Park Service budget. I believe the funding contained in this bill provides an appropriate incentive for areas which seek Federal funding while limiting Federal involvement in these initiatives.

Mr. Speaker, Americans are increasingly interested in conserving and preserving natural areas and cultural symbols. There is also an increased understanding that resource preservation and economic viability are not mutually exclusive but compatible and mutually enhancing. Obviously, the national Government can neither own nor manage each property or area worthy of preservation. In these active communities containing a variety of resources, multiple management and funding sources would be the most appropriate method of preserving and interpreting the nationally important resources and themes.

I believe H.R. 5044 provides national encouragement for protecting these assets without instituting a massive new Federal bureaucracy or providing significant Federal funding. The Federal Government will neither own nor manage the resources assembled in these areas. These are dynamic, thriving communities, which with the assistance of the National Park Service, will maintain an appropriate balance between preservation and growth.

INDIVIDUAL DESIGNATIONS

While H.R. 5044 establishes an American Heritage Areas Partnership Program, and specifically a process by which heritage areas could be nominated and designated American heritage areas, we are providing for the designation in this bill of certain areas as American heritage areas.

Many local groups have already begun working to complete studies and nominations pending the enactment of generic heritage area legislation. Some of these attempts have been underway for some time and there have been concerns expressed by supporters that delays may endanger the resources contained in the proposed areas and disrupt the coalitions formed to assist these projects. To avoid uncertainty and unnecessary delays, I have agreed to consider several of these proposals. These proposals have all been heard by the Subcommittee on National Parks, Forests and Public Lands and have been tailored to the provisions of the generic legislation to the extent possible.

AMERICAN COAL HERITAGE AREA

The section designating the American Coal Heritage Area includes provisions of two bills: H.R. 3988, the West Virginia National Coal Heritage Act of 1994, introduced by Representative RAHALL on March 9, 1994, and H.R. 4692, the Appalachian Coal Heritage Act of 1994, introduced by Representative BOUCHER on June 30, 1994. These bills concern contiguous coal mining communities in southern West Virginia and in southwestern Virginia, including Pocahontas, VA, and Bramwell, WV, towns on either side of the State line that grew up around the Pocahontas coal mine. The Subcommittee on National Parks, Forests and Public Lands held a hearing on the Rahall and Boucher measures on July 28, 1994.

The Pocahontas coal mine opened in 1882, changing forever the corner of Appalachia at the Virginia-West Virginia State line. Local architecture reflects the migration to this area of Hungarian, German, and Welsh workers, along with others, near the turn of the century.

The West Virginia mining conflicts of the first decades of this century pitted workers and their families against not only mine owners, but also against the U.S. Army, providing a significant, if dark, chapter in the history of the labor movement and Appalachia. The best known of these incidents are the Battle of Matewan and the Battle of Blair Mountain.

Section 201 of H.R. 5044 authorizes the establishment of the American Coal Heritage Area upon publication in the Federal Register that the Secretary of the Interior has approved the compact. The area will be managed pursuant to the provisions of title I.

AUGUSTA CANAL AMERICAN HERITAGE AREA

The section designating the Augusta Canal American Heritage Area incorporates many of the provisions of H.R. 2949, introduced by Representative JOHNSON of Georgia on August 6, 1993. The subcommittee on National Parks, Forests and Public Lands held a hearing on H.R. 2949 on June 28, 1994.

The Augusta Canal in Augusta, GA was constructed in 1845 to transport cotton from its source to downtown Augusta, prompting the construction of several textile mills in the city, and the subsequent rise of the area as a center of cotton manufacturing in the South. In 1875, the canal was expanded, bringing new economic and social vitality to the city. The canal, a national historic landmark, remains intact along with much of its associated historic, cultural, and natural setting in the adjacent industrial area, an example of 19th century Southern Industrial development.

The Augusta Canal Authority, established by the general assembly of Georgia in 1989, has prepared the Augusta Canal master plan with funding from the State of Georgia, the city of Augusta, Columbia County, and the U.S. Department of Transportation and Interior. The plan identifies actions to preserve and interpret the canal and related resources, while

also proposing strategies to extend the influence of the canal and its setting to enhance the natural and urban environment of Augusta.

Section 202 of H.R. 5044 authorizes the establishment of the Augusta Canal American Heritage Area upon publication in the Federal Register that the Secretary of the Interior has approved the compact. The Augusta Canal Authority is identified as an appropriate management entity, and the area will be managed pursuant to the provisions of title I.

CANE RIVER AMERICAN HERITAGE AREA

The section designating the Cane River American Heritage Area incorporates many of the provisions of S. 1980, introduced by Senator JOHNSTON on March 24, 1993. The Subcommittee on National Parks, Forests and Public Lands held a hearing on S. 1980 on July 28, 1994.

The town of Natchitoches, LA is the oldest permanent settlement within the Louisiana Purchase Territory, and was the site of the westernmost fort of the French Empire, Fort St. Jean Baptiste. In 1767, this part of the French Empire was ceded to Spain. The subsequent conversion of the frontier economy to an agricultural economy led to the development of a plantation economy based on slave labor. In 1803, this area was ceded back to France, and shortly thereafter the Louisiana Purchase gave jurisdiction over the area to the United States.

The early years of French and Spanish domination, and the relative isolation of the area, left a lasting legacy in Natchitoches Parish. One aspect of this multicultural history was the development and nurturing of a unique culture on Isle Brevelle, the Cane River Creoles of color, a distinct community which exists today. Nearby Cloutierville retains its French small village flavor, and the life and folkways of the town were the basis for many of the fictional writings of Kate Chopin, who lived there between 1879 and 1884.

A congressionally directed National Park Service special resource study completed in 1993 found several resources within the Cane River study area nationally significant, and recommended an approach which would combine National Park Service management of certain specified properties with a heritage partnership framework for the larger area. Section 203 of H.R. 5044 authorizes the establishment of the Cane River American Heritage Area upon publication of a notice in the Federal Register that the Secretary has approved the compact. The Secretary is authorized to designate a coalition of listed representatives as the management entity for the area, which will be managed pursuant to title I.

ESSEX AMERICAN HERITAGE AREA

The section designating the Essex American Heritage Area incorporates many of the provisions of H.R. 1685, introduced by Representative TORKILDSEN on April 2, 1993. The Subcommittee on National Parks, Forests and Public Lands held a hearing on H.R. 1685 on June 28, 1994.

Essex County in Massachusetts contains historic, cultural, and natural resources reflecting the themes associated with Salem Maritime National Historic Site, including the history of early settlement, maritime trade, and textile and leather industries. In 1987, the city of Salem, MA, contracted for the development of a heritage park plan to link the Salem Maritime National Historic Site more closely with the surrounding communities. The resulting Salem partnership, including representatives from the National Park Service, local government and the private sector produced an action plan to promote rehabilitation and expansion of the Salem Maritime National Historic Site and Improvements in the city's other historic resources and visitor services.

In 1990, the National Park Service produced a study of alternatives ranging from rehabilitation of Salem Maritime NHS to a countywide system of historic sites with several adjunct visitor centers and countywide interpretive themes. The Essex Heritage Ad Hoc Commission, consisting of mayors of the towns in Essex County, representatives of private interests, and residents, was formed, and along with the Salem partnership is proceeding with implementation of the countywide preservation and promotion aspects pending legislation authorizing the Essex American Heritage Area.

Section 204 of H.R. 5044 authorizes the establishment of the Essex American Heritage Area upon publication in the Federal Register that the Secretary of the Interior has approved the compact. The area will be managed pursuant to the provisions of title I.

Because the proposed Essex American Heritage Area contains two national Park System units, Saugus Iron Works National Historic Site and Salem Maritime National Historic Site, it is expected that park operations and heritage operations will be closely coordinated. In particular, Salem Maritime National Historic Site will play an important role in visitor orientation and interpretation of the related themes in the surrounding heritage area.

HUDSON RIVER VALLEY AMERICAN HERITAGE AREA

The section designating the Hudson River Valley American Heritage Area incorporates many of the provisions of H.R. 4720, introduced by Representative HINCHEY on June 30, 1994. The Subcommittee on National Parks, Forests and Public Lands held a hearing on H.R. 4720 on July 28, 1994.

The Hudson River Valley embraces natural, historic, cultural, and recreation resources between Troy, NY, and the border of New York City representing themes of settlement and migration, transportation, and commerce. The Hudson River Valley greenway, created by the State of New York, creates a framework for voluntary regional cooperation in the 10 counties of New York's Hudson River Valley, emphasizing both environmental protection and economic development. The State of New York has established a structure in which the communities in the Hudson River Valley may join together to preserve, conserve, and manage these resources, and to link them through trails. The national importance of the resources contained in the valley, as well as the scope of the greenway project, indicate that Federal participation in development and preserving the resources could be appropriate.

Section 205 of H.R. 5044 authorizes the establishment of the Hudson River Valley American Heritage Area upon publication in the Federal Register that the Secretary of the Interior has approved the compact. The Hudson River Valley Greenway Communities Council and the Greenway Conservancy are identified as appropriate management entities, and the area will be managed pursuant to the provisions of title I.

Because of concerns raised by members and residents in certain areas of the proposed heritage area, the bill provides that political subdivisions within the counties of Greene and Columbia, and in certain parks of the counties of Rensselaer and Dutchess, must agree to be included in order to participate in the program.

OHIO & ERIE CANAL AMERICAN HERITAGE AREA

The section designating the Ohio & Eric Canal American Heritage Area incorporates many of the provisions of H.R. 3593, introduced by Representative REGULA on November 20, 1993. The Subcommittee on National Parks, Forests and Public Lands held a hearing on H.R. 3593 on April 26, 1994.

In fiscal year 1991, Congress appropriated funds for a National Park Service study of the Ohio & Erie Canal Corridor. That study, released in September 1993, found the area suitable for designation as an affiliated area of the National Park System. Its purpose would be to preserve the canal, the first inland waterway link between the Great Lakes and the Gulf of Mexico, and to chronicle the evolution of transportation systems in America.

Section 206 of H.R. 5044 authorizes the establishment of the Ohio & Erie Canal American Heritage Area upon publication in the Federal Register that the Secretary of the Interior has approved the compact. The Secretary is authorized to recognize a coalition of specified representatives as the management entity, and the area will be managed pursuant to the provisions of title I.

SHENANDOAH VALLEY BATTLEFIELDS AMERICAN HERITAGE AREA

This section authorizes the establishment of a Shenandoah Valley Battlefields American Heritage Area, which incorporates some of the provisions of H.R. 746, the Shenandoah Valley National Battlefields Partnership Act of 1993, introduced February 2, 1993 by Congressman WOLF, and its companion, S. 1033, which was passed by the Senate on June 8, 1994.

The Shenandoah Valley of Virginia, was the site of 326 armed conflicts during the Civil War, 15 of which were battles of major significance. The valley's position enhanced its strategic significance in the war; it is defined at its northern end by the first range of the Allegheny Mountains, separated from the Virginia Piedmont by the Blue Ridge Mountains and divided in the middle by the large and complex ridge of Massanutten Mountain.

Two significant Civil war campaigns took place in the Shenandoah Valley. In 1862 Stonewall Jackson brought 17,000 Confederate troops into the valley and, using his detailed knowledge of the valley's topography, rivers and road, bested three Union armies of twice the manpower, forcing the Union to divert troops from the Confederate capital at Richmond, which had been at risk from the growing Union presence outside of town.

In 1864, Union General Sheridan Attacked from the North, devastating the Confederate troops commanded by Jubal Early, and burning the valley's farms and mills along the way, disrupted the food supply. The campaign concluded with a decisive Union victory at Cedar Creek that served to build public confidence in

the White House in the month before Lincoln's re-election.

In 1990, Congress authorized a National Park Service study of the Civil War battlefields of the Shenandoah Valley. The report identifying the resources was issued in September 1992. In September 1993, the National Park Service issued a followup report recommending the creation of a heritage area to protect and interpret these resources.

Section 207 of H.R. 5044 authorizes the establishment of the Shenandoah Valley Battlefield American Heritage Area upon publication in the Federal Register that the Secretary of the Interior has approved the compact. The area will be managed pursuant to the provisions of title I.

STEEL INDUSTRY AMERICAN HERITAGE AREA

This section authorizes the establishment of the Steel Industry American Heritage Area in southwestern Pennsylvania centered around the city of Pittsburgh. It contains elements of H.R. 3144, the Steel Industry Heritage project, introduced by Representative COYNE on September 28, 1993.

Southwestern Pennsylvania was a center of activity during the industrial revolution and the steel industry of that region played a key role in the establishment in the 1920's of the preeminence of the United States in mass production industries. It also gave occasion for a new chapter in the history of the labor movement, spawning such labor organizations as the Congress of Industrial Workers and the United Steel Workers of America. It attracted immigrants whose culture became a part of the region's heritage, and shaped settlement patterns across six counties, including the city of Pittsburgh.

In 1988, as a part of the southwestern Pennsylvania Industrial Heritage Preservation Commission's enabling legislation, Public Law 100–698), Congress authorized the Commission to conduct a study of the Greater Allegheny and Washington Counties/Mon Valley Area, in coordination with the Pittsburgh Area Steel Industry Heritage Task Force. The study, which was completed in March 1993, recommends the establishment of a steel heritage area, to be carried out under cooperative management.

Section 208 of H.R. 5044 authorizes the establishment of the Steel Industry American Heritage Area upon publication in the Federal Register that the Secretary of the Secretary of the Interior has approved the compact. The area will be managed pursuant to the provisions of title I.

VANCOUVER AMERICAN HERITAGE AREA

This section authorizes the establishment of the Vancouver American Heritage Area in Washington State, incorporating aspects of H.R. 4607, the Vancouver National Heritage Area Partnership Act of 1994, introduced on June 21, 1994, by Congresswoman UNSOELD.

Vancouver, Washington's location on the Columbia River, has played a part in several chapters of U.S. history. Fort Vancouver, established in 1825, was the regional headquarters of the Hudson's Bay Co. Vancouver barracks has served the U.S. Army from the mid-1800's. Officer's Row, an avenue of historic homes, housed top military leaders for over 100 years. Pearson Airpark, now a general aviation airport, played a role in the development of aviation.

Congress passed a law in 1948 to establish the Fort Vancouver National Monument, and in 1961 redesignated it the Fort Vancouver National Historic Site. Because nearly all of the Fort's structures were destroyed within 6 years of this abandonment by the Hudson's Bay Co. in 1860, the site comprises reconstructed structures based on archaeological data.

Next to Fort Vancouver is Pearson Airpark, including an aircraft museum. In 1972 the National Park Service paid over $500,000 to acquire from the city of Vancouver a portion of the runway and other land serving Pearson Airpark. The general management plan for the fort provides for the acquired lands to eventually be open space with plantings compatible with the fort. Use of this land for airport operation has been an ongoing matter of concern and discussion and is one of the aspects the bill seeks to address.

In November 1990, Congress established the Vancouver Historical Study Commission to study the feasibility of establishing a historical reserve to preserve and protect the area's special resources—Public Law 101–523. The study was completed in April 1993, and found the establishment of a partnership to preserve Vancouver's resources both feasible and suitable.

Section 209 of H.R. 5044 authorizes the establishment of the Vancouver American Heritage Area upon publication in the Federal Register that the Secretary of the Interior has approved the compact. The area will be managed pursuant to the provisions of title I. In addition, the bill provides for the phasing out of general aviation at Pearson Airpark by 2022.

WHEELING AMERICAN HERITAGE AREA

The section designating the Wheeling American Heritage Area incorporates many of the provisions of H.R. 2843, introduced by Representative MOLLOHAN on August 3, 1993. The Subcommittee on National Parks, Forests and Public Lands held a hearing on H.R. 2843 November 16, 1993.

Wheeling, WV, became a center for transportation and industry in the first half of the 19th century. Serving as the western terminus of the national road in the early 1800's as well as one of the few major inland ports, Wheeling was home to developing industries such as coal, iron and steel, tobacco, glass, china, and tile and boat building. The resources remaining in Wheeling illustrate and interpret transportation and industrial themes in America's development.

Since enactment of Public Law 100–121, the fiscal year 1990 Interior and Related Agencies Appropriations Act, which appropriated funds for a study, the National Park Service has been working with the city of Wheeling and the State of West Virginia to evaluate the city's resources and develop a plan for the preservation, promotion, interpretation, and development of these resources. In August 1992, all parties approved a plan which calls for the establishment of the Wheeling National Heritage Area.

Section 210 of H.R. 5044 authorizes the establishment of the Wheeling American Heritage Area upon publication in the Federal Register that the Secretary of the Interior has approved the compact. The area will be managed pursuant to the provisions of title I, and funding for the Wheeling American Heritage Area will be limited to $5 million for capital projects, $1 million for planning, and $500,000 for technical assistance. Both capital projects and planning require a 50-percent match for Federal funds.

OHIO RIVER STUDY

The section directing a study of the Ohio River corridor incorporates many of the provisions of H.R. 2095, introduced by Representative HAMILTON on May 12, 1993.

The Ohio River flows through six States from its headwaters in the commonwealth of Pennsylvania to its confluence with the Mississippi River and comprises a chain of commercial, industrial, historical, archeological, natural, recreational, scenic, wildlife, urban, rural, cultural, and economic areas. Section 301 of title III directs the Secretary of the Interior to complete within 2 years a study of the feasibility and suitability of designating this section of the Ohio River as an American heritage area.

FOX AND LOWER WISCONSIN RIVER STUDY

The section directing a study of the Fox and Lower Wisconsin River corridor incorporates many of the provisions of S. 344, introduced by Senator KOHL on February 4, 1993, and approved by the Senate on March 17, 1993.

The Fox-Wisconsin Waterway, the discovery route of Marquette and Joliet, connects the Great Lakes and the Mississippi River, was critical to the opening of the Northwest Territory and served as a major artery in bringing commerce to the interior of the United States and in providing a vital communication link for early explorers, missionaries, and fur traders. Section 302 of title III directs the Secretary of the Interior to complete within 2 years a study of the feasibility and suitability of designating the Fox and Lower Wisconsin River corridors as an American heritage area.

SOUTH CAROLINA CORRIDOR STUDY

The section directing the National Park Service to cooperate in a study of the South Carolina corridor incorporates many of the provisions of H.R. 4330, introduced by Representative DERRICK on May 3, 1994.

More than 250 miles in length, a corridor stretching from Charleston, SC, to Oconee County in the upcountry possesses a diversity of significant natural, historic, and cultural resources related to past and current commerce, transportation, mining, cattle, pottery, and national defense industries in the region providing significant ecological, natural, tourism, recreational, timber, management, educational, and economic benefits. Section 303 of title III directs the Secretary to cooperate with the South Carolina Department of Parks, Recreation, and Tourism in preparing a study on the feasibility and suitability of designating the South Carolina corridor as an American heritage area.

NORTHERN FRONTIER STUDY

The section directing a study of the struggle for American independence within the Northern Frontier incorporates many of the provisions of H.R. 79, introduced by Representative BOEHLERT on January 5, 1993.

The Northern Frontier, comprising the Mohawk Valley in the State of New York and the country of the Six Nations—Iroquis Confederacy—was extremely valuable to both sides

of the American Revolutionary War, as well as for the establishment of the Northern Indian Department there. Section 304 of title III directs the Secretary to complete within 2 years a study of the suitability and feasibility of designating the Northern Frontier as an American heritage area.

BLACKSTONE RIVER VALLEY NATIONAL HERITAGE CORRIDOR

The title amending the Blackstone River Valley National Heritage Corridor establishment incorporates many of the provisions of H.R. 2633, introduced by Representative NEAL of Massachusetts on July 14, 1993. The Subcommittee on National Parks, Forests and Public Lands held a hearing on H.R. 2633 on April 26, 1994.

The Blackstone River Valley National Heritage Corridor was established by Public Law 99–647 in 1986 to preserve and interpret the nationally significant resources of the corridor associated with the American Industrial Revolution. The corridor consists of the 46-mile segment of the Blackstone River running from Worcester, MA, to Providence, RI, and includes 20 communities in two States. The 19-member Blackstone River Valley National Heritage Corridor Commission was established by Public Law 99–647 to develop and implement a plan for preserving and interpreting the corridor's resources. The Blackstone River Valley cultural heritage and land management plan was approved by the Secretary of the Interior in June 1990, and the Commission is slated to terminate in 1996. The establishing act authorized $250,000 annually for the Commission with the Federal contribution not to exceed 50 percent of the costs of the Commission's operation.

Public Law 101–441, enacted in 1990, authorized the Secretary to provide limited financial assistance for qualified projects within the corridor. The Federal contribution for such projects was limited to 50 percent, and the Secretary was required to give consideration to projects providing a greater leverage of Federal funds. Public Law 101–441 also authorized $350,000 annually for the Commission's operations and $1 million annually for fiscal year 1991–93 for the financial assistance authorized by the act.

Title IV of H.R. 5044 revises the boundaries of the Blackstone River Valley National Heritage Corridor to include five additional communities—Worcester and Leicester in Massachusetts, and Burrillville, Glocester, and Smithfield in Rhode Island, and specifies the revision of the cultural heritage and land management plan accordingly. The bill extends the Commission for an additional 7 years, and increases the authorization for funding for the Commission's operation to $500,000 annually. This title also authorizes an additional $5 million for development and interpretive materials and programs in the corridor.

BRAMWELL NATIONAL HISTORIC DISTRICT

The section directing the establishment of the Bramwell National Historic District accomplishes many of the purposes of H.R. 793, the Bramwell National Historical Park Act of 1993, introduced by Representative RAHALL on February 3, 1993, in recognition of the importance of preserving, restoring, and interpreting the historical, cultural, and architectural values of the town of Bramwell, WV.

SOUTHWESTERN PENNSYLVANIA AMERICAN HERITAGE AREA

The provisions regarding the southwestern Pennsylvania Heritage Area modify the original 1988 law dealing with this area to provide more accountability and control on the use of Federal funds in the area, as Federal participation in the project draws to a close over the next several years. These changes will allow work on the project to continue but limits the overall scope and involvement of the Federal Government to the minimum necessary to complete the work underway in the area.

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

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

Mr. Speaker, H.R. 5044, the American Heritage Areas Program will create a generic approach for establishment of new Federal Heritage Areas. In the past 10 years, local support for these areas has grown tremendously. There are currently over 100 heritage areas under various stages of consideration nationwide. The difficulty that Chairman VENTO and I face is that all of these groups and Members are coming to us asking for various types of designation and assistance. Thus, congressional consideration of every new heritage area is becoming overburdensome and inconsistent. It is important that Congress adopt a consistent, programmatic approach to address these proposals which could affect tens of millions of acres in over 40 States. Moreover, with appropriate limitations on this program, heritage area designation could be a cost-effective alternative to new Federal parks.

H.R. 5044 is far from perfect legislation and I have continuing concerns: First, is the protection of private property rights and second, is cost. Chairman VENTO has agreed to insert new language which should provide some limitation on the Federal Government's ability to force land use controls on local governments.

H.R. 5044 also authorizes over $22.5 million per year in new funding. Although this amount is more than double the amounts I initially recommended to the committee, it does represent a $12.5 million reduction from the original text of the bill. Due to the accommodations made by Chairman VENTO, I will support H.R. 5044.

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

Mr. VENTO. Mr. Speaker, I yield 2 minutes to the gentleman from South Carolina [Mr. DERRICK].

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

Mr. Speaker, I rise today in support of H.R. 5044, the American Heritage Areas Partnership Program. The heritage areas outlined in this legislation are very unique because they have been conceived and initiated at the grass roots level.

These heritage areas tie individual kernels of the past together and provide an understanding of each area's history through development of its natural, cultural, and historic assets.

The local folks in these regions have formed partnerships with the private sector, local resources, State government and the Federal Government to establish these areas. They have formed elaborate structures of organization to ensure that these areas are developed and managed in the best possible way. In South Carolina the Governor placed special emphasis on developing the heritage area through an Executive order requiring that agencies and departments in South Carolina work together to guarantee designation and successful management.

Rather, than being a Federal mandate, this is truly a local initiative. Each of these areas has been organized by committees made up of local citizens who have built this concept from the ground up.

Moreover, this measure limits Federal funding and could result in a savings of up to 66 percent. And, it limits Federal involvement.

Our citizens have asked us to assist them in establishing these areas of history, culture and preservation so that future generations will have a greater understanding of our country's rich culture and historical treasures.

Those undertaking the planning for these heritage corridors have done their part. Now it's our turn. I ask you to support H.R. 5044.

Mr. HANSEN. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio [Mr. REGULA].

Mr. REGULA. Mr. Speaker and my colleagues, this is a good bill. It is a way of people helping themselves to establish areas that are needed. This morning we had a contract with America on the front steps, and one of the things that contract said, "It can be the beginning of a Congress that respects the values and shares the faith of the American family."

That is what this bill does exactly.

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First, Mr. Speaker, I want to address the question of private property rights. There have been a lot of calls and conversations on this. This bill clearly does not provide any right of taking by the Federal Government. It says, and I quote, "nothing in this title shall be construed to modify, enlarge, any authority of the Federal, State and local governments to regulate any use of lands provided by current law; two, nothing in this title shall be construed to grant powers of zoning or land use to any management entity for an American heritage area. It is a prohibition of acquisition of real property; there cannot be a taking. A management entity," and I am quoting directly from the law, "a management entity for an American heritage area may not use Federal funds received under this title

to acquire real property or an interest in real property," and lastly, and this is a provision the gentleman from Utah put in, "no provision of this title shall be construed to require any change in land use regulation as a condition of approval by a management plan or a management plan by the secretary." Clearly it does not invade in any way private property rights, and it is spelled out in the law.

Why is this important? Because it enables people to help themselves. We cannot afford new parks. The gentleman from Utah said this is cost effective, and he is absolutely correct. We still have a need. The increase last year in the national parks in usage was 10 percent. Yosemite was rationing people. They had to wait outside the gate and get a number to get in, and, with the increased population it faces in the United States, we need these open areas, particularly in the east, and, if we look at this map over here where the heritage corridors are, they are in the eastern States, and that means that people can get to them on a daily basis to take a walk with their family.

Talk about family values. This is where the family value can go out daily and weekly and take a hike, where Boy Scout troops, Girl Scout troops, 4-H Clubs, can get together and use these corridors for recreational purposes, and more importantly they can be involved in the preservation. I know in my own community we have Kiwanis Clubs, Rotary Clubs, garden clubs all involved in the 87 miles of the heritage corridor following the high end Erie Canal, and they are already starting to clean the brush and get the hiking paths ready, and we are saying as a Federal Government, "We want to help you, but only on a matching basis, dollar for dollar."

I think this bill represents a vision that we can be proud of, that we are conserving something for the future of this Nation.

Mr. VENTO. Mr. Speaker, I yield 1 minute to the gentlewoman from Washington [Mrs. UNSOELD].

Mrs. UNSOELD. Mr. Speaker, I rise in support of H.R. 5044, legislation to provide for the long-term preservation and interpretation of significant historical resources across the Nation. This is a noble objective and I commend the chairman of the subcommittee for his efforts to bring this bill to the floor today.

I am particularly pleased that section 209 of the bill incorporates much of my legislation to establish a heritage area in Vancouver, WA.

Vancouver, which is located just across the Columbia River from Portland, OR, was at the center of the settlement and development of the Northwest during the 19th and early 20th centuries. In one 360-acre area, five historic gems chronicle the sweep of Northwest history since Lewis and Clark explored the area between 1805 and 1806.

For the past five years I have been working with the mayor of Vancouver, the Park Service and many others to establish a Federal-State-local partnership to preserve, restore, and coordinate the management of the historic area in Vancouver.

In 1990 Congress adopted my legislation to establish a Commission to analyze various management options for these historic properties. The Commission was composed of representatives of the major entities interested in the area, including the National Park Service, the Army Corps of Engineers, the City of Vancouver, and the State of Washington. The Commission completed its work in April 1993 by recommending that a partnership be established to ensure effective, coordinated, management of the area. The members of the Commission agreed that management of the area needed to be coordinated by a federally established management framework based on partnership between the interested government entities.

To implement the recommendations of the Commission I introduced H.R. 4607 to protect all of the key areas and the equally significant historic periods and events they represent. Most importantly, by unifying and coordinating the management of all these historical assets, the bill proposes a partnership to develop the full educational, recreational, and historical potential of area.

Mr. Speaker, it is no secret that resolution of the Pearson Airpark controversy—what the appropriate role of the airport should be after 2002—is crucial to an overall cooperative management agreement for the area. While there is now an appreciation that Pearson's aviation history is of national significance and should be preserved, there has been disagreement over whether it should remain an operating general aviation airport.

My own view is that it would be unconscionable to eliminate the aviation history represented by Pearson Airpark and its young but flourishing aviation museum. I am also convinced that some general aviation activity at Pearson is necessary to help underwrite the costs of maintaining the airfield, which is essential to the historic aviation mission. Both my legislation and the bill before us today follow the recommendation of the Commission that general aviation continue through the year 2022. Beyond that time it would take an act of Congress to allow general aviation to continue—a decision left to another generation.

Mr. Speaker, H.R. 5044 is about partnership and it is about protecting historically significant public resources so that our children can understand the past and connect it to the future. For people and communities in southwest Washington, this means unifying and coordinating the management of the area's historic assets; this means developing the full educational, recreational, and historical potential of the area; and it means making Vancouver the premier showcase of Northwest history.

I urge my colleagues to support this legislation.

Mr. HANSEN. Mr. Speaker, I yield 3 minutes to the gentleman from Oregon [Mr. SMITH].

Mr. SMITH of Oregon. Mr. Speaker, I thank the gentleman from Utah [Mr. HANSEN] for yielding this time to me. Mr. Speaker, Members, let us rein in this enthusiasm a tad for this bill. This bill is not exactly as it has been purported to be, although those people advocating the passage of this measure are certainly well intentioned, and yet this bill is a benign coverup for a huge land use taking program for the Federal Government.

Now my colleagues have heard a statement made that this in no way affects zoning or land use planning, and I want my colleagues to look, if they would like, at page 30 of the bill which provides that these heritage programs must be cleared with the Secretary of the Interior. They must cooperate, they must consult, they must conduct and support with his agreement.

Now, Mr. Speaker, the point is that, if this bill had been anything other than a forthright proposition, we would have brought it here with a rule, and we would have debated the bill, and there would have been an amendment to provide for private property protection. That is the reason it is here on suspension, and the other reason it is here on suspension is because it is going to cost $20 million. Now I have some cause of concern because I have lived with this kind of legislation. As my colleagues know, I have been here for 12 years, on my way back to Oregon, but my colleagues all complimented me in 1985 with a bill on the Columbia River Gorge programs which I opposed, and I suggested at the time that it would downgrade private property and it would abuse private property, and it has, and it does, and by the way, Mr. Speaker, the restrictions in that bill provided for decreased property values, loss of local control, and increased litigation. One person lost $150,000 because he could not develop his property.

Now this idea of going around the national parks system is not new. For 10 years I have been sitting with those people in the Committee on the Interior, and now the Committee on Natural Resources, who have added millions and millions of acres and responsibilities to the national parks, and now we are all worrying about what is happened to the national parks. They are $9 billion in backlog. We owe $9 billion

more than we can pay for, and the parks department budget is about a billion. We are never going to catch up. We keep loading up the national parks program, and now, when we have loaded it to this extent, we are going to do the Hail Mary. We are going around end. We are going to call this new program the Heritage Program for America because there is no money left anywhere else, and then we are going to spend $20 million, more money, out of the national parks budget for the heritage program.

Now I am not against these ideas, but why in the world do we not let local government do it? What is wrong with the States and local communities?

I tell my colleagues to vote against this. This is against private property rights. Please vote against this bill.

Mr. VENTO. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. MCNULTY], a strong supporter of the bill.

Mr. MCNULTY. Mr. Speaker, I thank the gentleman from Minnesota [Mr. VENTO] and the ranking member, the gentleman from Utah [Mr. HANSEN] for their leadership and bringing this bill to the floor.

But most of all today I want to commend my colleague from New York [Mr. HINCHEY], Former Assemblyman MAURICE HINCHEY, during his years with that title, was the leader on conservation issues in the State of New York.

MAURICE, I was with some of your friends in Albany yesterday to discuss this bill: Commissioner John Davidson and local officials from my area, Albany Mayor Jerry Jennings, Green Island Mayor McNulty, Colonie Supervisor Fred Field, Schenectady County Legislator Don Ackerman. Some of your former colleagues from the assembly were also present: Assemblyman John McEneny, Assemblyman Paul Tonko, along with one of your colleagues from the assembly who was the first chairman of the first urban cultural park in the State of New York—Assemblyman Ron Canestrari.

So, today, as we talk about all the different areas across the country and all of the meaningful developments that this bill would bring for various Members of Congress and their regions, I want to particularly salute and pay tribute to former Assemblyman MAURICE HINCHEY, now Congressman MAURICE HINCHEY, who was the father of the urban cultural park system in the State of New York.

□ 1550

Mr. HANSEN. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. DOOLITTLE].

Mr. DOOLITTLE. Mr. Speaker, I rise in opposition, strong opposition, to this bill, which I believe is going to prove to be a very costly bill to establish a massive new program of Federal land use control across the country.

Mr. Speaker, this 100-plus-page bill to establish an American Heritage Area partnership was just recently introduced last week and has never been considered, as I understand it, by the Committee on Natural Resources.

Mr. Speaker, this map over here, which has been referred to before, illustrates the areas of the country that will be considered for these American Heritage Areas. You can see, they are quite extensive. Perhaps there are some Members who want to cede this level of authority to the Secretary of the Interior. I think, though, in light of the history of what has gone on with these Federal regulatory acts and what has been happening, we should all be very concerned about this type of activity.

I represent a district that is going through all of these monumental battles under these broad and vague statutes, such as the Endangered Species Act and the Forest Land Management Practices Act, et cetera, where we are suffering some real economic hardship.

Reference has been made to the Contract for America, which the Republicans met on the steps and talked about earlier today. Well, a key part of that is that we subject everything to a cost-benefit analysis. A key part of that is reducing regulation. A key part of that is restoring the power to the people and the belief in private property rights. What concerns me about this bill, and I do not wish to impugn the intent of the author, because the author sincerely believes in this and I think promotes effectively his point of view. But I simply want to observe here that we have got to get back to the basics. We know what happens when the bureaucrats take a little authority and run with it and cause enormous problems to the private property owner.

This bill, it seems to me, goes in completely the opposite direction that this Congress has been moving in, where we seek to have more authority over the bureaucrats, we seek to tighten our standards, we seek to validate the rights of private property owners. Instead, this is more Federal control.

If you have a piece of property as a private owner in any of these orange areas, once this bill takes effect, and once your area becomes a heritage area, if you want to do anything on your property that in any way relates to some Federal activity of some type, you are going to have to ultimately have that approved by the Secretary of the Interior or you cannot do it.

Mr. Speaker, I would submit, this is big Government. This is not reduced regulation. This is not local government. This is the top Federal bureaucrat in the Department of the Interior having to specifically approve every activity that occurs on your property.

I urge defeat of this bill.

Mr. VENTO. Mr. Speaker, I yield 4 minutes to the gentleman from New York [Mr. HINCHEY].

Mr. HINCHEY. Mr. Speaker, this chart is important, because it illustrates quite clearly not only where these American Heritage Areas are located in our country, but it also further indicates the size of these American Heritage Areas.

There are in fact four American Heritage Areas that are currently designated, and they exist for the most part in the eastern portion of the United States. This bill will designate 10 additional American Heritage Areas, and they are located, for the most part, in the Northeast, in the Central section of the United States, but also in the South, and, of course, over in the Far West.

It is important to note, Mr. Speaker, the size of these areas. They are in fact very small. Relative, obviously, to the size of the Continental United States, they take in relatively small parts of the country, but they are important parts of the country.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. HINCHEY. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Speaker, I think the gentleman makes a very, very important point, that these are really areas that Congress must designate in terms of recognition, first of all, as heritage areas. I would point out they are relatively small areas that are impacted.

Now, as far as local or State governments making agreements with the Federal Government, there are no new powers extended to the Federal Government, no new powers extended to the State or local government. So any power they have today to make such agreements, they could make the agreements under existing law. We are trying to in fact channel that authority for the purposes of the bill. So the new powers here, in other words, all local and zoning authorities that exist today, exist under this bill. All Federal powers already are in place.

I command the gentleman from New York [Mr. HINCHEY]. The gentleman has been a leader in this policy. He introduced important legislation on this topic. We very much appreciate the support and the expertise the gentleman [Mr. HINCHEY] has provided in terms of helping craft this bill, and, of course, the Hudson Valley designation which is so important to the gentleman. I appreciate the gentleman yielding, and commend him for the statement he is presenting.

Mr. HINCHEY. Mr. Speaker, I want to respond by saying how much I appreciate of the work of the gentleman from Minnesota [Mr. VENTO]. His leadership on the Committee on Natural Resources and particularly as chairman of the Subcommittee on National Parks, Forests, and Public Lands, is invaluable to this House and the people

of our country. The gentleman has done an extraordinary job in putting this bill together. He has exercised I think incredible patience and fortitude. He has spoken to practically every Member of the House, and certainly all those affected even marginally by the provisions in this bill.

The fact that we have such a comprehensive measure, that has strong bipartisan support, supported by Members on both sides of the aisle, is a tribute to the leadership of my colleague from Minnesota [Mr. VENTO], and I very much appreciate his work.

Mr. VENTO. If the gentleman would yield further, I would point out every Member of the House affected by this favors this bill. The Members that may not favor it, I do not know they are affected.

Mr. HINCHEY. Mr. Speaker, I just wanted to make a couple of points, to try to make them very briefly. First of all, there are no new land use controls in this measure. None whatsoever. All the existing land use controls are kept. None are expanded, none are changed.

This bill provides us with extraordinary educational opportunities. This country is now more than 200 years old. At an earlier time we recognized the importance of preserving places like Yellowstone and Yosemite. People today pay tribute to those people, the leaders of the country at that time, who had the foresight to do so.

This is precisely what is being done here today. And in the 200 years of this country, much has been done here that needs to be protected and enhanced and talked about. These American Heritage areas are in fact educational laboratories for this and future generations. The Blackstone River Valley, for example, in Massachusetts and Rhode Island, talks about the development of commerce in this country and industry in this country, and the first way it came here. It is very important to preserve that.

The American Coal Heritage Area in West Virginia also talks about the way we developed energy in this country. All of these areas across the country need to be preserved, need to be enhanced. This bill will do it. It does it in a comprehensive way that protects existing controls, puts no additional controls on any land, and simply allows for us to celebrate this as history in a reasonable way.

Mr. HANSEN. Mr. Speaker, I yield 1 minute to the gentleman from Kansas [Mr. ROBERTS].

Mr. ROBERTS. Mr. Speaker, I rise today in opposition to H.R. 5044 the American Heritage Areas Partnership Program Act. The stated purpose of this legislation is to foster public/private partnerships to protect areas of significance to our American heritage. This is indeed a noble goal, but we have seen time and time again that the Federal Government's idea of a partnership is, "You own it, we tell you how you can use it." I fear that approval of this bill would seriously threaten the private property rights in areas designated under the act.

As disturbing as the substance of the bill, is the process. This bill was introduced just 2 weeks ago and has not been the subject of hearings or markup in the Natural Resources Committee. It comes to the floor under suspension of the rules so that debate is limited and members who are concerned about property rights are not allowed to offer amendments, despite the fact that the House has supported the cause of private property rights on numerous amendments this session of Congress.

I encourage my colleagues to reject both the substance and the process.

□ 1600

Mr. VENTO. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. NEAL], the sponsor of the measure dealing with Blackstone River.

Mr. NEAL of Massachusetts. Mr. Speaker, I rise in strong support of H.R. 5044, the American Heritage Areas Act of 1994. Through its partnership program, this legislation provides a unique opportunity to preserve and protect important historical and cultural sites of national significance, without straining the budget of our already overburdened National Park System. The Federal Government does not own or manage the land in a national heritage corridor, as it does in a traditional National Park and Federal funds cannot be used to acquire land for heritage areas.

Local communities and businesses, along with historic and environmental groups work together with the National Park Service through a unifying commission to manage, develop and preserve the unique characteristics of an American heritage area. The legislation requires a 1 to 1 match of Federal dollars with non-Federal dollars. This type of partnership between the Federal Government and local entities not only makes national heritage areas more cost-effective, but also brings successful results.

The Blackstone River Valley national heritage corridor, part of which is located in my district in Massachusetts, is a fine example of how successfully the Heritage Program works.

Running along 46 miles of the Blackstone River from Worcester to Providence, the corridor is the birthplace of the American industrial revolution. To appreciate the importance of this event, you have to understand that in the 1790's, even after we had won the Revolutionary War, America was still dependent on England for clothing. This began to change in 1793, when Samuel Slater built the first mill that successfully used water-power from the Blackstone River to spin cotton. This revolutionary method of using water-power spread quickly throughout the valley and the rest of New England, changing our economy and society forever. If you go there today, you can feel our Nation changing from the prerevolutionary farming-based economy to the industrial society that is still the basis of our economy.

The Blackstone corridor is a model for heritage areas. Its success is due to the solid support and enthusiasm it receives from local groups. For every Federal dollar spend on the Blackstone corridor, $3 non-Federal are attracted.

Despite its remarkable accomplishments, there remains much to be done in the Blackstone corridor to secure its future as an integral part of our American history.

This legislation will expand the Blackstone corridor and extend the authority of the Blackstone Commission. Over the past few years, areas of the Blackstone Valley have been considered for landfill dumps and other potentially damaging uses. Expansion and more preservation is needed to protect the corridor. Time and economics have moved the economic engine of America elsewhere. But the Blackstone today provides a unique and irreplaceable way for generations of Americans to see how it all began. To let this resource slip away would be a great tragedy.

There are numerous historical, cultural, and recreational areas in this county of national significance. Unfortunately, due to budgetary constraints, the National Park Service cannot include all these worthwhile areas in its system.

The American Heritage Areas Act provides a cost-effective and proven way to promote historical preservation and environmental conservation of such nationally significant sites. Without this legislation, these sites could be irreparably destroyed and their importance to our American history and culture lost forever.

I strongly urge you to support this legislation, H.R. 5044.

Mr. HANSEN. Mr. Speaker, I yield 2 minutes to the gentleman from Louisiana [Mr. TAUZIN].

Mr. TAUZIN. Mr. Speaker, I rise in opposition to the consideration of this bill under suspension. It is being considered under suspension of the rules for one reason: to avoid the offering and the adoption of any amendments on this floor.

What kind of amendments? Let me suggest to my colleagues the amendments that we would like to offer and we are being denied the right to offer.

One that would say that the Secretary, as a condition of granting any money under this program, would not require the modification or addition of land use regulations. They do not want that amendment on this bill.

One that would say that property owners have the right to consent to the

listing of their property, which is going to get listed just like endangered rats in California under this bill, to say the landowners would have a right to consent to that listing. They do not want that amendment on this bill.

Most importantly, the provision that would say that in effect the entity that manages property under this bill would have to compensate landowners if the management of that property, the listing of that property has the effect of taking away the value of that property. They do not want that in the bill.

What is in the bill? A provision that says the Federal Government cannot pay a landowner when it regulates his land and takes away its value.

What is in the bill? What is in the bill is procedures by which, with the grant of moneys, local governments will be encouraged to put in areas of heritage management and protection without compensation, areas as big as Pugh and six counties wide, as long as the Mississippi is, over 1,200 miles, little tiny areas, two and six counties wide.

This bill ought to be on the floor so we can offer amendments to it. We ought to have property rights protections in this bill, and we do not. This bill requires land use regulation. If Members do not believe it, read the section that says that top priority shall be encouraging local governments to adopt land use policies consistent with the protections of this bill.

Some of the protections of this bill are laudatory and good. But we ought to have one protection that is not in this bill, and that is to say that landowners have a right to consent to be so managed and they have a right to compensation if the government takes their property from them and refuses to pay them.

I urge the rejection of this bill on suspension.

Mr. VENTO. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. COYNE], who has an excellent proposal in here dealing with steel heritage.

Mr. COYNE. Mr. Speaker, I rise today in strong support of H.R. 5044, the American Heritage Areas Act.

I want to begin by commending Chairman VENTO and the members of the House Committee on Natural Resources for their efforts to preserve America's nationally distinctive natural, historic, and cultural resources through the American Heritage Areas Act. I also want to thank Chairman VENTO for his leadership in providing for a clear and well-considered approach to addressing the issue of heritage areas through the authorization process.

H.R. 5044 is a bipartisan effort to help preserve our Nation's heritage. This legislation also provides a strict criteria for judging the historical significance of projects worthy of support by the U.S. National Park Service.

Finally, this bill leaves to States and local communities the authority to initiate heritage area proposals. No Federal funds may be used to acquire local property and all decisions on zoning and land management are left to the local governments and communities initiating heritage area proposals.

H.R. 5044 includes authorization for the Steel Industry American Heritage Area which is a locally controlled effort to document and conserve the industrial and cultural heritage of southwestern Pennsylvania. The focus of this work is the Pittsburgh industrial district which emerged in the 19th century as a distinct industrial center for the production of iron and steel. The development of new industrial techniques in southwestern Pennsylvania's steel and steel-related industries resulted in Pittsburgh being known around the world as the center of U.S. industrial might.

Mr. Speaker, H.R. 5044 deserves the support of the House. This bill helps to preserve America's past for future generations to study and enjoy. I urge my colleagues to support this legislation.

Mr. VENTO. Mr. Speaker, I yield 2 minutes to the gentleman from West Virginia [Mr. RAHALL].

Mr. RAHALL. Mr. Speaker, in my capacity as chairman of the Surface Transportation Subcommittee, last May I brought a highway and transit bill to the floor that contained 2 billion dollars' worth of projects.

It passed this body by a vote of 412 to 12.

Today, I think that the pending legislation should enjoy the same level of support.

I say this because just as we must ensure that our transportation systems are properly maintained, and improved, so too must we place the same kind of emphasis on the preservation and restoration our most significant historic and cultural resources.

The pending legislation would do just that.

It would preserve, and advance, the historic and cultural infrastructure of this country.

It is not enough to simply address our public works infrastructure.

Our history, and our culture, represents the very soul of the Nation.

Cold steel and concrete alone does not make a Nation whole.

So I would say to my colleagues, this legislation, this fiscally responsible legislation I might add, deserves all of our support.

If there was any area of this bill with which I would quarrel, it is with its extremely stingy authorizations and stringent matching requirements.

For the most part, this legislation requires a 50-percent non-Federal match for projects relating to historic and cultural resources.

Now, when we provide Federal assistance for a road—even those off the Interstate System I might add—we only require a 20-percent non-Federal match.

Yet in this bill, to preserve some very important historic resources of national significance, we will be limited to a 50-percent contribution.

I, personally, do not find this to be appropriate. I recognize the tremendous concessions and fairness Mr. VENTO has exercised, against my counsel and urgings.

However, the gentleman from Minnesota, the distinguished subcommittee chairman, has chosen to take this approach in an attempt, I would suspect, to meet the concerns of some of our colleagues.

So with this reservation, I support this bill. And again, I would urge this body to approve it overwhelmingly.

Mr. HANSEN. Mr. Speaker, I yield 1½ minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Speaker, as a cosponsor of this legislation, I rise to congratulate its authors and in strong support of H.R. 5044, the American Heritage Areas Partnership Programs. The key word in this legislation is "partnership." This bill is a financial "partnership" between State, local, and Federal governments to make possible worthwhile capital projects and improvements in areas of historical, cultural, and recreational importance. The value of the legislation and the important point that there is no Federal taking has been covered by Mr. DERRICK and Mr. REGULA. The beautiful Hudson River Valley of New York, which I represent, is one of the heritage areas.

□ 1610

Mr. Speaker, it is rich in history of early English and Dutch settlements, as well as home to two of our Presidents. The credit this afternoon properly has been given to the gentleman from New York [Mr. HINCHEY] for his work in establishing our heritage areas. However, Mr. Speaker, the Hudson Valley is also in the midst of economic hard times. This legislation would assist districts such as mine by combining the forces of economic growth and conservation to bring increased tourism and revitalization to towns and cities throughout the designated heritage areas.

I urge my colleagues to join in supporting H.R. 5044, which helps preserve and develop areas of national significance, without Federal land acquisition or an expensive price tag.

Mr. VENTO. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia [Mr. JOHNSON], sponsor of the Augusta, GA, canal heritage area.

Mr. JOHNSON of Georgia. Mr. Speaker, I rise today to support this bill which would establish the American Heritage Area Partnership Program within the Department of the Interior.

One of the heritage areas authorized in this bill is located in the 10th District of Georgia. It is the Augusta Canal, one of this country's most treasured natural resources. The canal which dates back to 1845 has played an instrumental role in Georgia's history—from production of black powder during the Civil War, to development of Georgia's cotton textile industry.

Over the years, the canal has faced tremendous pressure from developers even though the National Park Service designated it a national historic landmark in 1978. In addition, establishing the corridor as a heritage area is of great importance to both the State of Georgia and the citizens of Richmond and Columbia Counties. In fact in 1993, the Georgia Department of Community Affairs designated the canal as one of four regionally important resources within the State. Local citizens have consistently indicated the importance of this legislation in continuing the preservation efforts currently underway at the canal.

Mr. Speaker, the opponents of this bill claim that this is a Federal land grab program and will cost too much. In fact, this bill clearly states that no Federal money can be used to acquire property, nor does the bill give the Department of the Interior or any Federal agency the ability to control local land use regulations. Let us keep in mind that heritage areas are voluntary, initiated locally, and managed locally.

Finally, this bill puts a lid on the amount of spending currently being appropriated to five existing heritage areas. Enactment of this legislation could ultimately result in savings of up to 66 percent in Federal spending on heritage areas. If Members are really concerned about the deficit, you will vote for this bill to cap spending on unauthorized projects. Do the fiscally responsible thing. Vote for H.R. 5044.

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

Mr. JOHNSON of Georgia. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Speaker, I have yet to see a Member rise who has a designated area opposing the bill. They favor the bill. Members that are affected favor the bill before the House today.

Mr. HANSEN. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. BLUTE], one of the cosponsors of the Blackstone River Valley National Heritage Area.

Mr. BLUTE. Mr. Speaker, I would first like to commend the gentleman from Minnesota [Mr. VENTO], the chairman of the committee, and the ranking member, the gentleman from Utah [Mr. HANSEN] for their fine work on this legislation.

Mr. Speaker, as a cosponsor of the Blackstone River Valley National Heritage corridor bill, with my friend and colleague, the gentleman from Massachusetts [Mr. NEAL], I rise in strong support of the American Heritage Areas Partnership Program Act, which includes the Blackstone and a handful of other small Park Service proposals.

Representing some of the area that is included in the Blackstone corridor, I know, from first-hand knowledge, that the concept of heritage areas is a sound one.

In 1986, the Congress enacted legislation that established the Blackstone corridor, and in so doing created a public/private partnership that has turned out to be an extremely cost-effective way of restoring and highlighting our Nation's historical natural resources.

For a very small investment, these cooperatives are able to achieve excellent leverage against the Federal dollars they receive. In the case of the Blackstone, the partnership finds $4 for every $1 it gets from the Federal Government. I am sure anyone would agree that this constitutes an excellent return on investment.

Beyond sheer efficiency, however, are the good things that partnerships like the Blackstone coalition are able to accomplish with some modest assistance from the Federal Government. The level of restoration and preservation that have been achieved in the corridor are remarkable.

For those of you who don't know, the Blackstone Valley is the birthplace of the industrial revolution. The mills that line the Blackstone River and powered the Nation into the industrial age during the 17th and 18th century also turned the beautiful Blackstone into one of the most polluted waterways in the entire country.

Now, though, thanks to the Blackstone partnership, the river has been restored for the enjoyment of Kayakers, fishermen, and swimmers—A truly remarkable accomplishment.

This is the kind of community involvement and commitment involved in these heritage areas that we will vote on here today. You can take my word for it, as one who has seen one in action. They are a good idea, they work and, in my opinion, they are something that we cannot afford to do without.

I urge all of my colleagues to support this important legislation.

Mr. VENTO. Mr. Speaker, I yield 2 minutes to the gentleman from Kentucky [Mr. MAZZOLI], a friend and colleague who is a sponsor of the Ohio Heritage corridor study.

Mr. MAZZOLI. Mr. Speaker, I want to thank the gentleman from Minnesota [Mr. VENTO], the chairman of the committee, for yielding me the time, and congratulate him and my friend, the gentleman from Utah [Mr. HANSEN], for putting this bill on the floor.

As the gentleman from Minnesota says, I rise in support of the bill, but especially to call some attention to title III of the bill, which deals with the Ohio River corridor. Mr. Speaker, I am a son of the Ohio River, born alongside its shores in the city of Louisville, and always will, and the Ohio River has been very important to our heritage as a city.

Mr. Speaker, the Ohio River starts in the State of Pennsylvania and goes on down through six States, into its confluence with the Mississippi River. It drains an area in which millions of Americans work and live and recreate. It has some of the most spectacular scenery and some of the most important industrial areas in this Nation.

Mr. Speaker, under title III of the bill, as put together by the gentleman from Minnesota [Mr. VENTO] and his counterpart from Utah, there has been a study of the Ohio River corridor to see that it might possibly be designated an American heritage area. I hope that designation is actually the fruit of this bill, because I think no other river than the Ohio deserves that designation.

Mr. Speaker, it has served this Nation in its historical sense, it has served this Nation in its industrial sense, and it has served this Nation in its recreational and scenic sense. Particularly in Louisville, when we are redeveloping our Belvedere, our waterfront, I think the Ohio River has been a very important element for our heritage and for our development and for our future. I hope that this bill passes. I would like to see title III implemented. I thank the gentleman for yielding time to me, and rise in support of the bill.

Mr. HANSEN. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. GRAMS].

Mr. GRAMS. Mr. Speaker, I thank the gentleman from Utah for yielding time to me.

Mr. Speaker, I rise in strong opposition to H.R. 5044, the American Heritage Area Partnership Program Act.

This bill may be well-intentioned, but in its current form will only hurt American taxpayers, further overburden our park system, and threaten private property rights.

Let us take a look at how it punishes the taxpayers. Since the introduction of the American Heritage Areas Program, its cost has skyrocketed.

As introduced, this legislation provided over $10 million per year for the program. Under the bill we are considering today, not only is $10 million provided for planning grants, but the bill authorizes an additional $25 million for development and $250,000 for annual operating funds. This amounts to an increase of over 350 percent—all at taxpayer expense.

This legislation not only punishes the taxpayers, but it also places additional financial burdens on our already-underfunded existing park system. At a time when the National Park

Service faces a 37-year backlog in construction and a 25-year backlog in land acquisition, how can Congress even think about placing an added burden on our national parks?

To make matters worse, the bill's current language raises serious questions about the protection of private property rights. While H.R. 5044 rightly prohibits Federal land acquisition, it fails to give proper assurances that the Federal Government cannot impose land and water use restrictions on local entities.

In fact, the bill authorizes the Secretary of the Interior to approve a Federal land use and development plan which must be followed by residents and local governments. In addition, the Interior Secretary can unilaterally block any Federal or federally assisted construction project which directly affects the heritage area. In essence, some local control would be removed and Federal control would be imposed.

Mr. Speaker, in 1988 Congress approved a similar Federal land grab along the Mississippi River and through the heart of the twin cities of Minneapolis and St. Paul that will continue to adversely affect many of Minnesota's local governments, small businesses, farmers, barge operators, and homeowners. Unfortunately, Congress ignored their concerns and passed that measure as suspension.

Today, Congress has been given a second chance to listen to the groups affected by this bill. This time, let us put the people first.

By voting "no" on this bad bill, we can stand up for our existing national parks, the American taxpayers, and the Constitution.

□ 1620

Mr. VENTO. Mr. Speaker, I ask unanimous consent that the gentleman from Utah [Mr. HANSEN] have 5 additional minutes and that I have 5 additional minutes to grant and to yield.

The SPEAKER pro tempore (Mr. FIELDS of Louisiana). Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. VENTO. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, notwithstanding the protestations about the bill, the Members that are affected by the bill favor the bill. Each designation that is made under this legislation would have to be acted upon by Congress. This does not expand or diminish the local and State powers with regard to zoning and regulation, nor does it expand or diminish the powers of the Department of the Interior of the Federal Government. They can make agreements. These areas designated are not proposed to be units of the National Park System.

This is a reform bill that substantially saves money. The money that is in the American Heritage Partnership Act is already authorized money under the Heritage Preservation Fund. There is a lack of understanding on the part of Members, it is understandable, because they do not work in detail on some of these issues. Private property rights are maintained under this particular bill. What we do not do is to superimpose some radical new definition of what constitutes private property rights. There are sponsors of bills in the House that propose to do that. It has been the debate on many land use and environmental bills this session, but it is not a part and should not be superimposed on the American Heritage Partnership Act legislation.

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

Mr. HANSEN. Mr. Speaker, I yield 1 minute to the gentleman from Colorado [Mr. HEFLEY].

Mr. HEFLEY. Mr. Speaker, I thank the gentleman from Utah [Mr. HANSEN] for yielding me the time.

Mr. Speaker, with this bill we are talking about an area which needs to be addressed. I originally addressed it in a bill that is going to follow. Then we broke that out and put it into this separate bill. I have no designations in this bill so I have no dog in this fight from that standpoint. I have supported every piece of private property legislation that has come before this House of Congress and frankly I think we could have strengthened some of those private property sections in this bill. Maybe it will be strengthened as it goes through the process.

I think we could have done it without doing damage to either the wishes of the gentleman from Minnesota [Mr. VENTO] or the gentleman from Louisiana [Mr. TAUZIN]. But the facts are that heritage areas are happening and have been an issue for some time. One way or another, many of them are being created with little or no guidance or control over what they are or how they are supposed to be operated, and this bill seems to give some of that kind of guidance. There have been millions of dollars appropriated for these things without this kind of guidance. This bill makes an attempt to do that.

Finally I think an effort has been made by the gentleman to deal with the private property issue. If we are going to put Federal dollars into heritage areas, it should be done in a logical process and the process should include local governments. This bill does that.

Mr. Speaker, I am inclined to go ahead and support this bill, let it go through the process and let us see if we cannot work out a logical process for these heritage areas.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair announces that any rollcall vote ordered on this motion will be taken immediately following the conclusion of debate and not postponed.

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

Mr. HANSEN. Mr. Speaker, I yield 1½ minutes to the gentleman from New York [Mr. BOEHLERT].

Mr. BOEHLERT. Mr. Speaker, today, we are helping communities help themselves.

On common ground, a responsible blueprint for local communities interested in protecting their valuable cultural and historic resources has been produced by the committee.

In central New York, this help is welcomed. There, heritage inspires creativity and a united effort among all citizens to protect and enhance it. Community pride, new economic opportunities, and an appreciation for the sacrifices of our ancestors has resulted.

This legislation includes a study of the northern frontier region of central New York to ascertain its future suitability as an American heritage area. The Nation must know more about the mostly Indian and poor European population on the frontier that sacrificed life and property for our independence.

This coordinated help from the Federal Government is responsible, and protects the interest of the taxpayer, the landowner, and the integrity of the park system. It authorizes matching assistance for locally initiated and managed American heritage areas; limits Federal funding to each proposal; protects property rights by authorizing no Federal land purchases and no federally mandated zoning rules; and draws its funding from the already authorized Historic Preservation Fund.

This is responsible bipartisan government in action. Local communities hold authority and power to attain a better quality of life with an option for modest Federal assistance and Park Service expertise.

If we fail to act, and incorporate these accountability measures, the National Park Service will continue to create heritage areas that exceed the funding limitations agreed to by the committee.

I want to thank Chairman VENTO and ranking minority member, Mr. HANSEN, for developing this bill and a bipartisan commitment to help our communities.

Mr. VENTO. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. TORKILDSEN], who is a cosponsor of the Essex Heritage Partnership provision in this bill.

Mr. TORKILDSEN. Mr. Speaker, I thank the gentleman from Minnesota, the distinguished subcommittee chairman, for yielding me the time.

Mr. Speaker, I rise in strong support of H.R. 5044, the American Heritage Area Partnership Act, and applaud Mr. VENTO and Mr. HANSEN for their leadership role.

This legislation creates a framework for heritage areas to be created and designated throughout the country.

One area, Essex County, MA, has a great history to tell. The National

Park Service has identified three significant historical themes which contributed to the settlement and development of our Nation. Essex County has the highest concentration of first-period homes in our country, and also contributed enormously to the early maritime trade and industrial revolution. But, we in Essex County do not have a monopoly on history.

Under this bill, newly designated heritage areas will be initiated by and managed at the local level, rather than created by Washington to be run by the Park Service.

And with a cap on Federal spending on heritage areas, they will not become a burden on the taxpayers. Under the partnership provision of this bill, local communities will be required to raise matching funds.

As a strong and consistent supporter of the rights of people to own private property, I would not support this bill if its passage would result in a land grab by the Federal Government.

In fact, quite the opposite is true. H.R. 5044 states explicitly that a heritage area may not use Federal funds to acquire real property, and that heritage area management entities do not have zoning power. The bill also states explicitly that current laws granting local and State authority to regulate land use will not be changed.

H.R. 5044 is a bipartisan bill that will help protect historic resources, protect people's right to private property, cap Federal spending, and keep management locally based. I urge my colleagues to support H.R. 5044 to protect our Nation's history.

Mr. HANSEN. Mr. Speaker, I yield the balance of the time on our side to the gentleman from California [Mr. HERGER].

The SPEAKER pro tempore. The gentleman from California [Mr. HERGER] is recognized for the balance of the time, not to exceed 3 minutes.

Mr. HERGER. Mr. Speaker, I rise in strong opposition to this legislation, which I fear represents one more effort by the Federal Government to undermine private property rights.

Here we have a proposal that would allow the Secretary of the Interior to impose land use restrictions on private property within these designated heritage areas without providing any compensation to the affected property owners. In effect, I fear that this is yet another massive land grab by the Federal Government.

While I am a supporter of preserving truly historic sites, I believe that some of the more radical environmentalists are using our historic preservation laws as a trojan horse for locking up more private land.

In my own congressional district, this tactic is being used to declare an entire mountain a historic district. Based on claims that it is of religious significance to American Indian tribes, the keeper of the National Register of Historic Places has decided to designate 235 square miles as an historic district. One-third of this area is private property.

This is an area where there is no physical evidence of the activities that are being designated as historic. The reason for the designation, I believe, is primarily to stop economic development in the community of Mount Shasta. This is a clear abuse of the historic preservation process.

Mr. Speaker, this perversion of the process will become more prevalent under the legislation we're considering today. Let us not let that happen. Let us defeat this bill.

□ 1630

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

Mr. HERGER. I yield to the gentleman from Louisiana.

Mr. TAUZIN. Mr. Speaker, I want to point out that if we defeat this bill under suspension of the rules, the authors can bring it up under a rule and allow us to offer proper amendments. We ought to defeat this under suspension to give us an opportunity to correct those errors in the bill.

Mr. HERGER. I thank the gentleman from Louisiana. That is absolutely correct.

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

Mr. Speaker, the gentleman is in error. He is concerned about the historic districts. The previous gentleman who spoke, the gentleman from California [Mr. HERGER], was concerned about historic district designation which is today being accomplished administratively. That is being done under existing law, under existing procedures.

This law provides for the Congress to designate these areas. All of the fears that have been expressed on the floor really are easily answerable. There is no reason to amend this bill. It has been worked on a bipartisan basis.

This bill is a reform bill. It reforms the ad hoc heritage funding procedure and process which is running amok. The concerns the gentlemen have expressed about the Historic Preservation Act are dealt with in this bill, by Congress doing oversight and designating specifically the areas of interest in this bill. It has no new spending for such new areas. It saves money in the sense that the Historic Preservation Act that is in it reform the dollars in that they are going to be designated in a different way. This does not grant any new powers to the Department of the Interior in the sense that they are going to impose land use controls.

It does provide an opportunity for agreement between local governments to exercise their land use controls and zoning to in fact come to an agreement how about the dollars are going to be spent.

This finally puts some dollars and some impetus in terms of programs that before had not had resources. This is a new effort to try to deal with some of the problems that the gentleman and others are fearing and concerned about, and at the same time preserve some of what is our natural and cultural environment, the heritage of this country, the legacy of future generations.

The Members who are affected by this bill have looked at it. They are all in favor of it. The fears that are being raised here today simply are not justified and have been resolved with regard to numerous amendments to this bill and are not being raised by Members affected.

I urge the Members to support this bill. It is a good bill. It deserves our support. It is a good piece of bipartisan policy. It reforms the Park Service. It deals with the problems the way they exist, it should receive the affirmative action of this House today, and I urge Members to support it.

Mr. REED. Mr. Speaker, I rise in strong support of H.R. 5044, legislation which establishes an American Heritage Area Partnership Program within the Department of Interior.

The bill before us today establishes a new method of designating and managing nationally important heritage areas. Specifically, H.R. 5044 creates a partnership with State and local governments, as well as private entities, to preserve these historical regions by allowing communities to develop and implement operation and management plans. This new partnership will go a long way in preserving valuable historical areas while limiting the Federal Government's role and future financial obligations.

I am especially pleased that this legislation includes reauthorization for the Blackstone River Valley National Heritage Corridor. H.R. 5044 includes $500,000 for administrative costs, as well as $1 million per year for development for this precious heritage area. The bill also includes three new towns, Glocester, Smithfield, and Burriville, into the corridor. Most importantly, the bill extends the Blackstone Valley Commission for 7 additional years. This will allow the Commission to continue enhancing the distinctive character and nationally significant resources of the corridor.

The Blackstone River Valley National Heritage Corridor is the largest national park in New England, and is widely recognized as the birthplace of the American Industrial Revolution. It was here, at Slater Mill, where the first successful water-powered cotton spinning mill was used in 1790. This rich area best exemplifies the entire history of the American Industrial Revolution and the complex economic and social relationships of the people who lived and worked there.

The Blackstone Valley Heritage Corridor has become an example of how surrounding communities can work together toward a common theme of protecting and promoting their area. This rich and historic national resource needs to be protected so that the history of the industrial revolution can be preserved for all generations.

Mr. Speaker, I strongly urge Members to vote for passage of this bill.

Mr. FINGERHUT. Mr. Speaker, I rise today in support of H.R. 5044, legislation to create a process for designating American heritage areas. The legislation designates 10 specified areas as American heritage areas.

This bill came to my attention in the context of my support for the Ohio and Erie Canal Heritage Area which is located in my home State of Ohio.

A number of communities in the 19th District of Ohio border the Cuyahoga Valley National Recreation Area and have demonstrated to me the critical importance of preserving our natural resources. A national heritage corridor designation would provide an important focus for a unified planning effort within the Cuyahoga Valley to ensure the best possible approach to developing a mixed-use, public access-oriented natural attraction.

The diversity of support among the many communities that border on the proposed corridor is the best example of cooperation among State, county, and local municipalities. Financial commitments from both the private and public sector toward development, and responsible stewardship of the resource are found throughout. It is projected that the corridor will attract an additional $41 million in visitors and tourists to participate in the many recreational and historical opportunities. Educational opportunities also abound with heavy use from the local and visiting school districts expected.

Mr. Speaker, I would like to express my gratitude to Congressman RALPH REGULA for his exceptional efforts to guide the corridor initiative through the legislative process. His untiring advocacy to make this project a reality has energized all of us in the Ohio delegation in our support of the national heritage corridor designation for the Ohio and Erie Canal.

Mr. SANTORUM. Mr. Speaker, I rise in support of H.R. 5044, the American Heritage Act. This legislation authorizes the establishment of the Steel Industry Heritage Area which I strongly support.

H.R. 5044 is the end result of a great deal of hard work in my district. For more than 5 years, the Steel Industry Heritage project has been working to create a heritage area throughout much of southwestern Pennsylvania to commemorate the contributions of the steel industry, and I have worked with them at every step in this process.

The Monongahela River Valley was once the center of the world's steel production and the vast economic engine that powered the United States into the 20th century. The valley's history is also important because it was the early battleground of the labor movement in the United States, a struggle which exploded into violence more than 100 years ago in the town of Homestead, PA.

The smoke and fire of the mills have largely left the Mon Valley, but the memory of the steel industry and the workers who fired the furnaces remains. In recognition of this pivotal time in our Nation's history, many people and communities along the Monongahela River have been striving to preserve the heritage of steel industry. I commend them for their commitment to this important effort.

Nevertheless, Mr. Speaker, I have serious reservations about the impact of H.R. 5044 on the rights of private property owners in other heritage areas, and I am disappointed that my colleagues could not resolve their differences over this issue prior to today's consideration. I consider the right to own property to be among the most important rights conferred by our Constitution; and, if not for my work with the Steel Industry Heritage project and my pledge to support the hard work of many people to see that the legacy of the steel industry is preserved in the Mon Valley, it is likely that I would have opposed H.R. 5044.

Therefore, I strongly urge the sponsors of H.R. 5044 to take great pains to see that private property rights are protected before this measure is brought back from conference.

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

The SPEAKER pro tempore (Mr. FIELDS of Louisiana). The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rules and pass the bill, H.R. 5044, as amended.

The question was taken.

Mr. TAUZIN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 273, nays 150, not voting 11, as follows:

[Roll No. 442]

YEAS—273

Abercrombie
Ackerman
Andrews (ME)
Andrews (TX)
Applegate
Bacchus (FL)
Baesler
Barca
Barlow
Barrett (WI)
Bateman
Becerra
Beilenson
Bereuter
Berman
Bevill
Bilbray
Bishop
Blackwell
Blute
Boehlert
Bonior
Borski
Boucher
Brooks
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Byrne
Cantwell
Cardin
Castle
Clay
Clayton
Clement
Clinger
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Coppersmith
Costello
Coyne
Darden
Deal
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Diaz-Balart
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Engel
English
Eshoo
Evans
Farr
Fawell
Fields (LA)
Filner
Fingerhut
Fish
Flake
Foglietta
Ford (MI)
Frank (MA)
Franks (CT)
Franks (NJ)
Furse
Gejdenson
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Glickman
Gonzalez
Gordon
Greenwood
Gutierrez
Hall (OH)
Hamburg
Hamilton
Hansen
Harman
Hastings
Hefley
Hefner
Hinchey
Hoagland
Hobson
Hochbrueckner
Hoke
Holden
Horn
Hoyer
Hughes
Hutto
Hyde
Inslee
Jacobs
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Klein
Klink
Kolbe
Kopetski
Kreidler
LaFalce
Lambert
Lantos
LaRocco
Lazio
Levin
Levy
Lewis (CA)
Lewis (GA)
Lipinski
Livingston
Lloyd
Long
Lowey
Machtley
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McDade
McDermott
McHale
McInnis
McKinney
McMillan
McNulty
Meehan
Meek
Menendez
Meyers
Mfume
Michel
Miller (CA)
Mineta
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Morella
Murphy
Murtha
Myers
Nadler
Neal (MA)
Neal (NC)
Oberstar
Obey
Olver
Owens
Oxley
Packard
Pallone
Pastor
Payne (NJ)
Pelosi
Penny
Peterson (MN)
Pickle
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quillen
Rahall
Rangel
Ravenel
Reed
Regula
Reynolds
Richardson
Roemer
Ros-Lehtinen
Rose
Rostenkowski
Roukema
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Santorum
Sawyer
Schenk
Schroeder
Schumer
Scott
Serrano
Sharp
Shaw
Shays
Shepherd
Shuster
Skaggs
Skeen
Slaughter
Smith (NJ)
Spence
Spratt
Stark
Stokes
Strickland
Studds
Swett
Swift
Synar
Tanner
Thompson
Thornton
Torkildsen
Torres
Torricelli
Towns
Traficant
Tucker
Unsoeld
Valentine
Velazquez
Vento
Visclosky
Vucanovich
Walsh
Waters
Watt
Waxman
Whitten
Williams
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (FL)
Zimmer

NAYS—150

Allard
Andrews (NJ)
Archer
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barrett (NE)
Bartlett
Barton
Bentley
Bilirakis
Bliley
Boehner
Bonilla
Brewster
Browder
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Chapman
Coble
Collins (GA)
Combest
Cooper
Cox
Cramer
Crane
Crapo
Cunningham
Danner
de la Garza
DeLay
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Edwards (TX)
Ehlers
Emerson
Everett
Ewing
Fields (TX)
Fowler
Frost
Gallegly
Gekas
Geren
Gingrich
Goodlatte
Goodling
Goss
Grams
Grandy
Green
Gunderson
Hall (TX)
Hancock
Hastert
Hayes
Herger
Hilliard
Hoekstra
Houghton
Huffington
Hunter
Hutchinson
Inglis
Istook
Johnson, Sam
Kim
King
Kingston
Klug
Knollenberg
Kyl
Lancaster
Laughlin
Leach
Lehman
Lewis (FL)
Lewis (KY)
Lightfoot
Linder
Lucas
Manzullo
McCurdy
McHugh
McKeon
Mica
Miller (FL)
Molinari
Moorhead
Nussle
Ortiz
Orton
Parker
Paxon
Payne (VA)
Peterson (FL)
Petri
Pickett
Pombo
Quinn
Ramstad
Ridge
Roberts
Rogers
Rohrabacher
Roth
Royce
Sarpalius
Saxton
Schaefer
Schiff
Sensenbrenner
Sisisky
Skelton
Smith (IA)
Smith (MI)
Smith (OR)
Smith (TX)
Snowe
Solomon
Stearns
Stenholm
Stump
Stupak
Talent
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Thurman
Upton
Volkmer
Walker
Weldon
Wilson
Young (AK)
Zeliff

NOT VOTING—11

Armey	Ford (TN)	Sundquist
Carr	Gallo	Washington
Dicks	Inhofe	Wheat
Fazio	Slattery	

□ 1658

The Clerk announced the following pairs:

On this vote:

Mr. Dicks and Mr. Fazio for, with Mr. Armey against.

Mr. DE LA GARZA, Mr. LEHMAN, Mrs. THURMAN, Mr. HILLIARD, and Mr. CUNNINGHAM changed their vote from "yea" to "nay."

Mr. QUILLEN, Mr. LIPINSKI, Mrs. VUCANOVICH, and Messrs. SKEEN, LIVINGSTON, COSTELLO, POSHARD, SWETT, MYERS of Indiana, ROSE, and POMEROY changed their vote from "nay" to "yea."

So (two-thirds not having voted in favor thereof) the motion was rejected.

The result of the vote was announced as above recorded.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

Mr. FIELDS of Louisiana. Pursuant to the provision of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on the remaining motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV. Such rollcall votes, if postponed, will be taken on Wednesday, September 28, 1994.

ANNOUNCEMENT OF INTENTION TO OFFER A MOTION TO INSTRUCT CONFEREES ON H.R. 820, NATIONAL COMPETITIVENESS ACT OF 1993

Mr. WALKER. Mr. Speaker, pursuant to clause 1(c), rule XXVIII, I am announcing that tomorrow I intend to offer a motion to instruct conferees on the bill (H.R. 820) to amend the Stevenson-Wydler Technology Innovation Act of 1980 to enhance manufacturing technology development and transfer, to authorize appropriations for the Technology Administration of the Department of Commerce, including the National Institute of Standards and Technology, and for other purposes:

MR. WALKER moves that the managers on the part of the House at the conference on the disagreeing votes of the 2 Houses on the Senate amendment to the bill, H.R. 820, be instructed to insist on a provision that requires a regulatory impact analysis and unfunded mandate estimate for each bill or joint resolution reported by any committee of the House of Representatives or the Senate, or considered on the floor of either House, and for every Federal department or executive branch agency regulatory action.

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RHINOCEROS AND TIGER CONSERVATION ACT OF 1994

Mr. STUDDS. Mr. Speaker, I ask unanimous consent to call up from the Speaker's table the bill (H.R. 4924) to assist in the conservation of rhinoceros and tigers by supporting and providing financial resources for the conservation programs of nations whose activities directly or indirectly affect rhinoceros and tiger populations, and of the CITES Secretariat, and ask for its immediate consideration.

The Clerk read the title of the bill.

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

Mr. FIELDS of Texas. Mr. Speaker, reserving the right to object, this is an extremely important piece of legislation, and I rise in support of H.R. 4924, the Rhinoceros and Tiger Conservation Act of 1994. I am pleased to have been joined by Chairman STUDDS and my good friend, TONY BEILENSON, in introducing this bill.

I was prompted to introduce this legislation because the populations of rhinos and tigers continue to plummet despite their protected status under the Convention on International trade in Endangered Species of Wild Flora and Fauna [CITES]. For example, approximately 1 million rhinos existed at the turn of the century. In 1991, the population had dwindled to 11,000, or half of the number that experts consider necessary for the species to survive. The status of tigers is not any better. At the beginning of this century, there may have been as many as 100,000 tigers in the wild; today, the total is probably fewer than 6,000.

Habitat destruction is partially responsible for the decline, but the predominant cause is the senseless slaughter of the animals by unscrupulous international poachers. Although agricultural activities and commercial logging are destroying large blocks of tiger habitat, poaching is by far having the most dramatic impact. Tigers are killed for their fur and certain body parts are used in medicines. In China, Korea, and Taiwan, rhino horn is used as a fever-reducing agent, and in Yemen it is used to make decorative handles for ceremonial daggers. The trade in rhino and tiger parts is so lucrative that outlaws will go to extraordinary lengths to kill the animals.

It has also been brought to my attention that one reason for the sharp decline in the population of the black rhino in Africa is due in principal measure to unlawful cross-border commercial poaching. In a large number of instances, poaching has been carried out by nationals of Zambia who cross into Zimbabwe to kill rhinos. The Zambian authorities have consistently declined to provide meaningful cooperation with Zimbabwe's antipoaching units stationed along the border. Thus, Zambian poachers units stationed along the border. Thus, Zambian poachers who kill rhinos escape back into their country and remain free because their government authorities choose not to extradite them.

Unless immediate steps are taken, these magnificent animals will cease to exist throughout most, if not all, of their range. That would be a monumental tragedy.

I am encouraged by President Clinton's announcement on April 11, that for the first time in history, trade sanctions under the Pelly amendment would be imposed on wildlife products from Taiwan. This action should send a clear message to Taiwan and other nations that the United States will not tolerate the wanton annihilation of these species.

While the People's Republic of China [PRC] was also certified under the Pelly amendment, I am pleased that the administration did not place any sanctions on that country. I am aware that they are continuing to make significant progress to stop any illegal trade of rhino and tiger products. I am sure this will be factored into any further certification actions.

Part of the problem in the conservation of these species is that range states do not have sufficient money or manpower to stop poachers. In recognition of this problem, our bill authorizes $10 million per year for a Rhinoceros and Tiger Conservation Fund. The Secretary of the Interior would be tasked with administering the fund and providing financial assistance for rhino and tiger conservation projects. The committee amendment provides the Administrator of the Agency for International Development an opportunity to comment on project proposals.

Based on the experiences of the African Elephant Conservation Fund, it is clear that these funds can be extremely helpful in assisting nations to obtain accurate species population data, to enhance antipoaching efforts, and to implement conservation programs.

While H.R. 4924 does not contain mandatory sanctions, I want to make it clear to representatives of consumer countries that the deletion of these provisions should not be viewed as a step back in our leadership position.

Mr. Speaker, you have appointed Chairman STUDDS and myself as members of the U.S. delegation for the upcoming CITES meeting in Fort Lauderdale, FL. The conservation of rhinos and tigers continues to be one of the highest priorities for the United States and I will do everything within my power to assist in this effort.

Mr. Speaker, time is of the essence if we are to save these endangered wildlife species. I urge my colleagues to support this important legislation.

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

Mr. FIELDS of Texas. I yield to the gentleman from Massachusetts.

Mr. STUDDS. Mr. Speaker, H.R. 4924, was introduced by Representatives FIELDS of Texas, BEILENSON, and myself out of concern over the senseless slaughter of these magnificent creatures by poachers to satisfy the demand for rhino and tiger parts in oriental medicines. This needless killing has resulted in the near extinction of both species: less than 11,000 rhinos and 6,000 tigers are believed to exist in the wild.

Last fall, the administration certified that China and Taiwan were diminishing the effectiveness of the Convention on International Trade in Endangered Species. As a result, President Clinton imposed trade sanctions on wildlife products from Taiwan for that nation's failure to implement measures to end the illegal trade in these animals. Although sanctions were not placed on China, President Clinton indicated that the administration would continue to monitor China's progress.

H.R. 4924 will assist efforts to save these critters by establishing the Rhinoceros and Tiger Conservation Fund. It authorizes $10 million per year for 5 years, starting in fiscal year 1996, for projects to conserve rhinoceros and tigers. The bill also addresses concerns raised by the House Foreign Affairs Committee, by giving the Administrator of the Agency for International Development an opportunity to review and consult with the Secretary of the Interior on final project proposals. Included with my statement is an exchange of letters between Chairman HAMILTON of the Foreign Affairs Committee and me on this point.

Mr. Speaker, I strongly urge Members to support this effort to conserve these awesome beasts and their place in the wild and not consign them to a future that only exists in zoos.

COMMITTEE ON FOREIGN AFFAIRS,
HOUSE OF REPRESENTATIVES,
Washington, DC, September 27, 1994.

Hon. GERRY STUDDS,
Chairman, Committee on Merchant Marine and Fisheries, Washington, DC.

DEAR GERRY: I write regarding H.R. 4924, the Rhinoceros and Tiger Conservation Act of 1994.

First, let me thank you for your willingness to address my concerns about the bill. I am pleased that we could reach an agreement that preserves the important purpose of H.R. 4924, while ensuring that the program is managed, and resources are, used effectively.

With the understanding that amendments agreed to by our two committees are included in the version of H.R. 4924 taken to the Floor, I will not seek sequential referral of the bill, without prejudice to the jurisdiction of the Committee on Foreign Affairs.

I look forward to continuing to work with you on this and other issues of mutual concern to our committees.

With best regards,
Sincerely,

LEE H. HAMILTON,
Chairman.

COMMITTEE ON
MERCHANT MARINE AND FISHERIES,
Washington, DC, September 27, 1994.

Hon. LEE H. HAMILTON,
Chairman, Committee on Foreign Affairs, Washington, DC.

DEAR MR. CHAIRMAN: Thank you for your letter of today on H.R. 4924, the Rhinoceros and Tiger Conservation Act of 1994.

I would thank you for your cooperation on this legislation. The amendments to the bill agreed to by our two committees have been incorporated in an amendment in the nature of a substitute that I will offer in the motion to suspend the rules. I believe that the bill will be on the Suspension Calendar later today.

With these amendments, it is my understanding that the Committee on Foreign Affairs is satisfied that its concerns have been addressed and that you will not seek a sequential referral of the bill, without prejudice to the jurisdiction of your committee.

I am pleased that we have been able to address the issues that you have raised and that we will be able to proceed to the floor today. I will attach a copy of our exchange of letters to my floor statement on H.R. 4924.

With kind regards.
Sincerely,

GERRY E. STUDDS,
Chairman.

Mr. FIELDS of Texas. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Clerk read the bill, as follows:

H.R. 4924

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 "Rhinoceros and Tiger Conservation Act of 1994".

SEC. 2. FINDINGS.

The Congress finds the following:

(1) The world's rhinoceros population is declining at an alarming rate, a 90 percent decline since 1970.

(2) All 5 subspecies of tiger are currently threatened with extinction in the wild, with approximately 5,000 to 6,000 tigers remaining worldwide.

(3) All rhinoceros species have been listed on Appendix I of CITES since 1977.

(4) All tiger subspecies have been listed on Appendix I of CITES since 1987.

(5) The tiger and all rhinoceros species, except the southern subspecies of white rhinoceros, are listed as endangered species under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.).

(6) In 1987, the parties to CITES adopted a resolution that urged all parties to establish a moratorium on the sale and trade in rhinoceros products (other than legally taken trophies), to destroy government stockpiles of rhinoceros horn, and to exert pressure on countries continuing to allow trade in rhinoceros products.

(7) On September 7, 1993, under section 8 of the Fishermen's Protective Act of 1967 (22 U.S.C. 1978) the Secretary certified that the People's Republic of China and Taiwan were engaged in trade of rhinoceros parts and tiger parts that diminished the effectiveness of an international conservation program for that endangered species.

(8) On September 9, 1993, the Standing Committee of CITES, in debating the continuing problem of trade in rhinoceros horn and tiger parts, adopted a resolution urging parties to CITES to implement stricter domestic measures, up to and including an immediate prohibition in trade in wildlife species.

(9) On November 8, 1993, under section 8 of the Fisherman's Protection Act of 1967 (22 U.S.C. 1978), the President announced that the United States would impose trade sanctions against China and Taiwan unless substantial progress was made by March 1994 towards ending trade in rhinoceros and tiger products.

(10) On April 11, 1994, under section 8 of the Fisherman's Protective Act of 1967 (22 U.S.C. 1978), the President—

(A) directed that imports of wildlife specimens and products from Taiwan be prohibited, in response to Taiwan's failure to undertake sufficient actions to stop illegal rhinoceros and tiger trade; and

(B) indicated that the certification of China would remain in effect and directed that additional monitoring of China's progress be undertaken.

SEC. 3. PURPOSES.

The purposes of this Act are the following:

(1) To assist in the conservation of rhinoceros and tigers by supporting the conservation programs of nations whose activities directly or indirectly affect rhinoceros and tiger populations, and the CITES Secretariat.

(2) To provide financial resources for those programs.

SEC. 4. DEFINITIONS.

In this Act—

(1) "CITES" means the Convention on International Trade in Endangered Species of Wild Fauna and Flora, signed on March 3, 1973, and its appendices;

(2) "conservation" means the use of all methods and procedures necessary to bring rhinoceros and tigers to the point at which there are sufficient populations to ensure that those species do not become extinct, including all activities associated with scientific resource management, such as research, census, law enforcement, habitat protection, acquisition, and management, propagation, live trapping, and transportation;

(3) "Fund" means the Rhinoceros and Tiger Conservation Fund established under section 6(a); and

(4) "Secretary" means the Secretary of the Interior.

SEC. 5. RHINOCEROS AND TIGER CONSERVATION ASSISTANCE.

(a) IN GENERAL.—The Secretary, subject to the availability of appropriations, shall use amounts in the Fund to provide financial assistance for projects for the conservation of rhinoceros and tigers.

(b) PROJECT PROPOSAL.—A country whose activities directly or indirectly affect rhinoceros or tiger populations, the CITES Secretariat, or any other person may submit to the Secretary a project proposal under this section. Each proposal shall—

(1) name the individual responsible for conducting the project;

(2) state the purposes of the project succinctly;

(3) describe the qualifications of the individuals who will conduct the project;

(4) estimate the funds and time required to complete the project;

(5) provide evidence of support of the project by appropriate governmental entities of countries in which the project will be conducted, if the Secretary determines that the support is required for the success of the project; and

(6) provide any other information the Secretary considers to be necessary for evaluating the eligibility of the project for funding under this Act.

(c) PROJECT REVIEW AND APPROVAL.—The Secretary shall review each project proposal to determine if meets the criterion set forth in subsection (d). No later than 6 months after receiving a final project proposal, and subject to the availability of funds, the Secretary shall approve or disapprove the proposal and provide written notification to the person who submitted the proposal and to each country within which the project is to be conducted.

(d) CRITERION FOR APPROVAL.—The Secretary may approve a project under this section if the project will enhance programs for conservation of rhinoceros or tigers by—

(1) assisting efforts—

(A) to implement conservation programs; and

(B) to enhance compliance with provisions of CITES and laws of the United States or a foreign country that prohibit or regulate the taking or trade of rhinoceros or tigers or the use of rhinoceros or tiger habitat; or

(2) developing sound scientific information on that species' habitat condition and carrying capacity, total numbers and population trends, or annual reproduction and mortality.

(e) PROJECT REPORTING.—Each person that receives assistance under this section for a project shall provide periodic reports to the Secretary as the Secretary considers necessary. Each report shall include all information requested by the Secretary for evaluating the progress and success of the project.

SEC. 6. RHINOCEROS AND TIGER CONSERVATION FUND.

(a) ESTABLISHMENT.—There is established in the general fund of the Treasury a separate account to be known as the "Rhinoceros and Tiger Conservation Fund", which shall consist of amounts deposited into the Fund by the Secretary of the Treasury under subsection (b).

(b) DEPOSITS INTO THE FUND.—The Secretary of the Treasury shall deposit into the Fund—

(1) all amounts received by the Secretary in the form of donations under subsection (d); and

(2) other amounts appropriated to the Fund.

(c) USE.—

(1) IN GENERAL.—Subject to paragraph (2), the Secretary may use amounts in the Fund without further appropriation to provide assistance under section 5.

(2) ADMINISTRATION.—Of amounts in the Fund available for each fiscal year, the Secretary may use not more than 3 percent to administer the Fund.

(d) ACCEPTANCE AND USE OF DONATIONS.—The Secretary may accept and use donations to provide assistance under section 5. Amounts received by the Secretary in the form of donations shall be transferred to the Secretary of the Treasury for deposit into the Fund.

SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Fund $10,000,000 for each of fiscal years 1996, 1997, 1998, 1999, and 2000 to carry out this Act, to remain available until expended.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. STUDDS

Mr. STUDDS. Mr. Speaker, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. STUDDS: Strike out all after the enacting clause and insert in lieu thereof the following:

H.R. 4924

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 "Rhinoceros and Tiger Conservation Act of 1994".

SEC. 2. FINDINGS.

The Congress finds the following:

(1) The world's rhinoceros population is declining at an alarming rate, a 90 percent decline since 1970.

(2) All 5 subspecies of tiger are currently threatened with extinction in the wild, with approximately 5,000 to 6,000 tigers remaining worldwide.

(3) All rhinoceros species have been listed on Appendix I of CITES since 1977.

(4) All tiger subspecies have been listed on Appendix I of CITES since 1987.

(5) The tiger and all rhinoceros species, except the southern subspecies of white rhinoceros, are listed as endangered species under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.).

(6) In 1987, the parties of CITES adopted a resolution that urged all parties to establish a moratorium on the sale and trade in rhinoceros products (other than legally taken trophies), to destroy government stockpiles of rhinoceros horn, and to exert pressure on countries continuing to allow trade in rhinoceros products.

(7) On September 7, 1993, under section 8 of the Fishermen's Protective Act of 1967 (22 U.S.C. 1978) the Secretary certified that the People's Republic of China and Taiwan were engaged in trade of rhinoceros parts and tiger parts that diminished the effectiveness of an international conservation program for that endangered species.

(8) On September 9, 1993, the Standing Committee of CITES, in debating the continuing problem of trade in rhinoceros horn and tiger parts, adopted a resolution urging parties to CITES to implement stricter domestic measures, up to and including an immediate prohibition in trade in wildlife species.

(9) On November 8, 1993, under section 8 of the Fisherman's Protection Act of 1967 (22 U.S.C. 1978), the President announced that the United States would impose trade sanctions against China and Taiwan unless substantial progress was made by March 1994 towards ending trade in rhinoceros and tiger products.

(10) On April 11, 1994, under section 8 of the Fisherman's Protective Act of 1967 (22 U.S.C. 1978), the President—

(A) directed that imports of wildlife specimens and products from Taiwan be prohibited, in response to Taiwan's failure to undertake sufficient actions to stop illegal rhinoceros and tiger trade; and

(B) indicated that the certification of China would remain in effect and directed that additional monitoring of China's progress be undertaken.

SEC. 3. PURPOSES.

The purposes of this Act are the following:

(1) To assist in the conservation of rhinoceros and tigers by supporting the conservation programs of nations whose activities directly or indirectly affect rhinoceros and tiger populations, and the CITES Secretariat.

(2) To provide financial resources for those programs.

SEC. 4. DEFINITIONS.

In this Act—

(1) "CITES" means the Convention on International Trade in Endangered Species of Wild Fauna and Flora, signed on March 3, 1973, and its appendices;

(2) "conservation" means the use of all methods and procedures necessary to bring rhinoceros and tigers to the point at which there are sufficient populations to ensure that those species do not become extinct, including all activities associated with scientific resource management, such as research, census, law enforcement, habitat protection, acquisition, and management, propagation, live trapping, and transportation;

(3) "Fund" means the Rhinoceros and Tiger Conservation Fund established under section 6(a);

(4) "Secretary" means the Secretary of the Interior; and

(5) "Administrator" means the Administrator of the Agency for International Development.

SEC. 5. RHINOCEROS AND TIGER CONSERVATION ASSISTANCE.

(a) IN GENERAL.—The Secretary, subject to the availability of appropriations and in consultation with the Administrator, shall use amounts in the Fund to provide financial assistance for projects for the conservation of rhinoceros and tigers.

(b) PROJECT PROPOSAL.—A country whose activities directly or indirectly affect rhinoceros or tiger populations, the CITES Secretariat, or any other person may submit to the Secretary a project proposal under this section. Each proposal shall—

(1) name the individual responsible for conducting the project;

(2) state the purposes of the project succinctly;

(3) describe the qualifications of the individuals who will conduct the project;

(4) estimate the funds and time required to complete the project;

(5) provide evidence of support of the project by appropriate governmental entities of countries in which the project will be conducted, if the Secretary determines that the support is required for the success of the project; and

(6) provide any other information the Secretary considers to be necessary for evaluating the eligibility of the project for funding under this Act.

(c) PROJECT REVIEW AND APPROVAL.—Within 30 days of receiving a final project proposal, the Secretary shall provide a copy of the proposal to the Administrator. The Secretary shall review each final project proposal to determine if it meets the criteria set forth in subsection (d). Not later than 6 months after receiving a final project proposal, and subject to the availability of funds, the Secretary, after consulting with the Administrator, shall approve or disapprove the proposal and provide written notification to the person who submitted the proposal, to the Administrator, and to each country within which the project is to be conducted.

(d) CRITERIA FOR APPROVAL.—The Secretary may approve a project under this section if the project will enhance programs for conservation of rhinoceros or tigers by assisting efforts to—

(1) implement conservation programs;

(2) enhance compliance with provisions of CITES and laws of the United States or a foreign country that prohibit or regulate the taking or trade of rhinoceros or tigers or the use of rhinoceros or tiger habitat; or

(3) develop sound scientific information on that species' habitat condition and carrying

capacity, total numbers and population trends, or annual reproduction and mortality.

(e) PROJECT SUSTAINABILITY.—To the maximum extent practical, the Secretary should give consideration to projects which will enhance sustainable development programs to ensure effective, long-term conservation of rhinoceros and tigers.

(f) PROJECT REPORTING.—Each person that receives assistance under this section for a project shall provide periodic reports, as the Secretary considers necessary, to the Secretary and the Administrator. Each report shall include all information requested by the Secretary, after consulting with the Administrator, for evaluating the progress and success of the project.

SEC. 6. RHINOCEROS AND TIGER CONSERVATION FUND.

(a) ESTABLISHMENT.—There is established in the general fund of the Treasury a separate account to be known as the "Rhinoceros and Tiger Conservation Fund", which shall consist of amounts deposited into the Fund by the Secretary of the Treasury under subsection (b).

(b) DEPOSITS INTO THE FUND.—The Secretary of the Treasury shall deposit into the Fund—

(1) all amounts received by the Secretary in the form of donations under subsection (d); and

(2) other amounts appropriated to the Fund.

(c) USE.—

(1) IN GENERAL.—Subject to paragraph (2), the Secretary may use amounts in the Fund without further appropriation to provide assistance under section 5.

(2) ADMINISTRATION.—Of amounts in the Fund available for each fiscal year, the Secretary may use not more than 3 percent to administer the Fund.

(d) ACCEPTANCE AND USE OF DONATIONS.—The Secretary may accept and use donations to provide assistance under section 5. Amounts received by the Secretary in the form of donations shall be transferred to the Secretary of the Treasury for deposit into the Fund.

SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Fund $10,000,000 for each of fiscal years 1996, 1997, 1998, 1999, and 2000 to carry out this Act, to remain available until expended.

Mr. STUDDS (during the reading). Mr. Speaker, I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the RECORD.

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

There was no objection.

The SPEAKER pro tempore. The question is on the amendment in the nature of a substitute offered by the gentleman from Massachusetts [Mr. STUDDS].

The amendment in the nature of a substitute was agreed to.

Mr. BEILENSON. Mr. Speaker, I rise in support of the Rhinoceros and Tiger Conservation Act, a measure which may be our only hope for saving from extinction two of the world's most venerated creatures.

I want to commend the gentleman from Massachusetts, [Mr. STUDDS], and the gentleman from Texas, [Mr. FIELDS], for their leadership on this issue. They deserve our gratitude and appreciation for the difficult work they have been doing to save the world's endangered animals, including the two which are the subject of this bill.

There are, sadly, fewer than 11,000 rhinos and 5,000 tigers left in the wild today. Their numbers have declined rapidly in recent decades because of the demand for their parts and the poachers who supply that demand.

Although all tiger subspecies and all rhinoceros species have been listed on Appendix I of the Convention on International Trade in Endangered Species [CITES] for many years, the prohibition on trade of those animals has not been well enforced in some Asian countries, where their parts are believed by many to have medicinal value. Because of the strong cultural belief in the rhino's and tiger's curative powers, it has been a far more difficult and complex task to eliminate trade in these species than to save similarly situated animals, such as elephants, whose products are simply a luxury item.

As the plight of the tiger and rhino has grown increasingly serious, so too has our response. In April, President Clinton imposed trade sanctions on wildlife products from Taiwan, which was the first time the United States has ever imposed such sanctions for trade in endangered species. This action followed the recommendation of the standing committee of CITES, which last September recommended that CITES parties prohibit trade in wildlife species from China and Taiwan for failing to control the illegal trade in rhinoceros horn and tiger parts, but later noted that China was making progress in implementing agreed-upon actions.

The imposition of sanctions against countries which are not adequately enforcing CITES is a critically important tool in arresting the rapid decline of species, and we are encouraged that President Clinton is using it. But we also know from our successful experience in slowing the decline of the African elephant that a carrot as well as stick is needed. In addition to imposing or threatening to impose sanctions, we need to help others countries conserve populations of rhinos and tigers—and that is what this legislation provides for.

This bill authorizes $10 million per year for 5 years for a Rhinoceros and Tiger Conservation Fund under the Department of Interior. Under the program, grants would be provided to foreign governments and nonprofit groups that develop rhinoceros and tiger conservation projects. Private donations could be accepted and used for approved projects.

The bill intentionally defines conservation broadly in order to allow the Secretary of Interior to consider a wide range of methods and procedures necessary to bring rhinoceros and tigers to the point at which there are sufficient populations to ensure the long-term survival of the species, and to select projects that are best able to promote recovery of these animals.

As an example, with the rhinoceros, there has been some success in efforts to form new herds from scattered individual rhinos and remaining members of herds that have been decimated. If they are brought together in suitable habitat with greatly increased security, in time group bonds form and a new herd can be established. Unfortunately, rhinos are all located in developing nations which simply do not have the resources to undertake this kind of preservation effort on a sufficiently large scale to ensure the recovery of the species.

The conservation program in this bill is modeled on the successful program establish by the African Elephant Conservation Act of 1988. Under that program, with a relatively modest amount of funding—less than $1.2 million the United States is currently helping to fund 34 conservation projects in 13 African countries. And, our efforts have served as a catalyst in generating major contribution and technical assistance from other donor nations and from nongovernmental organizations.

In this case, too, our leadership in helping other nations conserve the remaining populations of tiger and rhinoceros will inspire other nations to join this important effort.

Mr. Speaker, it would be unspeakably tragic, in my opinion, if two of the most wondrous creatures on earth—creatures we have always thought of as a part of our world—were no longer in existence. It is absolutely incumbent upon us to do what we can to ensure that that never happens. I urge my colleagues to support this modest, but extremely important, legislation.

Mr. HAMILTON. Mr. Speaker, I rise in support of H.R. 4924, as amended, to assist in the conservation of rhinoceros and tigers by supporting and providing financial resources for the conservation programs of nations whose activities directly or indirectly affect rhinoceros and tiger populations, and of the CITES Secretariat.

At the outset, I would like to commend the chief sponsors of the bill, Mr. FIELDS and Mr. STUDDS of the Committee on Merchant Marine and Fisheries, and Mr. BEILENSON for their leadership on this conservation measure to protect rhinos and tigers.

The bill establishes a fund, subject to appropriations from the Department of the Interior, of up to $10 million per year for 5 years to protect rhino and tiger species. Project financing will be reviewed and approved by the Secretary of the Interior, in consultation with the Administrator of the Agency for International Development [AID]. AID's participation will ensure that these projects are consistent with our sustainable development objectives, and are coordinated with other U.S. programs overseas.

H.R. 4924 is an important complement to on-going efforts now underway by AID. AID takes an integrated approach to conservation of rhinos and tigers, as with other biodiversity activities. Its comprehensive approach involves local communities, and helps develop their capacity to manage and protect these and other species over the long-term. Local participation is crucial for sustainable development. AID's funding of rhino and tiger conservation projects over the past 5 years has been at least $108 million.

Mr. Speaker, I urge the adoption of H.R. 4924, as amended.

Mr. SABO. Mr. Speaker, I rise today to express my support for H.R. 4924, the Rhinoceros and Tiger Conservation Act.

Rhinos and tigers are rapidly disappearing in the wild and are coming perilously close to extinction because of illegal poaching to supply the high demand for traditional medicine

products. If we hesitate to act aggressively to preserve these majestic animals, they may be lost forever. Many nations with tiger and rhino populations seek American expertise in endangered species education and law enforcement. With H.R. 4924, we can help them now, and we can save the rhinos and tigers for our future generations.

In addition to Chairman STUDDS' and Representative JACK FIELDS' efforts to enact H.R. 4924, I was able to include provisions in the fiscal year 1995 Interior appropriations conference report that encourage the U.S. Fish and Wildlife Service and the Smithsonian Institution to develop a voluntary donation program associated with the endangered species exhibits at the National Zoo in Washington, DC. H.R. 4924 also authorizes the Fish and Wildlife Service to accept donations to support Federal efforts to protect endangered tigers and rhinos.

With three million visitors each year, the National Zoo is a perfect environment to educate people about the plight of endangered species, and a voluntary donation campaign would provide concerned citizens with an immediate avenue to help those species most at-risk. I believe that the American people will welcome the creation of the Rhino and Tiger Conservation Fund, and that zoo-goers will gladly support the fund with voluntary contributions when they visit the National Zoo.

The Rhinoceros and Tiger Conservation Fund represents an important step in ensuring the survival of these grand animals. I commend the fine work of Chairman STUDDS and Representative FIELDS in bringing H.R. 4924 to the House floor. Endangered species advocates must also be congratulated for their persistent efforts to educate us all on the importance of preserving endangered species. I look forward to working with them. Our united efforts could mean the difference between survival and extinction for tigers, rhinos, and many other endangered species.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL PARK SYSTEM REFORM ACT OF 1994

Mr. VENTO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4476) to provide for the development of a plan and a management review of the National Park System and to reform the process by which areas are considered for addition to the National Park System, and for other purposes, as amended.

The Clerk read as follows:

H.R. 4476

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Park System Reform Act of 1994".

TITLE I—NATIONAL PARK SYSTEM PLAN

SEC. 101. PREPARATION OF NATIONAL PARK SYSTEM PLAN.

(a) PREPARATION OF PLAN.—The Secretary of the Interior (hereinafter in this Act referred to as the "Secretary"), acting through the Director of the National Park Service, shall prepare a National Park System Plan (hereinafter in this Act referred to as the "plan") to guide the direction of the National Park System into the next century. The plan shall include each of the following:

(1) A statement of goals and objectives for use in defining the mission and role of the National Park Service in preserving our national natural and cultural heritage, relative to other efforts at the Federal, State, local, and private levels.

(2) Detailed criteria to be used in determining which natural and cultural resources are appropriate for inclusion as units of the National Park System.

(3) Identification of what constitutes adequate representation of a particular resource type and which aspects of the national heritage are adequately represented in the existing National Park System or in other protected areas.

(4) Identification of appropriate aspects of the national heritage not currently represented in the National Park System.

(5) Priorities of the themes and types of resources which should be added to the National Park System in order to provide more complete representation of our Nation's heritage.

(6) A statement of the role of the National Park Service with respect to such topics as preservation of natural areas and ecosystems, preservation of industrial America, preservation of non physical cultural resources, and provision of outdoor recreation opportunities.

(7) A statement of what areas constitute units of the—National Park System and the distinction between units of the system, affiliated areas, and other areas within the system.

(b) CONSULTATION.—During the preparation of the plan under subsection (a), the Secretary shall consult with other Federal land managing agencies, State and local officials, the National Park System Advisory Board, resource management, recreation and scholarly organizations and other interested parties as the Secretary deems advisable. These consultations shall also include appropriate opportunities for public review and comment.

(c) TRANSMITTAL TO CONGRESS.—Prior to the end of the third complete fiscal year commencing after the date of enactment of this Act, the Secretary shall transmit the plan developed under this section to the Committee on Natural Resources of the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate.

SEC. 102. MANAGEMENT REVIEW OF NATIONAL PARK SYSTEM.

(a) REVIEW.—(1) Using the National Park System Plan prepared pursuant to section 101 as a guide, the Secretary shall review the existing National Park System to determine whether there are more appropriate alternatives for managing specific units or portions of units within the system, including partnerships or direct management by States, local governments, other agencies and the private sector. The Secretary shall develop a report which contains a list of areas within the National Park System where National Park Service management should be modified or terminated.

(2) In developing the list under paragraph (1), the Secretary shall consider such factors as duplication within the National Park System, better representation of a particular resource type under management of another entity, lack of significance, lack of management feasibility, cost, lack of visitor accessibility, modifications that change the character of the resource, lack of collaboration to protect resources, suitability for management by another agency, and the compatibility of the resource with the present mission role of the National Park Service.

(3) For any areas for which termination of National Park Service management is recommended, the Secretary shall make recommendations regarding management by an entity or entities other than the National Park Service. For any area determined to have national significance, prior to including such area on the list under paragraph (1) the Secretary shall identify feasible alternatives to National Park Service management which will protect the resources thereof and assure continued public access thereto.

(b) CONSULTATION.—In developing the list referred to in subsection (a), the Secretary shall consult with other Federal land managing agencies, State and local officials, the National Park System Advisory Board, resource management, recreation and scholarly organizations and other interested parties as the Secretary deems advisable. These consultations shall also include appropriate opportunities for public review and comment.

(c) TRANSMITTAL TO CONGRESS.—Not later than 1 year after the Secretary completes the plan referred to in section 101 of this Act, the Secretary shall transmit the report developed under this section simultaneously to the Natural Resources Committee of the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate. The report shall contain the recommendations of the Secretary concerning modifications or termination of National Park Service management for any areas within the National Park System and the recommendations regarding alternative management by an entity or entities other than the National Park Service.

SEC. 103. NATIONAL PARK SYSTEM REVIEW COMMISSION.

(a) ESTABLISHMENT OF COMMISSION.—If the Secretary fails to transmit the report developed under section 102 within the 1-year period specified in section 102, a National Park System Review Commission shall be established to review existing National Park System units to determine whether there are more appropriate alternatives for managing specific units or portions thereof. Within one year after the date of its establishment, the Commission shall prepare and transmit to the Natural Resources Committee of the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate a report containing a list of National Park System units or portions thereof where National Park Service management should be modified or terminated. In developing the list, the Commission shall consider the factors referred to in section 102(a)(2). For any listed areas, the Commission shall suggest alternative management by an entity or entities other than the National Park Service, and for any area determined to have national significance, prior to including such area on the list the Commission shall identify feasible alternatives to National Park Service management which will protect the resources of the area and assure continued public access thereto. In developing the list, the Commission shall consult with other Federal land managing agencies, State and local officials, the National Park System Advisory Board,

resource management, recreation and scholarly organizations and other interested parties as the Secretary deems advisable. These consultations shall also include appropriate opportunities for public review and comment.

(b) MEMBERSHIP AND APPOINTMENT.—The Commission shall consist of 7 members each of whom shall have substantial familiarity with, and understanding of, the National Park System. Three members of the Commission, one of whom shall be the Director of the National Park Service, shall be appointed by the Secretary. Two members shall be appointed by the Speaker of the United States House of Representatives and two shall be appointed by the President Pro Tem of the United States Senate. Each member shall be appointed within 3 months after the expiration of the 1-year period specified in section 102(c).

(c) CHAIR.—The Commission shall elect a chair from among its members.

(d) VACANCIES.—Vacancies occurring on the Commission shall not affect the authority of the remaining members of the Commission to carry out the functions of the Commission. Any vacancy in the Commission shall be promptly filled in the same manner in which the original appointment was made.

(e) QUORUM.—A simple majority of Commission members shall constitute a quorum.

(f) MEETINGS.—The Commission shall meet at least quarterly or upon the call of the chair or a majority of the members of the Commission.

(g) COMPENSATION.—Members of the Commission shall serve without compensation as such. Members of the Commission, when engaged in official Commission business, shall be entitled to travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in government service under section 5703 of title 5, United States Code.

(h) TERMINATION.—The Commission established pursuant to this section shall terminate 90 days after the transmittal of the report to Congress as provided in subsection (a).

(i) LIMITATION ON NATIONAL PARK SERVICE STAFF.—The Commission may hire staff to carry out its assigned responsibilities. Not more than one-half of the professional staff of the Commission shall be made up of current employees of the National Park Service.

(j) STAFF OF OTHER AGENCIES.—Upon the request of the Commission, the head of any Federal agency may detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist the Commission.

(k) EXPERTS AND CONSULTANTS.—Subject to such rules as may be adopted by the Commission, the Commission may procure temporary and intermittent services to the same extent as authorized by section 3109(b) of title 5, United States Code, but at rates determined by the Commission to be advisable.

(l) POWERS OF THE COMMISSION.—(1) The Commission shall for the purpose of carrying out this title hold such public hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission deems advisable.

(2) The Commission may make such bylaws, rules, and regulations, consistent with this title, as it considers necessary to carry out its functions under this title.

(3) When so authorized by the Commission any member or agent of the Commission may take any action which the Commission is authorized to take by this section.

(4) The Commission may use the United States mails in the same manner and upon the same conditions as other departments and agencies of the United States.

(5) The Secretary shall provide to the Commission any information available to the Secretary and requested by the Commission regarding the plan referred to in section 101 and any other information requested by the Commission which is relevant to the duties of the Commission and available to the Secretary.

TITLE II—NEW AREA ESTABLISHMENT

SEC. 201. STUDY OF NEW PARK SYSTEM AREAS.

Section 8 of the Act of August 18, 1970, entitled "An Act to improve the administration of the national park system by the Secretary of the Interior, and to clarify the authorities applicable to the system, and for other purposes" (16 U.S.C. 1a-1 and following) is amended as follows:

(1) By inserting "GENERAL AUTHORITY.—" after "(a)".

(2) By striking the second through the seventh sentences of subsection (a).

(3) By redesignating the last sentence of subsection (a) as subsection (e) and inserting in such sentence before the words "For the purposes of carrying" the following: "(e) AUTHORIZATION OF APPROPRIATIONS.—".

(4) By striking subsection (b).

(5) By inserting the following after subsection (a):

"(b) STUDIES OF AREAS FOR POTENTIAL ADDITION.—(1) At the beginning of each calendar year, along with the annual budget submission, the Secretary shall submit to the Committee on Natural Resources of the House of Representatives and to the Committee on Energy and Natural Resources of the United States Senate a list of areas recommended for study for potential inclusion in the National Park System.

"(2) In developing the list to be submitted under this subsection, the Secretary shall give consideration to those areas that have the greatest potential to meet the established criteria of national significance, suitability, and feasibility. The Secretary shall give special consideration to themes, sites, and resources not already adequately represented in the National Park System as identified in the National Park System Plan to be developed under section 101 of the National Park System Reform Act of 1994. No study of the potential of an area for inclusion in the National Park System may be initiated after the date of enactment of this section, except as provided by specific authorization of an Act of Congress. Nothing in this Act shall limit the authority of the National Park Service to conduct preliminary resource assessments, gather data on potential study areas, provide technical and planning assistance, prepare or process nominations for administrative designations, update previous studies, or complete reconnaissance surveys of individual areas requiring a total expenditure of less than $25,000. Nothing in this section shall be construed to apply to or to affect or alter the study of any river segment for potential addition to the national wild and scenic rivers system or to apply to or to affect or alter the study of any trail for potential addition to the national trails system.

"(c) REPORT.—The Secretary shall complete the study for each area for potential inclusion into the National Park System within 3 complete fiscal years following the date of enactment of specific legislation providing for the study of such area. Each study under this section shall be prepared with appropriate opportunity for public involvement, including at least one public meeting in the vicinity of the area under study, and reasonable efforts to notify potentially affected landowners and State and local governments. In conducting the study, the Secretary shall consider whether the area under study—

"(1) possesses nationally significant natural or cultural resources, or outstanding recreational opportunities, and that it represents one of the most important examples of a particular resource type in the country; and

"(2) is a suitable and feasible addition to the system.

Each study shall consider the following factors with regard to the area being studied: the rarity and integrity of the resources, the threats to those resources, whether similar resources are already protected in the National Park System or in other Federal, state or private ownership, the public use potential, the interpretive and educational potential, costs associated with acquisition, development and operation, the socioeconomic impacts of any designation, the level of local and general public support and whether the unit is of appropriate configuration to ensure long term resource protection and visitor use. Each such study shall also consider whether direct National Park Service management or alternative protection by other agencies or the private sector is appropriate for the area. Each such study shall identify what alternative or combination of alternatives would in the professional judgment of the Director of the National Park Service, be most effective and efficient in protecting significant resources and providing for public enjoyment. The letter transmitting each completed study to Congress shall contain a recommendation regarding the Administration's preferred management option for the area.

"(d) LIST OF AREAS.—At the beginning of each calendar year, along with the annual budget submission, the Secretary shall submit to the Committee on Natural Resources of the House of Representatives and to the Committee on Energy and Natural Resources of the United States Senate a list of areas which have been previously studied which contain primarily cultural or historical resources and a list of areas which have been previously studied which contain primarily natural resources in numerical order of priority for addition to the National Park System. In developing the list, the Secretary should consider threats to resource values, cost escalation factors and other factors listed in subsection (c) of this section.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Minnesota [Mr. VENTO] will be recognized for 20 minutes, and the gentleman from Colorado [Mr. HEFLEY] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks in the RECORD on the measure before us.

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

There was no objection.

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

Mr. Speaker, H.R. 4476 is a measure designed to maintain the integrity of the National Park System through various improvements in the process of planning and establishing National Park System units.

I am pleased that we have been able to come to the floor on a bipartisan basis with a compromise which takes the best elements of the H.R. 1508, introduced by Representative HEFLEY, and H.R. 3709, which I introduced.

Mr. Speaker, the National Park Service is charged with the management of many of the Nation's most precious natural, cultural, and historical resources. The 367 areas which make up the National Park System are known throughout the world for their natural wonders, scenic beauty, and historical significance. Considering the exceptional quality of our national parks, it is our obligation to ensure that only outstanding resources are added to the National Park System. This is especially true in an era of fiscal constraint and large demands on the existing National Park System.

In our National Park System, several important land forms and themes of American history are underrepresented or not represented at all. The National Park System needs the ability to expand in order to reflect the progression of history and to respond to a rapidly growing population. In expanding the system, however, great caution must be exercised in order to make sure that only high-quality resources are included. This concern is bipartisan, and it is shared by Congress, the administration, and the American people.

H.R. 4476 addresses these concerns by providing for the following:

It directs the Secretary of the Interior to prepare a plan to guide the direction of the National Park System into the next century. The plan would be submitted to Congress and would define the role of the National Park System in preserving our national heritage, relative to other efforts at the Federal, State, local, and private levels; it would identify aspects of our American heritage which are adequately and inadequately represented in the National Park System and would list priorities of the types of resources which should be added to the National Park System.

There currently is no overall plan for the expansion of the National Park System. The only documents which can be considered plans are the thematic frameworks. These documents are not strategies or plans. Instead, they are documents which list major natural and historical themes of the United States and then describe how the themes are represented by existing NPS units and landmarks. These are not particularly helpful in telling Congress or anyone else the short- or long-term direction of the National Park System. This type of strategic planning is done by other Federal agencies and large organizations.

The bill directs the Secretary to conduct a management review of the existing National Park System to determine if National Park Service management at any area should be modified or terminated. This review would be conducted using the direction provided by the National Park System plan. In developing the list of areas where NPS management would be proposed to be modified or terminated, the National Park Service would consult with other Federal agencies, State and local officials, resource management, recreation and scholarly organizations, and other interested parties. The list would be transmitted to Congress within 1 year after the completion of the National Park System plan. It would require the National Park Service to recommend alternative entities to manage sites which would be proposed to no longer be managed by the National Park Service.

The determination of what areas no longer deserve to be units of the National Park System is a highly sensitive task which appropriately should be done by the National Park Service with advice and consultation from outside organizations. I do not believe it is appropriate for this task to be undertaken by a Commission which is accountable to no one. This provision would allow us to take a hard look at the National Park System and see if any corrections or changes are needed. It will also allow us to improve management efficiency and cost-effectiveness in certain areas where termination is not recommended but some modification such as increased use of cooperative agreements is utilized.

However, in the event that the Secretary does not submit the list of areas for termination or modification to Congress in the specified 1-year time period, the bill calls for the establishment of a seven member Commission to carry out this task. The Commission would use the plan and any preliminary work done by the National Park Service to prepare the list. The list would be submitted to Congress and the Commission would expire. The bill does not contain any automatic closure procedures as proposed in H.R. 1508. The authority to designate National Park System units rests with Congress, and Congress should retain that authority with regard to deauthorizing units as well.

The bill contains most of the provisions of my bill H.R. 3709, the National Park System New Area Study Reform Act. It would require all new area studies to be authorized by Congress after receiving a list of new area study priorities from the National Park Service. Studies would have to be completed in 3 years and would have to contain the management alternative preferred by the National Park Service. This provision does not cover technical assistance to State or local governments, wild and scenic rivers, national trails system units, or wilderness areas. The purpose of these reforms is to provide Congress with the professional opinion of the National Park Service earlier on in the process of considering areas for addition to the National Park System. This provision would also eliminate the confusion surrounding the multiple sources of new area study requests which result in delays, starts and stops, and other problems.

Finally, the bill requires the Secretary to submit annually a list of previously studied areas in order of priority for addition to the National Park System. In accordance with an amendment adopted in the subcommittee, the National Park Service will submit two priority rankings, one for areas which are primarily cultural in nature and one for areas which contain primarily natural resources.

Mr. Speaker, the bill before us (H.R. 4476) is a carefully crafted measure which will help to maintain a high level of integrity for the National Park System. I urge Members to support it today.

□ 1710

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

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

Mr. Speaker, I cannot tell you how pleased I am we are getting the chance to discuss this bill and vote on it today. The bill that you have before you is an important measure. It is the product of a truly bipartisan effort to bring order and direction to the National Park System.

In the 4 years I have been a member of the Committee on Natural Resources, we have repeatedly discussed the Park Service's backlog in construction, maintenance, and acquisition. Despite a backlog that runs into the billions, we have repeatedly added new parks that further sap the resources of the Park Service. Sometimes, Mr. Speaker, I think we have added rhinestones when we should have been taking care of the Nation's crown jewels.

This bill is our attempt to do something about that. H.R. 4476 will establish a process in which proposals for new parks will have to be studied and recommended by the Park Service, then authorized by the Committee on Natural Resources in Congress, before any money is appropriated. It will direct the Park Service to stack a set of priorities for designating parks so that Congress will have a clear idea of what is necessary, and so that important ideas will not be pushed to a back burner by every new proposal or political trend. It will require the Director to review the existing park system to see that all of its units meet the high

standards this process will establish and examine possible future options for management.

There are also a number of things this bill will not do. This bill will not sell off the Grand Canyon, it will not turn the Park Service over to Disney, and it will not attempt to turn every unit into a profitmaking machine to the detriment of the resources.

The full effects of the legislation will not be seen tomorrow or next year, but I believe that this bill will provide Congress and the Park Service with the blueprints and tools necessary to meet the challenges of the next century.

In closing, I would like to emphasize the truly bipartisan nature of this legislation. It had its genesis in the thinking of our former Member and colleague, Robert Lagomarsino, more than 5 years ago. Today's bill is the product of working sessions between the majority and minority staffs and the National Park Service, the majority and minority Members of Congress. It would take some study to figure out who was with responsible for what portions of this final bill.

I would like to commend the gentleman from Minnesota [Mr. VENTO], and his staff for the work they have done on this issue. I would especially like to commend the Park Service representatives who worked on this bill. Their expertise was invaluable in preparing this legislation.

This bill proves that Members of both parties can work together in a spirit of comity to solve important issues. After all the shouting and politicking is done, I think we all got into this line of work to do something for our country, to leave a mark, a legacy for future generations. I believe this bill can be that kind of legacy, and, therefore, I heartily endorse its adoption.

Mr. Speaker, I yield 4 minutes to the gentleman from Utah [Mr. HANSEN].

Mr. HANSEN. Mr. Speaker, I rise in strong support of H.R. 4476, the appropriately titled "National Park Service Reform Act." Mr. Chairman, this is an important, bipartisan bill which should help refine the mission of the National Park Service for the 21st century.

Mr. Speaker, it seems hardly a week goes by in the House during which we are not considering some legislation to expand the mission of the National Park Service. It also seems that I spend a lot of time on the floor of this House opposing many of these bills, because of my concerns about the impact of these expansions on the greatest park system in the world.

I am very concerned about both the fiscal impact of these proposals and their impact on the integrity of the park system. Mr. Speaker, with enactment of this bill there is hope we may spend less time in the future on the floor of the House opposing unnecessary park expansion bills.

This is true because this measure requires the National Park Service to develop a vision of where to take the agency, instead of the current piecemeal approach to expansion of the park system. The agency will be required to prioritize future expansion proposals. Further, Congress can be assured that adequate information will be available each time a proposal for expansion of the park system is presented.

Finally, this bill will help us redirect the limited financial resources of the agency by identifying areas where future National Park Service involvement is unnecessary or inappropriate and freeing up funds for other park areas managed by the agency.

Mr. Speaker, I wish to commend the gentleman from Colorado for developing this measure. We have had many discussions about the problems which this bill is designed to address, but Mr. HEFLEY has devoted the time and energy to develop this measure and see it through. Also, I want to thank the chairman, Mr. VENTO, for agreeing to work with the minority on this important measure and report Mr. HEFLEY's bill. Unfortunately, I often find myself in disagreement with the chairman on matters before our committee, but I have no less respect for him as a result of our disagreements. Few Members of this body take their chairmanship as studiously, or work any harder than this chairman, and I believe that both the products of our committee and the land management policies of this Nation are generally better off as a result of his efforts.

Mr. Speaker, I note that the other body is also moving a similar bill, and I commend this bill to all of my colleagues as one of the most important things we can do for the National Park Service during this Congress.

Mr. HEFLEY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

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

Mr. Speaker, I thank the ranking member, the gentleman from Utah [Mr. HANSEN], for his kind comments. I would return them in kind. I know that the gentleman has worked hard on these bills. There have been numerous hearings on almost everything we have done. It has gone through the process very carefully.

But in the end, Mr. Speaker, I do not think it is proper to rely upon one or two Members to make the judgments about what is appropriate with regard to the National Park Service policy, or, for that matter, whether we are dealing with the Forest Service or the BLM. But all too often I find myself referencing and using as benchmarks for the policy guidance that my colleagues look to me for really on some precedent that existed in the past, rather than on a sound review of what the proper policy path has been.

I think during this session, I felt that there has been to some extent a loss of focus with regards to parks, and I think there is an amount of concern that has gripped me, and has gripped others. I have seen the same thing.

I see an article that will come out this next month in the National Geographic magazine talking about the problems and the stresses that our parks face. It is time that we charge this administration and other administrations with the proper evaluation and study to put in place the type of framework that we need in terms of making sound public policy as it affects the National Park System.

□ 1720

I fear today that that has, as I said, the focus has not been as sharp as it should and could be. We need that today because of the types of problems we face in terms of fiscal responsibility, because of the increasing backlogs and problems with maintenance that exist. The maintenance backlogs and the backlogs in terms of construction have been referred to as soaring as high as $5 billion.

I might remind my colleagues that that is almost four times more than the entire Park Service budget in a given year. That sort of, I think, epitomizes what we are up against in terms of this problem. Yet we have in just 10 years nearly doubled the number of people that visit our national parks. The projections into the future are that they will continue to increase. Our national parks are one of the leading attractions of people that visit this country from abroad. And as Members look at this, it is clear that we need to expand the park system in order to accommodate this, to try to disperse the use of the park system away from some of the areas that are heavily used in other areas that are equally important and can serve the needs of Americans and tourists on a broad basis.

But in order to do that, we need to have the proper study and background. We need to charge the park service to reevaluate and to evaluate their mission and the designations, the work that we do in Congress.

Congress has been instrumental throughout its history, throughout the park service history, in terms of designating these areas and establishing them. By and large, I think if we say the park system is a good system, I think a lot of the credit has to go back to the legislative bodies which have managed these lands in such a way as to, in fact, preserve these values and this fabric, this natural and cultural fabric.

Today I think we are in the forefront again. Again, it has been Congress that has been in the forefront of laying forth the policy that is set forth in this bill. We have pushed the administration. And I might say that this administration, like those of the past, has not put forth a comprehensive policy

plan, a comprehensive agenda to deal with the National Park System.

The fact is that given no agenda, given no direction, I think that we have done a remarkably good job, I might say, in a bipartisan basis, in the House and in the Senate, in terms of trying to keep to a policy path with regards to parks that is logical, that is consistent. But it is increasingly difficult. So we are reaching out in this legislation and directing in this legislation and asking for some help of this administration and those in the future to get their act together so that we can do a better job in this body.

It is pretty hard, Mr. Speaker, to work in this area without having the other hand working with you and wandering off in different directions. We need the focus, the expertise, the professionalism of the National Park Service, which characterizes the National Park Service, I might say, the professionalism to deal with that. We need to deal with the topics like the veil agenda and the professionalism of the Park Service.

They are trying to reorganize themselves one more time to deal with the concerns in terms of how they are organized, but one place they need to organize, and that is their legislative program on this floor and their administrative structure throughout this Nation.

That being said, let me thank my colleagues again.

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

The SPEAKER pro tempore (Mr. BILBRAY). The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO], that the House suspend the rules and pass the bill, H.R. 4476.

The question was taken.

Mr. VENTO. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

NOTIFICATION OF INTENTION TO OFFER A PRIVILEGED RESOLUTION ON THE U.S. OCCUPATION OF HAITI ON WEDNESDAY, SEPTEMBER 28, 1994

Mr. COX. Mr. Speaker, I ask unanimous consent that the notice of intentions to offer a privileged resolution that I announced on Friday, September 23, 1994, titled House Resolution Calling For Congressional Debate and Authorization for the U.S. Occupation of Haiti, be deemed sufficient under rule IX to permit this Member to bring up this privileged resolution on Wednesday, September 28, 1994.

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

There was no objection.

PRESIDENT JOHN F. KENNEDY ASSASSINATION RECORDS COLLECTION EXTENSION ACT OF 1994

Mr. CONYERS. Mr. Speaker, I move to suspend the rules and concur in the Senate amendments to the bill (H.R. 4569) to extend and make amendments to the President John F. Kennedy Assassination Records Collection Act of 1992.

The Clerk read as follows:

Senate amendments:

Page 2, strike out lines 1 to 3 and insert:

(1) by striking "2 years after the date of enactment of this Act" and inserting "September 30, 1996"; and

(2) by striking "2-year".

Page 2, line 6, strike out "Section 8(j)(1)" and insert: "Section (7)(j)(1)."

Page 3, lines 7 and 8 strike out "offered the position" and insert: "employed conditionally in accordance with subsection (b)3)(B)."

Page 4, after line 8, insert:

(d) CONDITIONAL EMPLOYMENT OF STAFF.—Section 8(b)(3)(B) of the President John F. Kennedy Assassination Records Collection Act of 1992 (44 U.S.C. 2107 note) is amended to read as follows:

"(B)(i) The Review Board may offer conditional employment to a candidate for a staff position pending the completion of security clearance background investigations. During the pendency of such investigations, the Review Board shall ensure that any such employee does not have access to, or responsibility involving, classified or otherwise restricted assassination record materials.

"(ii) If a person hired on a conditional basis under clause (i) is denied or otherwise does not qualify for all security clearances necessary to carry out the responsibilities of the position for which conditional employment has been offered, the Review Board shall immediately terminate the person's employment.".

(e) COMPENSATION OF STAFF.—Section 8(c) of the President John F. Kennedy Assassination Records Collection Act of 1992 (21 U.S.C. 2107 note) is amended to read as follows:

"(c) COMPENSATION.—Subject to such rules as may be adopted by the Review Board, the chairperson, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, may—

"(1) appoint an Executive Director, who shall be paid at a rate not to exceed the rate of basic pay for level V of the Executive Schedule; and

"(2) appoint and fix compensation of such other personnel as may be necessary to carry out this Act.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Michigan [Mr. CONYERS] is recognized for 20 minutes, and the gentleman from California [Mr. MCCANDLESS], is recognized for 20 minutes.

The Chair recognizes the gentleman from Michigan [Mr. CONYERS].

GENERAL LEAVE

Mr. CONYERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks on H.R. 4569.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan.

There was no objection.

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

Mr. Speaker, on July 29, the House passed H.R. 4569, as amended by the Committee on Government Operations, to make mostly technical changes to the original Assassination Record Act passed during the 102d Congress. The act would simply extend the duration of the Board established by the original act for an additional year due to the delay in appointing Board members. It would also allow the Board to more easily hire staff, and to use the Federal Supply Service and the U.S. mail as do other Federal agencies.

The Senate further amended H.R. 4569 to clarify the dates of the extension and the other provisions. The changes are purely technical in nature, and I urge my colleagues to once again pass the bill.

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

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

Mr. Speaker, I stand with the chairman of the Government Operations Committee in support of H.R. 4569 and call for its immediate enactment. This noncontroversial bill will amend the President John F. Kennedy Assassination Records Collection Act of 1992 by extending its life for 1 additional year and makes several administrative changes to make it easier for the Review Board to hire staff and function more efficiently.

The House passed this bill last July under a unanimous voice vote. The Senate made some minor, almost administrative, changes which have little impact on the original House-passed bill. I am asking my colleagues to lend their support to this bill again today.

Specifically, the JFK Records Extension Act: extends the life of the Review Board by an additional year while authorizing no additional appropriations; authorizes the Review Board to use General Services Administration resources to purchase goods and services; authorizes the Review Board to use the U.S. Postal Service as though they are any other Government agency; allows the Review Board to offer a job to potential staff before they obtain proper security clearances; allows current Government employees to be hired by the Review Board, but only if they perform administrative functions; and allows the Review Board to avoid Office of Personnel Management regulations.

These changes are required because the Review Board was late in getting organized due to the changes of administration in 1993. The amendments would allow the Board to continue its

work for an additional year while spending no additional moneys.

This legislation was drafted with full cooperation between the minority and majority of the Government Operations Committee and is supported unanimously by the committee Republicans.

Mr. STOKES. Mr. Speaker, I rise in strong support of H.R. 4569, the John F. Kennedy Assassination Records Collection Extension Act of 1994, offered by my good friend and the distinguished chairman, Mr. CONYERS, to extend the terms and clarify the responsibilities of the John F. Kennedy Assassinations Review Board. Let me commend Mr. CONYERS for his leadership on this issue and for his commitment to ensuring that the important work of the Board is accomplished.

Mr. Speaker, Public Law 102-526, the John F. Kennedy Assassination Records Collection Extension Act was enacted by Congress in 1992. I authored this legislation, in my capacity as former chairman of the House Select Committee on Assassinations, to release all executive, congressional, and judicial documents related to President Kennedy's assassination. This law, in my opinion, demonstrated to the American people our commitment to provide them an opportunity to ascertain the truth concerning President Kennedy's assassination.

Part of this critical legislation includes the establishment of a Review Board. The Review Board has the crucial responsibility of overseeing the release of files relating to the assassination. It will determine whether requests by Federal agencies to postpone disclosure of certain assassination materials is valid as outlined by criteria set forth in the law. I was firmly committed to the establishment of this independent Review Board.

Unfortunately, Mr. Speaker, the Board appointments were somewhat delayed. As a consequence, precious time has been lost for the Board to undertake its work. There are also some operational enhancements in H.R. 4569 with respect to the Board. The Board's work remains a priority to me, to many other members, and most importantly to the American people. It is therefore imperative that we support their important and continued work.

Mr. Speaker, I urge my colleagues to join me in support of this bill to show we are willing to provide the leadership the American people have demanded.

Mr. MCCANDLESS. Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan [Mr. CONYERS] that the House suspend the rules and concur in the Senate amendments to the bill, H.R. 4569.

The question was taken and (two-thirds having voted in favor thereof) the rules were suspended and the Senate amendments were concurred in.

A motion to reconsider was laid on the table.

EXPANDING ELIGIBILITY FOR FEDERAL SURPLUS PROPERTY

Mr. CONYERS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2461) to amend the Federal Property and Administrative Services Act of 1949 to authorize the transfer to States of surplus personal property for donation to nonprofit providers of necessaries to impoverished families and individuals.

The Clerk read as follows:

H.R. 2461

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TRANSFER OF SURPLUS PERSONAL PROPERTY FOR DONATION TO PROVIDERS OF NECESSARIES TO IMPOVERISHED FAMILIES AND INDIVIDUALS.

Section 203(j)(3)(B) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(j)(3)(B)) is amended by inserting after "homeless individuals" the following: ", providers of assistance to families or individuals whose annual incomes are below the poverty line (as that term is defined in section 673 of the Community Services Block Grant Act),".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Michigan [Mr. CONYERS] will be recognized for 20 minutes, and the gentleman from California [Mr. MCCANDLESS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Michigan [Mr. CONYERS].

GENERAL LEAVE

Mr. CONYERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks on H.R. 2461.

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

There was no objection.

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

(Mr. CONYERS asked and was given permission to revise and extend his remarks.)

Mr. CONYERS. Mr. Speaker, the purpose of H.R. 2461 is to widen the current availability of Federal surplus personal property, that is, supplies and equipment, for donation to nonprofit, tax-exempt organizations that serve the poor.

In 1976, Congress enacted legislation, Public Law 94-519, that gave a broad charter to the General Services Administration to transfer surplus personal property to States so that it could be donated for public purposes. Each State was required to establish a State surplus property agency to serve as the central collection and distribution point for eligible recipients, namely, public bodies and certain nonprofit, tax exempt organizations like schools and hospitals.

Through this Federal-State partnership, the program in fiscal year 1993 resulted in donations to eligible recipients of property that originally cost the Government $654 million. So far in fiscal year 1994, the figures are running at a similar level. The property includes items like tools, office machines and supplies, furniture, appliances, medical supplies, clothing, construction equipment, communications equipment, vehicles, and airplanes.

The author of H.R. 2461, the gentleman from Indiana [Mr. HAMILTON] has rightly called attention to a significant gap in the ability of the present donation program to help providers of assistance to the poor. Providers for the homeless were added in 1988. But now seeing to enter the program are providers of food and of other services to needy families and individuals who may not be homeless. Organizations like Habitat for Humanity and local food banks help to alleviate such needs. H.R. 2461 would make nonprofit organizations serving these purposes eligible for surplus property under the Federal donation program. The new eligibles, of course, would not enjoy a preference over any other group of eligibles.

H.R. 2461, therefore, merely adds to the donation program one more category of eligible nonprofit organizations, those that provide assistance to families or individuals whose annual incomes are below the poverty line as defined in the Community Services Block Grant. The pertinent income levels are calculated by the Census Bureau and are available in the current edition of the "Statistical Abstract of the United States."

Mr. Speaker, the General Services Administration, which administers this program, has advised the Government Operations Committee that it has no objection to the bill. Also, the president of the National Association of State Agencies for Surplus Property, which represents all of the State surplus property agencies, has informed the committee that his organization has no objection to the bill. In fact, no objection from any source has been heard.

The added authority of H.R. 2461 would be broad enough, GSA advises, to cover the intended beneficiaries of a related bill, H.R. 4392, by the gentleman from Oklahoma [Mr. MCCURDY]. That bill would authorize the distribution of Federal surplus property to nonprofit organizations providing assistance to the hungry and the indigent.

The Congressional Budget Office has advised the committee that the bill is not expected to affect the Federal budget.

Mr. Speaker, I strongly urge my colleagues to pass H.R. 2461.

□ 1730

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

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

Mr. Speaker, as the ranking Republican on the Government Operations Subcommittee on Legislation and National Security, I am pleased to provide my support to H.R. 2461. H.R. 2461 is a bill that will allow organizations, such as the Habitat for Humanity, food banks and organizations that recycle building materials for the poor, to qualify as donee organizations for surplus Federal property under the Federal Property and Administrative Services Act.

Office supplies, desks, chairs, and other surplus furniture, are examples of the types of personal property that would be involved. Currently, only nonprofit educational or public health institutions, or homeless providers qualify as donee's for this type of surplus property. However, organizations such as the Habitat for Humanity and food banks do not qualify.

H.R. 2461 would allow these organizations that assist people whose income is below the poverty line to qualify as donee's for personal property the Federal Government no longer needs. These organizations provide valuable assistance to needy individuals. This bill would help these organizations to continue their worthwhile service.

We would take advantage of this opportunity to recycle Government property that might otherwise either collect dust or be thrown away. H.R. 2461 is legislation that makes abundant economic and humanitarian good sense. I commend my distinguished colleague from Indiana [Mr. HAMILTON] for crafting such a sensible, bipartisan bill.

Accordingly, I urge all of my colleagues to give H.R. 2461 strong bipartisan support—it is a bill that helps eliminate waste while helping those in need.

Mr. HAMILTON. Mr. Speaker, I rise today to express my strong support for H.R. 2461, a bill I introduced that would amend the Federal Property Act to make certain nonprofit organizations that help the needy—such as Habitat for Humanity and food banks—eligible for Federal surplus property. Under current law, these organizations are not eligible.

I want to thank Chairman CONYERS and the members of the House Committee on Government Operations for reporting this bill to the House floor. I greatly appreciate their cooperation and support in moving this bill forward.

The Federal Property and Administrative Services Act authorizes GSA to dispose of surplus Federal property. Surplus property is property not needed by any Federal agency; it may be made available by GSA to State or local governments or nonprofit agencies and may be transferred without cost for specified public purposes, including education, recreation, economic development, health care, services for homeless people, or prisons.

However, under current law, surplus property cannot be made available to certain nonprofit organizations. Habitat for Humanity and food banks, for example, do provide services to the homeless, but this is not their exclusive mission. They also provide services to needy individuals who are not homeless, and, consequently, are ineligible for surplus property.

Making Federal surplus property available to these organizations would greatly assist them in aiding the poor in Indiana and around the country. It would help the food banks that provide food to shelters, soup kitchens, and food pantries; groups that recycle building materials for use in the repair of housing for the poor; and other organizations that repair and build homes for low-income families.

H.R. 2461 would amend current law to make such organizations eligible for the Federal Surplus Program. The proposed change in law would not give these organizations preference, but just make them one of many eligible nonprofit entities. H.R. 2461 is not controversial. GSA has not raised any objections to this proposal.

Federal, State, and local governments have been looking to nonprofits to assume more responsibility for providing needed services to the poor, particularly in an era of declining budgets. H.R. 2461 will help nonprofits provide those services more effectively by granting them access to Federal surplus property.

I think this promises to be a worthwhile use of Federal surplus resources. I urge my colleagues to support H.R. 2461.

Mr. McCANDLESS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. CONYERS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. BILBRAY). The question is on the motion offered by the gentleman from Michigan [Mr. CONYERS] that the House suspend the rules and pass the bill, H.R. 2461.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

ANNOUNCEMENT OF INTENTION TO OFFER MOTION TO INSTRUCT CONFEREES ON H.R. 820, NATIONAL COMPETITIVENESS ACT OF 1994

Mr. ROHRABACHER. Mr. Speaker, pursuant to clause 1(c), rule 28, I am announcing that tomorrow I intend to offer a motion to instruct conferees on the bill (H.R. 820) to amend the Stevenson-Wydler Technology Innovation Act of 1980 to enhance manufacturing technology development and transfer, to authorize appropriations for the Technology Administration of the Department of Commerce, including the National Institute of Standards and Technology, and for other purposes. To insist on the provisions contained in section 506 of the House bill, entitled "Prohibitions."

The form of the motion is as follows:

Mr. ROHRABACHER moves that the managers on the part of the House at the conference on the disagreeing votes of the 2 Houses on the Senate amendment to the bill, H.R. 820, be instructed to insist on the provisions contained in section 506 of the House bill, entitled "Prohibitions", the text of which is as follows: "None of the funds made available in this Act may be used to provide any direct Federal financial benefit to any person who is not (1) a citizen or national of the United States; (2) an alien lawfully admitted for permanent residence; or (3) an alien granted legal status as a parolee, asylee, or refugee.".

U.S. PATENT SYSTEM SET FOR DESTRUCTION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland [Mrs. BENTLEY] is recognized for 5 minutes.

Mrs. BENTLEY. Mr. Speaker, recently negotiated intellectual property agreements with Japan have telegraphed the future for the American patent system. The Assistant Secretary and Commissioner of the Patent and Trademark Office recently signed an agreement with Japan to reduce the life term of a patent.

Mr. Lehman is pushing to change the patent term to 20 years from date of filing an application for a patent. The GATT has a minimum of 20 years from the date of filing, but the Lehman/Japan agreement would reduce the life of a patent.

For example, the Genetic Engineering News reports that under the Lehman proposal, the average biotech patent could lose 3 to 4 year's protection. That means research will be cut back and a $7 billion industry will be struggling to be competitive.

America is the world leader in software but under this new term the United States will be a has been in world software markets because the lifespan of a patent will be shortened. Although software has a comparatively short lifespan, the concepts do not. Spreadsheets are one example of an invention still generating billions of dollars in annual revenue.

Changing the patent term is not the only issue Japan is pushing. Secretary of Commerce Ron Brown recently signed an agreement with the Japanese Ambassador to publish our patent applications 18 months after filing. For decades that information has been secret until the patent is published under the American system. Now after 18 months that information will be made public, even before an invention may be completed or a patent issued.

With this early pre-grant publication, Japan will be able to learn about our most advanced technology, even

vital information left out in filing a foreign patent. It also will make it difficult to capitalize an invention.

Why is our Government doing this to the American patent system when it is a well known fact that it is the basis for the industrial might of America?

The answer. Japan has been very critical of our patent laws because our system is different from theirs. Japan has focused on our first-to-invent system, our so-called submarine patents, and our section 104 which limit proofs of invention to those generated in the United States or those generated by certain United States citizens while serving abroad.

With this GATT agreement, Japan is winning—getting what it wants. If the patent term is 20 years measured from filing date, publication 18 months from filing—and international proof of invention—not limited to proofs arising in the United States—then the American system no longer is unique.

A foreign competitor also will be able to file interferences based on evidence filed abroad and tie up our patents. In short, American inventors are getting the short end of the stick in the GATT and in the Lehman-Brown-Japan agreements.

Why should American citizens be concerned about the patent system?

This 20-year term from filing is the most devastating inclusion in GATT. It is a serious threat to the economic well being of the United States. We literally are giving up our technological lead for the next 100 years if we allow this term to be changed in the GATT.

We must fight for our patent system and not allow the Government to change it without public hearings. I can tell you from first-hand knowledge that American small business and inventors will shut down these changes. It is only a few multinationals and Japan who are pushing the changes.

We have led the world in innovation and creativity. In 1993, the United States had 59,588 influential patents, which is almost twice as many as Japan, Italy, the United Kingdom, France, and Germany combined. This was achieved under the 17-year patent system with everything secret until issuance. Even the Patent Commissioner admitted in testimony that the "process under the old system—inventors—have the benefit of the greater term. It is as simple as that."

Mr. Speaker, we are rapidly pushing American inventors over a cliff in a second American Pearl Harbor with these changes in the patent system.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Edwin Thomas, one of his secretaries.

□ 1740

REPUBLICAN CONTRACT WITH AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. HOEKSTRA] is recognized for 5 minutes.

Mr. HOEKSTRA. Mr. Speaker, to my colleagues, today was a historic day. The Republican candidates for the House of Representatives for the 104th Congress laid out a contract with the American people. I came to this body about 21 months ago with the hope and the expectation that we could significantly alter the way that the people's house worked. In many ways, I have been disappointed by what we have been able to accomplish or what more importantly we have not been able to accomplish in this Congress, in making the people's house nmore responsive to the American people, bringing forth and debating and voting on and enhancing many of the ideas that were an element of our campaigns 2 years ago. What we did today is we outlined a contract with America that gives a vision for what the people's House can and should again become.

I talked about many of these ideas over the last 18 months. Eighteen months ago I proposed a piece of legislation that would allow the American people to become more involved in the process of setting the agenda for this country, a process that said we are going to let you help set an agenda because we are going to allow on a national and Federal level the initiative and referendum process. That legislation never made it out of committee.

Six months ago, we introduced a second piece of legislation that built off this first piece of legislation. We said if we cannot bring in its purest form initiative and referendum to this national body, let us experiment with the idea of letting the American people more directly set and influence the agenda here in Washington. We introduced the concept of an advisory referendum, an advisory referendum that said we are going to allow you, the American people, to instruct us on term limits, to instruct us on a balanced budget amendment, and to instruct us on a line item veto. Again, that legislation has stayed bottled up in committee. Now, however, we have outlined an opportunity for the American people to judge this Congress and have a referendum on this Congress and to help influence the agenda of this next Congress in January 1995. Highlights of how and what is included in this referendum include things like on the opening day, we would change the tenor and the character of this body:

First, we would require all laws that apply to the rest of the country to also apply equally to Congress, an innovative idea that I think will bring radical change to decisionmaking in this body.

Second, we will select a major independent auditing firm to conduct a comprehensive audit of Congress for waste, fraud, or abuse.

Third, we will cut the number of committees, and we will cut committee staff by one-third.

Fourth, we will limit the terms of all committee chairs. Committee chairs will now have to rotate. They will not be able to stay in place for an extended period of time.

Fifth, we will ban the casting for proxy votes in committees. When we debated and worked on the health care bill in the Committee on Education and Labor, over 50 percent of the votes cast were proxy votes.

Sixth, we will require committee meetings to be open to the public. When this Congress had the debate on the largest tax increase in American history, the debate was held behind closed doors. In the next Congress, that would not happen.

Seventh, we would require a three-fifth majority to pass a tax increase. We would no longer again see a tax increase passed by only a single vote.

Eighth, we would guarantee an honest accounting of our Federal budget by implementing a zero-based line budgeting versus the budgeting we see today where when we talk about cutting future spending, we are talking about decreasing an increasing an increase so we will still be increasing. It is a convoluted way to run a budgeting process.

These are the changes we will be talking about on opening day. We have also outlined a series of 10 bills that I will be talking about later this week that we will debate and consider within the first 100 days, 10 bills that will significantly and radically change the way that this government does business, a government that is too big and that spends too much.

WORDS OF WISDOM

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio [Ms. KAPTUR] is recognized for 5 minutes.

Ms. KAPTUR. Mr. Speaker, in this job we are asked to do a lot of reading and generally want to. It amazes me how often the written word in our country has degraded us as a people as opposed to uplifting us, particularly so often in the written press, including many of our newspapers. Thus it was with a great deal of satisfaction, as I passed through the Pittsburgh airport on my weekly trip back to Ohio, that I discovered an article on the editorial page I thought of such worth that I wanted to read it into the RECORD. It was written by Samuel Hazo, the State poet of Pennsylvania, director of the International Poetry Forum and a professor of English at Duquesne.

□ 1750

The title of this particular guest editorial was "The Tyranny of Violence." He says, "Thornton Wilder once remarked that violence results from a breakdown of the imagination." That certainly caught my eye, and I kept reading. It said, "This has always implied for me," the author, "that violence occurs when we shirk what visionary thinking demands or when we don't think at all."

THE TYRANNY OF VIOLENCE

(By Samuel Hazo)

If we involved in a dispute, for example, and suddenly stop thinking and begin to shout or even fight, then violence has won. When manners and civil respect are replaced by the brashness of turf claims and gang rights, violence has won. Similarly when nations abandon or ignore diplomacy to resolve disputes and revert to war, violence has won. In all instances where violence in word or deed becomes the dominant force in human relations, the power of the imagination has been ignored.

To say that violence is the option of first resort when people stop imagining or thinking is really to say that violence is the language of the stupid. And any society that permits itself to be tyrannized by the stupid or by conditions created by stupidity is a society whose creativity, civility and idealism can never be released.

The reactionary reflex of relying only on the use of force against the white whale of violence does not tap our creative resources. On the contrary, it prevents our arriving at those strategies and emancipations that are victories of intellect, and these, as Shelley and Thomas Jefferson have shown, originate exclusively in the imagination.

A classic example of surrendering to a defensive reflex is the widespread possession of handguns in domestic residences. Stripped of the monotonous arguments of the National Rifle Association and its incorrect interpretation of the Second Amendment (which originally stipulated one month of militia training every year for all gun owners), the possession of handguns for self-defense is a concession to fear. However understandable such a fear may be in our present circumstances, handguns can only provide a limited amount of protection against those who operate by stealth (thieves or muggers) and none at all against drive-by murderers.

Moreover, an armed citizenry can easily develop an Alamo-or-fortress mentality, turtling up against a real or imagined danger. This actually permits the danger to flourish at will and prevents the rebirth of a social climate where lawbreakers are answerable to society's standards and not vice-versa.

Another example of the tyranny of violence is the curious attraction that the insanity of drugs has over the young. Forget for a moment the nonsense that life can be enhanced by "chemical highs," as the drug culturalists would have everyone believe. Forget, if you can, the criminal underworld that drugs enrich. Think only of what a leading plastic surgeon for nose reconstruction said in Pittsburgh recently on the subject of "the cocaine nose." He began by saying to his fellow plastic surgeons in convention here that the ingesting of cocaine (snorting) can be fatal at first snort, as it was to a promising young basketball player several years ago. If death does not occur, the snorter can look forward to the rotting of the inner membranes of the nose, then the nostril flesh, then the nose bone, then the facial sinuses and ultimately the brain. By then the boneless nose will have collapsed flush into the face itself. Anyone who thinks of these consequences in advance and still pursues his addiction has simply turned off his imagination and opted for violence against his very self.

Can violence be separated from the subject of abortion? Put aside, if possible, the political, sexual and theological dimensions of the abortion issue for a moment. Put aside as well the fact, as everyone knows, that decriminalization does not render a previously criminalized act moral, only legal; it is a truism that the immoral can be legal, and vice-versa.

But all such disquisition becomes moot when abortions are performed, and these terminations (as proponents and opponents admit) are by nature violent to the unborn. They literally end life at its source, assuming, of course, that life begins at the moment of conception. This assumption, by the way, is not a theological or political fact but a medical one. If life does not begin then, when does it?

With regard to sexual diseases, do we not do violence to our sense of ethical justice by ascribing moral equivalence between those who are involuntarily or accidentally infected and those who voluntarily risk or court infection? This does not mean that cures should not be supported and pursued. But reducing sexual relations to a matter of mutual consent and hygiene certainly does not say all there is to say about the nature of sex and human personality, to say nothing of sexuality's spiritual dimension. In fact, it tends to separate sex from personality, which, according to anthropologist Margaret Mead, is the very essence of pornography.

Assuming that hygiene is the ultimate sexual norm is reminiscent of the standard military practice of showing VD films to recruits as a means of having them avoid venereal infection.

The aforementioned violent short cuts—physiological and psychological—have already done serious damage to the national fabric. The question is whether the damage is repairable so that we can again be the law-respecting and imaginative democracy we were intended to be. But can we correct the social consequences that arise when children are taught, not manners, but self-defense as the first law of social life?

Can we still uphold the dignity of the individual when countless social, political, military and economic pressures insist that Americans are made for the system and not the other way around?

Have the rudeness and illiteracy of talk shows on television or radio, which have given gossip a bad name and dignified mere blab as free speech, done such violence to genuine conservation that people can go for months on end without having a crucial talk with anyone?

We shall see.

THE UNITED STATES SHOULD NOT BE IN HAITI

The SPEAKER pro tempore. (Mr. BILBRAY). Under a previous order of the House, the gentleman from Tennessee [Mr. DUNCAN] is recognized for 5 minutes.

Mr. DUNCAN. Mr. Speaker, I rise to once again express my great concern about the United States presence in Haiti. I do not think there is any threat to our national security in Haiti. There is no vital U.S. interest there. I believe that the majority of the American people do not want us to be there. And on top of that, and especially I believe that the overwhelming majority of the American people do not want us to spend several billion dollars there, which is what we will spend before everything is through.

The Pentagon has recently estimated that it will cost some $500 million just for our short-term initial military obligations. That is of great concern to me, and I know to so many others.

I think that President Kennedy put it best in 1961 when he said:

> We must face the fact that the United States is neither omnipotent nor omniscient—that we are only 6 percent of the world's population—that we cannot impose our will upon the other 94 percent—that we cannot right every wrong or reverse each adversity—and that therefore there cannot be an American solution to every world problem.

The only change in that quote in my opinion is that now we have less than 5 percent of the world's population, and yet the world is still looking to us to solve every problem and each adversity that goes on around the world. It is just impossible for us to do that.

I think in these international tragedies in the future, whether they be in Rwanda, or Somalia, or Haiti, or Cuba, or wherever that we should convene a meeting of all of the nations in the world who are willing to contribute, and we need to say to them, "What are you willing to do, Japan? What are you willing to do, Germany?"

The liberals are fond of telling us how good everything is in Sweden, and France, and Germany, and some of these other places. But the truth is that none of these other countries are helping in the situation in Haiti and so many of these other international tragedies. They are doing nothing or either next to nothing, and I think it is totally unfair for the rest of the world to sit back and expect the United States to foot the entire bill in Haiti or in any place else, and that is basically what we are doing.

Listen to this Associated Press story that has recently come out concerning the situation in Haiti. It states:

> For example, the United States is paying $900 per month, per soldier, to each foreign government—the salary amount set by the United Nations for peacekeeping forces.

We are not only footing the bill for the American soldiers, we are paying $900 per month to these small foreign countries that have agreed to participate at our insistence or at our encouragement in Haiti. This is not an international expedition in Haiti as it is frequently referred to. It is a United States expedition, plain and simple.

This Associated Press story says this:

> The United States has agreed to put $20 million into an international effort to pay

off Haiti's past-due payments to international lenders such as the World Bank and the Inter-American Development Bank. Haiti is now some $75 million in arrears and bringing the accounts current would free new loan money.

I do not think the American people want us to be paying off Haiti's debts to the international lenders, some $20 million according to this. Of course, that is just a drop in the bucket compared to all of the other money that we are spending, but still it is of concern to me.

I think it should be of concern to the American people as to why President Aristide and his supporters have been able to pay some $55,000 per month to the lobbying firm of former Democratic Congressman Michael Barnes, as was reported in the Washington Post, for lobbying and public relations efforts during the time that he has been in Washington to orchestrate this campaign of support, $55,000 per month for a lobbying effort. I wonder how much of that has come from the United States taxpayers?

This same Associated Press story that I have referred to says this further:

Administration officials said they planned a U.S. contribution of some $100 million in 1995 toward a 4-year, $2 billion aid program that would include World Bank lending and contributions from other donor nations.

□ 1800

A $2 billion aid program over and above our military efforts. I think this is totally ridiculous.

B.J. Cutler, the chief foreign affairs columnist for the Scripps-Howard newspaper chain, wrote a column a few days ago, and he said this:

HAITIANS NOT ALONE IN NEEDING OUR HELP

President Clinton tells us that Haiti's military junta is a vile abuser of human rights, and that is a main reason he is ready to invade the miserable place.

The president is right, of course, the Cedras regime is bloodthirsty. But if guarding people from the savagery of their rulers is America's duty, it would be fighting all over the world, squandering lives and bankrupting itself.

If we go everyplace in the world where something bad is happening, we will turn this Nation into some type of Third World nation if we are not careful.

THE REPUBLICAN CONTRACT AND THE NATIONAL DEBT

The SPEAKER pro tempore (Mr. BILBRAY). Under a previous order of the House, the gentleman from Maryland [Mr. HOYER] is recognized for 5 minutes.

Mr. HOYER. Mr. Speaker, our national debt is a disgraceful legacy. That is why I support the balanced-budget amendment.

But that is also why I must speak out today. Republican Party bosses have commanded their candidates to come to Washington to sign a so-called contract to try and buy an election and send a trillion-dollar bill to our grandchildren. Their premise is this: tax cuts for the wealthiest few, tax breaks for large corporations, and somehow, someday, someway, a promise of a balanced budget.

We have been down the borrow-and-spend road before. During the Reagan and Bush era, the burden placed on every American, every American under 18, quadrupled from $15,000 to over $60,000. I have a grandchild 7 years of age. We quadrupled the debt on her head.

We are thankfully finally on the right track. Three years of declining deficits; that is the first time since Harry Truman that that has occurred.

But tough choices must be made before America is truly economically secure.

I know that my constituents in southern Maryland, Mr. Speaker, demand and deserve real results, not a public-relations gimmick that mocks their priorities. My advice to those candidates on the steps today is this: Defy your party's bosses, forget their bankrupt ideas, do not sign on to supply side II. Supply side I, which was adopted in 1981, promised a balanced budget. As a matter of fact, when Ronald Reagan signed the tax bill that was associated with supply-side economics in August 1981, he said to the American people, by signing this legislation, we will get a balanced budget by October 1, 1983. How sad, how very sad that that premise was not achieved.

Lest anybody think that it was the Congress spending more money than Reagan asked for, in point of fact, President Reagan asked that Congress to spend more money than this Congress, in his 8 years, authorized to be spent.

Defy, my friends in the Republican party, candidates who come to Washington to make a contract on the steps and then go the special-interest lobbyists to make another contract tonight in a fundraiser. Forget this bankrupt contract and the bankrupt ideas that it incorporates. Go home. Go home and listen to your neighbors instead.

Our country and our grandchildren will be better off.

TRANSMISSION OF LEGISLATION AND RELATED DOCUMENTS TO IMPLEMENT AGREEMENTS RESULTING FROM GATT URUGUAY ROUND—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 103-316)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Ways and Means, the Committee on Agriculture, the Committee on Education and Labor, the Committee on Foreign Affairs, the Committee on Government Operations, the Committee on the Judiciary, the Committee on Rules, and the Committee on Energy and Commerce, and ordered to be printed:

To the Congress of the United States:

I am pleased to transmit legislation and a number of related documents to implement agreements resulting from the General Agreement on Tariffs and Trade (GATT) Uruguay round of multilateral trade negotiations. The Uruguay round agreements are the broadest, most comprehensive trade agreements in history. They are vital to our national interest and to economic growth, job creation, and an improved standard of living for all Americans.

When fully implemented, the Uruguay round agreements will add $100–$200 billion to the U.S. economy each year and create hundreds of thousands of new, well-paying American jobs. They provide for a reduction in worldwide tariffs of $744 billion, the largest global tax cut in history.

The United States will be the biggest winner from the Uruguay round agreements. We are the world's largest trading nation with the world's most dynamic economy. In 1993, the United States exported $660 billion in goods and services, accounting for more than 10 percent of the U.S. GDP.

These agreements are the result of bipartisan cooperation and reflect the consensus supporting market-opening trade policies that the United States has enjoyed for decades. The Uruguay round was launched by President Reagan, continued by President Bush, and concluded by this administration. Each administration consulted with the Congress and welcomed congressional participation and guidance throughout the negotiations. Similarly, this administration has worked closely with the Congress to ensure that the implementing legislation that I am now forwarding enjoys broad bipartisan support.

The United States has led the world on a path of open markets, freer trade, and economic growth. Now we must lead the way in implementing these agreements. The leaders of every major industrialized nation have pledged to take action so that the Uruguay round agreements can be implemented by January 1, 1995. Any delay on our part would send a negative signal to our trading partners at a time when their economies are just beginning to recover.

Our economic recovery is now fully underway. As the economies in Europe and Japan begin again to grow, we must be positioned to reap the benefits of their expansion. As a result of the Uruguay round agreements, our major trading partners in Europe and Asia will cut their tariffs to historic lows.

The Asian Pacific economies are the fastest growing economies in the world and are currently the largest market for U.S. exports. United States exports to Latin America, the second fastest growing region in the world, have grown 60 percent since 1989. The Uruguay round agreements will ensure that these fast-growing markets will be open to international competition and that all of our trading partners will play by international trading rules.

The Uruguay round agreements enjoy very broad and deep support in the United States. Forty of our Nation's governors, numerous eminent economists, and the vast majority of U.S. industrial, agricultural, and service firms support the agreements, as do an array of former Presidents, Secretaries of State, Secretaries of the Treasury, and U.S. Trade Representatives.

Americans are at their best when they face the challenges of their time. Our predecessors did so after World War II when they created a new international trading system that guided global growth for 50 years. Now we must do the same to foster sustained prosperity for the decades to come.

The end of the cold war and the rise of the global economy have created new challenges and new opportunities. Implementation of the Uruguay round agreements will ensure that we rise to the challenges of this new era and lead the world on a path of prosperity.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *September 27, 1994.*

RECESS

The SPEAKER pro tempore. Pursuant to clause 12, rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 6 o'clock and 9 minutes p.m.) the House stood in recess subject to the call of the Chair.

□ 1844

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore [Mr. BONIOR] at 6 o'clock and 44 minutes p.m.

REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON S. 349, LOBBYING DISCLOSURE ACT OF 1993

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 103–755) on the resolution (H. Res. 550) waiving points of order against the conference report to accompany the bill (S. 349) to provide for the disclosure of lobbying activities to influence the Federal Government, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 4779, LOCAL GOVERNMENT INTERSTATE WASTE CONTROL ACT

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 103–756) on the resolution (H. Res. 551) providing for consideration of the bill (H.R. 4779) to amend the Solid Waste Disposal Act to authorize local governments and Governors to restrict receipt of out-of-State municipal solid waste, and for other purpose, which was referred to the House Calendar and ordered to be printed.

REPORT OF RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 4683, FLOW CONTROL ACT OF 1994

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 103–757) on the resolution (H. Res. 552) providing for consideration of the bill (H.R. 4683) to amend the Solid Waste Disposal Act to provide congressional authorization of State control over transportation of municipal solid waste, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT OF RESOLUTION WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 4556, DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS ACT, 1995

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 103–758) on the resolution (H. Res. 553) waiving points of order against the conference report on the bill (H.R. 4556) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1995, and for other purposes, which was referred to the House Calendar and ordered to be printed.

CONFERENCE REPORT ON H.R. 4299

Mr. GLICKMAN submitted the following conference report and statement on the bill (H.R. 4299), to authorize appropriations for fiscal year 1995 for intelligence and intelligence-related activities of the U.S. Government, the community management account, and the Central Intelligence Agency retirement and disability system, and for other purposes:

CONFERENCE REPORT (H. REPT. 103–753)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4299), to authorize appropriations for fiscal year 1995 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Intelligence Authorization Act for Fiscal Year 1995".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title and table of contents.

TITLE I—INTELLIGENCE ACTIVITIES

Sec. 101. Authorization of appropriations.
Sec. 102. Classified schedule of authorizations.
Sec. 103. Community management account.

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

Sec. 201. Authorization of appropriations.

TITLE III—GENERAL PROVISIONS

Sec. 301. Increase in employee compensation and benefits authorized by law.
Sec. 302. Restriction on conduct of intelligence activities.
Sec. 303. Intelligence community contracting.
Sec. 304. Repeal of restriction on intelligence cooperation with South Africa.
Sec. 305. Report regarding mandatory retirement for expiration of time in class.

TITLE IV—CENTRAL INTELLIGENCE AGENCY

Sec. 401. Illness or injury requiring hospitalization.
Sec. 402. Inspector General of the Central Intelligence Agency.
Sec. 403. Advanced information presentation project.

TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE ACTIVITIES

Sec. 501. Central Imagery Office.
Sec. 502. Exception to public availability of certain Department of Defense maps, charts, and geodetic data.
Sec. 503. Disclosure of governmental affiliation by Department of Defense intelligence personnel outside of the United States.
Sec. 504. Exception from authority for obligation of certain unauthorized fiscal year 1994 Defense appropriations.

TITLE VI—CONSTRUCTION OF FACILITIES FOR THE INTELLIGENCE COMMUNITY

Sec. 601. Limitations on funding of the National Reconnaissance Office.
Sec. 602. Limitation on construction of facilities to be used primarily by the intelligence community.
Sec. 603. Identification of constituent components of base intelligence budget.
Sec. 604. Definitions.

TITLE VII—CLASSIFICATION MANAGEMENT

Sec. 701. Classification and declassification of information.
Sec. 702. Declassification plan.

TITLE VIII—COUNTERINTELLIGENCE AND SECURITY

Sec. 801. Short title.

Sec. 802. Access to classified information.
Sec. 803. Rewards for information concerning espionage.
Sec. 804. Criminal forfeiture for violation of certain espionage laws.
Sec. 805. Denial of annuities or retired pay to persons convicted of espionage in foreign courts involving United States information.
Sec. 806. Postemployment assistance for certain terminated intelligence employees of the Department of Defense.
Sec. 807. Providing a court order process for physical searches undertaken for foreign intelligence purposes.
Sec. 808. Lesser criminal offense for unauthorized removal of classified documents.
Sec. 809. Reports on foreign industrial espionage.
Sec. 810. Counternarcotics targets funding.
Sec. 811. Coordination of counterintelligence activities.

TITLE IX—COMMISSION ON THE ROLES AND CAPABILITIES OF THE UNITED STATES INTELLIGENCE COMMUNITY

Sec. 901. Establishment.
Sec. 902. Composition and qualifications.
Sec. 903. Duties of the Commission.
Sec. 904. Reports.
Sec. 905. Powers.
Sec. 906. Personnel matters.
Sec. 907. Payment of Commission expenses.
Sec. 908. Termination of the Commission.
Sec. 909. Definitions.

TITLE I—INTELLIGENCE ACTIVITIES

SEC. 101. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 1995 for the conduct of the intelligence and intelligence-related activities of the following elements of the United States Government:

(1) The Central Intelligence Agency.
(2) The Department of Defense.
(3) The Defense Intelligence Agency.
(4) The National Security Agency.
(5) The National Reconnaissance Office.
(6) The Department of the Army, the Department of the Navy, and the Department of the Air Force.
(7) The Department of State.
(8) The Department of the Treasury.
(9) The Department of Energy.
(10) The Federal Bureau of Investigation.
(11) The Drug Enforcement Administration.
(12) The Central Imagery Office.

SEC. 102. CLASSIFIED SCHEDULE OF AUTHORIZATIONS.

(a) SPECIFICATIONS OF AMOUNTS AND PERSONNEL CEILINGS.—The amounts authorized to be appropriated under section 101, and the authorized personnel ceilings as of September 30, 1995, for the conduct of the intelligence and intelligence-related activities of the elements listed in such section, are those specified in the classified Schedule of Authorizations prepared to accompany the conference report on the bill H.R. 4299 of the One Hundred Third Congress.

(b) AVAILABILITY OF CLASSIFIED SCHEDULE OF AUTHORIZATIONS.—The Schedule of Authorizations shall be made available to the Committees on Appropriations of the Senate and House of Representatives and to the President. The President shall provide for suitable distribution of the Schedule, or of appropriate portions of the Schedule, within the executive branch.

SEC. 103. COMMUNITY MANAGEMENT ACCOUNT.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for the Community Management Account of the Director of Central Intelligence for fiscal year 1995 the sum of $86,900,000. Within such amounts authorized, funds identified in the classified Schedule of Authorizations referred to in section 102(a) for the Advanced Research and Development Committee and the Environmental Task Force shall remain available until September 30, 1996.

(b) AUTHORIZED PERSONNEL LEVELS.—The Community Management Account of the Director of Central Intelligence is authorized 241 full-time personnel as of September 30, 1995. Such personnel of the Community Management Account may be permanent employees of the Community Management Account or personnel detailed from other elements of the United States Government.

(c) REIMBURSEMENT.—During fiscal year 1995, any officer or employee of the United States or a member of the Armed Forces who is detailed to the Community Management Staff from another element of the United States Government shall be detailed on a reimbursable basis, except that any such officer, employee or member may be detailed on a nonreimbursable basis for a period of less than one year for the performance of temporary functions as required by the Director of Central Intelligence.

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated for the Central Intelligence Agency Retirement and Disability Fund for fiscal year 1995 the sum of $198,000,000.

TITLE III—GENERAL PROVISIONS

SEC. 301. INCREASE IN EMPLOYEE COMPENSATION AND BENEFITS AUTHORIZED BY LAW.

Appropriations authorized by this Act for salary, pay, retirement, and other benefits for Federal employees may be increased by such additional or supplemental amounts as may be necessary for increases in such compensation or benefits authorized by law.

SEC. 302. RESTRICTION ON CONDUCT OF INTELLIGENCE ACTIVITIES.

The authorization of appropriations by this Act shall not be deemed to constitute authority for the conduct of any intelligence activity which is not otherwise authorized by the Constitution or laws of the United States.

SEC. 303. INTELLIGENCE COMMUNITY CONTRACTING.

It is the sense of Congress that the Director of Central Intelligence should continue to direct that elements of the intelligence community, whenever compatible with the national security interests of the United States and consistent with the operational and security concerns related to the conduct of intelligence activities, and where fiscally sound, should award contracts in a manner that would maximize the procurement of products properly designated as having been made in the United States.

SEC. 304. REPEAL OF RESTRICTION ON INTELLIGENCE COOPERATION WITH SOUTH AFRICA.

Section 107 of the Intelligence Authorization Act for Fiscal Year 1987 (Public Law 99-569) is repealed.

SEC. 305. REPORT REGARDING MANDATORY RETIREMENT FOR EXPIRATION OF TIME IN CLASS.

(a) REPORT REQUIRED.—Not later than December 1, 1994, the Director of Central Intelligence shall submit a report to the committees of Congress specified in subsection (d) on the advisability of providing for mandatory retirement for expiration of time in class in a manner comparable to that established by the applicable provisions of section 607 of the Foreign Service Act of 1980 (22 U.S.C. 4007) for all civilian employees of the Central Intelligence Agency, the National Security Agency, the Defense Intelligence Agency, the National Reconnaissance Office, the Central Imagery Office, and the intelligence elements of the Army, Navy, Air Force, and Marine Corps.

(b) REQUIRED CONTENTS.—The report required by subsection (a) shall include—

(1) an assessment of the feasibility of instituting such a mandatory retirement policy and of alternative means to achieve the objectives of such a mandatory retirement policy;

(2) an assessment which the Secretary of Defense shall conduct of the impact of such a mandatory retirement policy for intelligence community civilian employees on all other Department of Defense civilian employees; and

(3) any appropriate legislative recommendations.

(c) COORDINATION.—The report required by subsection (a) shall be coordinated as appropriate with elements of the intelligence community (as defined in section 3(4) of the National Security Act of 1947 (50 U.S.C. 401(4)).

(d) COMMITTEES OF CONGRESS.—The committees of Congress referred to in subsection (a) are the Committees on Armed Services of the Senate and House of Representatives, the Defense Subcommittees of the Committees on Appropriations of the Senate and House of Representatives, the Select Committee on Intelligence of the Senate, and the Permanent Select Committee on Intelligence of the House of Representatives.

TITLE IV—CENTRAL INTELLIGENCE AGENCY

SEC. 401. ILLNESS OR INJURY REQUIRING HOSPITALIZATION.

Section 4(a)(5) of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403(e)(a)) is amended—

(1) in subparagraph (A)—

(A) by striking ", not the result of vicious habits, intemperance, or misconduct on his part,";

(B) by striking "he shall deem" and inserting "the Director deems";

(C) by striking "section 10 of the Act of March 3, 1933 (47 Stat. 1516; 5 U.S.C. 73b)" and inserting "section 5731 of title 5, United States Code";

(D) by striking "his recovery" and inserting "the recovery of such officer or employee"; and

(E) by striking "his return to his post" and inserting "the return to the post of duty of such officer or employee";

(2) in subparagraph (B), by striking "his opinion" both places it appears and inserting "the opinion of the Director"; and

(3) in subparagraph (C), by striking ", not the result of vicious habits, intemperance, or misconduct on his part,".

SEC. 402. INSPECTOR GENERAL OF THE CENTRAL INTELLIGENCE AGENCY.

Section 17 of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403q) is amended—

(1) in subsection (b)(1)—

(A) by striking "or" after "analysis,"; and

(B) by striking the period at the end thereof and inserting ", or auditing.";

(2) in subsection (c)(1), by striking "to conduct" and inserting "to plan, conduct";

(3) in subsection (d)(1)—

(A) by striking "June 30 and December 31" and inserting "January 31 and July 31";

(B) by striking "period." at the end of the first sentence and inserting "periods ending December 31 (of the preceding year) and June 30, respectively."; and

(C) by inserting "of receipt of such reports" after "thirty days";

(4) in subsection (d)(3)(C), by inserting "inspection, or audit," after "investigation,";

(5) in subsection (d)(4), by inserting "or findings and recommendations" after "report"; and

(6) in subsection (e)(6)—

(A) by striking "it is the sense of Congress that"; and

(B) by striking "should" and inserting "shall".

SEC. 403. ADVANCED INFORMATION PRESENTATION PROJECT.

Of the funds made available under this Act, the Director of Central Intelligence is authorized during fiscal year 1995 to expend not more than $3,000,000 to develop products to demonstrate multimedia and graphical data interface techniques on topics of general interest to policy makers and the public. The products shall utilize unclassified government information, augmented if appropriate by commercially available information, and the project shall be limited to the development of not more than six products. In carrying out this section, the Director may acquire commercially available technology. Not later than August 1, 1995, the Director shall submit the products developed under this section to the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate.

TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE ACTIVITIES

SEC. 501. CENTRAL IMAGERY OFFICE.

(a) AMENDMENTS OF THE NATIONAL SECURITY ACT OF 1947.—(1) Section 3(4)(E) of the National Security Act of 1947 (50 U.S.C. 401a(4)(E)) is amended by striking out "the central imagery authority within the Department of Defense" and inserting in lieu thereof "the Central Imagery Office".

(2) Section 105(b)(2) of such Act (50 U.S.C. 403-5(b)(2)) is amended by striking out "a central imagery authority" and inserting in lieu thereof "the Central Imagery Office".

(3) Section 106(b) of such Act (50 U.S.C. 403-6(b)) is amended—

(A) in the subsection caption, by striking out "CENTRAL IMAGERY AUTHORITY" and inserting in lieu thereof "CENTRAL IMAGERY OFFICE"; and

(B) by striking out "central imagery authority" and inserting in lieu thereof "Central Imagery Office".

(b) TITLE 10, UNITED STATES CODE.—(1) Chapter 83 of title 10, United States Code, is amended as follows:

(A) By amending the heading of the chapter to read as follows:

"CHAPTER 83—DEFENSE INTELLIGENCE AGENCY AND CENTRAL IMAGERY OFFICE CIVILIAN PERSONNEL".

(B) In section 1601—

(i) by inserting "and the Central Imagery Office" after "Defense Intelligence Agency" in subsection (a);

(ii) by inserting "or the Central Imagery Office" after "outside the Defense Intelligence Agency" and inserting ", the Central Imagery Office," after "to the Defense Intelligence Agency" in subsection (d); and

(iii) by inserting "and the Central Imagery Office" after "Defense Intelligence Agency" in subsection (e).

(C) In section 1602, by inserting "and Central Imagery Office" after "Defense Intelligence Agency".

(D) In section 1604—

(i) by inserting "and the Central Imagery Office," after "Defense Intelligence Agency" in subsection (a)(1);

(ii) by inserting "or the Central Imagery Office" after "Defense Intelligence Agency" in both places it occurs in the second sentence of subsection (b);

(iii) by inserting "or the Central Imagery Office" after "Defense Intelligence Agency" in subsection (c);

(iv) by inserting "and the Central Imagery Office" after "Defense Intelligence Agency" in subsection (d);

(v) by inserting "or the Central Imagery Office" after "Defense Intelligence Agency" in subsection (e)(1); and

(vi) in subsection (e)(3)—

(I) by amending the first sentence to read as follows: "The Secretary of Defense may delegate authority under this subsection only to the Deputy Secretary of Defense, the Director of the Defense Intelligence Agency, the Director of the Central Imagery Office, or all three."; and

(II) by striking "either" and inserting "any".

(2) The items relating to chapter 83 in the tables of chapters at the beginning of subtitle A, and at the beginning of part II of subtitle A, of title 10, United States Code, are amended to read as follows:

"83. Defense Intelligence Agency and Central Imagery Office Civilian Personnel ..... 1601".

(c) CHAPTER 23 OF TITLE 5.—Section 2302(a)(2)(C)(ii) of title 5, United States Code, is amended by inserting "the Central Imagery Office," after "Defense Intelligence Agency,".

(d) CHAPTER 31 OF TITLE 5.—Section 3132(a)(1)(B) of title 5, United States Code, is amended by inserting "the Central Imagery Office," after "Defense Intelligence Agency,".

(e) CHAPTER 43 OF TITLE 5.—Section 4301(1)(B)(ii) of title 5, United States Code, is amended by inserting "the Central Imagery Office," after "Defense Intelligence Agency,".

(f) CHAPTER 47 OF TITLE 5.—Section 4701(a)(1)(B) of title 5, United States Code, is amended by inserting "the Central Imagery Office," after "Defense Intelligence Agency,".

(g) CHAPTER 51 OF TITLE 5.—Section 5102(a)(1) of title 5, United States Code, is amended—

(1) by striking "or" at the end of clause (ix);

(2) by striking the period at the end of clause (x) and inserting "; or"; and

(3) by adding at the end the following:

"(xi) the Central Imagery Office, Department of Defense.".

(h) CHAPTER 51 OF TITLE 5.—Section 5342(a)(1) of title 5, United States Code, is amended—

(1) by striking "or" at the end of subparagraph (J);

(2) by inserting "or" after the semicolon at the end of subparagraph (K); and

(3) by adding at the end the following:

"(L) the Central Imagery Office, Department of Defense;".

(i) ADDITIONAL LEAVE TRANSFER PROGRAMS.—(1) Section 6339(a)(1) of title 5, United States Code, is amended—

(A) by striking "and" at the end of subparagraph (D);

(B) by redesignating subparagraph (E) as subparagraph (F); and

(C) by inserting after subparagraph (D) the following new subparagraph (E):

"(E) the Central Imagery Office; and".

(2) Section 6339(a)(2) of such title is amended—

(A) by striking "and" at the end of subparagraph (D);

(B) by redesignating subparagraph (E) as subparagraph (F);

(C) by inserting after subparagraph (D) the following new subparagraph (E):

"(E) with respect to the Central Imagery Office, the Director of the Central Imagery Office; and"; and

(D) in subparagraph (F), as redesignated by subparagraph (B) of this paragraph, by striking "paragraph (1)(E)" and inserting "paragraph (1)(F)" both places it appears.

(j) CHAPTER 71 OF TITLE 5.—Section 7103(a)(3) of title 5, United States Code, is amended—

(1) by striking "or" at the end of subparagraph (F);

(2) by inserting "or" at the end of subparagraph (G); and

(3) by adding at the end the following:

"(H) the Central Imagery Office;".

(k) CHAPTER 73 OF TITLE 5.—Section 7323(b)(2)(B)(i) of title 5, United States Code, is amended—

(1) by striking "or" at the end of subclause (XI); and

(2) by adding at the end the following:

"(XIII) the Central Imagery Office; or".

(l) CHAPTER 75 OF TITLE 5.—Section 7511(b)(8) of title 5, United States Code, is amended by inserting "the Central Imagery Office," after "Defense Intelligence Agency,".

(m) ETHICS IN GOVERNMENT ACT OF 1978.—Section 105(a)(1) of the Ethics in Government Act of 1978 (5 U.S.C. App.) is amended by inserting "the Central Imagery Office," after "Defense Intelligence Agency,".

(n) EMPLOYEE POLYGRAPH PROTECTION ACT OF 1988.—Section 7(b)(2)(A)(i) of the Employee Polygraph Protection Act of 1988 (29 U.S.C. 2006(b)(2)(A)(i)) is amended by inserting "the Central Imagery Office," after "Defense Intelligence Agency,".

SEC. 502. EXCEPTION TO PUBLIC AVAILABILITY OF CERTAIN DEPARTMENT OF DEFENSE MAPS, CHARTS, AND GEODETIC DATA.

Section 2796(b)(1) of title 10, United States Code is amended by inserting "jeopardize or interfere with ongoing military or intelligence operations or" in subparagraph (C) after "disclosed,".

SEC. 503. DISCLOSURE OF GOVERNMENTAL AFFILIATION BY DEPARTMENT OF DEFENSE INTELLIGENCE PERSONNEL OUTSIDE OF THE UNITED STATES.

(a) IN GENERAL.—Notwithstanding section 552a(e)(3) of title 5, United States Code, intelligence personnel of the Department of Defense who are authorized by the Secretary of Defense to collect intelligence from human sources shall not be required, when making an initial assessment contact outside the United States, to give notice of governmental affiliation to potential sources who are United States persons.

(b) RECORDS.—Records concerning such contacts shall be maintained by the Department of Defense and made available upon request to the appropriate committees of the Congress in accordance with applicable security procedures. Such records shall include for each such contact an explanation of why notice of government affiliation could not reasonably be provided, the nature of the information obtained from the United States person as a result of the contact, and whether additional contacts resulted with the person concerned.

(c) DEFINITIONS.—For the purposes of this section—

(1) the term "United States" includes the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, and any territory or possession of the United States; and

(2) the term "United States person" means any citizen, national, or permanent resident alien of the United States.

SEC. 504. EXCEPTION FROM AUTHORITY FOR OBLIGATION OF CERTAIN UNAUTHORIZED FISCAL YEAR 1994 DEFENSE APPROPRIATIONS.

Section 1006 of the National Defense Authorization Act for Fiscal Year 1995 shall not apply to amounts which remain available for obligation on the date of the enactment of this Act for national foreign intelligence programs, projects, and activities.

TITLE VI—CONSTRUCTION OF FACILITIES FOR THE INTELLIGENCE COMMUNITY

SEC. 601. LIMITATIONS ON FUNDING OF THE NATIONAL RECONNAISSANCE OFFICE.

(a) REVIEW OF PROJECT; COMPLIANCE WITH DOD PROCUREMENT AND CONTRACTING PROCEDURES.—

(1) IN GENERAL.—Of the funds authorized to be made available by this Act for the National Reconnaissance Office under the classified Schedule of Authorizations referred to in section 102—

(A) $50,000,000 out of the Miscellaneous Support account of the Mission Support Consolidated Expenditure Center may not be obligated or expended until the Director of Central Intelligence and the Secretary of Defense have completed a review of the National Reconnaissance Office Headquarters Building project and the results of such review have been disclosed to the intelligence committees; and

(B) no such funds authorized to be made available by this Act may be obligated or expended for the purchase of any real property, or to contract for any construction or acquisition, in connection with the construction of buildings or facilities, unless (and to the extent that)—

(i) such purchase or contract is made or entered into in accordance with the policies and procedures applicable to other elements of the Department of Defense; or

(ii) the President determines that the national security interest of the United States requires that such policies and procedures shall not apply to a particular purchase or contract and reports such determination in accordance with subsection (b).

(2) APPLICATION OF PROVISIONS.—Paragraph (1)(B) shall not apply to contracts made or entered into for the purchase of real property, or for construction or acquisition, before the date of enactment of this Act.

(b) WAIVER PROCEDURES.—Not later than 30 days after making a determination under subsection (a)(1)(B)(ii), the President shall report in writing the determination to the intelligence committees.

(c) SPECIFIC AUTHORIZATION AND APPROPRIATIONS REQUIRED.—Except to the extent and in the amounts specifically provided in an Act authorizing appropriations, in an appropriation Act, or in accordance with established reprogramming procedures, no funds made available under any provision of law may be obligated or expended for the construction of the National Reconnaissance Office Headquarters Building project if such funds would cause the total amount obligated or expended for such project to exceed $310,000,000.

(d) DEFINITION.—As used in this section, the term "National Reconnaissance Office Headquarters Building project" means the project for the headquarters buildings of the National Reconnaissance Office, situated at the so-called Westfields site, and includes all construction and improvement of facilities (including "fit up") and all actions related to the acquisition of land, communications, computers, furniture and other building furnishings, and vehicle parking facilities.

SEC. 602. LIMITATION ON CONSTRUCTION OF FACILITIES TO BE USED PRIMARILY BY THE INTELLIGENCE COMMUNITY.

(a) IN GENERAL.—

(1) IN GENERAL.—Except as provided in subsection (b), no project for the construction of any facility to be used primarily by personnel of any component of the intelligence community which has an estimated Federal cost in excess of $750,000 may be undertaken in any fiscal year unless such project is specifically identified as a separate item in the President's annual fiscal year budget request and is specifically authorized by the Congress.

(2) NOTIFICATION.—In the case of a project for the construction of any facility to be used primarily by personnel of any component of the intelligence community which has an estimated Federal cost greater than $500,000 but less than $750,000, or where any improvement project to such a facility has an estimated Federal cost greater than $500,000, the Director of Central Intelligence shall submit a notification to the intelligence committees specifically identifying such project.

(b) EXCEPTION.—

(1) IN GENERAL.—Notwithstanding subsection (a) but subject to paragraphs (2) and (3), a project for the construction of a facility to be used primarily by personnel of any component of the intelligence community may be carried out if the Secretary of Defense and the Director of Central Intelligence jointly determine—

(A) that the project is vital to the national security or to the protection of health, safety, or the quality of the environment, and

(B) that the requirement for the project is so urgent that deferral of the project for inclusion in the next Act authorizing appropriations for the intelligence community would be inconsistent with national security or the protection of health, safety, or environmental quality, as the case may be.

(2) REPORT.—When a decision is made to carry out a construction project under this subsection, the Secretary of Defense and the Director of Central Intelligence jointly shall submit a report in writing to the appropriate committees of Congress on that decision. Each such report shall include (A) the justification for the project and the current estimate of the cost of the project, (B) the justification for carrying out the project under this subsection, and (C) a statement of the source of the funds to be used to carry out the project. The project may then be carried out only after the end of the 21-day period beginning on the date the notification is received by such committees.

(3) PROJECTS PRIMARILY FOR CIA.—If a project referred to in paragraph (1) is primarily for the Central Intelligence Agency, the Director of Central Intelligence shall make the determination and submit the report required by paragraphs (1) and (2).

(4) LIMITATION.—A project carried out under this subsection shall be carried out within the total amount of funds appropriated for intelligence and intelligence-related activities that have not been obligated.

(c) APPLICATION.—This section shall not apply to any project which is subject to subsection (a)(1)(A) or (c) of section 601.

SEC. 603. IDENTIFICATION OF CONSTITUENT COMPONENTS OF BASE INTELLIGENCE BUDGET.

The Director of Central Intelligence shall include the same level of budgetary detail for the Base Budget that is provided for Ongoing Initiatives and New Initiatives to the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate in the congressional justification materials for the annual submission of the National Foreign Intelligence Program of each fiscal year.

SEC. 604. DEFINITIONS.

As used in this title:

(1) INTELLIGENCE COMMITTEES.—The term "intelligence committees" means the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate.

(2) INTELLIGENCE COMMUNITY.—The term "intelligence community" has the same meaning given that term in section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4)).

TITLE VII—CLASSIFICATION MANAGEMENT

SEC. 701. CLASSIFICATION AND DECLASSIFICATION OF INFORMATION.

(a) IN GENERAL.—Not later than 90 days after the date of enactment of this Act, the President shall, by executive order, provide for the classification and declassification of information. It is the sense of Congress that the executive order should provide for the following:

(1) The qualification of information for classification only when its public disclosure would cause identifiable damage to the national security.

(2) The declassification of information if the appropriate authority within the Executive branch determines that the Government's interest in continuing to protect such information is outweighed by the public's interest in having the information made available.

(3) The automatic declassification of information that is more than 25 years old unless such information is within a category designated by the President as requiring document-by-document review to identify that information whose disclosure to unauthorized persons would clearly damage the national security.

(b) SUBMISSION TO CONGRESS; EFFECTIVE DATE.—The executive order referred to in subsection (a) may not take effect until after 30 days after the date on which such proposed executive order is submitted to the Permanent Select Committee on Intelligence and the Committee on Government Operations of the House of Representatives and the Select Committee on Intelligence and the Committee on Governmental Affairs of the Senate.

SEC. 702. DECLASSIFICATION PLAN.

Each agency of the National Foreign Intelligence Program to which is appropriated more than $1,000,000 in the security, countermeasures, and related activities structural category for fiscal year 1995 shall allocate at least two percent of its total expenditure in this structural category for fiscal year 1995 to the classification management consolidated expenditure center, to be used for the following activities:

(1) Development of a phased plan to implement declassification guidelines contained in the executive order which replaces Executive Order 12356. Each such agency shall provide the plan to Congress within 90 days after the beginning of fiscal year 1995 or 90 days after the publication of such replacement executive order, whichever is later. This plan shall include an accounting of the amount of archived material, levels of classification, types of storage media and locations, review methods to be employed, and estimated costs of the declassification activity itself; as well as an assessment by the agency of the appropriate types and amounts of information to be maintained in the future, how it will be stored, safeguarded, and reviewed, and the projected costs of these classification management activities for the succeeding five years.

(2) Commencement of the process of declassification and reduction of the amount of archived classified documents maintained by each agency.

(3) Submission of a report to the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate within 90 days after the end of fiscal year 1995 on the progress made in carrying out paragraph (2), with reference to the plan required by paragraph (1).

TITLE VIII—COUNTERINTELLIGENCE AND SECURITY

SEC. 801. SHORT TITLE.

This title may be cited as the "Counterintelligence and Security Enhancements Act of 1994".

SEC. 802. ACCESS TO CLASSIFIED INFORMATION.

(a) AMENDMENT OF THE NATIONAL SECURITY ACT OF 1947.—The National Security Act of 1947 (50 U.S.C. 401 et seq.) is amended by adding at the end the following new title:

"TITLE VIII—ACCESS TO CLASSIFIED INFORMATION

"PROCEDURES

"SEC. 801. (a) Not later than 180 days after the date of enactment of this title, the President shall, by Executive order or regulation, establish

procedures to govern access to classified information which shall be binding upon all departments, agencies, and offices of the executive branch of Government. Such procedures shall, at a minimum—

"(1) provide that, except as may be permitted by the President, no employee in the executive branch of Government may be given access to classified information by any department, agency, or office of the executive branch of Government unless, based upon an appropriate background investigation, such access is determined to be clearly consistent with the national security interests of the United States;

"(2) establish uniform minimum requirements governing the scope and frequency of background investigations and reinvestigations for all employees in the executive branch of Government who require access to classified information as part of their official responsibilities;

"(3) provide that all employees in the executive branch of Government who require access to classified information shall be required as a condition of such access to provide to the employing department or agency written consent which permits access by an authorized investigative agency to relevant financial records, other financial information, consumer reports, and travel records, as determined by the President, in accordance with section 802 of this title, during the period of access to classified information and for a period of three years thereafter;

"(4) provide that all employees in the executive branch of Government who require access to particularly sensitive classified information, as determined by the President, shall be required, as a condition of maintaining access to such information, to submit to the employing department or agency, during the period of such access, relevant information concerning their financial condition and foreign travel, as determined by the President, as may be necessary to ensure appropriate security; and

"(5) establish uniform minimum standards to ensure that employees in the executive branch of Government whose access to classified information is being denied or terminated under this title are appropriately advised of the reasons for such denial or termination and are provided an adequate opportunity to respond to all adverse information which forms the basis for such denial or termination before final action by the department or agency concerned.

"(b)(1) Subsection (a) shall not be deemed to limit or affect the responsibility and power of an agency head pursuant to other law or Executive order to deny or terminate access to classified information if the national security so requires. Such responsibility and power may be exercised only when the agency head determines that the procedures prescribed by subsection (a) cannot be invoked in a manner that is consistent with the national security.

"(2) Upon the exercise of such responsibility, the agency head shall submit a report to the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate.

"REQUESTS BY AUTHORIZED INVESTIGATIVE AGENCIES

"SEC. 802. (a)(1) Any authorized investigative agency may request from any financial agency, financial institution, or holding company, or from any consumer reporting agency, such financial records, other financial information, and consumer reports as may be necessary in order to conduct any authorized law enforcement investigation, counterintelligence inquiry, or security determination. Any authorized investigative agency may also request records maintained by any commercial entity within the United States pertaining to travel by an employee in the executive branch of Government outside the United States.

"(2) Requests may be made under this section where—

"(A) the records sought pertain to a person who is or was an employee in the executive branch of Government required by the President in an Executive order or regulation, as a condition of access to classified information, to provide consent, during a background investigation and for such time as access to the information is maintained, and for a period of not more than three years thereafter, permitting access to financial records, other financial information, consumer reports, and travel records; and

"(B)(i) there are reasonable grounds to believe, based on credible information, that the person is, or may be, disclosing classified information in an unauthorized manner to a foreign power or agent of a foreign power;

"(ii) information the employing agency deems credible indicates the person has incurred excessive indebtedness or has acquired a level of affluence which cannot be explained by other information known to the agency; or

"(iii) circumstances indicate the person had the capability and opportunity to disclose classified information which is known to have been lost or compromised to a foreign power or an agent of a foreign power.

"(3) Each such request—

"(A) shall be accompanied by a written certification signed by the department or agency head or deputy department or agency head concerned, or by a senior official designated for this purpose by the department or agency head concerned (whose rank shall be no lower than Assistant Secretary or Assistant Director), and shall certify that—

"(i) the person concerned is or was an employee within the meaning of paragraph (2)(A);

"(ii) the request is being made pursuant to an authorized inquiry or investigation and is authorized under this section; and

"(iii) the records or information to be reviewed are records or information which the employee has previously agreed to make available to the authorized investigative agency for review;

"(B) shall contain a copy of the agreement referred to in subparagraph (A)(iii);

"(C) shall identify specifically or by category the records or information to be reviewed; and

"(D) shall inform the recipient of the request of the prohibition described in subsection (b).

"(b) Notwithstanding any other provision of law, no governmental or private entity, or officer, employee, or agent of such entity, may disclose to any person, other than those officers, employees, or agents of such entity necessary to satisfy a request made under this section, that such entity has received or satisfied a request made by an authorized investigative agency under this section.

"(c)(1) Notwithstanding any other provision of law (other than section 6103 of the Internal Revenue Code of 1986), an entity receiving a request for records or information under subsection (a) shall, if the request satisfies the requirements of this section, make available such records or information within 30 days for inspection or copying, as may be appropriate, by the agency requesting such records or information.

"(2) Any entity (including any officer, employee, or agent thereof) that discloses records or information for inspection or copying pursuant to this section in good faith reliance upon the certifications made by an agency pursuant to this section shall not be liable for any such disclosure to any person under this title, the constitution of any State, or any law or regulation of any State or any political subdivision of any State.

"(d) Any agency requesting records or information under this section may, subject to the availability of appropriations, reimburse a private entity for any cost reasonably incurred by such entity in responding to such request, including the cost of identifying, reproducing, or transporting records or other data.

"(e) An agency receiving records or information pursuant to a request under this section may disseminate the records or information obtained pursuant to such request outside the agency only—

"(1) to the agency employing the employee who is the subject of the records or information;

"(2) to the Department of Justice for law enforcement or counterintelligence purposes; or

"(3) with respect to dissemination to an agency of the United States, if such information is clearly relevant to the authorized responsibilities of such agency.

"(f) Nothing in this section may be construed to affect the authority of an investigative agency to obtain information pursuant to the Right to Financial Privacy Act (12 U.S.C. 3401 et seq.) or the Fair Credit Reporting Act (15 U.S.C. 1681 et seq.).

"EXCEPTIONS

"SEC. 803. Except as otherwise specifically provided, the provisions of this title shall not apply to the President and Vice President, Members of the Congress, Justices of the Supreme Court, and Federal judges appointed by the President.

"DEFINITIONS

"SEC. 804. For purposes of this title—

"(1) the term 'authorized investigative agency' means an agency authorized by law or regulation to conduct a counterintelligence investigation or investigations of persons who are proposed for access to classified information to ascertain whether such persons satisfy the criteria for obtaining and retaining access to such information;

"(2) the term 'classified information' means any information that has been determined pursuant to Executive Order No. 12356 of April 2, 1982, or successor orders, or the Atomic Energy Act of 1954, to require protection against unauthorized disclosure and that is so designated;

"(3) the term 'consumer reporting agency' has the meaning given such term in section 603 of the Consumer Credit Protection Act (15 U.S.C. 1681a);

"(4) the term 'employee' includes any person who receives a salary or compensation of any kind from the United States Government, is a contractor of the United States Government or an employee thereof, is an unpaid consultant of the United States Government, or otherwise acts for or on behalf of the United States Government, except as otherwise determined by the President;

"(5) the terms 'financial agency' and 'financial institution' have the meanings given to such terms in section 5312(a) of title 31, United States Code, and the term 'holding company' has the meaning given to such term in section 1101(6) of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401);

"(6) the terms 'foreign power' and 'agent of a foreign power' have the same meanings as set forth in sections 101 (a) and (b), respectively, of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801); and

"(7) the term 'State' means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the United States Virgin Islands, Guam, American Samoa, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau, and any other possession of the United States.".

(b) CLERICAL AMENDMENT.—The table of contents of the National Security Act of 1947 is amended by adding at the end the following:

"TITLE VIII—ACCESS TO CLASSIFIED INFORMATION

"Sec. 801. Procedures.

"Sec. 802. Requests by authorized investigative agencies.

"Sec. 803. Exceptions.

"Sec. 804. Definitions.".

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect 180 days after the date of enactment of this Act.

SEC. 803. REWARDS FOR INFORMATION CONCERNING ESPIONAGE.

(a) REWARDS.—Section 3071 of title 18, United States Code, is amended—

(1) by inserting "(a)" before "With respect to"; and

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

"(b) With respect to acts of espionage involving or directed at the United States, the Attorney General may reward any individual who furnishes information—

"(1) leading to the arrest or conviction, in any country, of any individual or individuals for commission of an act of espionage against the United States;

"(2) leading to the arrest or conviction, in any country, of any individual or individuals for conspiring or attempting to commit an act of espionage against the United States; or

"(3) leading to the prevention or frustration of an act of espionage against the United States.".

(b) DEFINITIONS.—Section 3077 of such title is amended—

(1) by striking "and" at the end of paragraph (6);

(2) by striking the period at the end of paragraph (7) and inserting "; and"; and

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

"(8) 'act of espionage' means an activity that is a violation of—

"(A) section 793, 794, or 798 of title 18, United States Code; or

"(B) section 4 of the Subversive Activities Control Act of 1950.".

(c) CLERICAL AMENDMENTS.—(1) The item relating to chapter 204 in the table of chapters for part II of such title is amended to read as follows:

"204. Rewards for information concerning terrorist acts and espionage ..... 3071".

(2) The heading for chapter 204 of such title is amended to read as follows:

"CHAPTER 204—REWARDS FOR INFORMATION CONCERNING TERRORIST ACTS AND ESPIONAGE".

SEC. 804. CRIMINAL FORFEITURE FOR VIOLATION OF CERTAIN ESPIONAGE LAWS.

(a) IN GENERAL.—Section 798 of title 18, United States Code, is amended by adding at the end the following new subsection:

"(d)(1) Any person convicted of a violation of this section shall forfeit to the United States irrespective of any provision of State law—

"(A) any property constituting, or derived from, any proceeds the person obtained, directly or indirectly, as the result of such violation; and

"(B) any of the person's property used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of, such violation.

"(2) The court, in imposing sentence on a defendant for a conviction of a violation of this section, shall order that the defendant forfeit to the United States all property described in paragraph (1).

"(3) Except as provided in paragraph (4), the provisions of subsections (b), (c), and (e) through (p) of section 413 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 853(b), (c), and (e)–(p)), shall apply to—

"(A) property subject to forfeiture under this subsection;

"(B) any seizure or disposition of such property; and

"(C) any administrative or judicial proceeding in relation to such property,

if not inconsistent with this subsection.

"(4) Notwithstanding section 524(c) of title 28, there shall be deposited in the Crime Victims Fund established under section 1402 of the Victims of Crime Act of 1984 (42 U.S.C. 10601) all amounts from the forfeiture of property under this subsection remaining after the payment of expenses for forfeiture and sale authorized by law.

"(5) As used in this subsection, the term 'State' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Trust Territory of the Pacific Islands, and any territory or possession of the United States.".

(b) AMENDMENTS FOR CONSISTENCY IN APPLICATION OF FORFEITURE UNDER TITLE 18.—(1) Section 793(h)(3) of such title is amended in the matter preceding subparagraph (A) by striking out "(o)" each place it appears and inserting in lieu thereof "(p)".

(2) Section 794(d)(3) of such title is amended in the matter preceding subparagraph (A) by striking out "(o)" each place it appears and inserting in lieu thereof "(p)".

(c) SUBVERSIVE ACTIVITIES CONTROL ACT.—Section 4 of the Subversive Activities Control Act of 1950 (50 U.S.C. 783) is amended by adding at the end the following new subsection:

"(e)(1) Any person convicted of a violation of this section shall forfeit to the United States irrespective of any provision of State law—

"(A) any property constituting, or derived from, any proceeds the person obtained, directly or indirectly, as the result of such violation; and

"(B) any of the person's property used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of, such violation.

"(2) The court, in imposing sentence on a defendant for a conviction of a violation of this section, shall order that the defendant forfeit to the United States all property described in paragraph (1).

"(3) Except as provided in paragraph (4), the provisions of subsections (b), (c), and (e) through (p) of section 413 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 853(b), (c), and (e)–(p)) shall apply to—

"(A) property subject to forfeiture under this subsection;

"(B) any seizure or disposition of such property; and

"(C) any administrative or judicial proceeding in relation to such property,

if not inconsistent with this subsection.

"(4) Notwithstanding section 524(c) of title 28, there shall be deposited in the Crime Victims Fund established under section 1402 of the Victims of Crime Act of 1984 (42 U.S.C. 10601) all amounts from the forfeiture of property under this subsection remaining after the payment of expenses for forfeiture and sale authorized by law.

"(5) As used in this subsection, the term 'State' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Trust Territory of the Pacific Islands, and any territory or possession of the United States.".

SEC. 805. DENIAL OF ANNUITIES OR RETIRED PAY TO PERSONS CONVICTED OF ESPIONAGE IN FOREIGN COURTS INVOLVING UNITED STATES INFORMATION.

Section 8312 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(d)(1) For purposes of subsections (b)(1) and (c)(1), an offense within the meaning of such subsections is established if the Attorney General of the United States certifies to the agency administering the annuity or retired pay concerned—

"(A) that an individual subject to this chapter has been convicted by an impartial court of appropriate jurisdiction within a foreign country in circumstances in which the conduct violates the provisions of law enumerated in subsections (b)(1) and (c)(1), or would violate such provisions had such conduct taken place within the United States, and that such conviction is not being appealed or that final action has been taken on such appeal;

"(B) that such conviction was obtained in accordance with procedures that provided the defendant due process rights comparable to such rights provided by the United States Constitution, and such conviction was based upon evidence which would have been admissible in the courts of the United States; and

"(C) that such conviction occurred after the date of enactment of this subsection.

"(2) Any certification made pursuant to this subsection shall be subject to review by the United States Court of Claims based upon the application of the individual concerned, or his or her attorney, alleging that any of the conditions set forth in subparagraphs (A), (B), or (C) of paragraph (1), as certified by the Attorney General, have not been satisfied in his or her particular circumstances. Should the court determine that any of these conditions has not been satisfied in such case, the court shall order any annuity or retirement benefit to which the person concerned is entitled to be restored and shall order that any payments which may have been previously denied or withheld to be paid by the department or agency concerned.".

SEC. 806. POSTEMPLOYMENT ASSISTANCE FOR CERTAIN TERMINATED INTELLIGENCE EMPLOYEES OF THE DEPARTMENT OF DEFENSE.

(a) CONSOLIDATION AND EXTENSION OF AUTHORITY.—

(1) IN GENERAL.—Chapter 81 of title 10, United States Code, is amended by adding at the end the following new section:

"§1599. Postemployment assistance: certain terminated intelligence employees

"(a) AUTHORITY.—Subject to subsection (c), the Secretary of Defense may, in the case of any individual who is a qualified former intelligence employee, use appropriated funds—

"(1) to assist that individual in finding and qualifying for employment other than in an intelligence component of the Department of Defense;

"(2) to assist that individual in meeting the expenses of treatment of medical or psychological disabilities of that individual; and

"(3) to provide financial support to that individual during periods of unemployment.

"(b) QUALIFIED FORMER INTELLIGENCE EMPLOYEES.—For purposes of this section, a qualified former intelligence employee is an individual who was employed as a civilian employee of the Department of Defense in a sensitive position in an intelligence component of the Department of Defense—

"(1) who has been found to be ineligible for continued access to information designated as 'Sensitive Compartmented Information' and employment with the intelligence component; or

"(2) whose employment with the intelligence component has been terminated.

"(c) CONDITIONS.—Assistance may be provided to a qualified former intelligence employee under subsection (a) only if the Secretary determines that such assistance is essential to—

"(1) maintain the judgment and emotional stability of the qualified former intelligence employee; and

"(2) avoid circumstances that might lead to the unlawful disclosure of classified information to which the qualified former intelligence employee had access.

"(d) DURATION OF ASSISTANCE.—Assistance may not be provided under this section in the case of any individual after the end of the five-year period beginning on the date of the termination of the employment of the individual with an intelligence component of the Department of Defense.

"(e) ANNUAL REPORT.—(1) The Secretary of Defense shall submit to the congressional committees specified in paragraph (2) an annual report with respect to any expenditure made under this section.

"(2) The committees referred to in paragraph (1) are the following:

"(A) The Committees on Armed Services and Appropriations and the Permanent Select Committee on Intelligence of the House of Representatives.

"(B) The Committees on Armed Services and Appropriations and the Select Committee on Intelligence of the Senate.

"(f) DEFINITION.—In this section, the term 'intelligence component of the Department of Defense' means any of the following:

"(1) The National Security Agency.

"(2) The Defense Intelligence Agency.

"(3) The National Reconnaissance Office.

"(4) The Central Imagery Office.

"(5) The intelligence components of any of the military departments.".

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"1599. Postemployment assistance: certain terminated intelligence employees.".

(b) REPEAL OF PREDECESSOR AUTHORITY.—

(1) DEFENSE INTELLIGENCE AGENCY.—Paragraph (4) of section 1604(e) of title 10, United States Code, is repealed.

(2) NATIONAL SECURITY AGENCY.—Section 17 of the National Security Agency Act of 1959 (50 U.S.C. 402 note) is repealed.

SEC. 807. PROVIDING A COURT ORDER PROCESS FOR PHYSICAL SEARCHES UNDERTAKEN FOR FOREIGN INTELLIGENCE PURPOSES.

(a) AMENDMENT OF THE FOREIGN INTELLIGENCE SURVEILLANCE ACT OF 1978.—The Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801 et seq.) is amended—

(1) by redesignating title III as title IV and section 301 as section 401, respectively;

(2) in section 401 (as so redesignated) by inserting "(other than title III)" after "provisions of this Act"; and

(3) by inserting after title II the following new title:

"TITLE III—PHYSICAL SEARCHES WITHIN THE UNITED STATES FOR FOREIGN INTELLIGENCE PURPOSES

"DEFINITIONS

"SEC. 301. As used in this title:

"(1) The terms 'foreign power', 'agent of a foreign power', 'international terrorism', 'sabotage', 'foreign intelligence information', 'Attorney General', 'United States person', 'United States', 'person', and 'State' shall have the same meanings as in section 101 of this Act, except as specifically provided by this title.

"(2) 'Aggrieved person' means a person whose premises, property, information, or material is the target of physical search or any other person whose premises, property, information, or material was subject to physical search.

"(3) 'Foreign Intelligence Surveillance Court' means the court established by section 103(a) of this Act.

"(4) 'Minimization procedures' with respect to physical search, means—

"(A) specific procedures, which shall be adopted by the Attorney General, that are reasonably designed in light of the purposes and technique of the particular physical search, to minimize the acquisition and retention, and prohibit the dissemination, of nonpublicly available information concerning unconsenting United States persons consistent with the need of the United States to obtain, produce, and disseminate foreign intelligence information;

"(B) procedures that require that nonpublicly available information, which is not foreign intelligence information, as defined in section 101(e)(1) of this Act, shall not be disseminated in a manner that identifies any United States person, without such person's consent, unless such person's identity is necessary to understand such foreign intelligence information or assess its importance;

"(C) notwithstanding subparagraphs (A) and (B), procedures that allow for the retention and dissemination of information that is evidence of a crime which has been, is being, or is about to be committed and that is to be retained or disseminated for law enforcement purposes; and

"(D) notwithstanding subparagraphs (A), (B), and (C), with respect to any physical search approved pursuant to section 302(a), procedures that require that no information, material, or property of a United States person shall be disclosed, disseminated, or used for any purpose or retained for longer than 24 hours unless a court order under section 304 is obtained or unless the Attorney General determines that the information indicates a threat of death or serious bodily harm to any person.

"(5) 'Physical search' means any physical intrusion within the United States into premises or property (including examination of the interior of property by technical means) that is intended to result in a seizure, reproduction, inspection, or alteration of information, material, or property, under circumstances in which a person has a reasonable expectation of privacy and a warrant would be required for law enforcement purposes, but does not include (A) 'electronic surveillance', as defined in section 101(f) of this Act, or (B) the acquisition by the United States Government of foreign intelligence information from international or foreign communications, or foreign intelligence activities conducted in accordance with otherwise applicable Federal law involving a foreign electronic communications system, utilizing a means other than electronic surveillance as defined in section 101(f) of this Act.

"AUTHORIZATION OF PHYSICAL SEARCHES FOR FOREIGN INTELLIGENCE PURPOSES

"SEC. 302. (a)(1) Notwithstanding any other provision of law, the President, acting through the Attorney General, may authorize physical searches without a court order under this title to acquire foreign intelligence information for periods of up to one year if—

"(A) the Attorney General certifies in writing under oath that—

"(i) the physical search is solely directed at premises, information, material, or property used exclusively by, or under the open and exclusive control of, a foreign power or powers (as defined in section 101(a)(1), (2), or (3));

"(ii) there is no substantial likelihood that the physical search will involve the premises, information, material, or property of a United States person; and

"(iii) the proposed minimization procedures with respect to such physical search meet the definition of minimization procedures under paragraphs (1) through (4) of section 301(4); and

"(B) the Attorney General reports such minimization procedures and any changes thereto to the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate at least 30 days before their effective date, unless the Attorney General determines that immediate action is required and notifies the committees immediately of such minimization procedures and the reason for their becoming effective immediately.

"(2) A physical search authorized by this subsection may be conducted only in accordance with the certification and minimization procedures adopted by the Attorney General. The Attorney General shall assess compliance with such procedures and shall report such assessments to the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate under the provisions of section 306.

"(3) The Attorney General shall immediately transmit under seal to the Foreign Intelligence Surveillance Court a copy of the certification. Such certification shall be maintained under security measures established by the Chief Justice of the United States with the concurrence of the Attorney General, in consultation with the Director of Central Intelligence, and shall remain sealed unless—

"(A) an application for a court order with respect to the physical search is made under section 301(4) and section 303; or

"(B) the certification is necessary to determine the legality of the physical search under section 305(g).

"(4)(A) With respect to physical searches authorized by this subsection, the Attorney General may direct a specified landlord, custodian, or other specified person to—

"(i) furnish all information, facilities, or assistance necessary to accomplish the physical search in such a manner as will protect its secrecy and produce a minimum of interference with the services that such landlord, custodian, or other person is providing the target of the physical search; and

"(ii) maintain under security procedures approved by the Attorney General and the Director of Central Intelligence any records concerning the search or the aid furnished that such person wishes to retain.

"(B) The Government shall compensate, at the prevailing rate, such landlord, custodian, or other person for furnishing such aid.

"(b) Applications for a court order under this title are authorized if the President has, by written authorization, empowered the Attorney General to approve applications to the Foreign Intelligence Surveillance Court. Notwithstanding any other provision of law, a judge of the court to whom application is made may grant an order in accordance with section 304 approving a physical search in the United States of the premises, property, information, or material of a foreign power or an agent of a foreign power for the purpose of collecting foreign intelligence information.

"(c) The Foreign Intelligence Surveillance Court shall have jurisdiction to hear applications for and grant orders approving a physical search for the purpose of obtaining foreign intelligence information anywhere within the United States under the procedures set forth in this title, except that no judge shall hear the same application which has been denied previously by another judge designated under section 103(a) of this Act. If any judge so designated denies an application for an order authorizing a physical search under this title, such judge shall provide immediately for the record a written statement of each reason for such decision and, on motion of the United States, the record shall be transmitted, under seal, to the court of review established under section 103(b).

"(d) The court of review established under section 103(b) shall have jurisdiction to review the denial of any application made under this

title. If such court determines that the application was properly denied, the court shall immediately provide for the record a written statement of each reason for its decision and, on petition of the United States for a writ of certiorari, the record shall be transmitted under seal to the Supreme Court, which shall have jurisdiction to review such decision.

"(e) Judicial proceedings under this title shall be concluded as expeditiously as possible. The record of proceedings under this title, including applications made and orders granted, shall be maintained under security measures established by the Chief Justice of the United States in consultation with the Attorney General and the Director of Central Intelligence.

"APPLICATION FOR AN ORDER

"SEC. 303. (a) Each application for an order approving a physical search under this title shall be made by a Federal officer in writing upon oath or affirmation to a judge of the Foreign Intelligence Surveillance Court. Each application shall require the approval of the Attorney General based upon the Attorney General's finding that it satisfies the criteria and requirements for such application as set forth in this title. Each application shall include—

"(1) the identity of the Federal officer making the application;

"(2) the authority conferred on the Attorney General by the President and the approval of the Attorney General to make the application;

"(3) the identity, if known, or a description of the target of the search, and a detailed description of the premises or property to be searched and of the information, material, or property to be seized, reproduced, or altered;

"(4) a statement of the facts and circumstances relied upon by the applicant to justify the applicant's belief that—

"(A) the target of the physical search is a foreign power or an agent of a foreign power;

"(B) the premises or property to be searched contains foreign intelligence information; and

"(C) the premises or property to be searched is owned, used, possessed by, or is in transit to or from a foreign power or an agent of a foreign power;

"(5) a statement of the proposed minimization procedures;

"(6) a statement of the nature of the foreign intelligence sought and the manner in which the physical search is to be conducted;

"(7) a certification or certifications by the Assistant to the President for National Security Affairs or an executive branch official or officials designated by the President from among those executive branch officers employed in the area of national security or defense and appointed by the President, by and with the advice and consent of the Senate—

"(A) that the certifying official deems the information sought to be foreign intelligence information;

"(B) that the purpose of the search is to obtain foreign intelligence information;

"(C) that such information cannot reasonably be obtained by normal investigative techniques;

"(D) that designates the type of foreign intelligence information being sought according to the categories described in section 101(e); and

"(E) includes a statement explaining the basis for the certifications required by subparagraphs (C) and (D);

"(8) where the physical search involves a search of the residence of a United States person, the Attorney General shall state what investigative techniques have previously been utilized to obtain the foreign intelligence information concerned and the degree to which these techniques resulted in acquiring such information; and

"(9) a statement of the facts concerning all previous applications that have been made to any judge under this title involving any of the persons, premises, or property specified in the application, and the action taken on each previous application.

"(b) The Attorney General may require any other affidavit or certification from any other officer in connection with the application.

"(c) The judge may require the applicant to furnish such other information as may be necessary to make the determinations required by section 304.

"ISSUANCE OF AN ORDER

"SEC. 304. (a) Upon an application made pursuant to section 303, the judge shall enter an ex parte order as requested or as modified approving the physical search if the judge finds that—

"(1) the President has authorized the Attorney General to approve applications for physical searches for foreign intelligence purposes;

"(2) the application has been made by a Federal officer and approved by the Attorney General;

"(3) on the basis of the facts submitted by the applicant there is probable cause to believe that—

"(A) the target of the physical search is a foreign power or an agent of a foreign power, except that no United States person may be considered an agent of a foreign power solely upon the basis of activities protected by the first amendment to the Constitution of the United States; and

"(B) the premises or property to be searched is owned, used, possessed by, or is in transit to or from an agent of a foreign power or a foreign power;

"(4) the proposed minimization procedures meet the definition of minimization contained in this title; and

"(5) the application which has been filed contains all statements and certifications required by section 303, and, if the target is a United States person, the certification or certifications are not clearly erroneous on the basis of the statement made under section 303(a)(7)(E) and any other information furnished under section 303(c).

"(b) An order approving a physical search under this section shall—

"(1) specify—

"(A) the identity, if known, or a description of the target of the physical search;

"(B) the nature and location of each of the premises or property to be searched;

"(C) the type of information, material, or property to be seized, altered, or reproduced;

"(D) a statement of the manner in which the physical search is to be conducted and, whenever more than one physical search is authorized under the order, the authorized scope of each search and what minimization procedures shall apply to the information acquired by each search; and

"(E) the period of time during which physical searches are approved; and

"(2) direct—

"(A) that the minimization procedures be followed;

"(B) that, upon the request of the applicant, a specified landlord, custodian, or other specified person furnish the applicant forthwith all information, facilities, or assistance necessary to accomplish the physical search in such a manner as will protect its secrecy and produce a minimum of interference with the services that such landlord, custodian, or other person is providing the target of the physical search;

"(C) that such landlord, custodian or other person maintain under security procedures approved by the Attorney General and the Director of Central Intelligence any records concerning the search or the aid furnished that such person wishes to retain;

"(D) that the applicant compensate, at the prevailing rate, such landlord, custodian, or other person for furnishing such aid; and

"(E) that the Federal officer conducting the physical search promptly report to the court the circumstances and results of the physical search.

"(c)(1) An order issued under this section may approve a physical search for the period necessary to achieve its purpose, or for forty-five days, whichever is less, except that an order under this section shall approve a physical search targeted against a foreign power, as defined in paragraph (1), (2), or (3) of section 101(a), for the period specified in the application or for one year, whichever is less.

"(2) Extensions of an order issued under this title may be granted on the same basis as the original order upon an application for an extension and new findings made in the same manner as required for the original order, except that an extension of an order under this Act for a physical search targeted against a foreign power, as defined in section 101(a) (5) or (6), or against a foreign power, as defined in section 101(a)(4), that is not a United States person, may be for a period not to exceed one year if the judge finds probable cause to believe that no property of any individual United States person will be acquired during the period.

"(3) At or before the end of the period of time for which a physical search is approved by an order or an extension, or at any time after a physical search is carried out, the judge may assess compliance with the minimization procedures by reviewing the circumstances under which information concerning United States persons was acquired, retained, or disseminated.

"(d)(1)(A) Notwithstanding any other provision of this title, whenever the Attorney General reasonably makes the determination specified in subparagraph (B), the Attorney General may authorize the execution of an emergency physical search if—

"(i) a judge having jurisdiction under section 103 is informed by the Attorney General or the Attorney General's designee at the time of such authorization that the decision has been made to execute an emergency search, and

"(ii) an application in accordance with this title is made to that judge as soon as practicable but not more than 24 hours after the Attorney General authorizes such search.

"(B) The determination referred to in subparagraph (A) is a determination that—

"(i) an emergency situation exists with respect to the execution of a physical search to obtain foreign intelligence information before an order authorizing such search can with due diligence be obtained, and

"(ii) the factual basis for issuance of an order under this title to approve such a search exists.

"(2) If the Attorney General authorizes an emergency search under paragraph (1), the Attorney General shall require that the minimization procedures required by this title for the issuance of a judicial order be followed.

"(3) In the absence of a judicial order approving such a physical search, the search shall terminate the earlier of—

"(A) the date on which the information sought is obtained;

"(B) the date on which the application for the order is denied; or

"(C) the expiration of 24 hours from the time of authorization by the Attorney General.

"(4) In the event that such application for approval is denied, or in any other case where the physical search is terminated and no order is issued approving the search, no information obtained or evidence derived from such search shall be received in evidence or otherwise disclosed in any trial, hearing, or other proceeding in or before any court, grand jury, department, office, agency, regulatory body, legislative committee, or other authority of the United States, a State, or political subdivision thereof, and no

information concerning any United States person acquired from such search shall subsequently be used or disclosed in any other manner by Federal officers or employees without the consent of such person, except with the approval of the Attorney General, if the information indicates a threat of death or serious bodily harm to any person. A denial of the application made under this subsection may be reviewed as provided in section 302.

"(e) Applications made and orders granted under this title shall be retained for a period of at least 10 years from the date of the application.

"USE OF INFORMATION

"SEC. 305. (a) Information acquired from a physical search conducted pursuant to this title concerning any United States person may be used and disclosed by Federal officers and employees without the consent of the United States person only in accordance with the minimization procedures required by this title. No information acquired from a physical search pursuant to this title may be used or disclosed by Federal officers or employees except for lawful purposes.

"(b) Where a physical search authorized and conducted pursuant to section 304 involves the residence of a United States person, and, at any time after the search the Attorney General determines there is no national security interest in continuing to maintain the secrecy of the search, the Attorney General shall provide notice to the United States person whose residence was searched of the fact of the search conducted pursuant to this Act and shall identify any property of such person seized, altered, or reproduced during such search.

"(c) No information acquired pursuant to this title shall be disclosed for law enforcement purposes unless such disclosure is accompanied by a statement that such information, or any information derived therefrom, may only be used in a criminal proceeding with the advance authorization of the Attorney General.

"(d) Whenever the United States intends to enter into evidence or otherwise use or disclose in any trial, hearing, or other proceeding in or before any court, department, officer, agency, regulatory body, or other authority of the United States, against an aggrieved person, any information obtained or derived from a physical search pursuant to the authority of this title, the United States shall, prior to the trial, hearing, or the other proceeding or at a reasonable time prior to an effort to so disclose or so use that information or submit it in evidence, notify the aggrieved person and the court or other authority in which the information is to be disclosed or used that the United States intends to so disclose or so use such information.

"(e) Whenever any State or political subdivision thereof intends to enter into evidence or otherwise use or disclose in any trial, hearing, or other proceeding in or before any court, department, officer, agency, regulatory body, or other authority of a State or a political subdivision thereof against an aggrieved person any information obtained or derived from a physical search pursuant to the authority of this title, the State or political subdivision thereof shall notify the aggrieved person, the court or other authority in which the information is to be disclosed or used, and the Attorney General that the State or political subdivision thereof intends to so disclose or so use such information.

"(f)(1) Any person against whom evidence obtained or derived from a physical search to which he is an aggrieved person is to be, or has been, introduced or otherwise used or disclosed in any trial, hearing, or other proceeding in or before any court, department, officer, agency, regulatory body, or other authority of the United States, a State, or a political subdivision thereof, may move to suppress the evidence obtained or derived from such search on the grounds that—

"(A) the information was unlawfully acquired; or

"(B) the physical search was not made in conformity with an order of authorization or approval.

"(2) Such a motion shall be made before the trial, hearing, or other proceeding unless there was no opportunity to make such a motion or the person was not aware of the grounds of the motion.

"(g) Whenever a court or other authority is notified pursuant to subsection (d) or (e), or whenever a motion is made pursuant to subsection (f), or whenever any motion or request is made by an aggrieved person pursuant to any other statute or rule of the United States or any State before any court or other authority of the United States or any State to discover or obtain applications or orders or other materials relating to a physical search authorized by this title or to discover, obtain, or suppress evidence or information obtained or derived from a physical search authorized by this title, the United States district court or, where the motion is made before another authority, the United States district court in the same district as the authority shall, notwithstanding any other provision of law, if the Attorney General files an affidavit under oath that disclosure or any adversary hearing would harm the national security of the United States, review in camera and ex parte the application, order, and such other materials relating to the physical search as may be necessary to determine whether the physical search of the aggrieved person was lawfully authorized and conducted. In making this determination, the court may disclose to the aggrieved person, under appropriate security procedures and protective orders, portions of the application, order, or other materials relating to the physical search, or may require the Attorney General to provide to the aggrieved person a summary of such materials, only where such disclosure is necessary to make an accurate determination of the legality of the physical search.

"(h) If the United States district court pursuant to subsection (g) determines that the physical search was not lawfully authorized or conducted, it shall, in accordance with the requirements of law, suppress the evidence which was unlawfully obtained or derived from the physical search of the aggrieved person or otherwise grant the motion of the aggrieved person. If the court determines that the physical search was lawfully authorized or conducted, it shall deny the motion of the aggrieved person except to the extent that due process requires discovery or disclosure.

"(i) Orders granting motions or requests under subsection (h), decisions under this section that a physical search was not lawfully authorized or conducted, and orders of the United States district court requiring review or granting disclosure of applications, orders, or other materials relating to the physical search shall be final orders and binding upon all courts of the United States and the several States except a United States Court of Appeals or the Supreme Court.

"(j)(1) If an emergency execution of a physical search is authorized under section 304(d) and a subsequent order approving the search is not obtained, the judge shall cause to be served on any United States person named in the application and on such other United States persons subject to the search as the judge may determine in his discretion it is in the interests of justice to serve, notice of—

"(A) the fact of the application;

"(B) the period of the search; and

"(C) the fact that during the period information was or was not obtained.

"(2) On an ex parte showing of good cause to the judge, the serving of the notice required by this subsection may be postponed or suspended for a period not to exceed 90 days. Thereafter, on a further ex parte showing of good cause, the court shall forego ordering the serving of the notice required under this subsection.

"CONGRESSIONAL OVERSIGHT

"SEC. 306. On a semiannual basis the Attorney General shall fully inform the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate concerning all physical searches conducted pursuant to this title. On a semiannual basis the Attorney General shall also provide to those committees and the Committees on the Judiciary of the House of Representatives and the Senate a report setting forth with respect to the preceding six-month period—

"(1) the total number of applications made for orders approving physical searches under this title;

"(2) the total number of such orders either granted, modified, or denied; and

"(3) the number of physical searches which involved searches of the residences, offices, or personal property of United States persons, and the number of occasions, if any, where the Attorney General provided notice pursuant to section 305(b).

"PENALTIES

"SEC. 307. (a) A person is guilty of an offense if he intentionally—

"(1) under color of law for the purpose of obtaining foreign intelligence information, executes a physical search within the United States except as authorized by statute; or

"(2) discloses or uses information obtained under color of law by physical search within the United States, knowing or having reason to know that the information was obtained through physical search not authorized by statute, for the purpose of obtaining intelligence information.

"(b) It is a defense to a prosecution under subsection (a) that the defendant was a law enforcement or investigative officer engaged in the course of his official duties and the physical search was authorized by and conducted pursuant to a search warrant or court order of a court of competent jurisdiction.

"(c) An offense described in this section is punishable by a fine of not more than $10,000 or imprisonment for not more than five years, or both.

"(d) There is Federal jurisdiction over an offense under this section if the person committing the offense was an officer or employee of the United States at the time the offense was committed.

"CIVIL LIABILITY

"SEC. 308. An aggrieved person, other than a foreign power or an agent of a foreign power, as defined in section 101 (a) or (b)(1)(A), respectively, of this Act, whose premises, property, information, or material has been subjected to a physical search within the United States or about whom information obtained by such a physical search has been disclosed or used in violation of section 307 shall have a cause of action against any person who committed such violation and shall be entitled to recover—

"(1) actual damages, but not less than liquidated damages of $1,000 or $100 per day for each day of violation, whichever is greater;

"(2) punitive damages; and

"(3) reasonable attorney's fees and other investigative and litigation costs reasonably incurred.

"AUTHORIZATION DURING TIME OF WAR

"SEC. 309. Notwithstanding any other provision of law, the President, through the Attorney

General, may authorize physical searches without a court order under this title to acquire foreign intelligence information for a period not to exceed 15 calendar days following a declaration of war by the Congress.".

(b) CLERICAL AMENDMENT.—The table of contents in the first section of the Foreign Intelligence Surveillance Act of 1978 is amended by striking the items relating to title III and inserting the following:

"TITLE III—PHYSICAL SEARCHES WITHIN THE UNITED STATES FOR FOREIGN INTELLIGENCE PURPOSES

"Sec. 301. Definitions.
"Sec. 302. Authorization of physical searches for foreign intelligence purposes.
"Sec. 303. Application for an order.
"Sec. 304. Issuance of an order.
"Sec. 305. Use of information.
"Sec. 306. Congressional oversight.
"Sec. 307. Penalties.
"Sec. 308. Civil liability.
"Sec. 309. Authorization during time of war.

"TITLE IV—EFFECTIVE DATE

"Sec. 401. Effective Date.".

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect 90 days after the date of enactment of this Act, except that any physical search approved by the Attorney General of the United States to gather foreign intelligence information shall not be deemed unlawful for failure to follow the procedures of title III of the Foreign Intelligence Surveillance Act of 1978 (as added by this Act), if that search is conducted within 180 days after the date of enactment of this Act pursuant to regulations issued by the Attorney General, which were in the possession of the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives before the date of enactment of this Act.

SEC. 808. LESSER CRIMINAL OFFENSE FOR UNAUTHORIZED REMOVAL OF CLASSIFIED DOCUMENTS.

(a) IN GENERAL.—Chapter 93 of title 18, United States Code, is amended by adding at the end the following new section:

"§1924. Unauthorized removal and retention of classified documents or material

"(a) Whoever, being an officer, employee, contractor, or consultant of the United States, and, by virtue of his office, employment, position, or contract, becomes possessed of documents or materials containing classified information of the United States, knowingly removes such documents or materials without authority and with the intent to retain such documents or materials at an unauthorized location shall be fined not more than $1,000, or imprisoned for not more than one year, or both.

"(b) For purposes of this section, the provision of documents and materials to the Congress shall not constitute an offense under subsection (a).

"(c) In this section, the term 'classified information of the United States' means information originated, owned, or possessed by the United States Government concerning the national defense or foreign relations of the United States that has been determined pursuant to law or Executive order to require protection against unauthorized disclosure in the interests of national security.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following:

"1924. Unauthorized removal and retention of classified documents or material.".

SEC. 809. REPORTS ON FOREIGN INDUSTRIAL ESPIONAGE.

(a) IN GENERAL.—

(1) SUBMISSION AND CONTENTS.—In order to assist Congress in its oversight functions with respect to this Act and to improve the awareness of United States industry of foreign industrial espionage and the ability of such industry to protect against such espionage, the President shall submit to Congress a report that describes, as of the time of the report, the following:

(A) The respective policy functions and operational roles of the agencies of the executive branch of the Federal Government in identifying and countering threats to United States industry of foreign industrial espionage, including the manner in which such functions and roles are coordinated.

(B) The means by which the Federal Government communicates information on such threats, and on methods to protect against such threats, to United States industry in general and to United States companies known to be targets of foreign industrial espionage.

(C) The specific measures that are being or could be undertaken in order to improve the activities referred to in subparagraphs (A) and (B), including proposals for any modifications of law necessary to facilitate the undertaking of such activities.

(D) The threat to United States industry of foreign industrial espionage and any trends in that threat, including—

(i) the number and identity of the foreign governments conducting foreign industrial espionage;

(ii) the industrial sectors and types of information and technology targeted by such espionage; and

(iii) the methods used to conduct such espionage.

(2) DATE OF SUBMISSION.—The President shall submit the report required under this subsection not later than six months after the date of the enactment of this Act.

(b) ANNUAL UPDATE.—Not later than one year after the date referred to in paragraph (2) of subsection (a), and on the expiration of each year thereafter, the President shall submit to Congress a report updating the information referred to in paragraph (1)(D) of that subsection.

(c) FORM OF REPORTS.—To the maximum extent practicable, the reports referred to in subsections (a) and (b) shall be submitted in an unclassified form, but may be accompanied by a classified appendix.

(d) REPORT UNDER DEFENSE PRODUCTION ACT.—Section 721(k)(1)(B) of the Defense Production Act of 1950 (50 U.S.C. App. 2170(k)(1)(B)) is amended by inserting "or directly assisted" after "directed".

(e) DEFINITION.—For the purposes of this section, "foreign industrial espionage" means industrial espionage conducted by a foreign government or by a foreign company with direct assistance of a foreign government against a private United States company and aimed at obtaining commercial secrets.

SEC. 810. COUNTERNARCOTICS TARGETS FUNDING.

Not less than $5,000,000 from the base budget for the National Security Agency shall be transferred to United States Army signals intelligence activities directed at counternarcotics targets. A detailed operations plan with special emphasis on the United States/Mexico border and including the participation of the National Security Agency, the Drug Enforcement Administration, the Federal Bureau of Investigation, and the United States Customs Service, shall be provided to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives no later than November 15, 1994. This plan shall include a detailed description of the planned targets and the type of intelligence collection, dissemination, analysis and tasking that will be included in these operations.

SEC. 811. COORDINATION OF COUNTERINTELLIGENCE ACTIVITIES.

(a) ESTABLISHMENT OF COUNTERINTELLIGENCE POLICY BOARD.—There is established within the executive branch of Government a National Counterintelligence Policy Board (in this section referred to as the "Board"). The Board shall report to the President through the National Security Council.

(b) FUNCTION OF THE BOARD.—The Board shall serve as the principal mechanism for—

(1) developing policies and procedures for the approval of the President to govern the conduct of counterintelligence activities; and

(2) resolving conflicts, as directed by the President, which may arise between elements of the Government which carry out such activities.

(c) COORDINATION OF COUNTERINTELLIGENCE MATTERS WITH THE FEDERAL BUREAU OF INVESTIGATION.—(1) Except as provided in paragraph (3), the head of each department or agency within the executive branch shall ensure that—

(A) the Federal Bureau of Investigation is advised immediately of any information, regardless of its origin, which indicates that classified information is being, or may have been, disclosed in an unauthorized manner to a foreign power or an agent of a foreign power;

(B) following a report made pursuant to subparagraph (A), the Federal Bureau of Investigation is consulted with respect to all subsequent actions which may be undertaken by the department or agency concerned to determine the source of such loss or compromise; and

(C) where, after appropriate consultation with the department or agency concerned, the Federal Bureau of Investigation undertakes investigative activities to determine the source of the loss or compromise, the Federal Bureau of Investigation is given complete and timely access to the employees and records of the department or agency concerned for purposes of such investigative activities.

(2) Except as provided in paragraph (3), the Director of the Federal Bureau of Investigation shall ensure that espionage information obtained by the Federal Bureau of Investigation pertaining to the personnel, operations, or information of departments or agencies of the executive branch, is provided through appropriate channels to the department or agency concerned, and that such departments or agencies are consulted with respect to espionage investigations undertaken by the Federal Bureau of Investigation which involve the personnel, operations, or information of such department or agency after a report has been provided pursuant to paragraph (1)(A).

(3) Where essential to meet extraordinary circumstances affecting vital national security interests of the United States, the President may on a case-by-case basis waive the requirements of paragraph (1) or (2), as they apply to the head of a particular department or agency, or the Director of the Federal Bureau of Investigation. Such waiver shall be in writing and shall fully state the justification for such waiver. Within thirty days, the President shall notify the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives that such waiver has been issued, and at that time or as soon as national security considerations permit, provide these committees with a complete explanation of the circumstances which necessitated such waiver.

(4) The Director of the Federal Bureau of Investigation shall, in consultation with the Director of Central Intelligence and the Secretary of Defense, report annually, beginning on February 1, 1995, and continuing each year thereafter, to the Select Committee on Intelligence of the Senate and to the Permanent Select Committee on Intelligence of the House of Representatives and, in accordance with applicable security procedures, the Committees on the Judiciary

of the House of Representatives and the Senate with respect to compliance with paragraphs (1) and (2) during the previous calendar year.

(5) Nothing in this section may be construed to alter the existing jurisdictional arrangements between the Federal Bureau of Investigation and the Department of Defense with respect to investigations of persons subject to the Uniform Code of Military Justice, nor to impose additional reporting requirements upon the Department of Defense with respect to such investigations beyond those required by existing law and executive branch policy.

(6) As used in this section, the terms "foreign power" and "agent of a foreign power" have the same meanings as set forth in sections 101(a) and (b), respectively, of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801).

TITLE IX—COMMISSION ON THE ROLES AND CAPABILITIES OF THE UNITED STATES INTELLIGENCE COMMUNITY

SEC. 901. ESTABLISHMENT.

There is established a commission to be known as the Commission on the Roles and Capabilities of the United States Intelligence Community (hereafter in this title referred to as the "Commission").

SEC. 902. COMPOSITION AND QUALIFICATIONS.

(a) MEMBERSHIP.—(1) The Commission shall be composed of 17 members, as follows:

(A) Nine members shall be appointed by the President from private life, no more than four of whom shall have previously held senior leadership positions in the intelligence community and no more than five of whom shall be members of the same political party.

(B) Two members shall be appointed by the majority leader of the Senate, of whom one shall be a Member of the Senate and one shall be from private life.

(C) Two members shall be appointed by the minority leader of the Senate, of whom one shall be a Member of the Senate and one shall be from private life.

(D) Two members shall be appointed by the Speaker of the House of Representatives, of whom one shall be a Member of the House and one shall be from private life.

(E) Two members shall be appointed by the Minority Leader of the House of Representatives, of whom one shall be a Member of the House and one shall be from private life.

(2) The members of the Commission appointed from private life under paragraph (1) shall be persons of demonstrated ability and accomplishment in government, business, law, academe, journalism, or other profession, who have a substantial background in national security matters.

(b) CHAIRMAN AND VICE CHAIRMAN.—The President shall designate two of the members appointed from private life to serve as Chairman and Vice Chairman, respectively, of the Commission.

(c) PERIOD OF APPOINTMENT; VACANCIES.—Members shall be appointed for the life of the Commission. Any vacancy in the Commission shall not affect its powers but shall be filled in the same manner as the original appointment.

(d) DEADLINE FOR APPOINTMENTS.—The appointments required by subsection (a) shall be made within 45 days after the date of enactment of this Act.

(e) MEETINGS.—(1) The Commission shall meet at the call of the Chairman.

(2) The Commission shall hold its first meeting not later than four months after the date of enactment of this Act.

(f) QUORUM.—Nine members of the Commission shall constitute a quorum, but a lesser number of members may hold hearings, take testimony, or receive evidence.

(g) SECURITY CLEARANCES.—Appropriate security clearances shall be required for members of the Commission who are private United States citizens. Such clearances shall be processed and completed on an expedited basis by appropriate elements of the executive branch of Government and shall, in any case, be completed within 90 days of the date such members are appointed.

(h) APPLICATION OF CERTAIN PROVISIONS OF LAW.—In light of the extraordinary and sensitive nature of its deliberations, the provisions of the Federal Advisory Committee Act (5 U.S.C. App.), and the regulations prescribed by the Administrator of General Services pursuant to that Act, shall not apply to the Commission. Further, the provisions of section 552 of title 5, United States Code (commonly known as the "Freedom of Information Act") shall not apply to the Commission; however, records of the Commission shall be subject to the Federal Records Act and, when transferred to the National Archives and Records Agency, shall no longer be exempt from the provisions of such section 552.

SEC. 903. DUTIES OF THE COMMISSION.

(a) IN GENERAL.—It shall be the duty of the Commission—

(1) to review the efficacy and appropriateness of the activities of the United States intelligence community in the post-cold war global environment; and

(2) to prepare and transmit the reports described in section 904.

(b) IMPLEMENTATION.—In carrying out subsection (a), the Commission shall specifically consider the following:

(1) What should be the roles and missions of the intelligence community in terms of providing support to the defense and foreign policy establishments and how should these relate to tactical intelligence activities.

(2) Whether the roles and missions of the intelligence community should extend beyond the traditional areas of providing support to the defense and foreign policy establishments, and, if so, what areas should be considered legitimate for intelligence collection and analysis, and whether such areas should include for example, economic issues, environmental issues, and health issues.

(3) What functions, if any, should continue to be assigned to the organizations of the intelligence community, including the Central Intelligence Agency, and what capabilities should these organizations retain for the future.

(4) Whether the existing organization and management framework of the organizations of the intelligence community, including the Central Intelligence Agency, provide the optimal structure for the accomplishment of their missions.

(5) Whether existing principles and strategies governing the acquisition and maintenance of intelligence collection capabilities should be retained and what collection capabilities should the Government retain to meet future contingencies.

(6) Whether intelligence analysis, as it is currently structured and executed, adds sufficient value to information otherwise available to the Government to justify its continuation, and, if so, at what level of resources.

(7) Whether the existing decentralized system of intelligence analysis results in significant waste or duplication, and, if so, what can be done to correct these deficiencies.

(8) Whether the existing arrangements for allocating available resources to accomplish the roles and missions assigned to intelligence agencies are adequate.

(9) Whether the existing framework for coordinating among intelligence agencies with respect to intelligence collection and analysis and other activities, including training and operational activities, provides an optimal structure for such coordination.

(10) Whether current personnel policies and practices of intelligence agencies provide an optimal work force to satisfy the needs of intelligence consumers.

(11) Whether resources for intelligence activities should continue to be allocated as part of the defense budget or be treated by the President and Congress as a separate budgetary program.

(12) Whether the existing levels of resources allocated for intelligence collection or intelligence analysis, or to provide a capability to conduct covert actions, are seriously at variance with United States needs.

(13) Whether there are areas of redundant or overlapping activity or areas where there is evidence of serious waste, duplication, or mismanagement.

(14) To what extent, if any, should the budget for United States intelligence activities be publicly disclosed.

(15) To what extent, if any, should the United States intelligence community collect information bearing upon private commercial activity and the manner in which such information should be controlled and disseminated.

(16) Whether counterintelligence policies and practices are adequate to ensure that employees of intelligence agencies are sensitive to security problems, and whether intelligence agencies themselves have adequate authority and capability to address perceived security problems.

(17) The manner in which the size, missions, capabilities, and resources of the United States intelligence community compare to those of other countries.

(18) Whether existing collaborative arrangements between the United States and other countries in the area of intelligence cooperation should be maintained and whether such arrangements should be expanded to provide for increased burdensharing.

(19) Whether existing arrangements for sharing intelligence with multinational organizations in support of mutually shared objectives are adequate.

SEC. 904. REPORTS.

(a) INITIAL REPORT.—Not later than two months after the first meeting of the Commission, the Commission shall transmit to the congressional intelligence committees a report setting forth its plan for the work of the Commission.

(b) INTERIM REPORTS.—Prior to the submission of the report required by subsection (c), the Commission may issue such interim reports as it finds necessary and desirable.

(c) FINAL REPORT.—No later than March 1, 1996, the Commission shall submit to the President and to the congressional intelligence committees a report setting forth the activities, findings, and recommendations of the Commission, including any recommendations for the enactment of legislation that the Commission considers advisable. To the extent feasible, such report shall be unclassified and made available to the public. Such report shall be supplemented as necessary by a classified report or annex, which shall be provided separately to the President and the congressional intelligence committees.

SEC. 905. POWERS.

(a) HEARINGS.—The Commission or, at its direction, any panel or member of the Commission, may, for the purpose of carrying out the provisions of this title, hold hearings, sit and act at times and places, take testimony, receive evidence, and administer oaths to the extent that the Commission or any panel or member considers advisable.

(b) INFORMATION FROM FEDERAL AGENCIES.—The Commission may secure directly from any intelligence agency or from any other Federal department or agency any information that the Commission considers necessary to enable the Commission to carry out its responsibilities under this section. Upon request of the Chairman of the Commission, the head of any such

department or agency shall furnish such information expeditiously to the Commission.

(c) POSTAL, PRINTING AND BINDING SERVICES.—The Commission may use the United States mails and obtain printing and binding services in the same manner and under the same conditions as other departments and agencies of the Federal Government.

(d) SUBCOMMITTEES.—The Commission may establish panels composed of less than the full membership of the Commission for the purpose of carrying out the Commission's duties. The actions of each such panel shall be subject to the review and control of the Commission. Any findings and determinations made by such a panel shall not be considered the findings and determinations of the Commission unless approved by the Commission.

(e) AUTHORITY OF INDIVIDUALS TO ACT FOR COMMISSION.—Any member or agent of the Commission may, if authorized by the Commission, take any action which the Commission is authorized to take under this title.

SEC. 906. PERSONNEL MATTERS.

(a) COMPENSATION OF MEMBERS.—Each member of the Commission who is a private United States citizen shall be paid, if requested, at a rate equal to the daily equivalent of the annual rate of basic pay payable for level V of the Executive Schedule under section 5316 of title 5, United States Code, for each day (including travel time) during which the member is engaged in the performance of the duties of the Commission. All members of the Commission who are Members of Congress shall serve without compensation in addition to that received for their services as Members of Congress.

(b) TRAVEL EXPENSES.—Each member of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.

(c) STAFF.—

(1) IN GENERAL.—The Chairman of the Commission may, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, appoint a staff director and such additional personnel as may be necessary to enable the Commission to perform its duties. The staff director of the Commission shall be appointed from private life, and such appointment shall be subject to the approval of the Commission as a whole. No member of the professional staff may be a current officer or employee of an intelligence agency, except that up to three current employees of intelligence agencies who are on rotational assignment to the Executive Office of the President may serve on the Commission staff, subject to the approval of the Commission as a whole.

(2) COMPENSATION.—The Chairman of the Commission may fix the pay of the staff director and other personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay fixed under this paragraph for the staff director may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title and the rate of pay for other personnel may not exceed the maximum rate payable for grade GS-15 of the General Schedule.

(d) DETAIL OF GOVERNMENT EMPLOYEES.—Upon request of the Chairman of the Commission, the head of any Federal department or agency may detail, on a nonreimbursable basis, any personnel of that department or agency to the Commission to assist it in carrying out its administrative and clerical functions.

(e) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The Chairman of the Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay payable for level V of the Executive Schedule under section 5316 of such title.

(f) ADMINISTRATIVE AND SUPPORT SERVICES.—The Director of Central Intelligence shall furnish the Commission, on a non-reimbursable basis, any administrative and support services requested by the Commission consistent with this title.

SEC. 907. PAYMENT OF COMMISSION EXPENSES.

The compensation, travel expenses, per diem allowances of members and employees of the Commission, and other expenses of the Commission shall be paid out of funds available to the Director of Central Intelligence for the payment of compensation, travel allowances, and per diem allowances, respectively, of employees of the Central Intelligence Agency.

SEC. 908. TERMINATION OF THE COMMISSION.

The Commission shall terminate one month after the date of the submission of the report required by section 904(c).

SEC. 909. DEFINITIONS.

For purposes of this title—

(1) the term "intelligence agency" means any agency, office, or element of the intelligence community;

(2) the term "intelligence community" shall have the same meaning as set forth in section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4)); and

(3) the term "congressional intelligence committees" refers to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives.

And the Senate agree to the same.

From the Permanent Select Committee on Intelligence, for consideration of the House bill, and the Senate amendment, and modifications committed to conference:

DAN GLICKMAN,
BILL RICHARDSON,
NORMAN D. DICKS,
JULIAN C. DIXON,
ROBERT TORRICELLI,
RONALD COLEMAN,
DAVID E. SKAGGS,
JAMES H. BILBRAY,
NANCY PELOSI,
GREG LAUGHLIN,
BUD CRAMER,
JACK REED,
LARRY COMBEST,
DOUG BEREUTER,
ROBERT K. DORNAN,
BILL YOUNG,
GEORGE W. GEKAS,
JAMES V. HANSEN,
JERRY LEWIS.

As additional conferees from the Committee on Banking, Finance and Urban Affairs, for consideration of sections 601 and 704 of the Senate amendment, and modifications committed to conference:

HENRY GONZALEZ,
JOE KENNEDY,
LARRY LAROCCO,
AL MCCANDLESS,
MICHAEL N. CASTLE.

As additional conferees from the Committee on Government Operations, for consideration of section 601 of the House bill, and modifications committed to conference:

JOHN CONYERS, Jr.,
EDOLPHUS TOWNS,
BILL CLINGER.

As additional conferees from the Committee on the Judiciary, for consideration of sections 802-804 of the House bill and sections 601, 703-707, and 709-712 of the Senate amendment, and modifications committed to conference:

HENRY HYDE,
Managers on the Part of the House.

DENNIS DECONCINI,
JOHN GLENN,
BOB KERREY,
RICHARD H. BRYAN,
BOB GRAHAM,
JOHN F. KERRY,
MAX BAUCUS,
J. BENNETT JOHNSTON,
JOHN WARNER,
ALFONSE D'AMATO,
JOHN C. DANFORTH,
JOHN H. CHAFEE,
TED STEVENS,
RICHARD G. LUGAR,
MALCOLM WALLOP,

From the Committee on Armed Services:

SAM NUNN,
STROM THURMOND,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4299), to authorize appropriations for fiscal year 1995 for intelligence and intelligence related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment that is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clerical changes.

TITLE I—INTELLIGENCE ACTIVITIES

Due to the classified nature of intelligence and intelligence-related activities, a classified annex to this joint explanatory statement serves as a guide to the classified Schedule of Authorizations by providing a detailed description of program and budget authority contained therein as reported by the Committee of Conference.

The actions of the conferees on all matters at difference between the two Houses are shown below or in the classified annex to this joint statement.

A special conference group resolved differences between the House and Senate regarding DoD intelligence related activities, referred to as Tactical Intelligence and Related Activities (TIARA). This special conference group was necessitated by the differing committee jurisdictions of the intelligence committees of the House and the Senate, and consisted of members of the House and Senate Committees on Armed Services and the House Permanent Select Committee on Intelligence.

The amounts listed for TIARA programs represent the funding levels jointly agreed to by the TIARA conferees and the House and Senate conferees for the National Defense

Authorization Act for Fiscal Year 1995. In addition, the TIARA conferees have agreed on the authorization level, as listed in the classified Schedule of Authorizations, the joint statement, and its classified annex, for TIARA programs which fall into the appropriations category of Military Pay.

SECTIONS 101 AND 102

Sections 101 and 102 of the conference report authorize appropriations for the intelligence and intelligence-related activities of the United States Government for fiscal year 1995 and establish personnel ceilings applicable to such activities.

SECTION 103

Section 103 of the conference report authorizes appropriations and personnel end-strengths for fiscal year 1995 for the Community Management Account. The Community Management Account consists of the Community Management Staff, the Center for Security Evaluation, the National Intelligence Council, the Advanced Research and Development Committee, the National Counterintelligence Center, the Foreign Language Committee, and the Environmental Task Force. The conference report authorizes $86,900,000 and 241 personnel for the Community Management Account, to be used in connection with the performance of some of the tasks associated with the responsibilities the Director of Central Intelligence (DCI) has for the management of the intelligence community. As part of the Office of the Director of Central Intelligence, the Community Management Account is administered in a manner consistent with the provisions of the National Security Act of 1947 and the Central Intelligence Agency Act of 1949.

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

SECTION 201

Section 201 of the conference report authorizes appropriations for fiscal year 1995 of $198,000,000 for the Central Intelligence Agency Retirement and Disability Fund, the amount contained in both the House bill and the Senate amendment.

TITLE III—GENERAL PROVISIONS

SECTION 301

Section 301 of the conference report provides that appropriations authorized by the conference report for salary, pay, retirement and other benefits for Federal employees may be increased by such additional or supplemental amounts as may be necessary for increases in compensation or benefits authorized by law. A provision identical to section 301 was contained in the House bill and a similar provision was contained in the Senate amendment.

SECTION 302

Section 302 of the conference report provides that the authorization of appropriations by the conference report shall not be deemed to constitute authority for the conduct of any intelligence activity which is not otherwise authorized by the Constitution or laws of the United States. Section 302 is identical to section 302 of the House bill and similar to section 302 of the Senate amendment.

SECTION 303

Section 303 of the conference report expresses the sense of Congress that the Director of Central Intelligence should continue to direct that elements of the intelligence community should award contracts in a manner that would maximize the procurement of products produced in the United States, when such action is compatible with the national security interests of the United States, consistent with operational and security concerns, and fiscally sound. A provision similar to section 303 has been contained in previous intelligence authorization acts. Section 303 is similar in intent to section 303 of the House bill. The Senate amendment did not contain a similar provision.

SECTION 304

Section 304 of the conference report repeals section 107 of the Intelligence Authorization Act for Fiscal Year 1987 (Public Law 99-569), which limited U.S. intelligence cooperation with the government of South Africa. Section 304 is identical to section 303 of the Senate amendment. The House bill did not contain a similar provision.

The limitation contained in Public Law 99-569 reflected a concern that the intelligence services of South Africa were playing an important role in the government's efforts to maintain the system of apartheid in the face of the activities of internal opposition forces.

Apartheid is no more. The people of South Africa have freely elected a new government and inaugurated a new president. Virtually all of the restrictions imposed upon South Africa by the Comprehensive Anti-Apartheid Act of 1986 have been lifted. Attention is now being focused on fostering the development of democratic institutions and processes. The establishment of internal management and administrative systems to improve accountability in, and oversight of, the intelligence and security services should be a part of these activities. The conferees are convinced the United States intelligence agencies can play a helpful role in this effort, as well as in other undertakings with the South African government, and therefore believe that the current limitation on cooperation should be removed.

SECTION 305

Section 305 of the conference report requires the Director of Central Intelligence to submit a report to the congressional intelligence committees, armed services committees, and defense appropriations subcommittees no later than December 1, 1994 on the advisability of providing for mandatory retirement for expiration of time in class in a manner comparable to the applicable provisions of section 607 of the Foreign Service Act of 1980 (22 U.S.C. 4007) for all civilian employees of the Central Intelligence Agency, the National Security Agency, the Defense Intelligence Agency, the National Reconnaissance Office, the Central Imagery Office, and the intelligence elements of the Army, Navy, Air Force and Marine Corps. The report shall contain an assessment of the feasibility of instituting a mandatory retirement policy and alternative means of achieving the objectives of such a policy, as well as an assessment by the Secretary of Defense of the impact of a mandatory retirement policy for civilian employees of the intelligence community on all other Department of Defense civilian employees. The report shall also include appropriate legislative recommendations.

Section 305 is similar to section 304 of the Senate amendment. The House bill did not contain a similar provision.

TITLE IV—CENTRAL INTELLIGENCE AGENCY

SECTION 401

Section 401 of the conference report deletes the provisions in section 4(a) of the Central Intelligence Agency Act of 1949 which provide that medical treatment for illness or injury overseas, or the cost of transporting employees to a suitable hospital or clinic for such treatment, is not compensable by the Director of Central Intelligence if the condition resulted from "vicious habits, intemperance, or misconduct." The conferees note that deletion of this language will not mandate compensation for such illness or injuries but would permit the Director to pay expenses if appropriate under regulations issued pursuant to the statute. The conferees believe that deletion of the existing language will eliminate the possibility that the CIA's alcohol rehabilitation program could be seen as inconsistent with the Agency's statutory authorities.

Section 401 also corrects a statutory citation to section 10 of the Act of March 3, 1933, with a reference to section 5731 of title 5, United States Code and strike gender-specific language.

Section 401 is identical to section 401 of the House bill and similar to section 401 of the Senate amendment.

SECTION 402

Section 402 reflects the conferees' resolution of the issues pertaining to the provisions of title VI of the House bill. Title VI of the House bill would have established in statute the offices of the inspector general at the National Security Agency (NSA) and the Defense Intelligence Agency (DIA) and would have made conforming amendments to the CIA Inspector General Act, section 17 of the Central Intelligence Agency Act of 1949.

Because of concerns expressed by the Department of Defense, the conferees chose not to include subsections (a) or (b) of section 601 of the House bill, concerning the inspectors general of DIA and NSA, in the conference report at this time.

Section 402 is substantially similar to section 601(c) of the House bill except that the conferees agreed to eliminate the requirement that the Inspector General of the Central Intelligence Agency have experience in a federal office of inspector general. Although such experience is highly desirable, the conferees felt the requirement would have greatly narrowed the pool of potential inspector general appointees.

The Senate amendment contained no similar provision.

SECTION 403

Section 403 of the Senate amendment authorized the Secretary of Defense to expend $3 million to establish a National Public Information Center for the purpose of using unclassified information available in government data bases to produce multimedia presentations to be used by other government decision makers and the general public. The House bill contained no similar provision.

The conferees believe it would be worthwhile for the government to develop more innovative presentations of its unclassified data bases. The conferees further agree that policy makers and the American public should derive greater benefit from the government's information holdings. However, the conferees do not believe that the creation of an information center is necessary to address these deficiencies. They agree that it would be more appropriate to conduct a one-year project to produce a limited number of multimedia presentations from a broad range of unclassified government data, possibly augmented by commercial or private unclassified data. These presentations, which should treat topics of broad policy and general interest, would then be reviewed by the congressional intelligence committees to determine whether the project should be continued beyond fiscal year 1995. In addition, the conferees believe that the CIA's Office of

the Open Source Coordinator is best equipped to conduct such an effort. The conferees expect that in executing this project, the intelligence community will become familiar with the latest commercial multimedia and graphical data interface techniques, and that the quality of intelligence presentations to policymakers will thereby improve. The conferees further fully expect all products to be marked with copyright notices as appropriate and the intellectual property rights associated with the information and techniques utilized in this project will be respected in the preparation and subsequent use of the products.

Section 403 thus authorizes the Director of Central Intelligence to expend not more than $3 million from funds otherwise available under this Act to conduct an Advanced Information Presentation Project for the purpose of: (1) demonstrating the potential benefit to government decision makers and the general public from the presentation of unclassified U.S. government information in a multimedia format, and (2) enabling the intelligence community to develop or acquire state-of-the-art multimedia and graphical interface techniques to improve multimedia intelligence presentations.

TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE ACTIVITIES

SECTION 501

Section 501 of the conference report addresses issues pertaining to the Central Imagery Office (CIO) which were addressed by section 501 of the House bill and section 501 of the Senate amendment.

Subsection (a) amends the National Security Act of 1947 to delete the general references in current law to "a central imagery authority" and replace them with the name of the CIO. This provision is similar to section 501(a) of the Senate amendment. The House bill did not contain a similar provision.

Subsection (b) amends several provisions of titles 5 and 10, United States Code, as well as other statutes applicable to government personnel, to provide the Secretary of Defense with the same statutory authorities to manage the civilian employees of the CIO as exist for the civilian employees of the Defense Intelligence Agency (DIA). This provision is identical to Section 501 of the House bill and is similar in intent to section 501(b) of the Senate amendment.

The conferees note that the DIA currently provides personnel administrative support for the civilian employees of the CIO. Section 501 is intended to provide the CIO the same personnel authorities as the DIA. It is not intended to require that the CIO secure administrative support only from the DIA. The conferees expect that the CIO, rather than creating an internal mechanism for providing administrative support, will obtain such support from any component of the Department of Defense determined to be capable of providing it.

SECTION 502

Section 502 of the conference report amends section 2796 of title 10, United States Code, to authorize the Director of the Defense Mapping Agency to withhold from public disclosure maps, charts, and geodetic data prepared specifically to support ongoing military or intelligence operations, where such products are not themselves classified. The conferees view section 502 as a reasonable extension of the Director's authority under curent law to withhold from public disclosure products which would reveal military opeational or contingency plans.

Section 502 is substantially the same, except for technical drafting differences, as section 502 of the Senate amendment. The House bill did not contain a similar provision.

SECTION 503

Section 503 of the conference report clarifies that the Privacy Act of 1974 (5 U.S.C. 552a(e)(3)) does not apply to Department of Defense personnel authorized to collect intelligence from human sources who are conducting, outside the United States, an initial assessment contact of a United States person as a potential source of foreign intelligence.

The conferees agree the Privacy Act notice requirements as now implemented may pose a serious risk to the safety overseas of both the intelligence officer and the U.S. person being assessed.

The conferees believe these risks can be largely eliminated if DoD intelligence officers authorized to collect intelligence from human sources operating outside of the U.S. are allowed one initial assessment contact with a potential U.S. person source without being required to give notice of governmental affiliation. The conferees intend that this provision be construed in such a way as to minimize intrusion on the privacy of the potential U.S. person. The conferees intend that the initial assessment contact be no more than one face-to-face meeting or its equivalent. Telephone conversations which involve the solicitation of personal information beyond the minimum needed to set up an appointment to meet are considered by the conferees to be an initial assessment contact. The conferees also believe that no personal information solicited from the individual during the initial assessment contact should be retained in a U.S. government system of records if the individual is not informed of the intelligence officer's governmental affiliation. The conferees also expect that under no circumstances should a potential U.S. person be requested or utilized in any fashion to undertake any intelligence activity by defense intelligence officers unless the potential U.S. person is made willing that he or she is acting on behalf of the U.S. government regardless of the status of the initial assessment contact.

The conferees expect that the appropriate committees of the Congress will conduct vigorous oversight of the use of this authority and thus agreed to require that the Department of Defense maintain records concerning initial assessment contacts outside the United States during which notice of governmental affiliation was not given to a potential source who is a United States person.

The records should include for each such contact an explanation of why notice of government affiliation could not reasonably be provided, the nature of the information obtained from the United States person as a result of the contact, and whether additional contacts resulted with the person concerned.

Section 503 is similar to section 502 of the House bill. The Senate amendment did not include a similar provision.

SECTION 504

Section 504 of the conference report clarifies that section 1006 of the National Defense Authorization Act for Fiscal Year 1995 shall not apply to amounts which remain available on the date of enactment of the Intelligence Authorization Act for Fiscal Year 1995 for national foreign intelligence programs, projects, and activities. The conferees note that the aggregation of programs known as Tactical Intelligence and Related Activities (TIARA) are not covered by section 504 because of a difference in jurisdiction between the House Intelligence Committee, which shares jurisdiction over TIARA programs with the House Armed Services Committee, and the Senate Intelligence Committee which does not claim jurisdiction over TIARA. The absence of a refernce to TIARA in section 504 is not intended to reflect on the jurisdiction of the House Intelligence Committee over intelligence elements of this aggregation of programs.

Section 504 was not a part of either the House bill or the Senate amendment.

TITLE VI—CONSTRUCTION OF FACILITIES FOR THE INTELLIGENCE COMMUNITY

SECTION 601

Section 601 places certain limitations upon the funding authorized by the bill for fiscal year 1995 for the National Reconnaissance Office.

Subsection (a) provides that $50,000,000 out of the Miscellaneous Support account of the Mission Support Consolidated Expenditure Center may not be obligated or expended until the Director of Central Intelligence and the Secretary of Defense have completed a review of the National Reconnaissance Office Headquarters Building project and the results of such review have been made available to the intelligence committees. Subsection (a) also provides that no funds authorized by the bill may be obligated or expended for the purchase of any real property, or to contract for any construction or acquisition, in connection with the construction of buildings or facilities, unless and to the extent that such purchases or contracts are entered into in accordance with Department of Defense policies and procedures, or unless the President determines that these policies and procedures shall not apply. In this event, the President is required by subsection (b) to advise the intelligence committees in writing within 30 days of such waiver.

Subsection (c) provides that no funds available to the National Reconnaissance Office may be obligated or expended for the construction of the Headquarters Building if such obligation or expenditure would cause the total cost of the building to exceed $310 million, unless the authority for such obligation or expenditure has been provided in an act authorizing appropriations, an appropriations act, or in accordance with applicable reprogramming procedures.

Section 601 is similar to section 504 of the Senate amendment. The House bill did not contain a similar provision.

SECTION 602

Section 602 of the conference report establishes procedures for congressional notification and approval of certain intelligence community construction and improvement projects.

Section 602(a) specifies that no project for the construction of any facility to be used primarily by personnel of any component of the intelligence community which has an estimated Federal cost in excess of $750,000 may be undertaken unless such project is specifically identified as a separate item in the President's annual fiscal year budget request and is specifically authorized by the Congress. The conferees understand the term "estimated Federal cost" to include design construction, and fit-up costs.

Section 602(a) also specifies that, in the case of a project for the construction of any facility to be used primarily by personnel of any component of the intelligence community having an estimated Federal cost greater than $500,000 but less than $750,000 the congressional intelligence committees shall be

notified by the Director of Central Intelligence. A similar notification shall be made in the case of any improvement project for any facility to be used primarily by personnel of any component of the intelligence community which has an estimated Federal cost greater than $500,000. It is the intent of the conferees that notification occur for projects which are projected to cost more than $500,000 at their inception, not when a series of improvement projects at the same facility exceed $500,000.

An exception to the notification and approval requirements for construction projects exceeding $750,000 is provided in section 602(b) for cases in which the Secretary of Defense and the Director of Central Intelligence jointly determine that the project is vital to the national security or to the protection of health, safety, or the quality of the environment, and the requirement for the project is so urgent that it cannot be deferred until the next intelligence authorization act. For construction projects primarily for the Central Intelligence Agency, the determination that the grounds for an exception exist shall be made solely by the Director of Central Intelligence. When a determination is made that ground for an exception exist, a report indicating the justification for the project, justification for the exception and the source of funds to be used for the project must be submitted to the appropriate committees of the Congress. No work on the project may begin until twenty-one days after the report is received by the committees.

Section 602(c) specifies that section 602 does not apply to any project covered by section 601(a)(1)(A) or section 601(c) of the conference report.

The provisions of section 602 did not appear in either the House bill or the Senate amendment.

SECTION 603

Section 603 of the conference report was included to reflect the conferees' dissatisfaction with the lack of specificity in the budget category referred to as "base." Section 603 requires that those congressional justification materials submitted annually in support of the National Foreign Intelligence Program budget request shall include the same level of budgetary detail for the "base" category as is provided for the categories of "ongoing initiatives" and "new initiatives." Additional legislation will be pursued as necessary to achieve the goal of complete transparency in the "base" budget, which the conferees believe will allow for more effective internal as well as congressional oversight.

The provisions of section 603 were not included in either the House bill or the Senate amendment.

SECTION 604

Section 604 of the conference report provides definitions for certain terms used in title VI.

TITLE VII—CLASSIFICATION MANAGEMENT

SECTION 701

Section 701 of the conference report reflects the conferees' resolution of the issues contained in section 702 of the House bill. The Senate amendment did not contain a similar provision.

As agreed to by the conferees, section 701 requires the President to issue an executive order, providing for the classification and declassification of information not later than 90 days after the date of enactment of this Act. The effective date of the executive order is to be 30 days after it is submitted to the congressional intelligence committees and the Committee on Government Operations of the House of Representatives and the Committee on Governmental Affairs of the Senate. Section 701 also expresses the sense of Congress that the executive order should provide for the following:

(1) that information should be classified only when its public disclosure would cause identifiable damage to the national security. The conferees believe that government employees authorized to classify information should be able to articulate how disclosure of such information would damage the national security rather than citing vague references to the "national security" as justification for classification;

(2) that classified information should be declassified if the appropriate authority within the executive branch determines that the government's interest in continuing to protect the classified information in question is outweighed by the public's interest in having the information available; and

(3) that classified information which is more than 25 years old should be automatically declassified unless it falls within a category designated by the President for document-by-document review to identify information whose disclosure would clearly damage the national security. The conferees believe that most classified information should have lost its national security sensitivity with the passage of 25 years, but recognize there may be certain categories, e.g. the identification of intelligence sources or methods, that may require continued classification. Executive agencies should not continue the classification of such information, however, unless it is clear, given the nature of the information concerned, even after 25 years, that the national security would be damaged by its disclosure.

In including section 701 in the conference report, the conferees intend to underscore their concern that the current executive order on national security information, Executive Order 12356, is now more than twelve years old, was promulgated during the Cold War, and should be updated.

SECTION 702

Section 702 of the conference report requires each agency funded in the National Foreign Intelligence Program and receiving an appropriation for fiscal year 1995 of more than $1 million in the security, countermeasures, and related activities structural budget category to allocate at least two percent of its total expenditure in this category to the classification management consolidated expenditure center. The funds so allocated are to be used to: (1) develop a phased plan to implement declassification guidelines contained in the executive order which replaces Executive Order 12356 on national security information; (2) commence the process of declassification and reduction of the amount of archival classified documents maintained by each agency; and (3) submit a report to the congressional intelligence committees without 90 days after the end of fiscal year 1995 on the progress made in carrying out the process of declassification with reference to the phased plan. The contents of the phased plan are further specified in House Report 103-541, Part I, which accomplishes the House bill.

Section 702 is identical to section 701 of the House bill. The Senate amendment did not contain a similar provision.

TITLE VIII—COUNTERINTELLIGENCE AND SECURITY

SECTION 801

Section 801 contains the short title of title VIII, the Counterintelligence and Security Enhancements Act of 1994.

SECTION 802

Section 802 amends the National Security Act of 1947 by adding a new title VIII on access to classified information. It is similar to section 802 of the Senate amendment and section 801 of the House bill.

Section 801(a) of the new title VIII requires the President to issue, within 180 days of enactment, regulations to establish uniform procedures governing access to classified information by employees in the executive branch of the government. Like Section 702 of the Senate amendment, Section 801(a) provides that the regulations to be issued by the President shall at a minimum provide for certain things. Subsection (a)(1) specifies that, unless otherwise permitted by the President, no employee of the executive branch may be given access to classified information unless such employee has been the subject of an appropriate background investigation and such access is determined to be clearly consistent with the national security. Subsection (a)(2) provides that uniform requirements for background investigations will be established for all employees of the executive branch. Subsection (a)(3) specifies that as a condition for receiving access to classified information, executive branch employees will be required to provide written consent permitting an authorized investigative agency to obtain certain financial records and travel records during the period of the employees' access and for three years thereafter, in accordance with conditions and limitations set forth elsewhere in the Act. The conferees note that the time period was reduced from the five years contained in the Senate amendment. Subsection (a)(4) provides that employees who require access to particularly sensitive information, as determined by the President, shall be required to submit reports concerning their financial condition and travel, as may be determined by the President. Finally, subsection (a)(5) provides that uniform standards shall be established to ensure that employees whose access to classified information is being denied or terminated are appropriately advised of the reasons for such denial or termination and given an adequate opportunity to respond to the information which forms the basis for the denial or termination.

The conferees wish to make clear with respect to subsection (a)(5) that the words "appropriately advised" refer to both the manner and content of the notice. The conferees intend that employees whose access to classified information is being denied or terminated will be officially advised of the reasons for such denial or termination to the maximum extent consistent with the national security. The conferees recognize there will be rare occasions when information which forms the basis for a proposed denial or termination of access to classified information was itself derived from classified sources or by a classified method which cannot be divulged to the employee concerned. However, even in these circumstances, the department or agency concerned should make every reasonable effort to convey to the employee concerned the basis for the denial or termination of access short of disclosing classified information which reveals a sensitive source or method.

The primary purpose of this requirement is to provide a procedure that will help ensure that departments and agencies do not make security determinations on the basis of inaccurate or unreliable information. It is not uncommon for background investigations to develop information which does not relate to

the subject of the investigation or is otherwise inaccurate. Reliance upon such information by the department or agency concerned could easily have an adverse impact on the career and livelihood of the employee concerned. The conferees believe the minimal procedure required by subsection (a)(5) will go far towards preventing such results. In requiring this procedure, it is not the intent of the conferees that subsection (a)(5) affect in any way existing case law on the subject of security clearances (e.g. *Department of Navy* v. *Egan*, 484 U.S. 518 (1988)), nor is subsection (a)(5) intended to alter or affect in any way the recourse employees may have, through administrative or judicial means, to seek redress for an adverse determination made by a department or agency with regard to their security clearance.

The conferees also agreed to the addition of section 801(b) which had been in neither the Senate amendment not the House bill. This section provides that nothing in section 801(a) shall be deemed to limit the responsibility or power of an agency head pursuant to other law or executive order to deny or terminate access to classified information if the national security so requires. Specifically, by requiring the President to promulgate uniform standards to ensure due process where access to classified information is being denied or terminated, it is not the intent of the conferees to limit or affect the authority of department or agency heads, pursuant to statute or executive order, to terminate access to classified information or to terminate employment in the interests of national security, nor to affect the procedures intended to provide due process in such situations which may be provided pursuant to such statutes or executive orders.

Subsection (b)(2) was added by the conferees to require a report to the congressional intelligence committees when a department or agency head exercises the authority provided by other statutes or executive order, and referred to in subsection (b)(1), to terminate access to classified information if the national security so requires.

Section 802 is similar to section 802 of the Senate amendment and to section 804 (of the new title VIII) proposed in the House bill. The conferees agreed to the following modifications of the Senate language:

(1) Section 802(a)(2)(A) of the new title VIII was modified to reflect the reduced time period for which the employee was required to provide access to the records covered by the Act, i.e. from five years in the Senate bill to three years:

(2) Subsection (a)(2)(B), which sets forth the circumstances which must be present in order for a request for access to records to be made under the Act, was modified in several respects. Paragraph (i) was modified to provide that there must be "reasonable grounds to believe, based on credible information," that the employee concerned is, or may be, disclosing classified information in an unauthorized manner to a foreign power or agent of a foreign power. The Senate amendment had required only "information or allegations" of such conduct. Paragraph (ii) was modified to provide that the employing agency must have information which it "deems credible" of unexplained affluence or excessive indebtedness before it could seek access to records. The Senate amendment had required only that the employing agency have "information" of such affluence or indebtedness. The conferees believe these modifications provide more appropriate standards for obtaining access to records under this section.

(3) In section 804(4) of the new title VIII, the definition of the term "employee" was modified by inserting at the end of the definition, "except as otherwise determined by the President." The conferees agreed to this modification to permit the President latitude to exclude certain categories from the term "employee" where compliance with the requirements of the statute is either not feasible or not considered to be necessary.

Section 802(f) of the new title VIII states "Nothing in this section may be construed to affect the authority of an investigative agency to obtain information pursuant to the Right to Financial Privacy Act (12 U.S.C. 3401 et seq.) or the Fair Credit Reporting Act (15 U.S.C. 1681 et seq.)." The conferees intend that nothing in this section should be construed to limit the authority of federal agencies which conduct background investigations of federal employees from continuing to conduct credit and financial checks under the Right to Financial Privacy Act or the Fair Credit Reporting Act as a routine part of assessing a person's financial responsibility for access to classified information or employment in a sensitive position.

SECTION 803

Section 803 of the conference report amends section 3071 of title 18, United States Code, to authorize the Attorney General to give rewards for information leading to the arrest or conviction of individuals for the commission of espionage, or conspiracy to commit espionage, or leading to the prevention or frustration of an act of espionage against the United States. The conferees believe that the discretionary authority conferred upon the Attorney General by section 803 should not be used to reward individuals who have a pre-existing duty to report suspected breaches of security or who are otherwise remunerated by the U.S. Government for counterintelligence information.

Section 803 is identical to section 802 of the House bill and substantially the same, except for technical drafting differences, to section 705 of the Senate amendment.

SECTION 804

Section 804 of the conference report amends 18 U.S.C. 798 and 50 U.S.C. 783 to provide for the forfeiture of the proceeds of espionage activities to the United States and the deposit of the amounts forfeited in the Crime Victims Fund established under section 1402 of the Victims of Crime Act of 1984 (42 U.S.C. 10601).

Section 804 is substantially similar, except for technical drafting differences, to section 707 of the Senate amendment and section 804 of the House bill.

SECTION 805

Section 805 of the conference report provides for the denial of annuities or retired pay to individuals convicted in an impartial foreign court of appropriate jurisdiction of conduct which would constitute a violation of U.S. espionage statutes, upon the Attorney General's certification that the individual was afforded due process and the evidence would have been admissible in a U.S. court. The Attorney General's certification would be subject to review by the United States Court of Claims.

Section 805 is identical to section 805 of the House bill and, except for the right of appeal to the Court of Claims, to section 708 of the Senate amendment.

SECTION 806

Section 806 authorizes the Secretary of Defense to provide post employment assistance to former civilian employees of intelligence components of the Department who are found to be ineligible for continued access to Sensitive Compartmented Information. Assistance may be provided for up to five years after the individual's employment is terminated, if the Secretary determines that the assistance is essential to maintain the judgment and stability of the former employee and avoid unlawful disclosure of classified information to which the former employee had access. The conferees anticipated that the Secretary of Defense may delegate the authority to provide assistance to the heads of the intelligence components as the Secretary deems appropriate. The Secretary shall submit an annual report with respect to any expenditure under this section to the appropriations, defense and intelligence committees of the Congress.

Section 806 of the conference report is similar to section 806 of the House bill. The conferees wish to clarify, however, that any post-employment assistance provided pursuant to authority contained in the conference report be limited to employees of intelligence components of the Department. A technical drafting change to section 806 of the House bill was made to accomplish that purpose. The Senate amendment contained no provision on this matter.

SECTION 807

Section 807 amends the Foreign Intelligence Surveillance Act of 1978 (FISA) (50 U.S.C. 1801 et seq.) by adding a new title III which provides in general for a court order procedure to govern the conduct of physical searches undertaken within the United States for foreign intelligence purposes. The procedure is similar to that used to authorize electronic surveillance for foreign intelligence purposes within the United States.

Section 807 is similar to section 709 of the Senate amendment. The House bill had no similar provision. (For a detailed discussion of the background of this legislation as well as a detailed section-by-section analysis of the provisions of the Senate amendment, see Senate Report 103-296, accompanying S. 2056, The Counterintelligence and Security Enhancements Act of 1994.)

Due to the complexity of section 807, the discussion below, which includes an explanation of the modifications to the Senate amendment made by the conferees, is organized using the section numbers of the new title III of FISA as found both in the Senate amendment and in the conference report.

Section 301

Section 301 contains the definitions of terms used in the new title III. This section is identical to section 309 of the Senate amendment with the exception of two modifications agreed to by the conferees.

The first modification is the addition of subsection (4)(D), which was not in the Senate amendment. The addition of this subsection is necessitated by the inclusion of section 302, discussed below, which also was not in the Senate amendment. Subsection (4)(D) provides minimization procedures to govern physical searches undertaken of certain "foreign powers" pursuant to the approval of the Attorney General under section 302. (See the explanation below.) The definition provides, in effect, that no information, material, or property of a United States person acquired during such searches shall be disclosed, disseminated or used for any purpose or retained for longer than 24 hours unless a court order is obtained under section 304 of this title or unless the Attorney General determines that the information indicates a threat of death or serious bodily

harm to any person. This provision is virtually identical to the minimization procedure contained in section 101(h)(4) of the Act which governs the acquisition of the communications of United States persons obtained during an electronic surveillance of the same categories of foreign power approved by the Attorney General pursuant to section 102 of the Act.

The second modification to the Senate amendment involves the addition of item (B) to the language of section 301(5). This provides that the term "physical search" does not include "the acquisition by the United States Government of foreign intelligence information from international or foreign communications, or foreign intelligence activities conducted in accordance with otherwise applicable Federal law involving a foreign electronic communications system, utilizing a means other than electronic surveillance as defined in section 101(f) of this Act." This language is intended to clarify that certain communications intelligence activities undertaken by the United States Government are not encompassed by the definition of "physical search." It is identical to language contained in 18 U.S.C. 2511(2)(e), pertaining to the interception of wire, oral, or electronic communications for law enforcement purposes, where it was included to clarify that the intelligence activities were not covered by 18 U.S.C. 2511.

Section 302

Section 302 did not appear in the Senate amendment and was added in its entirety by the conferees. It is very similar to section 102 of the Act which authorizes the President, through the Attorney General, to authorize electronic surveillances without a court order for periods up to a year of certain categories of foreign powers, as defined in section 101 of the Act.

Section 302 authorizes the President, through the Attorney General, to authorize physical searches without a court order for periods up to a year if the Attorney General certifies in writing and under oath that the physical search is solely directed at the premises, information, material, or property used exclusively by, or under the open and exclusive control of, a foreign power or powers as defined in section 101(a)(1), (2), or (3) of FISA; that there is no substantial likelihood that the search will involve the premises, information, material, or property of a United States person; and that the proposed minimization procedures meet the requirements imposed by the definition of "minimization procedures" contained in section 301(4). Section 302 also requires that the minimization procedures approved by the Attorney General have been reported to the intelligence committees 30 days prior to their effective date, unless the Attorney General determines that their immediate use is required and provides the reason for this determination to the intelligence committees.

Like electronic surveillance conducted under title I of the Act, section 302 requires the Attorney General to file the certifications required by this section under seal with the Foreign Intelligence Surveillance Court, established by section 103 of the Act. These certifications remain sealed unless an application is made for a court order pursuant to section 301(4) and section 303, or the certification is necessary to determine the legality of the physical search under section 305(g). The Attorney General is also authorized by section 302 to direct specific landlords, custodians, or other specified persons to provide certain assistance to such searches and to maintain appropriate secrecy, as well as to provide appropriate compensation for assistance rendered.

Similar to sections 102(b) and 103 of the Act pertaining to electronic surveillance, section 302 also provides in general terms that the Attorney General may file applications for court orders authorizing physical searches with the Foreign Intelligence Surveillance Court ("the Court") if the President has authorized the Attorney General to do so; and, in turn, authorizes the Court to grant orders in accordance with section 304 approving such physical searches. The Court is specifically authorized to hear applications and grant orders authorizing physical searches, except that no judge may hear an application for an order which has previously been denied by another judge designated under the Act. The court of review established under the Act is authorized to hear appeals from denials of applications made under this title, and provision is made for the records of all proceedings under this title to be maintained under security procedures established by the Chief Justice of the United States in consultation with the Attorney General and the Director of Central Intelligence.

The conferees agreed to the addition of section 302 in order to provide the Attorney General with the same authority with respect to physical searches that the Attorney General is currently authorized by title I of the FISA with respect to electronic surveillances.

Section 303

Section 303 sets forth the requirements for applications for a court order approving a physical search pursuant to this title. It is identical to section 302 of the Senate amendment except that a new subsection (a)(8) has been added by the conferees which provides that in addition to the other statements and certifications required by section 303 to be part of the application to the court, the Attorney General shall, where the physical search involves a search of a residence of a United States person, state what investigative techniques have been previously utilized to obtain the foreign intelligence information concerned and the degree to which these techniques resulted in acquiring such information.

In adding this requirement to the application process, the conferees recognize that the search of a residence of a United States person raises special concerns and sensitivities. While a certification must accompany all applications for physical searches that the foreign intelligence information cannot be obtained by normal investigative means, the conferees believe in the case of residential searches, the Court should be specifically apprised of the investigative efforts previously made to acquire the information in question and what the results of those efforts have been before an order is granted.

Section 304

Section 304 provides the grounds upon which a judge on the Foreign Intelligence Surveillance Court may grant an order authorizing a physical search and provides what such orders shall contain. It also provides time limits for which orders may be granted and provides for extensions of orders. It also authorizes judges on the Court to assess compliance with the statute at any time after a physical search has been approved or carried out. Similar to the provisions of section 105(e) pertaining to electronic surveillances, the Attorney General is authorized to approve emergency searches in accordance with the conditions set forth in the section. Finally, section 304 provides that applications and orders granted under this title shall remain available to the Court for a period of ten years.

Section 304 is identical to section 303 of the Senate amendment with two exceptions. Section 303(a)(3)(C) of the Senate amendment has been deleted because it appears to have been included as the result of administrative error. Section 303(c)(1) has been amended by reducing the period for which a court order may authorize a physical search pursuant to this title from 90 days to 45 days. The conferees believe a 45-day period is adequate in terms of conducting searches pursuant to this title.

Section 305

Section 305 governs the use of information obtained from physical searches authorized pursuant to this title as well as use of information about the searches themselves. It parallels the provisions of section 106 of the Act pertaining to electronic surveillances.

Section 305 provides that information concerning a United States person obtained from physical searches pursuant to this title cannot be used or disclosed by federal officers and employees except as provided in the minimization procedures set forth in section 301(4). No information obtained from such searches may be used for law enforcement purposes without the advance authorization of the Attorney General. Whenever in a federal or state criminal or civil proceeding, the U.S. Government authorizes the use of information derived from such searches, it is required to notify the person whose premises or property or information was the subject of the search. Once so advised, the person may move to suppress the use of the information derived from the search on the grounds that the information was unlawfully acquired or the search was not made in conformity with an order of authorization or approval. If such a motion is made, the court receiving the motion, or the U.S. district court in the district where the motion is received by another authority, shall, if the Attorney General files an affidavit under oath that disclosure or any adversary hearing would harm the national security of the United States, review in camera and ex parte the application, order, and other materials relating to the search necessary to determine whether the search was lawfully authorized and conducted. If the court determines the search was not lawfully authorized, the information derived from the search must be suppressed.

Section 305 is identical to section 304 of the Senate amendment except for the following modifications agreed to by the conferees:

(1) Subsection (b) was added in its entirety. This subsection provides that where a physical search authorized pursuant to this title involves the residence of a United States person, and, at any time after the search the Attorney General determines there is no national security interest in continuing to maintain the secrecy of the search, the Attorney General shall provide notice to the U.S. person whose residence was searched of the fact of the search and identify any property that was seized, altered, or reproduced during such search. While the conferees appreciate that most physical searches authorized pursuant to this title will likely remain secret for national security reasons, where those searches involve the residence of United States persons, continuing consideration should be given by the Attorney General to providing notice of the search if continued secrecy no longer becomes necessary, or in situations where a mistake is made and a search is conducted of a residence of other

than the target of the search. In such circumstances, the conferees believe notice should be provided.

(2) Subsections (d) and (e) were modified by the conferees by striking the phrase "of the premises or property of that aggrieved person" as it had appeared in subsections 304(c) and (d) of the Senate amendment. The effect of these modifications is to make these subsections consistent with the definition of "aggrieved person" which includes not only persons whose premises or property are searched, but also persons about whom information is sought by such searches (regardless of whether they own the property or premises involved).

(3) The final modification made by the conferees to the Senate amendment involves the inclusion in the last sentence of subsection (g) of the phrase: "or may require the Attorney General to provide to the aggrieved person a summary of such materials." The last sentence of subsection (g) addresses the situation referred to above, where a motion has been made by the subject of the search (i.e. "aggrieved person") to suppress information obtained from the search for purposes of a criminal, civil or administrative proceeding, and the Attorney General has filed an affidavit that disclosure to the "aggrieved person" would be harmful to the national security. At this juncture, the court is required to conduct an ex parte, in camera proceeding to determine the legality of the physical search. As part of this process, the court may determine, under subsection (g), to provide the "aggrieved person," in accordance with appropriate security procedures and protective orders, with portions of the application, order, or other materials only where necessary to make an accurate determination of the legality of the physical search. The modification agreed to by the conferees would provide the court in such circumstances with the additional option of requiring the Attorney General to provide to the aggrieved person a summary of the relevant materials, without having to divulge the highly sensitive details of the application, order or other supporting materials.

Section 306

Section 306, providing for semiannual reports to the intelligence committees, is similar to section 305 of the Senate amendment.

The conferees agreed, however, that in addition to keeping the intelligence committees "fully informed" on a semiannual basis, the Attorney General should provide semiannual reports to both the intelligence committees and the judiciary committees of the House of Representatives and the Senate with respect to physical searches pursuant to this title and particularly which involved United States persons. Accordingly, section 306 was modified to impose such a requirement, requiring that the total number of applications for searches be specified; that the number of orders either granted, modified, or denied be specified; and that the number of physical searches involving the residences, offices, or personal property of United States persons be specified, as well as the number of occasions, if any, where the Attorney General provided notice to a U.S. person whose residence was the subject of a physical search authorized by the title pursuant to section 305(b).

Section 307

Section 307 provides penalties for violations of this title and is identical to section 306 of the Senate amendment.

Section 308

Section 308 provides for civil actions arising from violations of this title and is identical to section 307 of the Senate amendment.

Section 309

Section 309 pertains to authorization of physical searches by the President, through the Attorney General, in time of war and is identical to section 308 of the Senate amendment.

SECTION 808

Section 808 of the conference report would create a new misdemeanor offense applicable to federal employees who knowingly remove classified documents or materials without authority, with the intent to retain them at an unauthorized location. Persons convicted of such offense could be fined up to $1,000 or imprisoned for up to one year, or both. The conferees agreed the provision of documents or materials to the Congress shall not constitute an offense under this section.

Section 808 is similar to section 710 of the Senate amendment. The House bill did not contain a similar provision.

SECTION 809

Section 809 of the conference report would require the President to submit a report to Congress which would:

(1) review the respective policy functions and operational roles of the executive branch agencies involved in identifying and countering threats to United States industry posed by foreign industrial espionage, including the manner in which those functions and roles are coordinated;

(2) describe the means by which information on such threats and on methods to protect against them is communicated to U.S. industries in general and specifically to U.S. companies known to be targets of foreign industrial espionage;

(3) describe specific measures which are or could be undertaken to improve the coordination and communication described above; and

(4) discuss the threat to United States industries posed by foreign industrial espionage, including foreign governments involved, industrial sectors, information and technologies targeted, and the methods by which the espionage is conducted.

The portion of the report describing the nature of the threat is to be updated annually. The existing requirement contained in the Defense Production Act for a report on foreign industrial espionage targeting critical technologies would be clarified to ensure that the report examines not only espionage directed by foreign governments but also that directly assisted by foreign governments.

Section 809 is identical to section 711 of the Senate amendment. The House bill did not contain a similar provision.

SECTION 810

Section 810 of the conference report provides that funding from the base budget for the National Security Agency shall be transferred to the United States Army signals intelligence activities directed at counternarcotics targets. Section 712 of the Senate amendment provided that not less than $10,000,000 should be transferred for this purpose. The conferees agreed that not less than $5,000,000 was the appropriate level of resources for this provision.

Section 810 is otherwise identical to section 710 of the Senate amendment except for technical drafting differences.

SECTION 811

Section 811 is similar to section 703 of the Senate amendment. The House bill had no similar provision.

Section 811 provides for the coordination of counterintelligence activities by establishing a National Counterintelligence Policy Board and charging it with certain functions, and by requiring the heads of departments and agencies of the executive branch to report certain counterintelligence information to the Federal Bureau of Investigation (FBI) and to cooperate in subsequent investigations which the FBI may undertake involving the department or agency's employees, operations, or information. A reciprocal obligation is imposed on the FBI to provide pertinent espionage information to affected departments and agencies and to consult with respect to subsequent investigative actions which involve the department or agency concerned. Both obligations may be waived by the President in extraordinary circumstances. The President must report to the intelligence committees within 30 days of the waiver that this authority has been exercised and provide the reasons for the waiver, either at that time or as soon as national security considerations permit. An annual report to the appropriate congressional committees is required of the Director of the FBI, in consultation with the Director of Central Intelligence and Secretary of Defense, with respect to compliance with the obligations imposed by section 811 during the preceding year.

The conferees made several modifications to the Senate amendment.

Section 811(a) which establishes the National Counterintelligence Policy Board was modified to eliminate specific designation of the Chairman and members of the Board. The conferees believe such designations are more appropriately left to the discretion of the President. At the same time, it is the conferees' understanding that the President will provide for participation on the Board by representatives of the CIA, FBI, the Department of Defense, State, and Justice, and the National Security Council.

Section 811(c)(1)(A), which sets forth the circumstances under which departments and agencies must report counterintelligence information to the FBI, was modified to require such reports where information is obtained "which indicates that classified information is being, or may have been, disclosed in an unauthorized manner to a foreign power or agent of a foreign power." The Senate amendment had provided that the information must indicate that classified information "is being, or may have been, deliberately disclosed (etc.)" The conferees believed that this formulation was likely to result in information not being reported to the FBI until a department or agency had determined for itself that there had been an intentional compromise by an employee. A report at this point may well prejudice the FBI's ability to pursue the case investigatively.

In requiring the heads of departments and agencies to ensure that the FBI is immediately advised of any information which indicates classified information has been, or may have been, disclosed in an unauthorized manner to a foreign power or agent of a foreign power, the conferees do not intend that the department or agency report information to the FBI which is baseless, scurrilous, or patently without foundation. Nor is it the intent of the conferees to require information to be reported to the FBI which indicates only that classified information was left vulnerable to compromise to unauthorized persons, e.g. by leaving a safe unlocked or classified documents unsecured in a hotel room, in violation of applicable security regulations; or which indicates that classified

information has been leaked without authorization to the press (and is therefore available to foreign powers and agents of foreign powers). Rather, the intent of the conferees is that when departments and agencies receive information indicating that classified information has been, or may have been, compromised to a foreign power or agent of a foreign power through clandestine activities or means, human or technical, a report to the FBI is required. If there is reasonable doubt with respect to whether a report is required by this section, departments and agencies should consult informally with appropriate representatives of the FBI to resolve the issue.

The conferees made two modifications to the Senate amendment in section 811(c)(2), which establishes reciprocal reporting requirements for the FBI. The first modification was to change the obligation to report "counterintelligence information" to "espionage information." The conferees believe this narrower term better expresses their intent. The second modification was to eliminate the requirement in the Senate amendment that the FBI consult in advance with respect to investigative activities it might undertake involving the personnel, operations, or information of the department or agency concerned. The conferees believed that this requirement to consult in advance on every aspect of an investigation could impact adversely on the FBI's ability to conduct an espionage investigation. Accordingly, the requirement to consult "in advance" was eliminated. The conferees nonetheless believe that an appropriate level of consultation is desirable on a continuing basis where an espionage investigation involves the personnel, operations, or information of another department or agency.

The conferees also amended subsection (c)(4) of the Senate amendment by including as recipients of the annual compliance report the Committees on Judiciary in the Senate and House of Representatives. Should these reports contain highly classified information pertaining to U.S. intelligence operations, the conferees anticipate that such information will be provided in an appropriately classified supplement to the intelligence committees.

TITLE IX—COMMISSION ON THE ROLES AND CAPABILITIES OF THE UNITED STATES INTELLIGENCE COMMUNITY

Title VIII of the Senate amendment established a Commission to review the roles and capabilities of the U.S. intelligence community. The House bill contained no similar provision.

The Commission would consist of seventeen members, nine appointed by the President and eight appointed by the congressional leadership. The Commission would provide a comprehensive and independent review and evaluation of the activities of the U.S. intelligence community in the aftermath of the Cold War. In order to achieve that objective, the Senate amendment contained a list of nineteen specific topics for the Commission to consider. This review would represent one of the most comprehensive assessments of the intelligence community since its inception in 1947.

Title IX is similar to title VIII of the Senate amendment but contains several modifications agreed to by the conferees.

First, the conferees specified that no more than five of the nine Commission members appointed by the President may be from the same political party. This change is intended to enhance the credibility of the Commission by ensuring that the Commission is not perceived as a partisan organization.

Second, recognizing that members of the President's Foreign Intelligence Advisory Board (PFIAB) may be appointed to the Commission, the conferees agreed to modify the language in the Senate amendment that prohibited current intelligence community employees from serving on the Commission staff. The conference agreement permits up to three intelligence community employees who are currently detailed to the Executive Office of the President to work for the Commission. However, none of these individuals are eligible to serve as the Commission's staff director. The conferees also agreed to permit the use of intelligence community employees for clerical and administrative duties.

Third, the conferees agreed to modify three of the specific topics the Commission is to consider. The topics now include what functions should continue to be assigned to the organizations of the intelligence community, including the Central Intelligence Agency (CIA); whether the organization and framework of the organizations of the intelligence community, including the CIA, provide the optimal structure; and the manner in which the U.S. intelligence community compares to the intelligence communities of other countries in general.

Finally, due to the extraordinary sensitivity of the issues to be considered by the Commission, the conferees agreed to adopt an amendment waiving the provisions of the Federal Advisory Committee Act requiring public access to advisory committee meetings. The conferees also agreed to waive the provisions of the Freedom of Information Act with regard to the Commission's records until those records are transferred to the National Archives.

The conferees expect the President and the other appointing authorities to move expeditiously in appointing Commission members. The conferees believe that Commission members must be prepared to invest a substantial amount of time in the Commission's activities given the importance and complexity of the many issues that the Commission must review.

The conferees emphasize that the primary objective of this provision is to produce a credible, independent and objective review of the intelligence community. The conferees believe that this review should be conducted in a non-partisan manner, and without preconception about the appropriateness of current levels of spending on intelligence programs and activities. The conferees urge the appointing authorities to keep these objectives, which will significantly determine the utility to a future Congress of the Commission's final report, in mind as they select Commission members.

PROVISIONS NOT INCLUDED IN THE CONFERENCE REPORT

Personnel ceiling adjustments

Section 103 of the Senate amendment authorized the Director of Central Intelligence to exceed the personnel ceilings established by the amendment in certain circumstances. The House bill did not contain a similar provision.

While the authority contained in section 103 of the Senate amendment had been a part of intelligence authorization acts for a number of years, the conferees believed that the continued inclusion of the provision was inconsistent with congressional, and other, mandates to significantly reduce the number of employees in the intelligence community. The conferees therefore agreed to exclude section 103 of the Senate amendment from the conference report.

Disclosure of classified information by Members of Congress and executive branch officers and employees

Section 304 of the House bill prohibited, during fiscal years 1995, any element of the United States Government for which funds are authorized by the Intelligence Authorization Act for Fiscal Year 1995 from providing any classified information derived from that element's intelligence or intelligence-related activities to a member of the House of Representatives until that member had signed an oath of secrecy and the oath had been published in the Congressional Record. Section 305 of the House bill would have extended the coverage of section 304 to members of the Senate and officers or employees of the executive branch. The Senate amendment did not contain similar provisions. The House recedes.

Confirmation of the General Counsel of the Central Intelligence Agency

Section 402 of the Senate amendment established the CIA General Counsel as a Senate-confirmed Presidential appointee position. The House bill contained no similar provision.

On the basis of the record developed in hearings held by the House committee on this issue, it was the judgment of a majority of the House conferees that extending a confirmation requirement to the CIA General Counsel position was not necessary. The Senate recedes.

Report concerning the cost of classification

Section 703 of the House bill required the Director of Central Intelligence, within seven days of the enactment of the Act, to submit a report, in classified and unclassified form, on classification costs to the congressional intelligence committees. The report would identify: the cost of classifying documents and keeping information classified within each agency of the intelligence community; the number of personnel within each such agency assigned to classifying documents and keeping information classified; and a plan, with specific goals, to reduce expenditures for keeping information classified for each such agency. The Senate amendment contained no similar provision.

A report which addresses the concerns embodied in section 703 of the House bill was delivered to the House Intelligence Committee on September 21, 1994. Although not entirely responsive to the request which had formed the basis for section 703, the conferees believed that the report which was provided, and the promise contained within it to devise an improved cost definition and tracking methodology, were sufficient to warrant the exclusion of the section from the conference report.

Disclosure of consumer credit reports for counterintelligence purposes

Section 704 of the Senate amendment amended the Fair Credit Reporting Act to provide the Federal Bureau of Investigation (FBI) with a means of obtaining access to consumer credit records in counterintelligence investigations. The House bill did not contain a similar provision.

The conferees were aware that a provision providing FBI access to consumer credit records was a part of H.R. 1015, a bill reported from the House Banking Committee and passed by the House in June. Although not the same as the provision in the Senate version of the intelligence authorization bill, the provision in H.R. 1015 did form the basis for negotiations between representatives of the Department of Justice and the congressional banking and judiciary committees.

Those negotiations produced an agreement satisfactory to all parties and strongly supported by the conferees. The conferees believe that it is important that the FBI be authorized to access consumer credit records for counterintelligence purposes.

In deference to the jurisdictional concerns of the banking committees, and with the assurance that every effort would be made to clear the legislation containing the agreement for the President's signature in the 103rd Congress, the conferees agreed to exclude section 704 from the conference report. However, the conferees intend to pursue similar legislation during the drafting of the fiscal year 1996 intelligence authorization bill if the banking committees' measure containing this provision is not enacted this year.

Interdiction of aerial drug trafficking

Section 901 of the House bill indicated that, while it was the policy of the United States to provide intelligence assistance to foreign governments to support their efforts to interdict aerial drug trafficking, such assistance was for purposes other than facilitating the intentional damage or destruction of aircraft in violation of international law. Section 902 of the House bill expressed the sense of Congress that executive branch interpretations of law relevant to the provision of assistance to foreign governments for aerial drug interdiction should be reviewed. The Senate amendment contained no similar provisions.

The conferees were aware that section 1012 of the National Defense Authorization Act for Fiscal Year 1995 addressed the issue of United States assistance to the aerial drug interdiction efforts of foreign governments in a broader manner than had been attempted in sections 901 and 902. Accordingly, the conferees agreed to exclude sections 901 and 902 from the conference report.

Espionage committed in any district

Section 803 of the House bill and section 707 of the Senate amendment provided that the trial for any offense involving a violation of certain espionage or related statutes which was begun or committed out of the jurisdiction of any particular state or district may be held in the District of Columbia or in any other district authorized by law.

The conferees were aware that the Violent Crimes Control and Law Enforcement Act of 1994 contains a section addressing the issue addressed by section 803 and section 707. Accordingly, the conferees agreed to exclude a provision on this matter from the conference report.

From the Permanent Select Committee on Intelligence, for consideration of the House bill, and the Senate amendment, and modifications committed to conference:

DAN GLICKMAN,
BILL RICHARDSON,
NORMAN D. DICKS,
JULIAN C. DIXON,
ROBERT TORRICELLI,
RONALD COLEMAN,
DAVID E. SKAGGS,
JAMES H. BILBRAY,
NANCY PELOSI,
GREG LAUGHLIN,
BUD CRAMER,
JACK REED,
LARRY COMBEST,
DOUG BEREUTER,
ROBERT K. DORNAN,
BILL YOUNG,
GEORGE W. GEKAS,
JAMES V. HANSEN,
JERRY LEWIS,

As additional conferees from the Committee on Banking, Finance and Urban Affairs, for consideration of sections 601 and 704 of the Senate amendment, and modifications committed to conference:

HENRY GONZALEZ,
JOE KENNEDY,
LARRY LAROCCO,
AL MCCANDLESS,
MICHAEL N. CASTLE,

As additional conferees from the Committee on Government Operations, for consideration of section 601 of the House bill, and modifications committed to conference:

JOHN CONYERS, Jr.,
EDOLPHUS TOWNS,
BILL CLINGER,

As additional conferees from the Committee on the Judiciary, for consideration of sections 802–804 of the House bill and sections 601, 703–707, and 709–712 of the Senate amendment, and modifications committee to conference:

HENRY HYDE,
Manager on the Part of the House.

DENNIS DECONCINI,
JOHN GLENN,
BOB KERREY,
RICHARD H. BRYAN,
BOB GRAHAM,
JOHN F. KERRY,
MAX BAUCUS,
J. BENNETT JOHNSTON,
JOHN WARNER,
ALFONSE D'AMATO,
JOHN C. DANFORTH,
JOHN H. CHAFEE,
TED STEVENS,
RICHARD G. LUGAR,
MALCOLM WALLOP,

From the Committee on Armed Services.

SAM NUNN,
STROM THURMOND,
Managers on the Part of the Senate.

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. ROHRABACHER) to revise and extend their remarks and include extraneous material:)

Mr. HEFLEY, for 5 minutes, today.

Mrs. BENTLEY, for 5 minutes, today.

Mr. SHAYS, for 5 minutes, each day, today and September 28 and 29.

Mr. DUNCAN, for 5 minutes, today.

Mr. LEWIS of California, for 5 minutes each day, September 28, 29, and 30.

Mr. HOEKSTRA, for 5 minutes, today.

(The following Members (at the request of Mr. VENTO) to revise and extend their remarks and include extraneous material:)

Mr. HOYER, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.

Mr. WISE, for 5 minutes, today.

Mr. UNDERWOOD, 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. DUNCAN, 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. ROHRABACHER) and to include extraneous matter:)

Mrs. ROUKEMA.
Mr. KING.
Mr. TAYLOR of North Carolina.
Mr. PETRI.
Mr. GILMAN in two instances.
Mr. OXLEY.
Mr. WELDON.
Mr. LEACH.
Mr. BUYER.
Mrs. VUCANOVICH.
Mr. KIM.
Mr. WOLF.
Mr. MOORHEAD.
Mr. HERGER.

(The following Members (at the request of Mr. VENTO) and to include extraneous matter:)

Mr. STARK.
Mr. SKELTON.
Mr. KLECZKA.
Mr. REED in two instances.
Mr. SERRANO.
Mrs. MEEK of Florida.
Mr. UNDERWOOD.
Mr. ENGEL.
Mr. STOKES.
Mr. LEVIN.
Mr. FARR of California.
Mrs. ENGLISH of Arizona.
Mr. FINGERHUT.
Mr. NEAL of Massachusetts in two instances.
Mr. FOGLIETTA in two instances.
Mr. HOCHBRUECKNER.
Mr. FAZIO.
Mr. ANDREWS of Texas.
Mr. ANDREWS of New Jersey.
Mr. ROEMER in two instances.
Mr. TRAFICANT.
Mr. TANNER.

ENROLLED BILL SIGNED

Mr. ROSE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 2144. An act to provide for the transfer of excess land to the Government of Guam, and for other purposes.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2182. An act to authorize appropriations for fiscal year 1995 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

BILLS AND A JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. ROSE, from the Committee on House Administration, reported that

that committee did on the following dates present to the President, for his approval, bills and a joint resolution of the House of the following titles:

On September 21, 1994:

H.R. 3841. An act to amend the Bank Holding Company Act of 1956, the Revised Statutes of the United States, and the Federal Deposit Insurance Act to provide for interstate banking and branching.

On September 26, 1994:

H.J. Res. 363. Joint resolution to designate October 1994 as "Crime Prevention Month";

H.R. 1779. An act to designate the facility of the United States Postal Service located at 401 South Washington Street in Chillicothe, Missouri, as the "Jerry L. Litton United States Post Office Building", and to authorize travel and transportation expenses for certain Federal career appointees, and for other purposes;

H.R. 3679. An act to authorize the Secretary of the Interior to carry out a program to be known as the Junior Duck Stamp Conservation and Design Program, and for other purposes;

H.R. 4190 An act to designate the building located at 41–42 Norre Gade in Saint Thomas, Virgin Islands, for the period of time during which it houses operations of the United States Postal Service, as the Alvero De Lugo Post Office; and to amend title 39, United States Code, to make applicable with respect to the United States Postal Service certain exclusionary authority relating to the treatment of reemployed annuitants under the civil service retirement laws, and for other purposes; and

H.R. 4647. An act to direct the Secretary of the Interior to convey to the City of Imperial Beach, California, approximately 1 acre of land in the Tijuana Slough National Wildlife Refuge.

ADJOURNMENT

Mr. MOAKLEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 46 minutes p.m.), the House adjourned until Wednesday, September 28, 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:

3866. A letter from the Acting Chairman, Federal Deposit Insurance Corporation, transmitting a copy of the Corporation's annual report for calendar year 1993, pursuant to 12 U.S.C. 1827(a); to the Committee on Banking, Finance and Urban Affairs.

3867. A letter from the Inspector General of the Department of Energy, transmitting a report entitled, "Superfund Costs Claimed by the Department of Energy Under Interagency Agreements with the EPA—Fiscal Year 1993", pursuant to 31 U.S.C. 7501 note; to the Committee on Energy and Commerce.

3868. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

3869. A letter from the Comptroller General, General Accounting Office, transmitting the list of all reports issued or released in August 1994, pursuant to 31 U.S.C. 719(h); to the Committee on Government Operations.

3870. A letter from the Acting Archivist of the United States, National Archives and Records Administration, transmitting notification that the Archivist of the United States has requested the Attorney General of the United States to initiate an action to recover an improperly alienated Federal record, the record in question is a War Department record bearing an April 5, 1864, endorsement by President Abraham Lincoln, pursuant to 44 U.S.C. 2905(a); to the Committee on Government Operations.

3871. A letter from the Deputy Administrator, General Services Administration, transmitting an informational copy of a building project survey for Corpus Christi, TX, pursuant to 40 U.S.C. 606(a); to the Committee on Public Works and Transportation.

3872. A letter from the Deputy Administrator, General Services Administration, transmitting an informational copy of an amended lease prospectus for the Federal Communications Commission, Washington, DC, pursuant to 40 U.S.C. 606(a); to the Committee on Public Works and Transportation.

3873. A letter from the Secretary, Department of Energy, transmitting an interim report on the comprehensive inventory of all Government-owned uranium or uranium equivalents, pursuant to Public Law 102–486, section 1016 (106 Stat. 2949); jointly, to the Committees on Energy and Commerce and Natural Resources.

3874. A letter from the Secretary of Housing and Urban Development, transmitting a draft of proposed legislation entitled, "Native American Financial Services Organization Act of 1994"; jointly, to the Committees on Banking, Finance and Urban Affairs, Natural Resources, and the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GLICKMAN: Committee of Conference. Conference report on H.R. 4299. A bill to authorize appropriations for fiscal year 1995 for intelligence and intelligence-related activities of the U.S. Government, the community management account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes (Rept. 103–753). Ordered to be printed.

Mr. STARK: Committee on the District of Columbia. H.R. 2902. A bill to amend the District of Columbia Self-Government and Governmental Reorganization Act to revise and make permanent the use of a formula based on adjusted District general fund revenues as the basis for determining the amount of the annual Federal payment to the District of Columbia, and for other purposes; with amendments (Rept. 103–754). Referred to the Committee of the Whole House on the State of the Union.

Mr. FROST: Committee on Rules. House Resolution 550. Resolution waiving points of order against the conference report to accompany the bill (S. 349) to provide for the disclosure of lobbying activities to influence the Federal Government, and for other purposes (Rept. 103–755). Referred to the House Calendar.

Mr. BONIOR: Committee on Rules. House Resolution 551. Resolution providing for consideration of the bill (H.R. 4779) to amend the Solid Waste Disposal Act to authorize local governments and Governors to restrict receipt of out-of-State municipal solid waste, and for other purposes (Rept. 103–756). Referred to the House Calendar.

Mr. MOAKLEY: Committee on Rules. House Resolution 552. Resolution providing for consideration of the bill (H.R. 4683) to amend the Solid Waste Disposal Act to provide congressional authorization of State control over transportation of municipal solid waste, and for other purposes (Rept. 103–757). Referred to the House Calendar.

Mr. BEILENSON: Committee on Rules. House Resolution 553. Resolution waiving points of order against the conference report to accompany the bill (H.R. 4556) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1995, and for other purposes (Rept. 103–758). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HAMILTON (for himself and Mr. GILMAN):

H.R. 5108. A bill to extend the Export Administration Act of 1979; to the Committee on Foreign Affairs.

By Mr. MINGE:

H.R. 5109. A bill to amend the Internal Revenue Code of 1986 to provide that a taxpayer may elect to include in income crop insurance proceeds and disaster payments in the year of the disaster or in the following year, and for other purposes; to the Committee on Ways and Means.

By Mr. GEPHARDT (for himself and Mr. MICHEL) (by request):

H.R. 5110. A bill to approve and implement the trade agreements concluded in the Uruguay round of multilateral trade negotiations; jointly, to the following committees for a period ending not later than October 3, 1994: Ways and Means, Agriculture, Education and Labor, Energy and Commerce, Foreign Affairs, Government Operations, Judiciary, and Rules.

By Mr. BARRETT of Wisconsin:

H.R. 5111. A bill to amend the Internal Revenue Code of 1986 to provide a 1-year extension of the deduction for the health insurance costs of self-employed individuals; to the Committee on Ways and Means.

By Mr. GEJDENSON:

H.R. 5112. A bill to amend the Communications Act of 1934 to require resellers of long distance telephone services to disclose their relationship to the carriers from which such services are acquired, and for other purposes; to the Committee on Energy and Commerce.

By Mr. WISE:

H.R. 5113. A bill to amend the Public Works and Economic Development Act of 1965 to establish a competitive communities demonstration program to assist distressed communities in developing a competitive economic base, and for other purposes; jointly, to the Committees on Public Works and Transportation and Banking, Finance and Urban Affairs.

By Mr. PORTER (for himself, Mr. CLAY, and Mr. MYERS of Indiana):

H.J. Res. 415. Joint resolution designating the week beginning October 16, 1994, as "National Penny Charity Week"; to the Committee on Post Office and Civil Service.

By Mr. SHARP:

H. Con. Res. 298. Concurrent resolution providing for the printing of the book entitled "Members of the United States House of Representatives: A Historical Bibliography"; to the Committee on House Administration.

By Mr. SERRANO (for himself, Mr. ORTIZ, Ms. ROYBAL-ALLARD, Mr. PASTOR, Mr. DE LA Garza, Mr. DE LUGO, Mr. RICHARDSON, Mr. TORRES, Ms. ROS-LEHTINEN, Mr. BECERRA, Mr. GUTIERREZ, Mr. MENENDEZ, Mr. ROMERO-BARCELO, Mr. TEJEDA, Ms. VELAZQUEZ, Mr. UNDERWOOD, Mr. DIAZ-BALART, and Mr. BONILLA):

H. Con. Res. 299. Concurrent resolution authorizing the printing of the book entitled "Hispanic Americans in Congress"; to the Committee on House Administration.

By Mr. GILMAN:

H. Res. 549. Resolution expressing the sense of the House of Representatives that the President should work to achieve a clearly defined agreement which establishes a multilateral export control regime to stem the proliferation of militarily critical products, technology, and advanced strategic weapons to rogue regimes that jeopardize international peace and the national security of the United States; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. HOCHBRUECKNER introduced a bill (H.R. 5114) for the relief of Jack Ellsworth; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 24: Mr. LEWIS of Kentucky.

H.R. 65: Mr. KINGSTON.

H.R. 127: Mr. LEWIS of California.

H.R. 162: Mr. MCCRERY, Mr. HORN, Mr. PETRI, Ms. DUNN, and Mr. MURTHA.

H.R. 462: Mr. CHAPMAN.

H.R. 830: Mr. LEWIS of Kentucky.

H.R. 911: Mr. FAZIO.

H.R. 1105: Mr. LEWIS of Kentucky.

H.R. 1671: Mr. DE LA GARZA and Mr. LAFALCE.

H.R. 2429: Mr. ANDREWS of Texas, Mrs. BENTLEY, Ms. COLLINS of Michigan, Ms. ESHOO, Mr. GALLEGLY, Mr. GONZALEZ, Mr. HOYER, Mr. HOCHBRUECKNER, Mr. MINGE, Mr. MICA, Mrs. MORELLA, Ms. SCHENK, and Mr. THOMPSON.

H.R. 2543: Mr. SWETT, Mr. RANGEL, and Mr. LEWIS of Georgia.

H.R. 2758: Mr. MCKEON.

H.R. 3486: Mr. BURTON of Indiana.

H.R. 3727: Mr. PARKER.

H.R. 3795: Mr. PARKER.

H.R. 3994: Mr. ZIMMER.

H.R. 4118: Mrs. LOWEY and Mr. DIAZ-BALART.

H.R. 4142: Mr. TOWNS, Mr. MANTON, Mr. FARR, Mr. BAKER of California, Mr. MARTINEZ, Mr. HORN, Mr. KILDEE, and Mr. FOGLIETTA.

H.R. 4225: Mr. DOOLEY, Mr. GENE GREEN of Texas, and Mrs. LOWEY.

H.R. 4258: Mr. LIPINSKI.

H.R. 4289: Mr. HUGHES and Ms. MARGOLIES-MEZVINSKY.

H.R. 4303: Mr. GEJDENSON.

H.R. 4495: Mr. JOHNSTON of Florida, Mr. MEEHAN, Mr. WAXMAN, Mrs. MORELLA, Mr. CANADY, Ms. NORTON, Mr. STARK, Mr. JOHNSON of South Dakota, Mr. YATES, Ms. CANTWELL, Mr. BARCIA of Michigan, Mr. HAMBURG, and Mr. LIPINSKI.

H.R. 4496: Mr. FALEOMAVAEGA, Mr. VALENTINE, Mrs. LOWEY, Mr. STARK, Mr. ENGEL, Mr. HINCHEY, Mr. LEWIS of Georgia, and Mr. NADLER.

H.R. 4514: Mrs. VUCANOVICH.

H.R. 4566: Mr. BACHUS of Alabama.

H.R. 4643: Mr. KENNEDY.

H.R. 4693: Ms. KAPTUR, Mr. BERMAN, Mr. SANDERS, Mr. TOWNS, Mr. VENTO, Mr. SWETT, Mr. DEFAZIO, Mr. RAHALL, Mr. SERRANO, Mr. FRANK of Massachusetts, Mr. STOKES, Mr. BONIOR, Mr. WAXMAN, Mr. VISCLOSKY, Mr. HINCHEY, Mr. ENGEL, Mr. MILLER of California, Mr. BROWN of Ohio, Mr. HOKE, Mr. LANTOS, Ms. VELAZQUEZ, Mr. GEJDENSON, Mr. WYNN, Mr. ACKERMAN, Mr. BARLOW, Mr. FINGERHUT, Mr. PORTER, Mr. OBERSTAR, Mr. JOHNSON of South Dakota, Mr. STUDDS, Mr. EDWARDS of California, and Mr. WILSON.

H.R. 4780: Mr. VENTO and Mr. KLEIN.

H.R. 4809: Mrs. MEEK of Florida, Mr. LEHMAN, Mr. JEFFERSON, Mr. SCHUMER, Mr. EVANS, Mr. OLVER, Ms. SHEPHERD, Mr. FOGLIETTA, Mr. JOHNSON of South Dakota, Mr. WYNN, Mr. FROST, Mr. GEJDENSON, Mr. FRANK of Massachusetts, Mr. ENGEL, Mr. YATES, Mr. GORDON, Mr. FILNER, Mr. CALVERT, Mr. LEWIS of Georgia, Mr. BORSKI, Mr. KLECZKA, Mr. DELLUMS, Mr. EDWARDS of Texas, Mr. ANDREWS of New Jersey, Mr. SANDERS, Mr. BROWN of Ohio, Mr. RAHALL, Mrs. VUCANOVICH, Mrs. KENNELLY, Ms. SCHENK, Mr. HALL of Ohio, and Ms. LOWEY.

H.R. 4828: Mrs. CLAYTON.

H.R. 4831: Mr. HOAGLAND and Mr. TANNER.

H.R. 4977: Mr. DIAZ-BALART.

H.R. 4978: Mr. DIAZ-BALART.

H.R. 4979: Mr. DIAZ-BALART.

H.R. 4984: Mr. LEWIS of California and Mr. WILSON.

H.R. 5043: Ms. PELOSI, Mr. MANTON, Mr. MCCLOSKEY, Mr. BORSKI, Mr. HAMILTON, Mr. GINGRICH, Mr. SCHIFF, Mr. THOMAS of Wyoming, Mr. WOLF, Mr. TORRES, Mr. BARCIA of Michigan, and Mr. PAXON.

H.R. 5044: Mr. HOBSON, Mr. MEEHAN, Ms. KAPTUR, Mr. SPRATT, Mr. HUGHES, and Mr. APPLEGATE.

H.R. 5081: Mr. WOLF.

H.R. 5082: Mr. DREIER, Mr. MCMILLAN, Mr. MYERS of Indiana, Mr. HASTERT, Mr. CRAPO, Mr. BAKER of California, Mr. EMERSON, Mr. ARMEY, Mr. DELAY, Mr. FIELDS of Texas, Mr. ROBERTS, Mr. GILCHREST, Mr. WALKER, Mr. PORTMAN, Mr. LEHMAN, Mrs. FOWLER, Mr. ANDREWS of Texas, Mr. OBERSTAR, Mr. MAZZOLI, Mr. POMBO, Mr. RAMSTAD, Mr. DOOLEY, Mr. KLUG, Mr. LEWIS of California, Mr. MCKEON, Mr. MOORHEAD, Mr. ROHRABACHER, Mr. ROYCE, Mr. HORN, Mr. DOOLITTLE, Mr. HERGER, Mr. CANADY, Mr. MILLER of Florida, Mrs. MEEK of Florida, Mr. KOLBE, Mr. GUNDERSON, Mr. BLUTE, Mr. MCCRERY, Mr. GILLMOR, and Mr. PENNY.

H.R. 5083: Mr. BERMAN and Mrs. MINK of Hawaii.

H.J. Res. 337: Mr. HAMILTON, Mr. EMERSON, Mr. FIELDS of Texas, Ms. MCKINNEY, Mr. BARCA of Wisconsin, Mr. TRAFICANT, Mr. BURTON of Indiana, Mr. SARPALIUS, Mr. ROSE, Mr. SCHUMER, and Mr. TOWNS.

H.J. Res. 349: Mr. MARTINEZ and Mr. PARKER.

H.J. Res. 389: Mr. CARR, Mr. KOPETSKI, Mr. TORRICELLI, Mr. MATSUI, Mr. SISISKY, Mr. BREWSTER, Mr. INHOFE, Mr. GUNDERSON, Mr. MCDADE, Mr. SPRATT, Mr. KANJORSKI, Mr. HOAGLAND, Mr. ANDREWS of Texas, Mr. STEARNS, Ms. ENGLISH of Arizona, and Ms. SLAUGHTER.

H.J. Res. 401: Mr. ABERCROMBIE, Mr. BILBRAY, Mr. BRYANT, Mr. DEFAZIO, Mr. DOOLITTLE, Ms. DUNN, Mr. HASTINGS, Mr. KINGSTON, Mr. KNOLLENBERG, Mr. LANTOS, Mr. LEVIN, Mr. MARKEY, Mr. MOLLOHAN, Ms. NORTON, Ms. ROYBAL-ALLARD, Mr. SANDERS, Ms. SLAUGHTER, Mr. UNDERWOOD, Ms. VELAZQUEZ, Ms. WATERS, Mr. WAXMAN, and Mr. YOUNG of Florida.

H.J. Res. 402: Mr. TAYLOR of North Carolina, Mr. FROST, Mr. HASTINGS, Mr. JEFFERSON, Mrs. MEYERS of Kansas, Mr. SARPALIUS, Mr. BATEMAN, Mr. BARCA of Wisconsin, Mr. ROTH, Mr. KLEIN, Mr. MCHALE, and Mr. GORDON.

H. Con. Res. 35: Mr. DEFAZIO, Mr. STUPAK, Ms. BROWN of Florida, Mr. LEWIS of California, Mr. WATT, Mr. ROWLAND, Mr. HAYES, Mr. MCCLOSKEY, Mr. FOGLIETTA, and Mr. ORTIZ.

H. Con. Res. 148: Mr. BARCA of Wisconsin.

H. Con. Res. 166: Mr. CALLAHAN, Mr. MCCRERY, Mr. COLLINS of Georgia and Mr. ABERCROMBIE.

H. Con. Res. 173: Mr. RICHARDSON, Mr. SHAW, Mr. LEWIS of Georgia, Mr. LUCAS, Mr. TALENT, Mr. GEKAS, and Mr. SMITH of Iowa.

H. Con. Res. 199: Mr. TOWNS.

H. Con. Res. 279: Mr. MARTINEZ.

H. Res. 525: Mr. LUCAS and Mr. BACHUS of Alabama.

H. Res. 541: Mr. ANDREWS of New Jersey.

H. Res. 545: Mr. ARMEY, Mr. HERGER, Mr. DUNCAN, Mr. SMITH of Texas, Mr. COLLINS of Georgia, Mr. BURTON of Indiana, Mr. TAYLOR of North Carolina, Mr. BARTLETT of Maryland, Mr. LIVINGSTON, and Mr. ROGERS.

SENATE—*Tuesday, September 27, 1994*

(Legislative day of Monday, September 12, 1994)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the Honorable RUSSELL D. FEINGOLD, a Senator from the State of Wisconsin.

PRAYER

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

Let us pray:

Commit thy way unto the Lord; trust also in him; and he shall bring it to pass.—Psalm 37:5.

Gracious Lord, deliver us from the futility of lost causes and bankrupt ideas. Save us from thinking we are thinking, when all we are doing is rearranging our prejudices.

Help us think originally, creatively, constructively.

Lord God, let Thy will be done in our hearts and homes and offices.

We pray in the name of Him whose human perfection lay in obedience to Thee. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

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

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, September 27, 1994.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable RUSSELL D. FEINGOLD, a Senator from the State of Wisconsin, to perform the duties of the Chair.

ROBERT C. BYRD,
President Pro tempore.

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

RESERVATION OF LEADER TIME

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

MORNING BUSINESS

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

The Senator from North Dakota [Mr. DORGAN] is recognized to speak for up to 15 minutes.

THE FEDERAL RESERVE BOARD

Mr. DORGAN. Mr. President, I wanted to take some time to discuss two issues today. First, very briefly, mercifully, probably in the minds of some, today the Federal Reserve Board will again meet here in Washington, DC. They will likely close their doors in secret to make important decisions about the interest rates we will pay. The decisions very much affect this country's economic future.

Five times in the last 7 months they have done that, and they have increased interest rates five times with no public debate, no fresh air of public thought intermingled with their private discussions. They decided at least in their minds that the fear of inflation was so significant that they should put the brakes on the American economy.

Of course, there is no credible evidence of inflation. Inflation has been down 3 years in a row, and neither is there any credible evidence of inflation on the horizon. But the Federal Reserve Board, nonetheless, seems intent on putting the brakes on the American economy by increasing interest rates.

Today they will make another decision. They have decided in the last 7 months to increase the cost of public borrowing by more than $100 billion in the coming 5 years. In other words, after all of the wrenching debate last year to reduce the Federal deficit, done in public with great public debate, we came up with a $500 billion deficit reduction plan. In 5 years the Federal Reserve Board, with no public debate and in secret, has taken action on five occasions to increase interest rates, which increased the cost of borrowing for the Government by over $100 billion. They have, with no public discussion, taken back one-fifth of all of the deficit reduction package that we enacted last year.

I urge the Federal Reserve Board today to begin paying attention to the needs of this Nation. Do not just fear inflation. Yes, inflation is to be feared. But there is no credible evidence that inflation is on the rise. Fear recession; fear unemployment as well. Let us have a balanced policy of not only stable prices, but economic growth.

THE GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. DORGAN. Mr. President, I came to the floor today primarily to talk briefly about GATT, the General Agreement on Tariffs and Trade. It does not mean very much to most people in this country. Yet GATT, or the General Agreement on Tariffs and Trade, the trade agreement that will come to the Senate and the House for approval, is one of the most significant pieces of economic policy and trade policy we will confront in a quarter of a century.

It will be done, if some have their way, in a matter of a day, or a couple of days, or a week, sliding through the House and the Senate under a procedure called fast track.

Fast track is just what it sounds like. In basketball they call it fast break. In trade they call it fast track. It means they are running down the court as fast as they can to get to the other end before anybody else gets set up for defense.

Fast track on trade policies means that when a trade bill comes to the floor of the Senate there are no opportunities for amendment. You will approve it as is.

GATT, a trade agreement with many, many nations around the world, will now be brought to us under a procedure called fast track. It will, in my judgment, disserve this country's economic interests if we decide to try to push GATT through the keyhole in the next week or 2 weeks under fast track without a thoughtful national public debate about what our trade policy ought to be.

The fact is our trade policies are in disarray and have been for a long, long time. We are heading this year to the second largest trade deficit in the history of this country. If the pattern holds true, this year's trade deficit—that is, what we purchase versus what we export—will be around $145 billion. This is not a deficit we owe to ourselves. It is one we have to pay at some point. And we will pay that with a decreased standard of living in this country.

Fortunately, this administration has pursued better trade policies than the two previous administrations. Nonetheless, our trade policies are still out of kilter. Our trade deficit with Japan is about $60 billion; with China, $24 billion. Those are just examples.

GATT, although it will not be discussed in the bars and the barber shops

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

and cafes around the country, represents the rules by which we trade with each other in this world.

When I studied and taught economics, we taught about the doctrine of comparative advantage in which under a perfect world order each country would do what it does best and then trade with the other. That would be the most efficient world order. The assumption by those who preached free trade and a free market system—Adam Smith and Ricardo and the others—was first of all that capital is not mobile. Today it is mobile in an instant.

Second, back in the good old days you not only had capital that was not mobile, but you had nations rather than corporations.

Today, capital is mobile instantaneously to move any place in the world; and, second, today we have corporations rather than nations. Corporations encircle the globe as world citizens and decide here is what we want to do, here is how we want to produce, and here is how we want to access markets.

The big corporate interests are saying is we want to produce where it is cheap to produce and sell in the established markets. We, as a country, have decided it is just fine with us if all of that happens because our consumers are advantaged by cheaper goods.

The problem is our consumers used to have jobs in which to pay for those cheaper goods and, of course, when the production moved away the jobs also left. So now this country has a lower standard of living with lower wages than we had on average—adjusted for inflation—a decade ago, and more and more production jobs moving elsewhere. And most of the new jobs in this country are jobs that pay less.

What does all of this mean? It means that we are heading toward what is called the British disease if we keep believing this kind of trade policy represents our economic interests. If we decide, as a country, that we should continue to measure our economic health based on what we consume rather than what we produce, we inevitably, as a country, will face a future in which our economy is atrophied.

Put yourself in the shoes of a corporate enterprise that is a world citizen doing business all around the world. Its interest is to its stockholders. How does it make maximum profits with the resources it has under its command? Let us assume that this corporation produces shoes.

In fact, let me cite just for a moment a piece that I think was in Business Week, that I read about a corporation employing someone who produces shoes. A corporation employs a woman outside of small town in Indonesia to work in a manufacturing plant for about 14 cents an hour. She works 10½ hours a day, 6 days a week, and makes about $35 or $37 a month. There is about 1¼ hour labor in the pair of shoes that she makes. So, the pair of shoes, which is sent back to our market to sell for $80, has about 20 cents labor in their construction.

A corporation that decides, I am going to make a pair of shoes or a jacket or shirt or whatever, has an opportunity to look at various approaches around the world on how it wants to produce. And for the same money, it has this opportunity—for the same manufacturing wage it can decide to do the following: It can hire 1 American, or it can hire 23 Filipinos instead. It can decide to hire 42 workers in India as opposed to the 1 American. Or it can decide to employ 80 people in China as opposed to 1 American.

Let me rephrase that, because I think it is important to understand what GATT is about. GATT says let us have free trade. It does not talk about standards, or wages, or livable conditions, at least in a way that is enforceable.

We have minimum wages in this country. We have worker safety standards. We say you cannot employ kids except under certain circumstances and restrictions. We are not going to have 10-year-olds working in coal mines anymore because we have certain child worker standards.

So my point is, we have decided the rules in our country so that those who work are able to get some sort of livable income. But GATT says let us begin trading and competing with other countries, many of whom have no similar kinds of rules.

So we are saying, all right, if you want to produce something, you take a jet, you circle the globe and look for the opportunity to produce at the least cost. American workers, you compete. We are now a team. We have the U.S.A. jersey on. We are a competitive team to produce shoes or shirts or refrigerators. And this team of ours, with our average manufacturing wage in this country of about $15.50 or $16 an hour, is competing. For an hour of labor you have the opportunity as producers, as a corporate producer, to hire 1 American, to hire 23 residents in the Philippines for the same wage for the same hour of work, or to hire 42 people from India, or to hire 82 Chinese.

What do you decide to do? You decide increasingly the production of a good many items will be done in areas where you can hire 80 people for the price of 1, as long as there is no price to access the marketplace back here in America.

We tell corporations they can go hire those 80 people for the price that you pay for 1 American, and the product of that you can ship back into our marketplace without any problem at all because our marketplace is open and there is no access charge. You can just have free access. It does not matter.

I am saying that makes no sense for us. Yes. We should have a trade agreement with the other countries whose economies are similar to ours.

But does the new GATT make sense?

Let me just show a chart of some of the wage rates of some of the countries involved in GATT. These are just a few because we are talking well over 100 countries. You have industrialized countries: the United States, Canada, Germany, France. As you see, Germany pays the highest average manufacturing wage of $25. The United States is about $16. Spain, Britain, and then what do you see? You see other countries. I could tail off on this map well down with Bangladesh, Sri Lanka and so on. You see China, Thailand; you see India, the Philippines.

The question is do you have a circumstance of fair competition where you say to those who are producing, go ahead and produce where it is cheapest, and then access our marketplace?

The American people have to understand we simply must not embrace trade rules that say it does not matter where you do business because we measure economic health based on consumers. If we continue with such mistaken policy, we consign ourselves to a future that is very, very dismal.

We should want to compete, and we should not have to compete, for 14 cents an hour wages. We should not want to, nor have to, compete for $1 an hour wages. We have fought far too long in this country to bring up the standard of living so that families can work and care for themselves and improve their lives and educate their kids and provide opportunity for the future.

It makes no sense for Americans to believe in this notion of so-called free trade when we are talking about trade with countries who have no requirement that you must pay a living wage for work performed, or with countries who have no requirement on the kind of work or safety standards we believe to be imperative.

I think it will not be in the best interest of the Senate, the Congress, or the American people if we decide in the next 2 weeks, let us take this giant piece of trade policy and shove it through the keyhole under fast track so that nobody gets a chance to catch their breath and ask what are we really doing here.

I very much hope that the leaders of the Congress, the American people, and others, will decide this is far too important a policy for our country to push through Congress in a couple of weeks. We should do this next February, March, or April in the new Congress with a substantial national debate about what our trade policy ought to be.

Is there a price for accessing the American marketplace? Is that price the requirement that you invest here, create jobs here, or at least that over there in the production sector you pay some notion of a living wage? Are there

any requirements at all, or have we become slaves to this notions and slogans or so-called free trade?

By speaking here today I know that I risk incurring the wrath of all the editorial writers, the business writers, and many others in New York and Washington, who decide that if you are not for free trade, for GATT, you are a xenophobic isolationist boob. That is the way they portray those who do not join the free-trade chants. What a bunch of nonsense.

GATT is about jobs, about economic health, about American economic growth in the years ahead. If we cannot have a thoughtful discussion about GATT and our trade policy and do it not on fast track, but in a manner that serves this country's best interests, then I fear that the Congress, which ought to be the great debating place in our country, is not going to serve its constituents well.

Along with several others in this Chamber, including the Senator now presiding, I have asked the leadership to give us an opportunity to have a straight up-or-down vote first on the question of waiving this body's budget rules in order to pass GATT. Implementing GATT is going to cost some money—an estimated $40 billion in 10 years—and increase the deficit. That is, the deficit will be increased if we pass this GATT agreement.

Well, are we going to waive the budget rules? Are we unwilling to waive the budget rules on a whole range of things people need in this country, things that invest in human potential, human needs? Of course, we are unwilling to do that, because we have the discipline and we have decided there is a certain way to do things, and we ought not increase the deficit.

Are we going to come to the floor and roll into fast track a budget waiver that says that for all the other things in this country that we felt were important, we were not going to waive the budget rules, but for GATT, that is just fine?

It is not fine with me. We ought not waive the budget rules, and in my judgment, we ought not consider GATT under fast track this fall. This is a decision the American people ought to help make after the turn of the year.

I yield the floor.

Mr. KERREY addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Nebraska is recognized.

HEALTH CARE REFORM

Mr. KERREY. Mr. President, yesterday, Senator MITCHELL announced that the Senate would stop its work on health care reform this session. This news represents a victory for the politics of the status quo and a disappointing defeat for Americans.

The debate on health care reform has long since dwindled into confusion and confrontation. Many Americans became opposed to our health care reform efforts. A majority of Nebraskans opposed most of the health care proposals considered by the Congress. They have listened to ads warning against a big Government takeover, or of restriction of choice, or of long waiting lines, and the majority has begun to say maybe it is good that we wait to change our laws.

That is understandable, since in any year the majority will be secure and will not get seriously ill. The majority does not face an immediate problem.

It is the minority that has an immediate problem. This year less than a fifth of us will need to enter a hospital as a patient. Only one in five Nebraskans each year learns about the complexity and cost of our existing system of payment and delivery.

Only a fraction of those will learn what it means to have a stranger in Washington or a stranger in an insurance company tell their doctor: We will not pay for that procedure. Only a few of us each year face the prospect of not being able to afford the treatment our doctor tells us might save our lives.

In our hearts we know that the problem faced by our neighbor this year is a problem we may face next. Next year it may be our job that is lost in an act of corporate downsizing. Next year it may be our family that faces a serious illness or accident that forever brands our forehead with the scarlet letters: "preexisting condition."

In our heads we know that cost of health care is bankrupting America. This year $318 billion of our Federal taxes will be used to provide health care to elderly Americans, poor Americans, disabled Americans, American veterans, and Americans who work for the Federal Government. And we will provide $90 billion in Federal tax subsidies to encourage Americans to buy private health insurance.

The year to year increase in Federal taxes to pay health care bills is $38 billion. That is almost $400 in new Federal taxes paid by each American household just to pay for the increase. That is on top of $4,000 in direct and indirect tax spending per household.

In our hearts, where we are able to understand the need for health care security, and our heads, where the numbers are calculated, we know that the status quo is not acceptable.

We know that change is needed.

We will fail again next year if we begin by dividing ourselves into Democrats and Republicans, insured and uninsured, rich and poor, urban and rural. We will fail if we insist on accentuating our differences.

Unity does not mean we must paper over our differences. Differences honestly expressed typically allow us to discover win-win solutions. That is what the mainstream coalition attempted to do in the Senate this year and will continue to do next year.

The most difficult barrier to changing our Federal laws is the realization that each of us must change our old habits and ways. As long as we can blame someone else change is easy. As long as we can ask everyone to change but ourselves the job looks simple. The minute it occurs we are going to have to do things differently, too, the fun goes out the window, the air goes out of our tires.

And change we must:

If we want to continue to have best health care in the world; if we want all Americans to know with certainty they will get the health care their doctor prescribes; if we want all Americans to accept personal responsibility for taking care of themselves at the same time we provide a safety net for those who cannot; if we want to bring costs in line with our expectation and capacity to pay; if we want to get healthier.

The mainstream proposal was not a free lunch. It asked Americans to change their behavior as consumers of health care services, as citizens who decide how our State and Federal programs will operate, and as human beings who must face difficult moral and ethical health care choices.

As consumers of health care we must change. Over the past 40 years we have erected a wall of third party reimbursement which now stands between us and the providers of services. Typically neither the buyer nor the seller knows the price anymore. To make the market work—in contrast to a Government run system—Americans must make a greater effort to learn about the price and quality of health care services.

I believe the market will work if consumers are given more information about providers and payers. To do this our laws must be changed so that Americans are not prevented from getting information about their providers. I believe laws that prevent or discourage buyers and sellers from learning about each other must be discarded. And, I believe that tax laws which encourage Americans to buy expensive plans need to be changed so that all of us face the true cost of health care.

As citizens we must also change. The mainstream proposal asked Americans to change by giving every taxpayer honest and complete information which includes how much of their taxes are used to pay for Federal subsidies, who is being subsidized by whom, and most importantly what needs to be done to achieve universal coverage. I believe the American people cannot be expected to make good decisions about financing health care unless and until they are given the truth about what we are doing now.

Finally—and perhaps most difficult—we must change as individuals. Many of the health problems that cost us a lot of money are the result of smoking, alcohol and drug abuse, lousy nutrition, and other irresponsible behavior.

If personal responsibility is to be a guiding principle for making payments it must also guide us in making the personal decisions which often determine how healthy we are.

Further, we cannot expect too much of our doctors and hospitals. Not only do we need to rein in the movement to sue every time something does wrong, but we need to face this terrible truth: The system cannot give us eternal life. The most difficult decision is not a medical or an economic decision, it is a moral and ethical decision.

I am an advocate of moving the power to make these decisions away from Washington out to the States and local level. That is the good news. The bad news is that we will have to decide and will have no one to blame but ourselves when we are wrong.

The mainstream proposal asked Americans to consider that all Americans deserve the security of high-quality care. While we did not start off with universal coverage, we attempted to get there as soon as possible.

To be clear about universal coverage I would prefer to start with a clean slate. I would prefer to begin with a simple though radical change in the way we become eligible for health care. Eligibility should occur if you satisfy one of two tests. You are an American or a legal resident. However, to participate you would have to agree to accept responsibility to make payment according to your capacity to pay and to participate personally in the job of controlling costs.

High-quality health care is never going to be cheap. It is always going to be difficult to say no. The mainstream group believed we cannot and should not make promises we cannot keep. We cannot afford a new unfunded, nonmeans tested entitlement. We cannot afford to promise subsidies which removes the important personal incentive to save for the rainy day.

The mainstream coalition intends to work toward these objectives again next year. Although the process has understandably made Americans suspicious, we must begin again next year in a bipartisan and less political environment.

We cannot afford to sit smugly in the knowledge that we are in the majority who are temporarily secure. Today, the bell of health care insecurity tolls for someone else. Tomorrow, it may toll for us.

Mr. President, I yield the floor and I suggest the absence of a quorum.

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

The bill clerk proceeded to call the roll.

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

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

Mr. DOMENICI. Mr. President, is this time in morning business?

The ACTING PRESIDENT pro tempore. The Senator is permitted to speak for up to 5 minutes.

Mr. DOMENICI. Thank you.

Mr. President, I ask unanimous consent that I be allowed to speak for an additional 5 minutes.

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

SECTION 8 HOUSING

Mr. DOMENICI. Mr. President, the appropriations bill on VA-HUD appropriations raises a serious question about truth in budgeting. For years, we have anticipated the high cost associated with the renewal of section 8 housing contracts and for years we have procrastinated facing some very difficult policy choices.

Section 8 housing is the privately financed housing for the poor in the United States which we handle by subsidizing their rental contracts with those who build section 8 housing. It is the most significant program for low-income housing; 2.8 million of the low-income households that we help with as a nation are section 8 housing.

This assistance program, I repeat, subsidizes 2.8 million low-income households through contracts with local housing agencies, State housing finance agencies, and private owners.

Congress must provide discretionary budget authority at one time to cover the anticipated cost for the life of a section 8 contract. Before 1989, section 8 contracts ranged in length from 5 to 40 years. Beginning in 1989, HUD began issuing 5-year contracts. However, as budgetary pressures increased, HUD has increasingly renewed section 8 housing for less than 5 years with unknown consequences to the program and the effect of postponing the inevitable need to pay the true cost of these renewals.

In August 1993, using HUD data, the General Accounting Office estimated that total section 8 renewal costs for the years 1994 through 1998 would be $59 billion. That means, Mr. President, if we are to continue the same level of units and the same subsidy program, which I think we are saying almost uniformly is probably the best program we have for low-income housing, if we were going to continue it at the same pace, we would need $59 billion as the cost of contracts for years 1994 through 1998 with each year's renewal costs subject to the cap on discretionary spending and in competition with other discretionary programs.

Let me repeat. That $59 billion in additional new budget authority to continue this level of housing will be competing with all of the other discretionary program funding for the United States. And we now have severe caps imposed on discretionary spending. In fact, the General Accounting Office predicted the largest increase in renewal costs would occur between 1995 and 1998 when costs are expected to double to an estimated $14 billion in 1996.

This appropriation bill again defers action on the cost of section 8 renewals. While the General Accounting Office has estimated the 1995 section 8 renewal costs to be $7 billion, and the CBO baseline, the Congressional Budget Office starting point, has $6.5 billion in renewals for 1995, this bill provides a nominal $2.5 billion in budget authority.

The significance of that is that we have no way of knowing what this is going to do to the section 8 housing that we have committed to. We only put $2.5 billion in this budget in this appropriation bill where both expert agencies say we should have between $6.5 and $7 billion in budget authority to keep the program intact.

For several years, administration budget requests have fallen short of actual section 8 renewal costs, in part because of HUD's inability to accurately track expiring contracts, but also because of what appears to be an attempt to obscure the true cost of the program. For example, the administration requested $4.3 billion for section 8 renewals for 1995, assuming 5-year contracts. Using HUD data, GAO estimated the 1995 renewals should be closer to $7 billion. However, to ensure that funds would be adequate to renew all expiring contracts, the administration requested authority to transfer funds as needed from the annual contributions to assisted housing and allowed for contracts of less than 5 years in order to temporarily save budget authority. That is program authority.

Mr. President, this also has become a shell game. How much longer can we avoid facing the costs of this program? Just look ahead to 1996, when renewal costs are expected to more than double in 1 year. The Congressional Budget Office estimates the 1996 renewal costs to exceed $12 billion. To keep the program intact, to fund the renewals in an ordinary way that assures that we are providing this, it will cost in excess of $12 billion in 1996.

With the discretionary spending cap imposing extraordinary limitations over the next few years, that is 4 to be exact, how likely does it appear that Congress will increase funding for section 8 renewals by some $10 billion in 1 year, effectively raising total HUD spending by 40 percent from 1995 to 1996?

The administration's housing reauthorization bill was silent on this question. I appreciate that in the Senate-reported authorization bill, we have attempted to impose some measure of cost control over the process of

project-based section 8 renewals. However, we must recognize that it represents only the beginning steps of addressing this serious funding shortfall. There will be no painless way to fix this problem.

I intend to offer an amendment to the housing reauthorization bill, which I believe will be accepted on both sides, to impose much stricter reporting requirements on HUD in terms of illustrating the costs of section 8 renewals. My amendment requires HUD to provide to both the Senate Banking and Budget Committees, in conjunction with the President's annual budget submission, a detailed analysis of section 8 costs for the coming year and the subsequent 5 years, an analysis of the programmatic effects of shorter-term contracts. We still do not even have any idea of what these shorter-term contracts are going to be to the supply and to the liability to the entire program for low-income housing, and recommendations should be included for meeting projected renewal costs. That will be part of the amendment which I intend to offer. I do not think the Senate can turn it down.

Clearly, we are walking some kind of very, very tight tightrope in terms of whether we are going to be able to continue this program, and if not, it is obvious that we ought to know the results. If we are to continue, it is going to require larger injections of program authority into a tight budget, and we have put ourselves in that bind.

Shortening the length of contracts and granting broad authority to divert funds from other housing programs, in my opinion, will not be adequate to address the renewal costs in 1996 and beyond. Members of Congress and the public need to clearly see the cost of section 8 renewals if we are to ultimately reach consensus on modifications to the program, and it may very well be that we should approach modifications, but we should do that with full understanding of how we got where we are and where we want to end up.

Mr. President, I yield the floor and I thank the Senate for yielding me 5 minutes.

I suggest the absence of a quorum.

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

The bill clerk proceeded to call the roll.

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

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

Mr. BINGAMAN. Mr. President, I ask unanimous consent that I be allowed to proceed for up to 10 minutes as in morning business.

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

HUD-VA CONFERENCE REPORT

Mr. BINGAMAN. Mr. President, I rise in opposition to the amendments that were offered by my colleagues from Arizona and New Hampshire against the water infrastructure projects in the HUD-VA conference report.

Let me begin by commending the Senator from Maryland for taking the initiative to fund these very needed projects which have been awaiting authorizing legislation. I personally introduced authorizing legislation for the two worthy and important projects in New Mexico, which are due to receive funding in this bill. Unfortunately, the appropriate legislative vehicle which I hoped would be completed this year—that is the Clean Water Act—is not scheduled to reach the Senate floor before the end of this Congress.

For this reason, I am very pleased that the Senator from Maryland has identified the importance of these issues and has provided funding in this HUD-VA bill. The first is funding for the colonias along the United States-Mexico border. For those who may believe this is not a worthy project, I want to bring to your attention and to their attention the plight of these poor communities. Residents are generally poor and live in substandard housing with inadequate plumbing and drinking water. Housing lots are extremely small in size and packed together, frequently creating a high density of cesspools and inadequate septic tanks. The population in these areas is growing in size daily and compounds the existing problems.

If by chance any Member of the Senate were to visit these colonias, they would only be struck by the primitive conditions in which the residents live. You would walk away in disbelief that over 350,000 American citizens and legal, permanent residents are subject to what most of us would call developing countries' living conditions.

The other area that I am very pleased the Senator from Maryland was able to provide some funding for is related to the South Valley in Bernalillo County in New Mexico, a small, unincorporated community outside of Albuquerque along the Rio Grande. For over 30 years, this community has suffered the health hazards of inadequate sewer and water facilities. The South Valley is more than 50 percent Hispanic and qualifies as one of the poorest communities in our country. Most of the 12,000 residents rely on septic tanks. Their drinking water comes from wells on their property. Heavily concentrated septic tanks, a shallow water table and tight soils resulting in poorly drained septic tanks are contaminating the ground water. This problem continues to escalate as the population increases.

State and local governments have already contributed significant funds to address the problem, but additional funding is needed. If this funding were to come through revenue bonds, residents in the area would have to pay four to six times as much as other New Mexico residents for monthly water and sewer service. These citizens cannot afford such rates.

Congress provided a $500 million reserve in fiscal year 1994 to support projects in hardship communities such as the colonias and the South Valley pending enactment of authorizing legislation. The Senator from Maryland, recognizing that authorizing legislation had not been completed, seized the opportunity to provide desperately needed funding to these and other needy communities.

Let me clarify that the grants for these and other projects are to be made available only upon enactment of clean water authorizing legislation, but if no such legislation is enacted by November 1, 1994, the funds will immediately be made available. I believe that the Senator from Maryland has provided the opportunity for authorizing legislation to be enacted. There is no doubt that this funding in this conference report is critical in assuring that these communities have access to clean and safe water and I urge my colleagues to oppose the amendments offered by the Senators from Arizona and New Hampshire.

Mr. President, I thank the Chair. I yield the floor.

ALL AMERICAN IRONKIDS TEAM

Mr. GRASSLEY. Mr. President, I would like to take a moment to honor the first ever All-American Ironkids Team, a group of 10 young people who are in Washington this week for a special visit. These youngsters, aged 7 to 14, come from all over the country—including Iowa—and represent the American ideal by leading positive, healthy and well-rounded lifestyles.

It gives me great pleasure to recognize the two Iowans on the team, Johnny Galloway, age 10, from Waterloo, and Brielle Bovee, age 11, from Spencer. I would like to read two short excerpts from the winning essays written by these kids.

Johnny writes,

> I'm in excellent health for a ten year old, not for the reason that I play a lot of different sports, but for the reasons that I think staying healthy helps your body and mind work as a perfect unit. Also, God gave me this body to take care of and it's the only one I got.

Brielle also enjoys athletics, and competes in triathlons. She writes,

> 1992 changed my life. That was the year I placed third in my first triathlon * * * reaching for my personal best has helped me take on new challenges.

Both Johnny and Brielle, and the rest of the Ironkids, helped draft a special resolution which I am proud to submit for the RECORD. This 1994 resolution is entitled "All-American

Ironkids Rise and Shine Resolution To Promote Positive, Healthy Lifestyles Among America's Youth."

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

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

THE RISE AND SHINE RESOLUTION TO PROMOTE POSITIVE, HEALTHY LIFESTYLES AMONG AMERICA'S YOUTH

I. We, the All-American IronKids Team, have gathered to address the promotion of positive, healthy lifestyles among America's youth.

II. We submit these ideas in the hope that positive, healthy lifestyles for kids will become a national priority because all kids should have the opportunity to be the best they can be.

III. We hereby present the following recommendations to America, because the healthy kids of today will be the healthy leaders of tomorrow.

A. In the area of physical fitness and nutrition, we promote: (1) daily aerobic exercise in school with family and friends, (2) exercise can be fun and make you feel good about yourself, (3) three healthy, well-balanced meals a day at home or in school.

B. In the area of academics, we recommend: (1) studying first and playing second, (2) developing good daily study habits, which means being organized and responsible, concentrating, and getting proper rest, (3) being a self-motivator, working hard, being the best you can be and committed to your goals, (4) an improved school curriculum in which parents, teachers and kids are included.

C. In the area of extra-curricular activities, we promote: (1) grass roots programs, community and family involvement, (2) funding for after school activities, both physical and academic, with qualified leaders, (3) sharing of community resources, services and volunteers.

We sincerely believe these recommendations to be crucial to the promotion of positive, healthy lifestyles among America's youth and we resolve to deliver this message to members of Congress and to our communities.

HAPPY BIRTHDAY TO MARGARET BRUNNER LOMPREY

Mr. REID. Mr. President, the celebration of Margaret Brunner Lomprey's 80th birthday on October 1 has prompted me to share with my colleagues the respect and admiration I have for her. Margaret Brunner Lomprey has followed her love for politics to the public arena where she has served her community of Henderson and the State of Nevada with distinction. In this time when the public is often justifiably skeptical of public officials, it is important to recognize and emulate the honest and enthusiastic ways Margaret has served the public.

Margaret's political career began at the grassroots level, campaigning for Nevada statesmen like Governors Mike O'Callaghan and Grant Sawyer, Senators Howard Cannon and Alan Bible, and Nevada Supreme Court Justice Bob Rose. She went on to serve as treasurer of the Nevada Democratic Party in 1974 and council woman for the city of Henderson in 1976. These are just two of her many accomplishments.

I first met Margaret and her husband Ernie while playing high school football with the late Ernie Jr., and Lorne, two of their six children. I have a fond recollection and appreciation for Ernie, who as a young man, followed his love for music to the top by playing the trumpet in the Marine Corps Jazz Band. In fact, Ernie became a member of the President's Band, the most elite military musical group in the world.

As I said at Ernie's funeral, even today, I can hear the sweet notes of his trumpet.

I also developed friendships over the years with Lorne, Becky, and Jimmy.

Margaret has passed along her tradition of integrity in politics to her children, teaching them to participate, which makes participatory democracy more meaningful for us all. She has shown them, and everyone around her, how to honestly and admirably serve the public.

Margaret's participation with her family in politics represents what is good about America. Our country would be much better if there were more Margaret Lompreys.

I wish Margaret Brunner Lomprey a very happy 80th birthday.

CONGRATULATONS TO DR. DONALD C. HINES, PRESIDENT OF LIVINGSTON UNIVERSITY

Mr. HEFLIN. Mr. President, I am pleased to congratulate Dr. Donald C. Hines, the new president of Alabama's Livingston University. A native of Ripley, MS, Dr. Hines earned both his bachelor of science and master of science degrees from Mississippi State University in agricultural economics and economic theory and the doctor of philosophy degree from Kansas State University in general economics with a specialization in regional economics, public finance, and agricultural economics.

After the completion of his doctorate, Dr. Hines returned to the South and began his career in both education and public service. In 1973, he joined the faculty of Troy State University's School of Business as an assistant professor. He let Troy in 1981 as the assistant dean and coordinator of graduate studies to come to Livingston University as dean of the College of Business and Commerce, where he remained until 1987.

From 1987 to 1993, he was the chief of planning and economic development and assistant director of the Alabama Department of Economic and Community Affairs [ADECA]. During this time, Dr. Hines worked on projects such as coastal zone management, community development block grants, and land and water conservation grants.

His administrative talents have led him to serve on the board of directors of the Tennessee-Tombigbee Waterways Development Council, Tennessee-Cumberland Waterways Council, and the Southern Business Administration Association.

Dr. Hines has been honored as an outstanding faculty member at both Troy State and Livingston Universities. He has also been recognized in the "Who's Who in Computer Sciences", "Who's Who in the South", "Who's Who in the Southwest", and "International Businessmen."

I congratulate Dr. Donald C. Hines on his appointment as president of Livingston University and wish him all the best for a most productive and successful tenure.

TRIBUTE TO THE DOBRO

Mr. SASSER. Mr. President, I rise today to pay tribute to a unique musical instrument and to honor its contribution to American music, most particularly country and bluegrass.

First, let me explain that many have heard the soulful sound of the dobro guitar without, perhaps, knowing exactly what instrument it was that made the sound. The dobro is shaped like that of the guitar. On its inside, however, is placed a resonator, usually made of aluminum. The dobro is placed like the lap or pedal steel guitar, through the use of a metal bar against the strings, and is plucked or strummed.

Mr. President, if I could, I would like to quote from the liner notes from a recently released album, "The Great Dobro Sessions," which features some of the legends of the dobro guitar.

The dobro itself has a long, if enigmatic place in country music history. By the turn of the century, Hawaiian music was firmly established in American popular music. In the latter half of the 1920s, the Dopyera brothers, marketed an adaptation of the Hawaiian steel guitar they called the dobro. In fields where players of other instruments grow wild there had been relatively few great dobro players, a fact which makes the present collection all the more remarkable. From the onset of The Depression in 1929, until Buck "Uncle Josh" Graves joined Flatt & Scruggs in 1955, only two dobro players—Pete "Brother Oswald" Kirby and the late Cliff Carlisle—achieved enduring national prominence. The dobro is the only acoustic instrument this side of oldtime music to be played horizontally, and the only one where noting fingers do not press upon a fingerboard, It is also the only one of today's conventional bluegrass instruments Bill Monroe excluded from his original full-band bluegrass instrumental make up. Thus, the dobro remained something of a musical stepchild through the years—that is, until Jerry Douglas took it to a wide variety of musical genres.

Mr. President, the dobro is not just linked to country and bluegrass music. The metal-bodied resonator guitar was first developed as a way for guitarists to develop a louder sound in the days

prior to electrified guitars. Thus, the blues genre—particularly the Delta blues style of guitar—is also closely aligned with the first resonator guitars.

But, it is with country and bluegrass music that the dobro found its home. The great legend, Jimmie Rodgers was known to have used the dobro in some of his recordings in the 1920's. And, by the mid-1930's, Roy Acuff, star of the Grand Ole Opry, was regularly using the dobro playing of Brother Oswald Kirby.

It is a source of great pride to me that many of today's great dobro players reside in my home State of Tennessee.

Dobro players like Tut Taylor, Jerry Douglas, Gene Wooten, Josh Graves, Rob Ickes, and Oswald Kirby.

And though the dobro was invented by a Czechoslovakian immigrant, John Dopyera, its sound is all-American.

I am particularly pleased that the equally famous Gibson Guitar Co. has purchased the Original Music Co. (Dobro). The contribution of Gibson guitars to American music is a well-known and often-told story. I expect this marriage of two music legends will continue in the long traditions of their separate pasts.

Mr. President, I pay homage to the dobro and its relationship to the music scene and recognize the contribution of the Dopyera brothers.

To quote, once again from the liner notes of "The Great Dobro Sessions," I would close with remarks from Jerry Douglas, who said:

Why does anyone play a dobro? Every dobro player tells me the same thing. It's the haunting, lonesome, vocal-like quality of the instrument that drives into your chest, takes your breath and never lets you go.

BUDGET SCOREKEEPING REPORT

Mr. SASSER. Mr. President, I hereby submit to the Senate the budget scorekeeping report prepared by the Congressional Budget Office under section 308(b) and in aid of section 311 of the Congressional Budget Act of 1974, as amended. This report meets the requirements for Senate scorekeeping of section 5 of Senate Concurrent Resolution 32, the first concurrent resolution on the budget for 1986.

This report shows the effects of congressional action on the budget through September 20, 1994. The estimates of budget authority, outlays, and revenues, which are consistent with the technical and economic assumptions of the concurrent resolution on the budget (H. Con. Res. 287), show that current level spending is below the budget resolution by $1.9 billion in budget authority and $0.7 billion in outlays. Current level is $0.1 billion above the revenue floor in 1994 and below by $30.3 billion over the 5 years, 1994–1998. The current estimate of the deficit for purposes of calculating the maximum deficit amount is $312.1 billion, $0.7 billion below the maximum deficit amount for 1994 of $312.8 billion.

Since the last report, dated August 16, 1994, Congress has cleared for the President's signature the Interstate Banking and Branching Efficiency Act of 1994 (H.R. 3841). This action changed the current level of budget authority and outlays.

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

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, September 26, 1994.

Hon. JIM SASSER,
Chairman, Committee on the Budget,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The attached report shows the effects of Congressional action on the 1994 budget and is current through September 23, 1994. The estimates of budget authority, outlays, and revenues are consistent with the technical and economic assumptions of the Concurrent Resolution on the Budget (H. Con. Res. 64). This report is submitted under Section 308(b) and in aid of Section 311 of the Congressional Budget Act, as amended, and meets the requirements for Senate scorekeeping of Section 5 of S. Con. Res. 32, the 1986 First Concurrent Resolution on the Budget.

Since my last report, dated September 19, 1994, Congress has cleared for the President's signature the Interstate Banking and Branching Efficiency Act of 1994 (H.R. 3841). This action changed the current level of budget authority and outlays.

Sincerely,

ROBERT D. REISCHAUER, *Director.*

THE CURRENT LEVEL REPORT FOR THE U.S. SENATE, FISCAL YEAR 1994, 103D CONGRESS, 2D SESSION, AS OF CLOSE OF BUSINESS SEPTEMBER 23, 1994

[In billions of dollars]

	Budget resolution (H. Con. Res. 64) [1]	Current level [2]	Current level over/under resolution
On-budget:			
Budget Authority	1,223.2	1,221.3	−1.9
Outlays	1,218.1	1,217.5	−0.7
Revenues:			
1994	905.3	905.4	0.1
1994–1998	5,153.1	5,122.8	−30.3
Maximum Deficit Amount	312.8	312.1	−0.7
Debt Subject to Limit	4,731.9	4,578.8	−153.1
Off-Budget:			
Social Security Outlays:			
1994	274.8	274.8	(4)
1994–1998 [3]	1,486.5	1,486.7	0.2
Social Security Revenues:			
1994	336.3	335.2	−1.1
1994–1998 [3]	1,872.0	1,871.3	−0.7

[1] Reflects revised allocation under section 9(g) of H. Con. Res. 64 for the Deficit-Neutral reserve fund.

[2] Current level represents the estimated revenue and direct spending effects of all legislation that Congress has enacted or sent to the President for his approval. In addition, full-year funding estimates under current law are included for entitlement and mandatory programs requiring annual appropriations even if the appropriations have not been made. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

[3] Includes effects, beginning in fiscal year 1995, of the Social Security Independence Act of 1994, P.L. 103–296.

[4] Less than $50 million.

Note.—Detail may not add due to rounding.

THE ON-BUDGET CURRENT LEVEL REPORT FOR THE U.S. SENATE, 103D CONGRESS, 2D SESSION, SENATE SUPPORTING DETAIL FOR FISCAL YEAR 1994, AS OF CLOSE OF BUSINESS SEPTEMBER 23, 1994

[In millions of dollars]

	Budget authority	Outlays	Revenues
ENACTED IN PREVIOUS SESSIONS			
Revenues			905,429
Permanents and other spending legislation [1]	721,182	694,713	
Appropriation legislation	742,749	758,885	
Offsetting receipts	(237,226)	(237,226)	
Total previously enacted	1,226,705	1,216,372	905,429
ENACTED THIS SESSION			
Appropriation Bills:			
Emergency Supplemental Appropriations, FY 1994 (P.L. 103–211)	(2,286)	(248)	
Foreign Operations (P.L. 103–306)	99	99	
Commerce, Justice, State (P.L. 103–317)	670	335	
Authorizing Bills:			
Federal Workforce Restructuring Act (P.L. 103–226)	48	48	
Offsetting receipts	(38)	(38)	
Housing and Community Development Act (P.L. 103–233)	(410)	(410)	
Extending Loan Ineligibility Exemption for Colleges (P.L. 103–235)	5	3	
Foreign Relations Authorization Act (P.L. 103–236)	(2)	(2)	
Marine Mammal Protection Act Amendments (P.L. 103–238)		4	
Airport Improvement Program Temporary Assistance Act (P.L. 103–260)	(65)		
Federal Housing Administration Supplemental (P.L. 103–275)	(5)	(2)	
Social Security Independence Act of 1994 (P.L. 103–296)[4]			
Aviation Infrastructure Investment (P.L. 103–305)	2,170		
Total enacted this session	192	(211)	
PENDING SIGNATURE			
Interstate Banking Act (H.R. 3841)	6	6	
ENTITLEMENTS AND MANDATORIES			
Budget resolution baseline estimates of appropriated entitlements and other mandatory programs not yet enacted	(5,562)	1,326	
Total Current Level [2,3]	1,221,340	1,217,494	905,429
Total Budget Resolution	1,223,249	1,218,149	905,349
Amount remaining:			
Under Budget Resolution	1,909	655	
Over Budget Resolution			80

[1] Includes Budget Committee estimate of $2.4 billion in outlay savings for FCC spectrum license fees.

[2] In accordance with the Budget Enforcement Act, the total does not include $14,735 million in budget authority and $9,215 million in outlays in funding for emergencies that have been designated as such by the President and the Congress, and $800 million in budget authority and $285 million in outlays for emergencies that would be available only upon an official budget request from the President designating the entire amount as an emergency requirement.

[3] At the request of Budget Committee staff, current level does not include scoring of section 601 of P.L. 102–391.

[4] The effects of this Act begin in fiscal year 1995.

[5] Less than $500 thousand.

Note.—Numbers in parentheses are negative. Detail may not add due to rounding.

HOMICIDES BY GUNSHOT IN NEW YORK CITY

Mr. MOYNIHAN. Mr. President, I rise, as has been my practice each week in this session of the 103d Congress, to announce to the Senate that during the last week, 15 people were killed in New York City by gunshot, bringing this year's total to 728.

Recently, I received a note from Mr. and Mrs. Jacob M. Locicero, a couple from Hawthorne, NJ. Last December, the Lociceros' 27-year-old daughter, Amy Locicero Federici, was killed on

the Long Island Railroad, when an obviously deranged gunman with a 9-millimeter semiautomatic pistol opened fire on a crowd of unsuspecting commuters. The note from the Locicero family read simply:

On behalf of our murdered daughter, we thank you for your courage in taking a strong stand to ban assault weapons.

In truth, no one could be more courageous than the Lociceros, who, despite their grievous loss, maintain a commitment to preventing tragedies—like the one that took their daughter's life—from befalling others.

Mr. President, we passed the ban on assault weapons last month when the House and Senate finally agreed to the crime bill. That was a step in the right direction, but as we all know, it will not end the epidemic of gun violence in this country. Nevertheless, by making the most pernicious types of weapons—and bullets, as I have proposed—harder to obtain, we can prevent many deaths like those that occurred last year on the Long Island Railroad.

CAMPAIGN FINANCE REFORM

Mr. MATHEWS. Mr. President, one of the votes scheduled today involves invoking cloture on debate on the campaign finance reform bill. I want to state to my colleagues that it is my intention to vote against invoking cloture on this measure. I would like to share with this body the reasons for my vote.

I have followed with considerable preoccupation the issues and the arguments surrounding campaign finance reform. If I am hearing my colleagues correctly, the core of the matter is, to put it unpleasantly—the perception that Senators' votes are influenced by sizable contributions to their campaigns.

Mr. President, I react to this measure as I reacted to its cousin, the ban on meals and theaters and sports tickets from lobbyists. Namely, I question its intent, its assumptions, and its effect.

The intent is clear enough. The House and Senate bills seek to thwart an alleged concentration of influence by limiting the amount of single-source campaign funds. In pursuing that intent. Mr. President, this measure paradoxically tries to defeat a perception by caving in to it. It assumes that the interests of political action committees are suspect, self-serving, and contrary to the public good.

This assumption disregards that your constituents often start those organizations, comprise their membership, and provide their resources. It ignores the possibility that constituents speaking through corporations or unions and associations share a candidate's ideas about jobs, education, or any issue. It refuses to consider that constituents may agree with the views of a PAC even if it is out-of-state. None of this matters: Their financial support will be abridged under the blind assumption that it defies public interest.

The House and Senate measures hope to encourage campaign spending restraint by mandating slashed advertising rates, lower postage rates, and various kinds of vouchers. However, if voluntary restraints are not honored by every candidate in a contest, of if one candidate has limitless personal funds, a Perot provision kicks in: The disadvantaged candidate receives money from the ultimate fountain of nameless and faceless funding—the taxpayer.

The American taxpayer is already upset about our salary, benefits, and office expenses. I can scarely imagine what they would say about paying to get us elected, too.

Actually, we know what Americans think about taxpayer-funded campaigns: In 1977, 27.5 percent of Federal tax returns designated a dollar or more toward the Presidential election campaign fund; in 1992, the figure was 17.7 percent.

Mr. President, I am reminded of the reservations our colleagues have already expressed: How this measure invites first amendment challenges, the inconsistency between reducing the deficit and creating bounteous new spending, how this rightly is called an entitlement program for politicians.

And with those reservations in mind, I believe the real question is "what standards do people expect us to meet?"

I believe the people of Tennessee are not outraged when Tennessee businesses and unions and associations support candidates that share their concerns. I believe they expect me to set standards of decorum and propriety in soliciting funds and spending them. Most of all, I believe their biggest concern is knowing who I am dealing with, who contributes to my campaign, and whether my votes and my advocacy have been influenced.

If I tell the people of Tennessee where I am getting my campaign contributions, they can compare my voting record to those sources of funds and decide for themselves whether my vote advances the public interest or narrower private interests.

In short, Mr. President, I believe our efforts should lie in disclosing the source of campaign funding, not in limiting the legitimate expression of voter preference through financial support. I repeat: The effort we should address—as I said when we passed lobbying reform—is disclosure, not the attempt to legislate propriety.

The way to avoid impropriety is to exercise individual judgment about what is proper—and to face the consequences if voters believe it is not. The way to earn the regard of the American people is for us to act with regard to their needs and their future. And the way to reaffirm the purpose we bring to public office is to resist the public cynicism this measure reacts to.

NOMINATION OF LT. GEN. BUSTER GLOSSON, U.S. AIR FORCE, TO RETIRE IN GRADE

Mr. NUNN. Mr. President, the Committee on Armed Services today favorably reported the nomination of Lt. Gen. Buster Glosson, U.S. Air Force, to retire in grade. Lieutenant General Glosson's distinguished 29-year career includes: His service as an F-4 pilot in Vietnam for which he was awarded the Distinguished Flying Cross for 139 combat missions. Primary responsibility for planning and implementing the air campaign in Operation Desert Storm. Service as the Air Force Deputy Chief of Staff for Plans and Operations.

The committee has filed a report on the nomination, which should be available in the next day or two from the Senate Document Room. When the report is available, the committee will also place in S-407, for review by Senators, a number of documents related to this nomination, including the report of a special review panel, materials prepared by the inspector general of the Department of Defense, and other documents submitted to the committee by the Department of Defense which contain information which the committee has treated as confidential. At that time, the committee will also provide to Senators, upon request, redacted versions of the panel report and the inspector general materials.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. DORGAN). Morning business is now closed.

VA, HUD, AND RELATED AGENCIES APPROPRIATIONS ACT FOR FISCAL YEAR 1995—CONFERENCE REPORT

The PRESIDING OFFICER. The Senate will now resume consideration of the conference report accompanying H.R. 4624, which the clerk will report.

The bill clerk read as follows:

Conference report to accompany H.R. 4624, an act making appropriations for the Department of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1995, and for other purposes.

The Senate resumed consideration of the conference report.

Ms. MIKULSKI addressed the Chair.

The PRESIDING OFFICER. The Chair would advise the Senators that the time for debate on the conference report and remaining amendments in disagreement shall be limited to 90 minutes to be equally divided and controlled in the usual form.

The Chair recognizes the Senator from Maryland.

Ms. MIKULSKI. Thank you very much, Mr. President.

Mr. President, yesterday we had concluded a substantial amount of our debate on the VA-HUD conference report. The other side of the aisle asked for 90 minutes to be equally divided of the additional debate on the issues related to the VA-HUD conference report.

I note that no one is here. I am prepared to either additionally debate the amendments to the conference report that are pending for votes this afternoon, and I am prepared to debate any issue related to the VA-HUD conference report. Not only am I willing to debate it, but I am also willing to discuss it. However, I do not wish to discuss it with myself.

So, Mr. President, I would really ask that all who wish to further comment, question, agree with the conference report on VA-HUD join us on the floor. And in the meantime, I would like to just advise the Senate that we completed our conference report. There are amendments pending that I know will be discussed later.

I must say this is a very important conference report. Why? Because the subcommittee which I have the honor of chairing is like no other subcommittee on appropriations. It was originally historically the subcommittee that funds independent agencies. The small, micro, independent agencies have now grown to either Cabinet or Cabinet level. The subcommittee that I chair funds all of VA, all of HUD, all of EPA, all of the National Science Foundation, the National Service Corps, and Federal Emergency Management. We range in far-ranging activity from funding the President's science office to looking out for what we need to do to preserve battle monuments around the world as well as Arlington Cemetery. Our subcommittee is the most complex of any subcommittee in appropriations. In terms of its overall expenditures, it ranks with Defense and Labor-HHS. When I say it is most complex, all appropriations are complex. But Labor-HHS, Defense, and VA-HUD and over 30 other independent agencies are enormously complex.

So in the subcommittee which I chair there is also something to fuss budget about. It is impossible to have 30 agencies and not fuss budget about at least one of them. While people want to "fuss budget," I can tell you that I feel very comfortable that the budget and the appropriation that we have brought to the Senate meet compelling human need, strategic goals of both parties in the area of science and technology, and makes sure that promises made are promises kept to America's veterans. So I hope that we can speak to the amendments and defeat the amendments. I hope that we can pass the conference report and look forward to further conversation on this bill.

I now note that we have been joined by the ranking minority of the subcommittee, the Senator from Texas, with whom I must say this subcommittee enjoys a very cooperative way of operating. It is an excellent relationship, and it is something that I particularly enjoy.

So, Mr. President, I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Texas [Mr. GRAMM].

Mr. GRAMM. Mr. President, I want to thank the chairman of our committee, the Senator from Maryland.

Mr. President, anytime you are writing a bill that is as big and complicated as the VA, HUD, and independent agencies appropriations, you always have numerous compromises that first occurred in the Senate, and then in the House and then in bringing together the two.

I think what I am most supportive of in this bill is the funding level that we have for science, for the space program, for the development of new technology that goes ultimately to the benefit of free enterprise which is the foundation of the American economy. I have been alarmed over the last quarter century as I have watched funding for basic research cut. I think it is an interesting commentary on American Government that at the same moment that Government spending has been exploding that our basic investment in science, in technology, and in the future has been declining. A quarter of a century ago 5 percent of the Federal budget was spent on civilian research and development of new technology, on developing new science that ultimately produces in America competitive production technology and that helps the private sector produce the new products on which the future of the American economy will be based.

I think it is very revealing about Congress and about the priorities of our Government that in the last quarter century, while Federal Government spending in the aggregate has grown very rapidly, our investment in science and technology for the future has declined from 5 percent of the budget to less than 2 percent of the budget.

One of the things that I am proud of in this bill is that we have a solid investment in the space program. We have gone through the space program and forced NASA to make tough decisions. We have I think been successful in bringing Russia into the space station so that we now have an international cooperative effort that includes the Europeans, the Japanese, the Canadians, and the Russians. We have a solid level of funding for the National Science Foundation and for investment in the future.

So anytime you are writing an appropriations bill in this Congress, you are always torn between investing in programs that have big constituencies, constituencies that can be activated in the next election, versus investing in future generations where investments often take a long time to bear fruit but where the fruit that is borne represents an investment in the future of the country.

Too often, Congress has invested in the next election and not in the next generation. I am proud of the fact that in this bill, despite the fact that we have had tremendous demands on funding levels, that we have provided adequate funding for the space program, for the National Science Foundation, and for the kind of long-term investment that does not create great political excitement but that I think represents an investment in the future of the country.

So I want to commend our chairman. I want to thank her for all of her leadership on this bill. I intend to support this bill. It has been very difficult to write. It embodies compromises. If I were writing the appropriations bill by myself or if the Senator from Maryland and I could have written it without the inconvenience of having to deal with the House, we would have written a different bill. But I think given the Congress that we had to work with, given the competing priorities that we faced, that this represents as good a job as we could do. As I said earlier, I am especially proud of the fact that despite the clamoring of numerous political constituencies for their share of the funding in this bill, we were able to resist the siren song of investing in programs with big constituencies and that create instant gratification by spending the taxpayers' money on things that have effect immediately. Instead, I think we have made a sound investment in science and research, in technology, and in the future.

In conclusion, let me say that I think there have been two hallmarks of American success economically. One has been free enterprise, where ordinary people with ordinary ability have had more opportunity and more freedom than any other people have ever had, and with that opportunity and with that freedom ordinary people have been able to do extraordinary things.

The second has been that no society in history has ever been able to assimilate new technology the way the American system has. We have viewed science as the answer. We have viewed technology as the potential solution to our problems. We have been the most science-friendly society in the history of the world.

I would have to say I believe that is beginning to change. And I am alarmed about it. But this appropriations bill does not represent such a change. This appropriations bill, despite financial difficulties of the Government, represents a strong commitment and a

very strong investment in science and technology in the future. I am proud of that investment.

I yield the floor.

Mr. BURNS addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Montana. Who yields time to the Senator from Montana?

The Chair would advise the Senator from Texas that the Senator from Texas controls time on that side. Does the Senator yield time to the Senator from Montana?

Mr. GRAMM. I thank the Presiding Officer. I am very happy to yield to the Senator from Montana whatever time he might consume.

Mr. BURNS. I thank my ranking member.

Mr. President, I want to thank the chairman of this subcommittee for her hard work on this appropriations. It has not been an easy one. I would want to associate myself with not only her words but my ranking member as we try to put together an appropriations that I think reflects the thrust of the American people and where they want the priorities to go.

It contains funding for many important projects and new ones. Of course, those projects are going to be felt across the country. It funds the Veterans Administration, the Department of Housing and Urban Development, and independent agencies such as EPA, the NASA, and the National Science Foundation.

I think there is nobody that has been further out front, as far as the appropriations is concerned, as our chairman. I serve on the authorizing committee of science and technology and NASA. It is truly a cooperation between the authorizing part of this bill and then the thrust of appropriating the money and putting it in the right place.

Under the NASA budget, we are starting to take a look at hypersonic wind tunnel development research. $1.5 million is for research for wind tunnels. There are basic tools of obtaining technical and design information needed for hypersonic and supersonic aircraft. The United States, unlike its principal foreign competitors, does not have a wind tunnel capable of simulating these conditions. As we look at new technologies, especially in the aerospace industry, of new composites, new materials, we are taking a look at engines that will fly our supersonic airplane without any metal in them. They are looking at ceramics. We are looking at a whole array of new technologies that will be developed in this area. With the proper investment in this infrastructure, we have a great opportunity to maintain our lead and the cutting edge in aerospace.

As you know, in my State alone we are converting from the old MDH programs in these programs, and we have the infrastructure set in my State in order to take advantage of some of that.

In addition, we also are taking a look at working with the new technologies with EPA in other areas, especially in the areas of technologies of environmental cleanup as a result of closing military bases across this country.

If there is one thing we are finding out in base closures, it is much more expensive to close these bases than once we had thought because of the environmental cleanup. New technologies located in my State of Montana are uniquely qualified to do that technology. They are working on it now.

The National Science Foundation funding is something that we have worked on. I say to my friend in the chair that something that we worked on is telecommunications infrastructure among the tribal reservations in the Western and high plains of this country, not only in the State of Montana, but in North Dakota.

We are working together community colleges to interact between those colleges and in our areas of higher learning, such as Montana State University and North Dakota State University at Fargo.

These are areas where, yes, the native Americans feel like they have something to offer through their culture to the education system of America. To two-way interact is very important if we hook these community colleges together. If you can see what is happening on our reservations across America, it is that they just do not have that outlet in order to present their way of life, their culture, and add something to this great thing we call America, a country of many peoples.

We have seven reservations in Montana. Each one of those, except one or two of them, I think, all have 2-year community colleges. We think this is going to close the gap, the cultural gap, with our major universities and colleges in the State, plus give those young people a sense of being and a sense to go on with their education.

Also in the HUD budget is funding for research centers across the country that are particularly tuned in to women's health problems. We have a center in Billings, MT, that has been doing much research basically on women and the natural functions of aging, osteoporosis being one of those. Because the population in Montana is so static and people that are born there, live there, and they die there, the medical history of those people provides a great data base for research on those diseases. Of course, that area serves Montana, the northern half of Wyoming, as well as western regions of both North and South Dakota in that work.

So in this area there are some new things that are providing a new direction as far as this appropriation is concerned. Women's opportunity and resource development programs are also funded in this, because we are seeing women coming into the marketplace. Some of them are young, single parents. They need help, and they are funded through this organization, through this appropriation, especially in the western part of the State of Montana.

The VA-HUD and independent agencies appropriations bill also contains vital funding for research being done across the country. Three agencies within the bill have programs called EPSCOR. Within the EPA, NASA, and the National Science Foundation is a program vital to the academic research being conducted in our smaller colleges across the country.

These competitive based programs allow for smaller universities to conduct research and provide better educational opportunities for students. Five States in our country receive 44 percent of the university-based Federal research dollars. On the other hand, the 19 EPSCOR States, including Montana, receive only about 6 percent support.

So we are trying to take care of some of these areas and the smaller schools which have very fine research and development organizations within those schools of higher learning.

It is for this reason that EPSCOR is vital in providing those research dollars to rural areas. These programs help the less competitive States, predominantly rural, meet the challenges of competing for research dollars. In order to ensure that we can continue to support nationally competitive academic research, maintaining the funding for EPSCOR is very critical, and this particular appropriation does that. I will be supporting this bill.

Again, I want to congratulate my chairman and distinguished colleague from Maryland, and the ranking member, because this appropriations bill, since I have been in the U.S. Senate, probably shows more foresight of where the thrust should be going in this country, and that, of course, is through the new technologies and also in research and development. We keep hearing that we are getting beat on the competitive global market. We can "out-tech" anybody. Our problem is getting those new technologies into the hands of the people that use them in everyday life, and we also take care of that through this appropriation.

So I thank my chairman and the ranking member for their foresight in this bill. I shall be supporting it, and I congratulate them.

I yield the floor.

Mr. DOMENICI. Mr. President, I rise in support of the conference report on H.R. 4624, the Departments of Veterans Affairs, Housing and Urban Development, and independent agencies appropriations bill for fiscal year 1995.

This bill provides new budget authority of $89.8 billion and new outlays of $48.4 billion to finance operations of the Departments of Veterans Affairs and Housing and Urban Development, the Environmental Protection Agency, the Federal Emergency Management Agency, the National Aeronautics and Space Administration, the National Science Foundation, and other independent agencies.

Mr. President, the committee bill is within the subcommittee's 602(b) allocation. When outlays from prior-year appropriations and other adjustments are taken into account, the bill totals $90.3 billion in budget authority and $92.4 billion in outlays. The total bill is under the Senate subcommittee's 602(b) allocation by $1 million in budget authority and outlays.

This was not an easy task. The subcommittee has deferred funding for new housing initiatives that have not yet been enacted, and it has sought savings in some of the housing programs funded in the bill.

However, the subcommittee also adopted several provisions that minimize near-term outlays; specifically, delaying the obligation of some funding in the bill until very late in the fiscal year.

The subcommittee started with the President's request for a $771 million obligational delay in VA medical care. They then added a $386 million delay in the National Service account, a $132 million delay in NSF academic research infrastructure grants, and a delay of the entire $400 million for NASA aeronautic wind tunnel facilities. These actions push approximately $650 million in outlays into fiscal year 1996.

I do not have to remind my colleagues that the Exon-Grassley amendment to the fiscal year 1995 budget resolution mandates a reduction in the fiscal year 1996 discretionary cap of $4.0 billion in budget authority and $5.4 billion in outlays.

My colleagues on the subcommittee are well aware of this upcoming reduction. That is why they included an automatic rescission feature along with the delays in NASA and NSF, if the President did not choose to fund these initiatives next year.

With these actions and some tough decisions, this subcommittee has provided the largest percentage of funding for the President's proposed investment initiatives. According to the most recent report from the Office of Management and Budget, the President's investment initiatives are almost completely funded in this bill. Apparently the administration is not overly concerned that 67 percent of the funding for their National Service initiative will not be available until 1 month before the end of the fiscal year.

I especially appreciate the consideration given by the distinguished chair of the subcommittee to my request for assistance in meeting the severe wastewater treatment needs of the South Valley in Bernalillo County, NM.

I thank Senator MIKULSKI for the inclusion of $15.5 million in the bill through EPA's water infrastructure/State loan revolving loan program to meet the longstanding need of this community for adequate wastewater treatment facilities.

The conferees retained the $12 million approved by the Senate for the South Valley project in New Mexico. An additional $3.5 million was provided for the South Valley project as part of the final bill, which is directed to Bernalillo County.

This is an extremely serious situation in the South Valley and these funds will significantly resolve this longstanding problem.

I thank my good friend from Texas and the ranking Republican member of the subcommittee, Senator GRAMM, for his support for this important funding.

I also want to thank the subcommittee for providing full funding for construction of the second ground terminal for NASA's Tracking Data Relay Satellite System [TDRSS] to complete this important link in NASA's space communications system.

Mr. President, I urge the adoption of the pending bill.

SOUTH VALLEY WATER PROBLEM

Mr. DOMENICI. Mr. President, I am pleased this bill included $12 million funding for the South Valley of Bernalillo County, NM. In addition the conference report includes another $3.5 million for Bernalillo County. This funding should help solve one of the most serious waste water problems in New Mexico. By removing many of the septic tanks and hooking homes up to central sewer or other waste disposal systems, the quality of the drinking water should also improve.

This area has been settled since the 1700's and includes the three historic villages of Atrisco established in 1692, Los Padillas established in 1703, and Pajarito established in 1699. The South Valley is home to 12,000 people. The vast majority are Hispanic and many are poor. More than half of the children attending the area's two main elementary schools were eligible for free lunches through the Federal School Lunch Program, indicating household incomes under 130 percent of the poverty level.

For almost 30 years the South Valley community has suffered the health hazard of inadequate sewer and water facilities. Drinking water wells and septic tank leach fields are practically on top of each other. I am sure you can appreciate the tremendous health hazard this represents.

The septic tanks in the South Valley are contributing significantly to the aquifer's depletion and pollution. This is very serious because the aquifer is the water supply for the entire Albuquerque area. The water table in the aquifer has dropped 30 feet during the last decade. These facts support the conclusion that the problem is getting worse and so is the general quality of life in the South Valley.

I am aware that it would take more than $10 billion to help every community in need of a sanitary wastewater treatment system. The Appropriations Committee last year made $500 million available for wastewater treatment for communities with special needs. That money is scheduled to become available this fall for projects that have been authorized. Thus far this year, the House passed VA–HUD appropriation bill leaves available, subject to authorization, the fiscal year 1994 $500 million communities with special needs account.

The Senate Appropriations Committee made wastewater treatment a higher priority, and identified specific projects that would receive funding in both fiscal year 1994 and fiscal year 1995. I am pleased that they included $12 million in fiscal year 1995 for the South Valley, and another $3.5 million for Bernalillo County where the South Valley is located.

For almost 30 years this community has suffered deteriorating housing stock, and the health hazard of inadequate sewer and water facilities.

The situation is so critical that there is a moratorium on building desperately needed multifamily housing units. These are units that could greatly improve the housing stock and quality of life in the South Valley neighborhoods.

The wastewater needs for the South Valley are diverse and will require several different approaches. While these are the starkest examples, the valley's problems are diverse. Some parts of the valley are semiurban and could be hooked up to the Albuquerque City system. Other sections of the South Valley would be best served by "community-cluster style" systems like the vacuum systems and constructed wetlands. In the least densely populated areas of the South Valley it makes sense to continue onsite water wells and wastewater disposal systems.

Making lemonade out of a lemon. Two elementary schools and a community center in the South Valley were having to pump their septic tanks daily in order to avoid sewage rising to the ground surface. Bacteria were found in the well of one of the schools about 2 years ago. One of the schools, Los Padillas School, had been using bottled water to drink and to prepare school lunches. The teachers used this dire situation to get the students interested in science. All of the kids learned about the dangers of unsafe drinking water. They learned about the constructed wetlands vacuum technology

to treat their waste and to provide them with clean healthy drinking water.

Helping those who help themselves. In these tight fiscal times, it can be said that Congress helps those who help themselves. If this is the test, South Valley should be helped. This community has been untiring in its efforts to help itself. So many times its efforts have been ignored or rejected.

Nevertheless, its leaders should be commended. They never gave up.

The leaders of South Valley and I have been meeting on a regular basis for 9½ years to develop an action plan to address this problem. I particularly want to mention the hard work in New Mexico at the State legislature and in local government. Speaker of the House, Ray Sanchez; Senate President pro tempore, Manny Aragon; State Representative Kiki Saavedra; State Representative Delano Garcia; former county commissioner, Orlando Vigil, county commissioner, Al Valdez, and county manager, Juan Vigil have all worked tirelessly.

Their hard work has led to successes at the local level. These include the following: In 1991, the Bernalillo County Commission adopted a one-eighth cent tax on gross receipts in and for the unincorporated area of the South Valley to finance solid waste, water, and sewer. In the 2 years that this levy has been on the books, $1.5 million has been raised in annual revenue and $900,000 has been designated to assist residents in hooking up to water and sewer systems already in place. Some of this $900,000 has been used to upgrade substandard onsite wells or septic systems.

A partnership in the making. The city of Albuquerque, in partnership with Bernalillo County, has contributed its resources in the areas of research planning and education. The University of New Mexico, Institute of Public Law, provided a joint study for the New Mexico legislature which led to an appropriation of funds for this project.

The New Mexico legislature appropriated $4 million in 1992; $5 million in 1993; and $8 million in 1994 demonstrating the seriousness of the problem and the State's commitment to a solution.

Users of a new system will also bear a portion of the burden for the improvements. If the city is the provider, total user fees may total almost $3,500 for hookup to both water and sewer service. These costs do not include the cost to extend lines from the house to the water meter and sewer stubout. While average incomes range from $18,000 to over $40,000 per household it would be difficult for most homeowners to pay these substantial costs out-of-pocket to ensure a sanitary liquid wastewater disposal system and safe drinking water supply.

Given the magnitude of the costs, grants, and direct appropriations are needed in order to keep rates from being prohibitively high. The Revolving Loan Fund has not been used because there is no way the residents could pay back the loan; the rates would be so high that the people who need the wastewater system could not afford it. The South Valley is not part of Albuquerque City and city officials say that the city is already subsidizing the South Valley residents.

In addition, the Revolving Loan Program cannot make a long-term commitment for future funding of a phased project. The funds for both water and sewer problems are eventually needed. I realize that your committee's jurisdiction is mainly the wastewater part of their problem, and we are trying to secure funding for wastewater first. My point, however, is that the loan fund is not the answer for all of the above reasons.

Clearly the legislature is doing its part in this worthy partnership which would use both State resources and Federal resources. Even with the State appropriations the South Valley still needs $35–$40 million to meet its water and sewer treatment needs—$25 million for the wastewater portion which falls within the jurisdiction of your committee.

Dozens of programs on the books but none of them can help the South Valley. Over the years, the community has investigated using the state revolving loan fund, Economic Development Administration Programs, rural development programs under the Department of Agriculture, all of the EPA Programs, HUD Programs, and the Community Development Block Grant Program. The South Valley is ineligible for all of them because it is either too close to Albuquerque and therefore not rural enough, or too close to Albuquerque and therefore, when viewed as a region, is not poor enough. Or the needs of the South Valley are too big and would swallow up entire programs' nationwide budgets. Frankly the existing programs, with their restrictions about being too urban or too well off aren't the important criteria. It has simply been too long since the Federal Government joined the State and local partnership.

The Senate has passed a South Valley authorization. Action is needed in the House. Last year, the Senate passed S. 1685 which authorized this project. That bill is being held at the House desk.

This authorization, if it is enacted into law, will end 30 years of frustration, denial and avoidable health problems in this community.

Thank you, Mr. Chairman.

CONSORTIUM FOR INTERNATIONAL EARTH SCIENCE INFORMATION NETWORK [CIESIN]

Mr. RIEGLE. Mr. President, my colleague from Michigan, Senator LEVIN, and I would like to engage in a colloquy with the distinguished Chair of the VA, HUD and Independent Agencies Appropriations Subcommittee on an issue of importance to our State, to the Nation, and to the world—the Consortium for International Earth Science Information Network [CIESIN].

Ms. MIKULSKI. Mr. President, I would be pleased to engage in a colloquy with my colleagues from Michigan on that subject.

Mr. LEVIN. Mr. President, last year, in the fiscal year 1994 conference report for the VA–HUD Appropriations Act (Report 103–273, p. 30), the conferees stated their expectation "that beginning in fiscal year 1995, the National Science Foundation will establish, through a competitive process, a Center for the Human Dimensions of Climate Change at a level of approximately $6,000,000 annually."

That direction resulted because of an agreement reached in the Senate regarding CIESIN during the Senate's consideration of the fiscal year 1994 bill. A colloquy on the matter took place between Senator MIKULSKI, as Senate manager of the bill, and Senator RIEGLE and me on September 22, 1993. During that colloquy, the subcommittee Chair indicated her intention to support the development of a competitive grant of about $6 million annually to be awarded by the National Science Foundation to a center for the conduct of CIESIN-like activities. These activities were described by my colleague, Senator RIEGLE, and me, earlier in the colloquy. Our intent and understanding was that CIESIN would have the opportunity to compete for selection as this center.

Is that also the understanding of the Senator from Maryland?

Ms. MIKULSKI. Mr. President, the Senator is correct. I stated at that time that I thought it would make good sense to develop such a grant proposal for this kind of center. While I noted that I could not commit future Congresses, I indicated that I would work with the Senators from Michigan and the administration to carry out this agreement.

Mr. RIEGLE. Mr. President, the Senator from Maryland has great foresight in attempting to fashion programs that build upon the Nation's investments in science, as is the case with CIESIN. I thank the Senator from Maryland for carrying forward with her agreement of last year.

I ask the distinguished chairwoman, the gentlelady from Maryland, if the center on page 50 of fiscal year 1995 VA–HUD Conference Report 103–715, described as a "center or consortium for the human dimensions of global climate change," and for which $6 million was recommended by the conferees for fiscal year 1995, is the center talked about during the debate on the fiscal year 1994 bill, as described by Senator LEVIN?

Ms. MIKULSKI. Mr. President, the Senator is correct. That was my intention and the intention of the conferees. I join the Senators from Michigan to encourage the NSF to carry forward with the competitive process and with the award for this center early in fiscal year 1995. I am aware of the serious funding constraints placed upon CIESIN in fiscal year 1995, and I would like to see them have the opportunity to compete. However, I want to make clear that this $6 million item in the NSF's appropriations is to be awarded under the framework of a competitive, peer-reviewed process. Of course, no applicant for these funds should be given consideration outside of this competitive selection process.

Mr. RIEGLE. Mr. President, we thank the Senator from Maryland for this clarification and her assistance on this important matter.

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

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

Mr. GRAMM. Mr. President, I yield 15 minutes to the distinguished Senator from Arizona.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. McCAIN. Mr. President I thank my friend from Texas. In a short time, we will be voting on my amendment and also Senator SMITH's amendment, I believe, on another attempt—possibly a futile one—to remedy this credible problem we face of unauthorized earmarks added in conference. Neither the House nor the Senate have approved these appropriations.

I congratulate the subcommittee, because this is the highest number that was added in any appropriations bill. We count up about $400 million, higher than any other appropriations bill.

Mr. President, I ask unanimous consent that a letter from the Citizens Against Government Waste be printed in the RECORD at this time.

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

COUNCIL FOR
CITIZENS AGAINST GOVERNMENT WASTE,
Washington, DC, September 26, 1994.

DEAR SENATOR: In the just-released 1994 Congressional Ratings by the Council for Citizens Against Government Waste (CCAGW), the average score for Senators was 45.76% in support of cutting government waste. The average House score was 52.72%.

This "spending cuts gap" is demonstrated in the 101st Congress and 102d Congress as well, and as you can imagine, House members are making much of their better voting record on eliminating waste and halting pork-barrel spending.

Today and tomorrow, you will have a chance to narrow the House-Senate spending cuts gap by approving Senator John McCain's amendment to eliminate earmarks and pork in the FY95 VA/HUD appropriation.

Two weeks ago, the House blinked, 189–180, and failed to eliminate pork projects added to the bill. CCAGW strongly urges you to correct the mistake and demonstrate that you have some regard for American taxpayers.

We have seen a list of the earmarked projects, and while many appear to be well-intentioned, suitable endeavors, virtually all are unauthorized. Moreover, the targets of Senator McCain's amendment were all added in conference, the kind of back-door spending that outrages the average American who sees the practice as yet another indication of Congress sneaking around, spending their tax dollars.

Of all the votes you cast this year, none more clearly will define your record on porkbarrel spending. Shamefully, the House blew its opportunity to put principle above election-year politics, but we count on the Senate to approve the McCain amendment and halt the gluttony.

Your vote on the McCain (or any tabling) amendment will certainly be among those tabulated in our final 1994 Congressional Ratings.

Sincerely,

JOE WINKELMANN,
Director of Government Affairs.

Mr. McCAIN. Mr. President, I will quote from this letter. By the way, this amendment is supported by the Citizens For a Sound Economy and the National Taxpayers' Union.

Citizens Against Government Waste says:

Today and tomorrow, you will have a chance to narrow the House-Senate spending cuts gap by approving Senator John McCAIN's amendment to eliminate earmarks and pork in the Fiscal Year 1995 VA-HUD appropriation.

Two weeks ago, the House blinked, 189–180, and failed to eliminate pork projects added to the bill. Citizens Against Government Waste strongly urges you to correct the mistake and demonstrate that you have some regard for American taxpayers.

We have seen a list of the earmarked projects, and while many appear to be well-intentioned, suitable endeavors, virtually all are unauthorized. Moreover, the targets of Senator McCain's amendment were all added in conference, the kind of back-door spending that outrages the average American who sees the practice as yet another indication of Congress sneaking around, spending their tax dollars.

Mr. President, I hope that we can, this time, recognize that this kind of thing is not possible anymore. I was pleased to see that the House acted on the Transportation conference report. Unfortunately, our efforts over here to take similar action were defeated.

I saw a letter, as I arrived at my desk, Mr. President, from the Paralyzed Veterans of America. The letter is addressed to the honorable BARBARA MIKULSKI, chairman of VA–HUD.

Dear Madam Chair: On behalf of the members of Paralyzed Veterans of America, I am writing to request your assistance in opposing any amendment to be offered to the fiscal year 1995 appropriations for the Department of Veterans Affairs. Amendments at this late date jeopardize and delay the final approval of this necessary appropriation and will curtail the VA's ability to meet the health care demands of veterans.

Delays and foot-dragging have already dearly cost VA health care this year—

[blah, blah, blah].

I have great sympathy for Douglas Vollmer, the associate executive director for Government relations for the Paralyzed Veterans of America. I have had excellent relations with them. Unfortunately, they do not know that we have had an opportunity for an entire year to get this bill up. It is not this side who is proposing the amendment that caused this appropriations bill to come forward at this late date. Probably, Mr. Vollmer does not realize that when we earmark in an unauthorized fashion moneys for specific projects, that Paralyzed Veterans all over America suffer. Perhaps Mr. Vollmer does not realize that the best way to get the kind of assistance that all of our veterans need is to have a fair and equitable distribution of the money and not have unauthorized earmarks which specifically go to the States and districts of members of the Appropriations Committee.

I do not think any veteran in Maryland has a higher calling on the tax dollars of the American taxpayer than a veteran in Arizona, or a veteran in New Hampshire, or in any other State. But we find in this bill 400 million dollars' worth of earmarking—worth of earmarking—that goes on and on and on and on. Many of them are very worthwhile, many are important projects—none of them scrutinized by the Members of this body. None of them, of the nearly $400 million.

When I say nearly $400 million, Mr. President, next year when we go through this, perhaps if we adopt the Smith amendment, at least we will be able to identify them instead of our staff having to leaf through page after page of this document and try to uncover it themselves. What happens is that long after the bill is passed is when we finally find out what exactly they were.

I will not go through too many of these. I have a very long list here. I have many pages of these earmarks. Some of them sound reasonable to me. Some of them, to me, are hard to understand. But there is one common thread that runs through these, and that is that they seem to be awarded almost uniformly to the States and districts of members of the Appropriations Committee: $1.7 million to the city of Little Rock, AR, for community development activities; $1 million to Cibola County, NM, for the development of the multiagency visitor center; $1 million for a residential and commercial sewer rehabilitation project.

I am sure all of these are very important. I am sure that Cleveland, OH, needs all of the funding going to Cleveland, OH. I am sure it is just a coincidence that, according to an article in

Congressional Quarterly entitled "A Cleveland Cornucopia," if that is the proper pronunciation, Metropolitan Cleveland was a conspicuous winner when House conferees added special-purposes grants to the housing section of the VA-HUD appropriations.

A chairman of the subcommittee represents Cleveland's east side suburb, and the conference report includes nearly $10 million in projects for the area. I am sure they are worthwhile projects, Mr. President, but they were not scrutinized by the Members of the House or Senate.

Mr. President, I have gone on and on on this issue for a long, long time. I will continue, probably, unfortunately to go on and on on this issue. But if we ever expect to regain the confidence of the American people we better have an orderly process here, as described in the pamphlet printed at Government expense, called "How Our Laws Are Made."

"How Our Laws Are Made" says that the Senate passes a bill and the House passes a bill and they conference on items of disagreement, period. The very unhealthy and unsavory practice of adding in appropriations that were not authorized at any time into these bills, continues apace. And in this case in this bill, the estimates we have are about 400 million dollars' worth.

Mr. President, I cannot go back to Arizona and tell the people that I am truly representing them if in a conference $400 million of special projects is added on which I am not a member of the conference. Yesterday, the Senator from Maryland suggested that maybe I become a member of the Appropriations Committee. I do not think that would solve the problem. I think what solves the problem is an orderly process where the Members of both bodies scrutinize both bills and that we abide by the rules of the Senate, which is that the conferees address items in disagreement.

Mr. President, I hope we can win this vote and I believe in those who are worried about inordinate delays. I say we can go back to conference and in 1 New York minute we can clean out those earmarks and bring it right back and have a 100 to 0 vote on the floor of the Senate. All we have to do is take out the earmarks and bring the bill back and I am sure we can pass it very quickly.

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

Ms. MIKULSKI. Mr. President, ordinarily, we alternate back and forth, but I am happy for Senator DURENBERGER to proceed and for the Senator from Texas to yield. I will move into my rebuttal and wrapup. In today's atmosphere we need a little bit more comity with each other to move our legislation.

The PRESIDING OFFICER. The Chair advises that the Senator from Texas controls 15 minutes. The Senator from Maryland controls 39 minutes.

Mr. GRAMM. I yield 10 minutes to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 10 minutes.

Mr. DURENBERGER. Mr. President, I appreciate the comments of my colleague from Maryland about comity, and I appreciate the opportunity to speak on behalf of the amendment by my colleague from Arizona. I certainly endorse every comment that he made and I intend to add a few of my own.

Mr. President, I urge the Senate to adopt the amendment offered by the Senator from Arizona. The bill allocates more than $1.2 billion to projects in about 40 cities. It is clear that those funds come at the expense of the Clean Water Act State Revolving Loan Fund Program that serves the needs of all the States.

By every measure the State revolving fund—or SRF Program as it is called—has been a great success.

Notwithstanding that success, the Appropriations Committee has for 2 years in a row slashed the President's SRF budget request to finance direct grants for selected cities. It would be one thing if the SRF had failed to meet its objectives or if there was a segment of the interested parties which believed that major reforms in the program were needed. But that's not the case. The program is universally popular.

It is my purpose today to make the case against these direct grants by making the case for the alternative—for the SRF—by setting forth the history of wastewater treatment financing under the Clean Water Act.

EARLY HISTORY OF THE CLEAN WATER ACT GRANTS

Mr. President, Federal aid to build wastewater collection and treatment systems began in 1956 with enactment of the Federal Water Pollution Control Act. For most of its history this program provided direct Federal grants to local governments. Cities and towns used the money to lay sewer pipes, to build sewage treatment plants and to replace sewage facilities that had worn out.

In the first years the grants were relatively small, $20 million to $50 million per year. But in 1972, the program was dramatically expanded. That was the year that Congress completely rewrote the Federal Water Pollution Control Act to address the water pollution problems that had become a national scandal. Rivers caught fire, the Great Lakes were dying, urban rivers like the Potomac were so polluted they were no longer suitable for recreation. And the American people demanded that our rivers and streams, lakes, harbors, and bays be cleaned up.

Although it was not officially called the Clean Water Act until 1977, it was the amendments of 1972 that signaled the big change. Authorizations for the wastewater treatment construction grants program were increased to nearly $5 billion per year with the 1972 legislation. The Federal share of project costs was increased to 75 percent. States were instructed to prepare priority lists of projects for Federal funds. A massive construction program was begun.

That level of effort was continued through much of the 1970's. At the end of that decade, the Federal Government was providing about $5 billion per year in aid to local governments to build sewage treatment and collection facilities. More than $26 billion had been invested at that point.

THE REAGAN REFORMS

In 1981 when President Reagan came to office he appointed David Stockman as the Director of the Office of Management and Budget. Mr. Stockman was very critical of the construction grants program. He felt that many of the communities that received Federal assistance could well afford to build their own wastewater treatment facilities.

He also argued, and with some justification, that the very low contribution made by local governments to the cost of these plants encouraged overbuilding. Cities designed plants with capacity well beyond their current needs because the cities contributed on average only 5 percent of the construction costs.

As it happened the construction grants program was up for reauthorization in 1981 and President Reagan made it clear that he would request no funds for 1982 unless significant reforms in the program were made.

And the Congress responded with reforms. The Federal matching rate was cut from 75 percent to 55 percent requiring local governments to shoulder a larger share of the burden. Projects that were growth related were no longer eligible for Federal funding. Priority was given to construction that would bring cities into compliance with Federal water quality standards. It was agreed that the program would be extended, but for only 10 additional years at an authorization level of $2.4 billion per year. At the end of the 10-year period, the Federal role in wastewater treatment was to be terminated.

There was logic to the commitment of $2.4 billion per year for 10 years. Those of us in the Federal Government often hear complaints from our colleagues who serve in State and local governments that the Congress imposes mandates without funding them.

The laws that Congress enacts can have major cost impacts for State and local government. Since they are governments that must get their tax dollars from the same people that the Congress taxes, they argue, rightfully in my view, that Congress has an obligation to consider the impacts of its

action on State and local spending and taxes.

Well, we always have in the Clean Water Act. The purpose of the construction grants program was to help pay for a Federal mandate. Publicly owned treatment works, the sewage treatment plants owned by towns and cities and counties, must meet a level of pollution control set forth in the Clean Water Act. It is called secondary treatment. It requires that about 85 percent of the pollutants in the wastewater be removed before the water is discharged to a river or lake. In 1981 when the Congress and the administration agreed to provide another $2.4 billion per year for 10 years for construction grants it was projected that this amount of money would roughly pay for the cost of complying with that Federal mandate.

And today, most communities are either complying with the requirement or have under construction the sewage treatment facilities necessary to comply. The Federal Government has by now made grants totaling more than $61 billion to achieve this goal—to pay for the sewage treatment plants that are necessary to comply with the requirements of the Clean Water Act.

STATE REVOLVING LOAN FUNDS

When the grant program came up for reauthorization again in 1985, further and very significant reforms were made. At that time we were looking at the end of the Federal role in 1991. The principal question was how to wind down the Federal role in sewage treatment plant construction once the job had been accomplished. The legislation we developed converted the construction grants program was into a permanent infrastructure investment program at the State level.

Rather than make outright grants to local governments for construction, the 1987 Water Quality Act authorizes grants to the States. Each State places its grant in a revolving loan fund. It matches the Federal grant with some of its own funds. The money in the fund is then loaned to local governments for wastewater treatment construction projects. Local governments pay the money back over 20 years at interest rates less than the market would charge and money is then reloaned to build new sewage treatment facilities in other towns and communities.

These State loan programs are called State revolving funds or SRF's. The first SRF's were established in 1989 and 1990. Today every State and Puerto Rico has established a revolving loan fund. They have all received grants from the Federal Government to capitalize their funds. Loans have been extended to hundreds of local governments through State revolving funds.

The States have done a truly extraordinary job in setting up these funds. States are required to match the Federal dollars with some funds of their own. Many States have gone well beyond the required match. And a dozen States have leveraged their funds. They have used the Federal grant to backup bonds issued by the State the revenues from which are deposited in the fund and are also used to make loans.

For instance, the State of New York has leveraged its Federal grant and state match at a 3-to-1 rate. For every dollar of Federal grants it receives it is able to loan out more than $3 to local governments. This means that Federal dollars in states using the leverage of SRF's can reach much farther than they would as a direct Federal-local grants.

The advent of the SRF has brought about another significant reform. Because local communities are required to pay back the loans, the planning and design of the wastewater facilities that are built is likely to be much more in tune with the actual needs of the community. Cities and towns will seek efficiencies and technologies that can save costs and save on water consumption, because ultimately they will have to pay the sewerage charges that finance the facility.

But there is still a substantial benefit for local governments. The State of New York estimates that local government saves $250,000 in interest costs for each $1 million borrowed from an SRF as opposed to the bond market. And in some States, no interest loans are offered to communities that cannot afford even the 2 to 5 percent rate that is typically charged for an SRF loan.

So, what we have here is a great success story. Since 1956 the Federal Government has invested more than $61 billion in local sewage treatment and collection. It is an example of the Congress financing a mandate that it has imposed. Today, there are 16,000 functioning sewage treatment plants owned and operated by local governments across the country.

Plants serving more than 144 million Americans meet secondary treatment—the Federal standard for clean water. That is up from 85 million in 1972. And the quality of the Nation's rivers and streams, lakes, harbors, and bays has improved dramatically as a result.

State revolving funds have magnified the impact of Federal dollars. The money will be available in perpetuity as local governments repay their loans. Many states have leveraged the Federal dollars to extend the reach of the SRF's. And the dollars are applied more efficiently as the discipline of repayment is applied to the design and construction of these facilities.

CLEAN WATER ACT REAUTHORIZATION PROPOSALS

Mr. President, although the intention in 1987 was to terminate the Federal role in wastewater treatment financing, the tremendous success of the State Revolving Fund Program has caused a change of heart. President Bush and the environmental leaders of his Administration including the head of the Environmental Protection Agency, Bill Reilly, came to see the SRF as one of the most valuable environmental programs carried out by the Federal Government.

Although the phaseout of the SRF funding is scheduled to begin in 1991, President Bush proposed continuation of the program at levels exceeding $2 billion per year and in his last budget proposed funding at levels not seen since the 1970's. The success of the program and the continuing needs for wastewater investment convinced even the Office of Management and Budget that this program should be extended.

In late 1993 President Clinton released his own Clean Water Act initiative that proposed a reauthorization of the SRF program through the year 2000 at approximately current funding levels—levels well above the amounts for the SRF now included in this Appropriations conference report.

It is interesting to note that President Clinton also proposed an SRF for the Safe Drinking Water Act. New drinking water regulations have imposed substantial costs—estimated to be more than $8 billion—on local government across the Nation. Many small communities are having a difficult time finding the capital for drinking water supply improvements that will be necessary to comply with these regulations. Because the SRF program has worked so well under the Clean Water Act, the mechanism is proposed as a solution for the serious troubles of the Safe Drinking Water Act.

In February of this year, the Environment and Public Works Committee of the Senate reported legislation, S. 2093, that would reauthorize the Clean Water Act and that would extend the SRF capitalization grants through the year 2000.

THE 1995 WATER INFRASTRUCTURE APPROPRIATION

Mr. President, this 1995 appropriations bill is out-of-step with the long and successful history of the Clean Water Act.

The conference report undercuts the State Revolving Fund Program and returns to an era of direct Federal-local grants setting aside the many reforms imposed by Congress after careful oversight of the program.

While the bill appropriates $1.238 billion for Clean Water Act State Revolving Funds in 1995, it provides a larger amount, $1.282 billion, in direct grants to approximately 40 cities for sewage treatment, stormwater, and water supply projects.

The conference report includes many more grants than were contemplated in either the Senate or House passed bills. The Senate bill included $368 million in grants for 1995. The conference report

comes back to us with $782 million in grants for a long list of projects never mentioned in either the House or Senate report.

Of course, the amount to be appropriated to the Clean Water Act SRF shared by all the States has been reduced to make room for these new earmarks. This is the second EPA appropriations bill that has been the full responsibility of the Clinton Administration. Both have contained substantially less money in the Clean Water Act SRF account than was provided in bills passed under Republican Presidents. Because most States don't benefit from the direct grants, the Clinton budgets have made them losers. Looking back at the bill passed by the Senate, it is clear that the loss in this case is directly attributable to this long list of earmarks.

Mr. President, I urge the Senate to support the amendment offered by Senator MCCAIN.

Mr. President, I think I just finished the last meeting of the Environment and Public Works Committee, and I have been at that now for I think it is about 12 years of serving on that committee.

So, among other things, I know a little bit of something about water infrastructure grants that are included in H.R. 4624. I know a little bit of something about the origin of the Clean Water Act, a little bit of the history of the clean water bill which is set forth in my statement. There is an early history of the Clean Water Act grants, which I think will endorse everything that my colleague from Arizona said about what has happened to what has turned out to be pretty good intergovernmental policy—the relationship between Federal, State, and local government—in implementing the environmental objectives in water cleanup, what happened to them in the last 2 years on the path through the Appropriations Committee.

Let me forgo the early history of the big buildup in 1972 of the Federal Water Pollution Control Act of 1977. We first called it, I guess, the Clean Water Act, and it was at that point that we jumped up to 75 percent Federal money. By the time Dave Stockman got here with President Reagan in 1981, we figured we were shoveling an awful lot of money out into local government in a lot of communities in which maybe the need was not all that great and/or where they could have committed some local funds to meet those same needs.

So starting with—I almost called him President Stockman—but starting with OMB Director Stockman's recommendation in 1981, the committee and this Congress, the House and the Senate, began to review, revise, and to implement some reforms in the whole way the program was authorized.

In 1985, when the reauthorization came up, there were further and very significant reforms that were made at that time, looking toward an end to the Federal role in all of that. That was the year that we came up with a concept of State revolving loan funds. As the local communities would begin to repay funds these would be gathered at the State level and they could be used in conjunction with State funds for further grants.

What happened with the State revolving loan fund program, which was established in I think about 1989 or 1990, every State and Puerto Rico has established a revolving loan fund of some kind. They have received grants from the Federal Government which capitalizes their own funds, and those loans then have gone out into a variety of local government projects.

So what you have, in effect, with this relatively small amount of Federal money, which is in effect recycled in part by repayment, is a cooperative effort between the State and the local governments to determine which wastewater treatment plants and projects are the ones that are most appropriate, and which ones may be less appropriate and have to go on some back burner for a while. That, in effect, for the last year or so, has saved the demise of the Federal participation in these treatment plants.

The bottom line, Mr. President, is that the State revolving funds have magnified the impact of Federal dollars. The money now will be available, in effect, in perpetuity as local governments repay their loans. Many States have leveraged the Federal dollars to extend the reach of the SRF, applying them more efficiently, more appropriately. They are beginning to discipline the repayment where people are falling behind, getting their money back inappropriately. There is now an intergovernmental discipline which does not have to be exercised here at the Federal level.

So, Mr. President, as I have watched this process go through the natural evolution of what is the appropriate Federal role, what is the State role, and what is the local role, this is one of those programs where a relatively small amount of Federal money is achieving a very important national purpose by enhancing the relationship between State and local government and, in effect, we do not need an Environment and Public Works Committee to determine what projects work and which ones do not; we do not need an Appropriations Committee at this level to make the determinations about the wisest expenditure of funds.

So I conclude, Mr. President, by saying that the 1995 appropriations bill appears to me to be out of step with the very long and successful history of the Clean Water Act. The conference report undercuts the State Revolving Fund Program. It returns us, in effect, to an era of direct Federal-local grants, setting aside many of the reforms imposed by Congress after careful oversight of the program.

While the bill appropriates $1.238 billion for Clean Water Act State revolving funds in 1995, it provides a larger amount, $1.282 billion in direct grants, to approximately 40 cities for sewage treatment and storm water and water supply projects.

The conference report includes many more grants than were contemplated either in the Senate- or the House-passed bills. The Senate bill, for example, included $368 million in grants for 1995; that is, directs grants. The conference report came back to us with $782 million in grants for a long list of projects never mentioned in either the House or the Senate report.

The amount to be appropriated to the Clean Water Act State revolving fund shared by all the States has been reduced to make room for these new earmarks. So, in effect, this evolution of a more responsible system, using the recycled, repaid funds is now being taken apart in order to bring the decision-making back here to the national level.

So, Mr. President, I strongly urge my colleagues to take the advice of our friend from Arizona. I do not know which States are the ones that benefit from the new largess of the Appropriations Committee. I do not know which ones get housing money. I am only here to say that I think the good policy which has evolved over time in terms of how to wisely see the expenditure of these moneys at the local level is being put into reverse by the action of our colleagues on the Appropriations Committee.

I am sure there is desperate need in these 40 projects; there is no question about that. I am here only to speak for my colleagues, as my friend from Arizona has done, about the logic of reversing a very, very good change in Federal policy which has enhanced the relationship, the intergovernment relationship, between State and local government, which has made a few billion dollars go an awful lot further than they would have gone under the original Federal grant program, under the Clean Water Act.

So for whatever reason my colleagues might have to support this particular amendment by my colleague from Arizona to send this back to the committee, I suggest that good public policy is at the root of it. The Clean Water Act and the SFR fund is a good example of that, and I, as strongly as I can, urge my colleagues to support his amendment. I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Chair recognizes the Senator from Maryland.

Ms. MIKULSKI. Mr. President, much has been said about this conference report this morning, some complimentary and some critical.

I would like to just try to present the facts as they are. First, in response to the Paralyzed Veterans' letter raising concern that an amendment to the bill would put it back in the House and could possibly delay us meeting our October 1 deadline, it was indicated that perhaps this subcommittee footdragged. I really take exception to that because the whole leadership of this subcommittee has moved in a steady way. We on the Appropriations Committee are very clear that we have a due date. We on the Appropriations Committee know when that due date is and we organize ourselves, through both our hearings, waiting for House action, bringing to the Senate and then moving our bill in a steady way.

We had completed our conference before we broke in August. Every deadline for this subcommittee was met and met in a prompt timely way. Our hearings were completed in June, which is the schedule for the Senate. The House acted. We took up our bill in July and then met in conference before the break. Then we were ready. There was a report here September 1.

We are part of everything else that is going on in this institution.

My bill was ready to come to the floor the minute we got back from the August break. We were ready to go. We were ready to go. So it is not that we have foot dragged. We have been part of this gridlock that is going on where my legislation and I believe some of the other appropriations bills are stacked up like planes over LaGuardia Airport waiting to land in the midst of a storm.

So, I want to assure both the people of Maryland and the people of America that the subcommittee working with both sides of the aisle has met its deadlines. We are here this week because that is the way the schedule fell because of other things. We were ready to go last week, but the hours and hours and hours of debate, and I might add some might say fruitless debate on campaign finance reform, is one of the ones that delayed that.

I was willing yesterday to come from a sick bed—I also canceled an appearance some place else—to be on the floor to move this bill.

So this subcommittee does not foot drag. It might be criticized for content but do not criticize it in that way.

The second thing is there is much discussion that has gone on today about the authorization committees. I am a member of an authorizing committee. I know what they are up against. But I will tell you many of the things that we were in suspended animation on were because the authorizing committees could not act.

Now, the authorizing committee in VA waited to act to see how we are going on health insurance reform and how perhaps the VA needed to be restructured should we pass health insurance reform.

When that possibility dimmed, the authorizing committee moved in a very straightforward way under the leadership of Senator ROCKEFELLER, with the cooperation of Senator MURKOWSKI, but because our bill had already moved through the Senate, projects that were authorized in VA were not included here, and we added some in the conference because that was the will of the institution. It was a question of how to coordinate the timing.

Now, the Senator from Minnesota spoke about the clean water bill and how this is going to jettison the process and he really spoke in his usual style about good government. But we might have good Government, but when you have gridlock, deadlocked government, it is hard to do good government.

He referred to the 1987 clean water bill. Mr. President, that is the last time we had a clean water bill. This subcommittee has been waiting for not one, but 3 years for the Clean Water Act to be reauthorized. They cannot get it out for whatever reasons and for whatever the disputes are. The authorizing committee is stymied in bringing a bill to the floor, and in the meantime we have needy cities in many States of which there are Members who are not even on the Appropriations Committee, as often indicated.

So we acted because things do affect the communities that would be included. I can go over that.

When we talk about this, it is one of the reasons we tried to pace ourselves to give the authorizing committees a chance to act. Guess what? Some did; some did not. Some I never know whether they will.

But we have an obligation, I might say a duty, to move this legislation particularly in those areas that affect not only the environment but could have a serious impact on public health or public safety.

So when we talk about the processes, we did not foot drag. When we talked about the fact not everything is authorized that is not my fault. I am not pointing fingers and I am not saying who is at fault. Some waited because of health insurance reform, and others have been stymied because other people have other agendas.

I also might want to talk about this process, implying that we met in some back room with the small group of people maybe wearing black coats and looking like Darth Vader reruns, that could not be farther from the truth. We met in open session, public session. I might add we met during regular business hours, and we have the active participation on a bicameral bipartisan basis.

The process was out in the open. Any Member of the Senate could attend. Any Member of the Senate could have their staff attend. Any Member of the Senate who wanted to know more could do so.

So I wanted to talk about this process and indicate to those within the Senate who are following this debate in their offices about the process.

I also want to talk then about my bill. The Senator from Arizona talked about the $400 million that was added. Mr. President, that is one-half of 1 percent of the bills's funding. The remaining 99.5 percent is not.

What is this bill? Well, I will not go through the other 99.5 percent, but I would like to say to the American people what we have here is funds that support the following agencies:

Veterans, Housing and Urban Development, the American Battle Monuments Commission in which there was substantial funds for the D-day commemoration, chemical safety hazards support, communities development financial institutions, the Consumer Product Safety Commission, the Corporation on National Service, the Office of the Inspector General for RTC, the U.S. Court of Appeals for the Veterans' Administration, the Arlington Cemetery, EPA, the consultative office on both environmental quality for the President and the science adviser, FEMA, the Consumer Information Center, the Office of Consumer Affairs at HHS, the space agency, the Science Foundation, the Neighborhood Reinvestment Corporation, the FDIC, Resolution Trust Corporation, with certain things before the passing of reform legislation, and even Selective Service.

One might recall during our debate there was an attempt to terminate Selective Service, and it was this subcommittee that had a staunch defense for the preservation of Selective Service, not knowing what the new calls will be for the U.S. military and that while others, misguided, well-intentioned but misguided with the end of the cold war, failed to realize the need for Selective Service.

So our funds maintained 172 VA hospitals, 135 nursing homes, 360 outpatient clinics all already in operation. They serve 27 million veterans. It has the people, the training, and the equipment to be there. We have been dealing with a backlog in terms of prosthetic devices. We have funded VA medical research because of its important impact on clinical care.

We have dealt with the backlogs where American veterans often have to wait months and even years for their disability claims to be processed. It is the subcommittee's strong and affirming principle that the U.S. veterans should not have to stand in line to have their disability benefits processed in a timely, effective, and fair way.

Also, my colleague, the distinguished Senator from Texas, talks about investments in new technology and scientific research. We tried to look to the next generation, and that is why

we fund the National Science Foundation, which supported important investment in civilian research and development and also in NASA.

We are also trying to rebuild America's infrastructure by using community development block grant money, cleaning up water pollution and through those projects—and those are all authorized and some quite frankly were not, but we were able to provide jobs to hardworking people who want to work in the construction industry, and then also getting a dual use for them in terms of rebuilding our infrastructure, modernizing VA facilities, new outpatient facilities, and also clean water.

We could go on with other issues related to that, but I think my colleagues get the point about how complex this bill was and also other stresses placed on this appropriations that were not of our making.

I know that the Senator from Arizona advocates a balanced budget amendment and fiscal conservatism, and actually the new I believe Republican manifesto has elements in it that I think both parties should take a look at. And I commend him for his work in those areas. But I would like to point out that if his amendment is agreed to, when this bill works, it would strike out projects that meet really very important needs. Because what it would do in VA, the facility construction is working its way through and it would jeopardize veterans' health care, it would jeopardize the funding for housing authorization, which has been unable to move through, and also these EPA wastewater projects. These are things that we had talked about.

But the other thing that the Senator talks about is that you have to be on the committee to get something. I would really point out that those HUD special purpose grants serve 27 States. I believe 19 of those States were not members of the committee, they were those projects that did meet needs. And then in VA medical care, there are four or five projects that were not there but what VA themselves asked for. It was not that a Senator asked for it, it is what the VA asked for.

So these projects were not added under the cloak of midnight or in some secret room. They were done in broad daylight, again, as I say, during regular business hours in an open conference.

The consequences to the Senator's amendment is that this would send it back to the House in an item of disagreement. I am not sure what would happen in the House, but as of October 1, the fiscal year ends, this legislation could go on a continuing resolution, and the consequences of that is that certain reforms that were made, for example, moving over the $50 million in VA medical care, which is why the paralyzed vets wrote their letter, I say to the Senator from Arizona, that that $50 million would essentially not be there, and it would have really serious effects on both the acute care and outpatient visits.

So I really urge my colleagues to defeat the McCain amendment. We believe that we acted properly. We believe we acted in a timely way. And we believe that these projects were either authorized or were pending in bills waiting for authorization and, therefore, it is not something that we made up. To talk about how some of these projects are pork is really not to describe them in an accurate way.

So, Mr. President, I could say more on this. I know we have about another 30 minutes of debate.

Mr. President, how much time do I have left?

The PRESIDING OFFICER. The Senator from Maryland controls 23 minutes 45 seconds.

Ms. MIKULSKI. And the other side?

The PRESIDING OFFICER. The other side controls 6 minutes and 35 seconds.

Ms. MIKULSKI. I now yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. GRAMM. Mr. President, I yield the distinguished Senator from Arizona 2 minutes.

Mr. McCAIN. Mr. President, I want to make sure that my friend from Maryland understands me. I have the highest regard for her work. I have the highest regard for her efficiency and her dedicated service to the people of Maryland and this country.

So there will be no misconception about my remarks, I believe she, in chairing the subcommittee, has done outstanding work. She has labored hard under very difficult circumstances in perhaps one of the most complex pieces of legislation that this body faces.

My disagreement lies not with the outstanding work that she does. My disagreement lies with the process that has given us the $400 million, which I am trying to eliminate because I have very grave concerns and disagreements in the process itself.

I, again, want to reiterate my respect and admiration for the Senator from Maryland and the outstanding work she does.

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

The PRESIDING OFFICER. The Senator yields back his time.

Who yields time?

Mr. CHAFEE addressed the Chair.

Mr. GRAMM. How much time does the Senator need?

Mr. CHAFEE. Is the Senator short of time? What is the situation?

The PRESIDING OFFICER. The Senator controls 5 minutes 15 seconds.

Mr. GRAMM. Mr. President, let me yield the Senator 5 minutes. I will yield him the remainder.

Ms. MIKULSKI. How much time does the Senator want?

Mr. CHAFEE. First, I do not want to travel under any false colors. I am against your side on this. I think I need about 12 minutes perhaps.

Mr. GRAMM. Mr. President, I have but 5 minutes and 15 seconds to give, and so I give that 5 minutes and 15 seconds to the distinguished Senator from Rhode Island.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. CHAFEE. Mr. President, I thank the distinguished Senator from Texas.

I urge the Senate to adopt the amendment offered by the Senator from Arizona. I am deeply troubled by the grants for water projects that are included in this conference report. The bill allocates more than $1.280 billion to specific projects in 40 cities. And what it does is it takes it out of the State Revolving Fund, a program that serves all the States. By every measure, the State Revolving Fund, the so-called SRF, has been a great success. The revolving fund was created by the 1987 amendments to the Clean Water Act.

When it was created, it was our intention to terminate Federal assistance for local sewage projects with the 1994 appropriation. There was to be an end to the Federal sewage grants. This revolving fund was conceived as a transitional device, and the revolving fund has worked so well that there is now virtually universal support for its extension.

Despite all this, Mr. President, the Appropriations Committee has slashed the funding for the revolving fund and used the dollars to make grants to selected specific cities. This flies in the face of the whole Clean Water Act.

The Federal Government started financing local sewage projects in the 1950's. Over the years, Congress has managed this program very carefully in order to assure that the funds were used efficiently and effectively. It appears that the Appropriations Committee has disregarded all of that legislative history and the environmental and the fiscal and the performance safeguards that we put in place. It seems to me that the conference report is a slap in the face to the States that have worked so hard to make the revolving fund a resounding success.

Under the revolving fund, the States can leverage their revolving fund grants with State bonds and appropriations to get the most out of the Federal investment in clean water facilities. In New York, for example, for every dollar in revolving fund grants received from the Federal Government, $3 is invested in water projects.

There are five points I would briefly like to make. Most States are going to be the losers under this proposal. Under the Clean Water Act, the revolving funds were distributed to all the

States based on a formula reflecting the need for wastewater treatment infrastructure. The law required EPA to survey the States every 2 years and report to Congress on the relative needs of each of the States for wastewater treatment, but not at all under this legislation.

What they do is they just allocate the money from the Federal Government directly to the cities, not based on any criteria of need. But a cursory review of the project makes it clear that membership on the Appropriations Committee is the most important criterion to determine how these grants are going to be allocated. So that is the first big problem.

Second, the environment and public health will be at greater risk. These grants for specific projects are made without any consideration of their water quality or their public health benefits. This is a list of projects recommended one at a time by Members of the House and the Senate, and what it does, it drains dollars off from the Revolving Fund Program and surely means that projects with greater requirements for environmental or health benefits will not be built.

Third, the conference report means less money for water quality. Because it bypasses the revolving fund project to make these direct grants that I mentioned, we will not get the benefit of the leveraging that I previously touched on.

Fourth, there is an increase potential for waste, fraud, and abuse. There is virtually no fiscal accountability when Congress makes a direct appropriation for a specific project. The Appropriations Subcommittee sat there and said, "We are going to send this money to city A, B, or C," not going through any accountability process.

When Congress decides that a particular city will get a specific amount of money, merely because the amount was requested by a Member representing that city, no executive oversight, either at the Federal or State level, is brought to bear. The project may be poorly designed. It may be oversized. It may be technologically inappropriate. It may benefit only a few, or maybe the pipe dream of some local planner or politician whose vision is never realized in actual development. Or the community that builds the project may lack the financial and managerial sophistication necessary to operate the complete facility.

Fifth, these direct grants imperil the Clean Water Act itself. At the time that the Senate first considered this appropriations bill, Senator SMITH, of New Hampshire, offered an amendment to strike the direct grants that it contained. The distinguished manager of the bill and the chair of the Appropriations Subcommittee argued in the absence of reauthorization for the revolving fund, she was forced to respond to the needs of these communities and the requests of their representatives as best she could.

The implication left by her remarks was that reauthorization of the Clean Water Act was a necessary step to secure support for the SRF Program from the Appropriations Committee. In the absence of a reauthorization, the resources made available through the budget and appropriations process would be allocated to projects of committee members instead. In other words, her argument is that the blame for slashing the SRF is to be laid at the door of the authorizing committees for failing to enact legislation to extend the SRF Program.

It is my judgment that the Clean Water Act is not in need of major amendment. It works quite well. It is our most successful environment statute. If the price we have to pay for reauthorization is a weaker wetlands protection program—or risk assessment language that undermines the technology-based standards that have meant so much progress under the act—or a requirement that we pay off every property owner affected by a regulation, then I would staunchly oppose reauthorization. Based on her record, I am sure that the manager of this conference report would be of a similar mind.

But appropriations measures like this conference report will make it much more difficult to protect the Clean Water Act. This kind of action will surely heighten the demand for a reauthorization of the SRF Program. If one does not have a member on the Appropriations Committee, one's Federal assistance for water infrastructure projects is about to disappear. The message is clear. Without an SRF reauthorization, the plan of the Appropriations Committee is to dole out the money directly to the cities they select in their annual bills.

Mr. President, if this conference report contained a few grants for cities facing very high sewerage rates, like Boston, or communities where sanitary facilities simply do not exist, like the colonias along our border with Mexico, I would not be here making these points. I am not, in principle, opposed to the occasional direct appropriation that responds to a real need that has not been addressed in authorizing legislation.

But this conference report is of a different character. It reflects the wholesale conversion of an existing program that is successfully meeting the needs of all the States into direct congressional grants without regard to environmental or public health priorities, without fiscal or performance oversight and in contravention of sustained efforts by the Congress to make the Clean Water Act and effective and efficient means to protect this Nation's waters.

The Senate should reject this approach to water infrastructure financing. It hurts the States represented by most Members. It results in spending on projects of lower priority and less dollars for clean water in the long run. It runs the risk of wasteful or fraudulent projects unchecked by executive oversight. And it strengthens the hand of those who want to roll back the Clean Water Act and our other environmental laws.

This is not just a debate about spending or pork. The conference report reverses 40 years of policy judgments made by the Congress on the right approach to water project funding. I urge my colleagues to vote for this amendment.

The PRESIDING OFFICER. The Senator from Rhode Island has consumed all of his allotted time.

The Senator from Maryland controls the remainder of time between now and 12:30.

BIPARTISAN HEALTH INSURANCE BILL

Ms. MIKULSKI. Thank you, Mr. President.

Before the Senator from Rhode Island leaves the floor, first, I would like to thank the Senator from Rhode Island for his effort to fashion a bipartisan health insurance bill. The Senator has played a very important role in the debate and also, I believe, in helping us develop a framework to be taken up in fiscal year 1995.

I would like to thank him not only for his work but the spirit with which he went about it. I always had a sense of welcoming when we have talked with both him and his staff. I think that is the way we ought to be doing things. I just wanted to say that.

Mr. CHAFEE. If I might, I would like to thank the distinguished Senator very much for those kinds remarks, and the cochairman of the coalition, mainstream coalition, is our Presiding Officer currently. So I think he also——

Ms. MIKULSKI. I was going to say something about him in a minute.

Mr. CHAFEE. Deserves great credit. I think all of us who are part of that coalition found it a very, very exciting undertaking, where everybody was working toward a common goal. We were trying to come up with health care legislation that could be accepted and passed this year.

We appreciate the kind comments the manager of the bill made just now and also for her input. The distinguished Senator from Maryland joined with us on several occasions and was of valuable assistance.

VA-HUD, AND RELATED AGENCIES APPROPRIATIONS ACT FOR FISCAL YEAR 1995—CONFERENCE REPORT

The Senate continued with the consideration of the conference report.

Ms. MIKULSKI. Mr. President, I also wonder if the Senator could share with us when he would anticipate the Senate passing clean water legislation. The Senator outlined the process by which he would like all to operate, but the Clean Water Act has not been passed for 3 years, and it just sits there. And then we in the appropriations committee run into these obstacles.

Does the Senator anticipate that legislation will be passed in 1995 and that some of those prickly issues could be resolved?

Mr. CHAFEE. Well, I do not think so. I think the situation in the House is that it is not going to pass over there because of a variety of other reasons. But that, it seems to me, is not a valid reason for making these basic changes that were undertaken and included in this conference report.

Ms. MIKULSKI. I do not want to debate that. I was just trying to look at next year. I hope that I will continue to chair the VA-HUD appropriations. In the absence of an authorizing bill, we will be in the same type of situation. I hope as the time goes forth that perhaps when we look at where we are around April or May, we could have a conversation so that we are not into these types of situations.

But, Mr. President, this is exactly what happens to those of us on the Appropriations Committee. If the authorizers do not act, we oftentimes, because of the need and other things that need to be moved administratively—we have to fill the vacuum, and we have filled the vacuum. It is not like we filled the pork barrel. We have filled the vacuum in the absence of authorizing not 1 year, not 2 years, but 3 years waiting for the authorization of the Clean Water Act.

The very fine Senator from Rhode Island says to 1995, "Well, not next year."

Well, if not next year, then what are we supposed to do? I believe we are now at a crisis in this institution and in the House. Either the authorizers have to act, or do not take the battle to us over the process. I recall that when the budget reforms went into place, authorizing legislation for new programs had to be done by May 15. If they were not quite done by May 15, then they could not be considered.

I think we ought to, once again, go back to that so that there is some impetus and some sense of urgency and some sense of beginning to move together in the national interest to move these authorizations. For those who might be watching us on C-SPAN around the country and around the world, the authorizing process sets the policy and the recommended levels of funding. It is the Appropriations Committee, who have historically been the quiet guardians of the purse, who fund those at a level commensurate with what is available to be funded under the Budget Act.

Once again, we are now taking on more and more of a role, and that could be questioned. But what really needs to be questioned is: Are the authorizing committees going to be authorizing committees, or are they so dysfunctional that that situation needs to be addressed?

Mr. CHAFEE. I wonder if the floor manager will yield for a question here.

Ms. MIKULSKI. Yes, I will.

Mr. CHAFEE. It seems to me the point that the floor manager is making is that there is no authorization of the Clean Water Act, so she cannot proceed with that, and she is suggesting that there is a hiatus here, or a failure by the authorizing committee to authorize. But then, at the same time, the chairman goes ahead with her subcommittee and appropriates in a whole series of other measures that are not reauthorized. None of this money that is being doled out at this tremendous clip, based on Lord knows what, except perhaps membership on the subcommittee or the overall committee, is authorized.

Ms. MIKULSKI. Does the Senator wish to ask me a question?

Mr. CHAFEE. I am wondering what your rationale is. How can she implore the fact that the SRF is reauthorized, so she cannot appropriate there, but it is perfectly all right to make the direct grants to those that have not been authorized?

Ms. MIKULSKI. The so-called direct grants met the criteria for community development block grant funds, so they were not just out of a wish list.

Let me, in the concluding hours of this debate, comment on the Smith amendment, which was not addressed in this morning's debate. I would like to, before we conclude for this morning, urge my colleagues to defeat the Smith amendment and to do that for three reasons:

First, it seems to amend the Senate rules for an amendment to the conference report. It has not been the subject of hearing by the Rules Committee for consideration through the normal authorizing process. It is ironic that the sponsors of this amendment have raised questions about this year's appropriation and its need to pay closer attention to the authorizing process, but then they now wish to also further authorize on appropriations.

I would recommend that they take their idea to the Rules Committee for a hearing next year, and if that is the wish of the institution, we, of course, will abide by it. The Smith amendment would ask that each side would publish their specific items, and everyone would be able to read them. Those are very nice intentions, and if that is what the body wants to do, fine. But if you do it on this bill, let me tell you what the consequences are. The consequences are that it would be an item in disagreement. That sounds so arcane, but the fact is that means it has to go back for a house vote, and maybe the bill will survive or maybe it will not. Maybe the projects will survive or maybe not. But with the meltdown that is going on in our institutions, once again, we might not be able to meet our deadline of October 1 for meeting these needs. I am really hot about the fact that I want my veterans appropriations to go through.

I ask unanimous consent that the letter from the Paralyzed Veterans of America be printed in the RECORD.

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

PARALYZED VETERANS OF AMERICA,
Washington, DC, September 27, 1994.

Hon. BARBARA MIKULSKI,
Chair, House Appropriations Subcommittee on VA, HUD and Independent Agencies, U.S. Senate, Washington, DC.

DEAR MADAM CHAIR: On behalf of the members of Paralyzed Veterans of America (PVA), I am writing to request your assistance in opposing any amendment to be offered to the fiscal year 1995 appropriations for the Department of Veterans Affairs (VA). Amendments at this late date jeopardize and delay the final approval of this necessary appropriation and will curtail the VA's ability to meet the health care demands of veterans.

Delays and foot-dragging have already dearly cost VA health care this year with the demise of any meaningful health care reform. As you know, proposals introduced in this Session of the Congress would have corrected long-standing irregularities in eligibility, streamlined the provision of services and guaranteed a stable funding base for the system. We realize health care reform has been pronounced dead for this year. But this does not mean that these problems in the provision of health care services for veterans will just go away. If amendments are offered to the VA appropriation at this time, the delays produced could very well call for additional reductions in sorely needed funding.

The VA needs every available dollar for the next fiscal year to maintain services and momentum to play a meaningful role in health care reform that must occur either unilaterally or in conjunction with national reforms.

Again, on behalf of all PVA members, we deeply appreciate your efforts to oppose any amendment which will delay or reduce needed funding for veterans health care programs and services.

Sincerely yours,
DOUGLAS K. VOLLMER,
Associate Executive Director for Government Relations.

Ms. MIKULSKI. They talk about what the consequences of this amendment would be. I will repeat myself. We are talking about the fact that we are dealing with the VA backlog. Do we really want veterans standing in line? We already are wondering what happened to them because of Agent Orange, and we are wondering what happened to them in Desert Storm. We are

really worried about what it means to their spouses and maybe to their children. I do not know what they are eligible for, but I tell you that I do not want them standing in line to find out what it is about, while we block and do this and that we talk about the process.

I want to move this legislation. When we talk about these HUD special projects and then the fact that we want to send it back, those projects came from 45 States with one or more projects in this bill. The Senate voted 71–27 to retain those projects. They voted 60–30 something to retain the water projects. The Senate has spoken. The projects that were added were primarily from the House, or some projects that were in other authorizing bills that either have not passed both bodies or are pending. What we added in VA came primarily from what the Veterans' Administration wanted and the veterans authorizing committee wanted. What we did in EPA were those projects that were pending for 3 years in the clean water projects. If you look at those projects, they do not belong to one party, or whether somebody is on the Appropriations Committee or not.

So, Mr. President, while we are talking about reforms and we are talking about process, those are things that should wait for another day. This bill is the result of months of work, putting together delicate balances, and making tough choices. Much has been said about these projects.

This committee, this subcommittee, received 1,100 individual requests from Senators for line-item projects. That totaled $96 billion. This entire appropriations is $88 billion to fund VA, space, and all the other programs I mentioned. We said "no" to 90-some billion dollars' worth of projects. We could say "no" to the individual projects. We did not pig out or pork up. We think we have done a great bill.

So we would hope that this afternoon when the Senate returns from its party conferences and the rollcalls are had, that we would defeat the Smith amendment, we would defeat the McCain amendment, and that we would agree to the conference report.

Mr. President, I could say more, but I think that summarizes my argument. In concluding this morning's activity, I would like to thank the Presiding Officer, too, for his leadership in developing the framework for the mainstream coalition. His work on the Finance Committee is well known. In that coalition, we look forward to working with him in 1995 to truly reform health insurance.

I do not want the morning to conclude without really a tip of the hat to GEORGE MITCHELL, who really tried his darndest to shepherd a bill through, who operated in the spirit of civility, comity, and tried to fashion a bill by listening, and so on.

The clock has run out. But those of us with major sports teams in our States know that even though the clock runs out, the game continues. I know there will be other times and opportunities. I think we need to return to the tradition of good sportsmanship and respect for one another and, hopefully, we will be able to pass health insurance.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Ms. MIKULSKI. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider the following nominations:

Calendar No. 1272, Thomas R. Carper, to be a member of the Amtrak Board of Directors; Calendar No. 1273, Celeste P. McLain, to be a member of the Amtrak Board of Directors; and Calendar No. 1274, Celeste P. McLain, to be a member of the Amtrak Board of Directors (reappointment).

I further ask unanimous consent that the nominees be confirmed, en bloc; that any statements appear in the RECORD as if read; that upon confirmation, the motions to reconsider be laid upon the table en bloc; that the President be immediately notified of the Senate's action, and that the Senate return to the legislative session.

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

The nominations, considered and confirmed, en bloc, are as follows:

AMTRAK

Thomas R. Carper, of Delaware, to be a Member of the Amtrak Board of Directors for a term of four years.

Celeste Pinto McLain, of California, to be a Member of the Amtrak Board of Directors for the remainder of the term expiring March 20, 1995.

Celeste Pinto McLain, of California, to be a Member of the Amtrak Board of Directors for a term of four years. (Reappointment)

THE NOMINATION OF THOMAS R. CARPER TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE NATIONAL RAILROAD PASSENGER CORPORATION [AMTRAK]

Mr. HOLLINGS. Mr. President, I am pleased that the Senate is considering the nomination of Thomas R. Carper to be a member of the Board of Directors of the National Railroad Passenger Corporation [Amtrak]. The Committee on Commerce, Science, and Transportation held Governor Carper's confirmation hearing on September 21, 1994, and reported his nomination on September 23, 1994.

Governor Carper's accomplishments and talents are familiar to many of my colleagues in the Senate. He was elected as Governor in 1993. Prior to this election he served five terms as Delaware's Congressman in the U.S. House of Representatives and 6 years as Delaware's State treasurer. Governor Carper earned a B.A. in economics in 1968 from Ohio State University and served for 5 years as a Navy aviator, including a tour of duty in southeast Asia during the Vietnam war. In 1975, he earned an MBA degree from the University of Delaware and won his first election to the State treasurer's office the following year. In 1983, he won his first election as Delaware's Representative to the House.

Governor Carper's prior government service has given him knowledge of the issues surrounding Amtrak. He has said that Delaware's dependence upon "high-quality rail transportation services for its prosperity" has required him, as Congressman and Governor, to address difficult transportation and financial issues. Moreover, as Congressman, he participated in the debates on Amtrak transportation and appropriation bills during his five terms in the House. Finally, also as a Congressman, he commuted by rail between Delaware and Washington, DC, almost daily, an experience that provided him "with valuable insights into inter-city passenger rail service from the perspective of the consumer or general public."

Governor Carper's service in State and Federal Government, plus his familiarity with Amtrak, is exactly the type of experience that is needed on the Amtrak board. Therefore, I urge my colleagues to support the President's nomination of Thomas R. Carper to be a member of the Board of Directors of Amtrak.

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will now return to legislative session.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

EXTENSION OF RECESS AND TIME FOR VOTES

Ms. MIKULSKI. Mr. President, I ask unanimous consent that the recess be extended until 2:30 p.m. and that the votes previously ordered for 2:15 p.m. begin at 2:30 p.m.

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

RECESS UNTIL 2:30 P.M.

Ms. MIKULSKI. Mr. President, this concludes our debate. I yield back such time as I might have, and I ask unanimous consent that the Senate stand in recess until 2:30 p.m.

There being no objection, the Senate, at 12:29 p.m., recessed until 2:31 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mrs. BOXER).

VA-HUD AND RELATED AGENCIES APPROPRIATIONS ACT FOR FISCAL YEAR 1995—CONFERENCE REPORT

The Senate continued with the consideration of the conference report.

The PRESIDING OFFICER. The question is on the adoption of the conference report accompanying H.R. 4624. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is necessarily absent.

The result was announced—yeas 90, nays 9, as follows:

[Rollcall Vote No. 306 Leg.]

YEAS—90

Akaka	Exon	Mathews
Baucus	Faircloth	McConnell
Bennett	Feinstein	Metzenbaum
Biden	Ford	Mikulski
Bingaman	Glenn	Mitchell
Bond	Gorton	Moseley-Braun
Boren	Graham	Moynihan
Boxer	Gramm	Murkowski
Breaux	Grassley	Murray
Bryan	Harkin	Nickles
Bumpers	Hatch	Nunn
Burns	Hatfield	Packwood
Byrd	Heflin	Pell
Campbell	Hollings	Pressler
Chafee	Hutchison	Pryor
Coats	Inouye	Reid
Cochran	Jeffords	Riegle
Cohen	Johnston	Robb
Conrad	Kassebaum	Rockefeller
Coverdell	Kempthorne	Sarbanes
Craig	Kennedy	Sasser
D'Amato	Kerrey	Shelby
Danforth	Kerry	Simon
Daschle	Lautenberg	Simpson
DeConcini	Leahy	Specter
Dodd	Levin	Stevens
Dole	Lieberman	Thurmond
Domenici	Lott	Warner
Dorgan	Lugar	Wellstone
Durenberger	Mack	Wofford

NAYS—9

Brown	Helms	Roth
Feingold	Kohl	Smith
Gregg	McCain	Wallop

NOT VOTING—1

Bradley

So the conference report was agreed to.

VOTE ON AMENDMENT NO. 2587

The PRESIDING OFFICER. The question occurs on agreeing to amendment No. 2587 offered by the Senator from Arizona to the House amendment to the Senate amendment No. 84.

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

The result was announced—yeas 28, nays 72, as follows:

[Rollcall Vote No. 307 Leg.]

YEAS—28

Baucus	Gorton	Nunn
Bennett	Graham	Pressler
Bradley	Gregg	Roth
Brown	Hatch	Sasser
Chafee	Helms	Smith
Coats	Kassebaum	Thurmond
Craig	Kempthorne	Wallop
Durenberger	Kohl	Warner
Faircloth	Lugar	
Feingold	McCain	

NAYS—72

Akaka	Exon	McConnell
Biden	Feinstein	Metzenbaum
Bingaman	Ford	Mikulski
Bond	Glenn	Mitchell
Boren	Gramm	Moseley-Braun
Boxer	Grassley	Moynihan
Breaux	Harkin	Murkowski
Bryan	Hatfield	Murray
Bumpers	Heflin	Nickles
Burns	Hollings	Packwood
Byrd	Hutchison	Pell
Campbell	Inouye	Pryor
Cochran	Jeffords	Reid
Cohen	Johnston	Riegle
Conrad	Kennedy	Robb
Coverdell	Kerrey	Rockefeller
D'Amato	Kerry	Sarbanes
Danforth	Lautenberg	Shelby
Daschle	Leahy	Simon
DeConcini	Levin	Simpson
Dodd	Lieberman	Specter
Dole	Lott	Stevens
Domenici	Mack	Wellstone
Dorgan	Mathews	Wofford

So the amendment (No. 2587) was rejected.

The PRESIDING OFFICER (Mrs. FEINSTEIN). Pursuant to the previous order, the Senate concurs in the House amendment to the Senate amendment No. 84.

VOTE ON AMENDMENT NO. 2588

The PRESIDING OFFICER. The question occurs on amendment No. 2588, offered by the Senator from New Hampshire, to the House amendment to the Senate amendment No. 28.

The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

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

The result was announced—yeas 45, nays 55, as follows:

[Rollcall Vote No. 308 Leg.]

YEAS—45

Bennett	Feinstein	McConnell
Bradley	Gorton	Metzenbaum
Brown	Grassley	Murkowski
Burns	Gregg	Nickles
Campbell	Hatch	Nunn
Chafee	Helms	Packwood
Coats	Hutchison	Pressler
Cohen	Jeffords	Roth
Coverdell	Kassebaum	Sasser
Craig	Kempthorne	Smith
Dole	Kohl	Thurmond
Durenberger	Lott	Wallop
Exon	Lugar	Warner
Faircloth	Mack	Wellstone
Feingold	McCain	Wofford

NAYS—55

Akaka	Breaux	Danforth
Baucus	Bryan	Daschle
Biden	Bumpers	DeConcini
Bingaman	Byrd	Dodd
Bond	Cochran	Domenici
Boren	Conrad	Dorgan
Boxer	D'Amato	Ford
Glenn	Lautenberg	Reid
Graham	Leahy	Riegle
Gramm	Levin	Robb
Harkin	Lieberman	Rockefeller
Hatfield	Mathews	Sarbanes
Heflin	Mikulski	Shelby
Hollings	Mitchell	Simon
Inouye	Moseley-Braun	Simpson
Johnston	Moynihan	Specter
Kennedy	Murray	Stevens
Kerrey	Pell	
Kerry	Pryor	

So the amendment (No. 2588) was rejected.

Mrs. FEINSTEIN. Pursuant to the previous order, the Senate concurs in the House amendment to the Senate amendment No. 28.

Ms. MIKULSKI. Madam President, I ask unanimous consent that the motion to reconsider the last three votes be laid upon the table.

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

Ms. MIKULSKI. Madam President, I ask unanimous consent that a list of corrections to typographical errors contained in the statement of the managers accompanying the VA-HUD bill be printed in the RECORD.

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

TECHNICAL ERRORS IN JOINT EXPLANATORY STATEMENT

The joint explanatory statement of the committee of conference (House Report 103-715) contains the following technical errors in amendment numbered 28:

On page 12, the amount for the city of Portland, Maine should be $400,000, not $500,000.

On page 12, the amount for the State of Maine should be $800,000, not $700,000.

On page 14, the $2,000,000 for revolving loan funds are for the Vermont community loan fund, the Burlington Ecumenical Action Ministry [BEAM], the Washington County revolving loan fund, the Rockingham revolving loan fund, the St. Johnsbury revolving loan fund, and the Vermont Job Start Program.

On page 16, the $1,000,000 for the Henry Ford Health System is for health care delivery in Michigan, not Mississippi.

On page 17, the $300,000 for development of a recreational center is to be awarded to the City of Philadelphia, not the City of Chester, Pennsylvania.

On page 21, the $300,000 for Martin County, Kentucky is for lead-based paint removal.

On page 21, the $2,000,000 for De Paul University's library is for services in Illinois, not North Carolina.

On page 21, the $2,000,000 for the Twin Cities Opportunities Industrialization Center is for a facility in Minnesota, not Illinois.

On page 22, the $750,000 is for the Delta Foundation in Greenville, Mississippi, not Michigan.

On page 22, the $150,000 is for the Microenterprise Assistance program in San Antonio, Texas, not California.

CLOTURE MOTION

The PRESIDING OFFICER. Under the previous order, the clerk will report the motion to invoke cloture.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the

Standing Rules of the Senate, hereby move to bring to a close the debate on the motion to disagree to the House amendments to the Senate bill, S. 3, the Campaign Finance Reform Act:

David Boren, Wendell Ford, Harlan Mathews, John Glenn, Paul Simon, Barbara Mikulski, Don Riegle, Frank R. Lautenberg, Claiborne Pell, Joseph Lieberman, Charles S. Robb, Chris Dodd, John F. Kerry, Tom Harkin, Barbara Boxer, David Pryor, Daniel K. Akaka.

VOTE

The PRESIDING OFFICER. By unanimous consent, the quorum call has been waived.

The question is, Is it the sense of the Senate that debate on the motion to request the conference with the House on the disagreeing votes of the two Houses relative to S. 3, the campaign finance reform bill, shall be brought to a close?

The yeas and nays are automatic under the rule and the clerk will call the roll.

The legislative clerk called the roll.

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

The yeas and nays resulted—yeas 57, nays 43, as follows:

[Rollcall Vote No. 309 Leg.]

YEAS—57

Akaka	Exon	McCain
Baucus	Feingold	Metzenbaum
Biden	Feinstein	Mikulski
Bingaman	Ford	Mitchell
Boren	Glenn	Moseley-Braun
Boxer	Graham	Moynihan
Bradley	Harkin	Murray
Breaux	Heflin	Nunn
Bryan	Hollings	Pell
Bumpers	Inouye	Pryor
Byrd	Jeffords	Reid
Chafee	Kassebaum	Riegle
Cohen	Kennedy	Robb
Conrad	Kerry	Rockefeller
Daschle	Kohl	Sarbanes
DeConcini	Lautenberg	Sasser
Dodd	Leahy	Simon
Dorgan	Levin	Wellstone
Durenberger	Lieberman	Wofford

NAYS—43

Bennett	Gramm	Murkowski
Bond	Grassley	Nickles
Brown	Gregg	Packwood
Burns	Hatch	Pressler
Campbell	Hatfield	Roth
Coats	Helms	Shelby
Cochran	Hutchison	Simpson
Coverdell	Johnston	Smith
Craig	Kempthorne	Specter
D'Amato	Kerrey	Stevens
Danforth	Lott	Thurmond
Dole	Lugar	Wallop
Domenici	Mack	Warner
Faircloth	Mathews	
Gorton	McConnell	

The PRESIDING OFFICER. On this vote, the yeas are 57, the nays are 43. Three-fifths of the Senators duly chosen and sworn, not having voted in the affirmative, the motion to invoke cloture is rejected.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, it is my intention that the Senate will shortly next proceed to the conference report on the Labor, Health and Human Services appropriations bill. I expect that to occur shortly, as soon as the managers can be present.

MORNING BUSINESS

Mr. MITCHELL. Mr. President, while awaiting the presence of the managers, I ask unanimous consent that there be a period for morning business, during which Senators may be permitted to speak therein for up to 10 minutes each.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Ms. Moseley-Braun). Without objection, it is so ordered.

Mrs. BOXER. Madam President, I ask unanimous consent to address the Senate for up to 15 minutes.

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

THE REPUBLICANS ARE STALLING

Mrs. BOXER. Madam President, I am very disappointed that a large majority of my Republican colleagues have decided that, outside of routine business, they really do not want to continue the work of this Congress. They want to stall and run the legislative clock down. They would rather talk on and on, even all through the night if that is necessary, to kill legislation that I believe is important to the American people.

Madam President, here is a sample of the legislation, or just some of it, that is ready to go: The Superfund reauthorization, which is needed to clean up toxic waste sites all over this Nation and in California. We have an inordinate number of those because we have had so many military bases and defense contractors there. The Elementary and Secondary Education Act, which is a desperately needed investment in educational reforms, teacher training in math and science, computers, software, and safe schools. Housing legislation to reform public housing and reduce the crime that plagues public housing. Campaign finance reform, so we can put a cap on the obscene amount of money that is spent sometimes to buy a Senate seat. A gift ban for Members of Congress. The California Desert Protection Act, which has come such a long way due to the efforts of my colleague, the senior Senator from California, Senator FEINSTEIN. As for health care reform, we know now that it is dead. Senator MITCHELL quoted one of our Republican colleagues, saying something to the effect of: Well, now that we have killed health care, we just have to make sure that our fingerprints are not on it.

Even when several members of their own party support working on a health care compromise so that insurance companies cannot walk out on us when we get sick, and so that many more of us can get health insurance, the vast majority of Republicans say they will not vote to stop the endless talking. They each have great health care, Madam President, because they are here in this Congress. They have a health care card, but they want to talk on and talk on, so that we cannot get the same kind of insurance to the people of America that we have for ourselves. I think that is outrageous.

Madam President, the filibuster has a new best friend: The Republican Party. They embrace the filibuster. They love the filibuster. They use it lovingly. They are proud to put on these filibusters, and they say so themselves. The filibuster party is the GOP.

In the past 2 years, filibuster tactics have been used 60 times. Let me repeat that: In the past 2 years, filibuster tactics have been used 60 times. It was used only 9 times in the entire decade of the 1980's. By the way, during that period of time, the Republicans had control of this Senate, so we Democrats understood that you had to get things done no matter which party was in control. We did not stop legislation. I hope the American people will hear that. Filibuster tactics were used 60 times in the last 2 years, compared to only 9 times in the entire decade of the 1980's.

Madam President, we were not sent here to listen to the sound of our own voices into the night, while problems go unsolved. We were sent here to work on the real problems of real people, and to hammer out solutions. When we hammer out these solutions, I do not get everything I want. The Senator from Illinois does not get everything she wants. No Senator gets everything he or she wants. But we are sent here to hammer out solutions, not to talk on and on and on and on and on, endlessly throughout the night. I do not think one needs a degree in political science to understand the game plan here. There is an election coming up, and our Republican friends want no more progress.

Hopefully, we will get a trade treaty. That has been years in the making. We also will probably get—and I hope we do—the appropriations bills. If we do not, there will be utter chaos. I do not think the Republicans want to be responsible for that. But they really hope

to stop our progress and, by doing so, I believe they hope to divert attention from what has already been achieved. Part of the diversion is their new contract with the American people: Vote for them and guess what they will give you? A higher military budget and tax cuts for the wealthy. Sounds like "deja vu all over again," as Yogi Berra once said. I think a baseball analogy is appropriate here. There is no baseball this year, and the Republicans want no more legislation this year.

It is the trickle-down theory they want, back to the future. Tax breaks for the rich, spend more on the military, and pray the deficits take care of themselves. We tried that, and what happened? The largest deficits in history, deficits that went from $50 billion when Carter left office to almost $300 billion when Bush left office.

So under the Republican administration, the debt piled up, while they spent more and more on the military and gave tax cuts to the wealthy. Twelve years of bright red ink that weakened America in the world.

Madam President, do you remember when President Bush got sick when he had dinner with the Japanese? It is no wonder. I felt for him. We all had a feeling of weakness and dizziness then, as the industrialized world took advantage of our weak trade policy and berated us for our deficits and for not being productive. Back to the future with that? I hope not. Back to the future with zero job creation? That is what we had under the Bush administration. I hope we do not go back to the future there. Back to the future with history making small business failures? I hope not. Back to the future with S&L's going broke? I hope not. Back to the future with doctors gagged at family-planning clinics? I hope not. Back to the future with education, the environment, health research, and anticrime legislation being treated as stepchildren? I hope not.

But that is what the Republicans want, and they are trying to divert attention from the accomplishments of this Congress and this administration, and I hope the American people will cut through the mean-spirited politics and get the facts.

I know it is hard to cut through the meanness and get to the facts. Good news does not seem to get through these days. It reminds me of a story about President Clinton that is going around that I think is very instructive about how hard it is to get good news out.

President Clinton is by himself on a boat in the middle of a lake, and he spots a child drowning—this is the story—and without thinking anything about his own safety or anything else, he leaps off the boat. He walks on water and rescues this little child and brings her back, walking on water all the way. The next day the newspaper says: President Clinton cannot swim.

You get my point. It is hard to get good news out. What is the good news? Let me give it to you in numbers and in facts. The highest job growth since 1970: 226,000 jobs created every month, since this administration took over.

The best economic growth since the Kennedy administration in the sixties. The deficit is the lowest as a percentage of GNP since 1979. It is the first time since the Truman administration in the 1940's and early 1950's that the deficit has gone down 3 years in a row.

The inflation rate. Except for 1986, when oil prices collapsed, inflation is now the lowest since the Kennedy administration. We have had the highest growth in income since the Nixon administration and the highest industrial production since the Johnson administration in the 1960's; the highest business investment and productivity since the Ford administration in the mid-1970's; the lowest Federal work force since the Kennedy administration.

Let me repeat that: Under the Democrats, economic growth is way up, and we have the lowest Federal work force since the Kennedy administration. No wonder the Republicans do not want the people to cut through and see the facts.

My State of California has been lagging, and it has been a matter of deep concern to me. I have talked to this administration and to my colleagues about California constantly. But last week, the UCLA Business Forecasting Project said that 111,000 net new jobs will be created in California this year. Finally, Madam President, we are not losing jobs; we are gaining jobs. This is an independent study group that says 111,000 net jobs will be created in California this year. We have to do better, but we are beginning to see it turn around.

This administration's economic strategy, which has been supported by the Senate on a very partisan basis, is working. Priorities are: Trade promotion, high-technology investment, education and job training, defense conversion, the information superhighway, timely disaster relief. Madam President, you have had the terrible floods, and we have the terrible fires and earthquakes, and this administration, unlike others, has acted fast and they are helping us rebuild.

A thousand more border patrol agents and hundreds of millions of dollars to reimburse my State for criminal costs associated with the incarceration of undocumented immigrants. It is coming together. It is not perfect, but let us not go back to the future.

This so-called contract put out by NEWT GINGRICH and the Republicans is described this way in an opinion printed by USA Today. The writer, who was a speech writer for President Bush, says the contract was put together "the way a TV network assembles a situation comedy."

He said, "The GOP has conducted vast amounts of market research, figured out which ideas please citizens and which don't—and gathered the winners together under the auspices of a contract."

This writer says: "The result is hash for wonks—10 pieces of legislation with no fewer than 48 separate and often technical parts."

So I urge the people of this country to cut through the filibuster and promises and so-called contracts and look at where we were economically and where we are today. I urge the people of this country to consider the consequences of the election in November.

If the Republicans take control of the Senate, they will do everything in their power to enact the policies of the past. They said it. Higher military budget. Do you know we spend five times more than every potential enemy on the military budget? Hear that again—and I include Russia in the list of potential enemies, even though they are really friends now. Keep them in the list because we want to be sure it is true. We spend 500 percent more than all of our potential enemies put together, and the Republicans want us to go back to those days.

I remember those days of $7,500 coffee pots, $400 hammers, $900 wrenches. That is what we had in the runaway days of the military budget. We need a lean, mean defense that is tough, strong, and works. That is what we need. And we need to invest in the domestic side of the budget. That is what we have begun, and we are seeing results.

The Republicans voted against the crime bill. They did not like it because they said there was prevention in it, and they called that pork. I call that baloney. The prevention in that bill was recommended by police chiefs, sheriffs, and prosecutors.

I held violence roundtables all over the country, and they are the ones who said: You know, Senator, once they get in prison, it is too late. Help us out. Yes, we want more prisons. Yes, we want more law enforcement. But we need prevention, and so a small part of the bill went toward that.

But the Republicans do not like it. They are even trying to do away with that by adding an amendment to one of appropriations bills.

So Americans, I hope you will engage, listen, and judge for yourselves. Ask yourselves if we have made progress on the deficit, jobs, crime, and new priorities.

I hope you will decide not to go back to the future. None of us is perfect. No President has ever been perfect. No Senator has ever been perfect. We can talk about our imperfections all day and all night. We could make it real personal. But there is more at stake. We have to come together, Republicans, Democrats, with all our imperfections and work for this country. I

am very optimistic about the future. But I will tell you. We did not come here to filibuster. We came here to work. We have a can-do spirit in this country. This is a government of, by, and for the people which should reflect a can-do attitude, not a no-can-do, yak, yak, yak through the night, stop the progress. We are in this U.S. Senate. We are not in an election campaign. We are on this floor. We are supposed to do the work for the people. The operative word is "work."

I hope we will stop these filibusters and get down to work.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont asked for recognition and then we will go to the Senator from Idaho.

Mr. LEAHY. Madam President, I want to commend the Senator from California for what she said. With gridlock and filibusters, the Senate is really voting maybe. We are not elected and do not get paid salaries to vote maybe. We are elected to vote yes or no. Filibusters by Senators is not what the American people want. She is right.

Madam President, I know the Senator from Arizona was seeking recognition. I appreciate his courtesy in letting me go forward.

A GOAL TO ELIMINATE A WEAPON OF SHAME

Mr. LEAHY. Madam President, for the past 3 years, I have urged the Congress, the administration, and governments around the world to stop the terrible slaughter of innocent people by landmines. These tiny weapons, often no larger than a can of shoe polish, can blow the leg or arm off whoever steps on them.

They are indiscriminate. They cannot tell the difference between a soldier and a child, and usually it is civilians, going about their daily lives, who are killed or maimed. It is a young child like the boy in this photograph who steps on a landmine probably costing about $3 or $4, strewn by the thousands. That child will spend the rest of his life in a poor country trying to survive without his legs. Over 1,200 people are killed by landmines each month, and many thousands more are injured. There are 100 million unexploded mines strewn in over 60 countries.

Last year, the Congress, in a unanimous vote on a resolution I wrote extended the U.S. moratorium on exports of antipersonnel landmines for another 3 years, and since then at least 16 countries have stopped exports following our lead. But much stronger action is needed. During the past year, another 2 million new mines were deployed, and they are waiting to kill, waiting to maim.

Madam President, ridding the world of any weapon takes leadership and international cooperation. On Monday, President Clinton showed that the United States will provide that leadership. In his speech to the U.N. General Assembly, President Clinton announced for the first time that the United States will seek the ultimate elimination of antipersonnel landmines. I applaud the President for that.

This is a crucial milestone, and I want to commend the President for his courageous step. By declaring this goal we put to rest any need for further debate about how to end the landmine scourge. We agree that the solution is to ban them completely.

That is the only way to put an end to this mayhem.

The question is how to achieve that goal. It will take years, but let us agree that we should move as quickly as possible. Every day, of every week, of every month, of every year, landmines continue to kill and maim their innocent victims.

As a first step toward that goal, the President called on other countries to join with the United States in an international agreement to reduce the number and availability of these weapons.

The administration's proposal would impose limits on certain kinds of mines, and includes verification and compliance procedures for enforcing these limits. Frankly, I am skeptical that an elaborate system of rules which permits some kinds of mines but not others can work in the real world. We have seen how landmines are routinely used in violation of the laws of war, even by those who are signatories to those agreements. But I will support any interim measure that will lead to the ultimate goal of the elimination of these killers.

Madam President, I am greatly encouraged by the President's announcement. I also want to mention what is happening in Italy, which has been one of the largest producers of mines. Just last week, in the town of Castenedolo where Valsella, the company which produces the mines, is located, thousands of people gathered to call for a ban on landmines. The mayor of the town was among them, as were the two parliamentarians, Emma Bonino and Edo Ronchi, who I met with a couple of weeks ago and who sponsored legislation to end production and exports of antipersonnel landmines. The Italian Defense Minister has announced his support, and the Foreign Minister is expected to announce in the U.N. General Assembly that Italy has stopped all exports and production of these weapons.

In less than a year, Italy has gone from being among the world's largest landmine producers, to a world leader by ending its involvement in this shameful business. If Italy can do it, so can we and so can the rest of the world.

Madam President, as support for the elimination of landmines builds around the world, I again want to commend President Clinton, and our U.N. Ambassador Madeleine Albright, for their leadership. After years of work it is so gratifying to have their strong support. If we work together there is no reason why we cannot achieve this goal, and solve one of the most urgent humanitarian crises of our time.

Madam President, I ask unanimous consent that an excerpt of the President's remarks on landmines at the United Nations be printed in the RECORD.

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

EXERPTS OF SPEECH BY PRESIDENT CLINTON AT THE UNITED NATIONS ON SEPTEMBER 26, 1994

And today, I am proposing a first step toward the eventual elimination of a less-visible, but still deadly threat: the world's 85 million antipersonnel land mines—one for every 50 people on the face of the Earth. I ask all nations to join with us and conclude an agreement to reduce the number and availability of those mines. Ridding the world of those often hidden weapons will help to save the lives of tens of thousands of men and women and innocent children in the years to come.

Mr. LEAHY. I applaud the President of the United States for his strong statement.

I yield the floor.

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

REPORT ON IDAHO SHOOTOUT

Mr. CRAIG. Madam President, for a few moments this afternoon while we are in morning business, I would like to discuss a matter that is of great concern to the citizens of my State of Idaho, the many citizens around the Nation and a number of my colleagues here in this body.

In fact, it should be a concern of every American who values his or her civil liberties and the great tradition of balance and restraint in the enforcement of our laws. We depend upon our State and Federal authorities to maintain order and keep the peace in our society, and we trust they will do so in a way that is consistent with the law and in keeping with the trust we have placed in them in a very historic and constitutional fashion.

Sometimes that balance and restraint breaks down as it did during the botched raid in Waco, TX. Sometimes a line is crossed that runs the risk of breaking the trust and confidence Americans have placed in our Federal law enforcement community.

Whatever one may think about the particular characters involved in the Randy Weaver affair in north Idaho 2 years ago, there is evidence suggesting that line was crossed and that crucial confidence was broken by Federal authorities during a standoff near Naples,

ID. While this event did not receive the attention of the Waco raid, both episodes cost human lives, both could have been handled differently, and both may have been severely mishandled by Federal authorities.

The major difference between the Waco and north Idaho raids is the first received a thorough and open public investigation. The other is the subject of a still unreleased Justice Department investigation by this attorney general.

I am here today on this floor publicly demanding the release of the second investigation.

So, Madam President, let me relate to you the story that really began in October 1989 when Randy Weaver allegedly sold two illegal firearms to an undercover BATF agent in Idaho. Fourteen months later, he was indicted by a Federal grand jury and subsequently ordered to stand trial. He failed to appear for trial and was indicted by the grand jury for that offense as he should have been. In March, 1991, he and his family began hiding out in a cabin near Naples, ID. They were kept under surveillance by Federal law enforcement agents for the remainder of that year and well into the next.

Finally, in August 1992, the situation erupted in a shootout that killed Federal Deputy Marshal William Degan and Randy Weaver's son, Samuel. Federal, State, and local law enforcement agencies converged on the scene for a standoff with the Weavers and their friend Kevin Harris, who was thought to have fired the shot that killed Deputy Marshal Degan. During the 19-day standoff, a Federal sniper killed Randy Weaver's wife, Vicki, and wounded both Weaver and Harris.

On August 30, Harris surrendered to authorities, followed the next day by the surrender of Weaver. Additional charges of murder and conspiracy, among others, were filed against Weaver and Harris.

The trial began in April 1993. On July 8, 1993, without any evidence being presented by the defendants, the jury acquitted Kevin Harris of all charges and acquitted Randy Weaver of all but the least serious of the charges against him.

Quite frankly, public opinion in my State about Randy Weaver and Kevin Harris was divided. From the beginning of the well-publicized standoff to the end of the trial, some saw them as victims; others saw them as outlaws.

However, opinion was not so divided regarding the Government's actions. Idahoans were first surprised by the force of the Federal response, which turned the small community of Naples upside down. It became an armed military camp. They were concerned when reports began to circulate about the lack of coordination with local and State law enforcement. Concern turned into fear and hostility as mishaps were revealed that the case was perhaps handled in the wrong way, from the original targeting of Randy Weaver through the shootout and investigation and the trial itself.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Madam President, I ask unanimous consent that upon the completion of the remarks of the Senator from Idaho, the Senate proceed to the consideration of H.R. 4606, the conference report accompanying the Labor, HHS, Education appropriations bill.

Mr. WELLSTONE. Madam President, reserving the right to object, and I do not think I will, might there be any time—I want 5 minutes before we move on to that bill—I ask the majority leader?

Mr. MITCHELL. Madam President, I would then request that upon the completion of the remarks of the Senator from Idaho, the Senator from Minnesota be recognized to address the Senate for 5 minutes, and following the completion of his remarks, the Senate proceed as originally requested.

Mr. WELLSTONE. I thank the Senator.

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

Mr. MITCHELL. I thank the colleague.

Mr. CRAIG. Madam President, I was discussing an episode that had happened in north Idaho known as the Randy Weaver affair, and I was telling you about the breaking of laws and then, of course, the converging of State, local, and Federal law enforcement upon a small cabin in Naples, ID, and the subsequent actions that happened, the killing of a Federal marshal, the killing of Randy Weaver's son, the killing of Mrs. Vicky Weaver, and then both the shooting of Randy Weaver himself and Kevin Harris.

Now here are my concerns. For example, one of the most serious questions involved the rules of engagement observed at the site of the incident. It is my understanding that the Federal law enforcement practice is to prohibit using deadly force against an individual unless that individual is actually threatening the life of another. Yet in the north Idaho incident, official handwritten instructions directed law enforcement personnel that deadly force could be used against any armed adult in the compound area.

Let me repeat that. A handwritten note suggested that any armed adult in the compound area deadly force could be used upon.

There was some argument at the trial about whether this was an actual modification of the rules of engagement or a change in the application of the usual rules. That argument, however important technically at trial, ignores a more disturbing question about the substance of the policy itself: When does the Department of Justice consider it acceptable for Federal law enforcement to fire on an armed citizen first, even if he or she is not threatening the life of any other person, and then ask questions later? That appears to be what happened in the Randy Weaver incident.

Citizens who take seriously their right to bear arms have much to fear from a Government that assumes that the mere possession of a firearm presents a threat to others.

Idahoans were also disturbed by a series of apparent blunders by Federal authorities. For instance, the initial order to appear issued to Weaver contained an incorrect trial date, and no correction of the order was made or ever issued, although he was indicted for failing to appear on the correct date he was never notified about.

Questions also were raised about the on-the-scene investigation, including failing to triangulate in order to place evidence accurately at the scene, failing to search the scene thoroughly enough to discover the magic bullet uncovered days later, miscounting evidence and staging photographs of evidence. Law enforcement officials admitted during the trial that evidence was mishandled and lost.

There was also a disturbing lack of coordination among Federal agencies. Documents in the possession of the Government and essential to the prosecution's examination of witnesses were mailed fourth-class to Idaho, reaching the prosecution after the witnesses had testified and provoking a rebuke from the judge. Yet readily available for publication was an FBI report highly critical of the work of the U.S. Marshals Service.

Concerns were also raised about the disparity between the seriousness of the offenses at stake and the level of force used by the Government against Weaver and Harris. In this sense, comparisons drawn between the north Idaho action and the incident at Waco, TX, were inevitable and deeply troubling. It has been suggested that these two cases reflect a pattern of over-zealousness in pursuing firearms violations, whether because they are sensational, grab headlines or help secure congressional appropriations.

These were only a few of the many, many concerns related to me by my constituents while the Weaver case developed in my State of Idaho. I spent literally days monitoring the case, following up on rumors, and discussing the matter with Federal, State, and local officials who had been involved in the matter.

The virtual exoneration of the two defendants was seen as proof that the Federal Government had acted improperly. Fairly or unfairly, the public expected the Government's law enforcement experts to be just that—experts. Even one misstep would have raised questions. The cumulative effect of these blunders was devastating with

public opinion in my State. Not only did they diminish the value of the physical evidence and the credibility of the law enforcement testimony, but they strengthened the popular notion of the case as an example of powerful, corrupt Government pursuing vulnerable citizens and trying to cover up its own misdeeds.

It was because of the level of unease among my constituents that I wrote to Secretary Bentsen and Attorney General Reno following the trial, requesting an investigation and report on the Government's handling of the case and citing these very problems that I have related to all of you.

Both departments responded that they were indeed cooperating in reviewing the Weaver case. I commended them for their promptness and their responsive action. It seemed to me, and I continue to believe, that failing to answer the legitimate questions raised about this case would be equally destructive to the interests of law enforcement community and the citizens in my State of Idaho.

My office continued to receive a steady stream of inquiries and complaints about the incident in north Idaho. Rather than dying down, interest in the case has been increasing as time has passed without a report of the internal investigation of the Federal actions.

We made informal inquiries about the progress of the internal investigation and confirmed early this spring that the reports were finished and being reviewed. In April of this year, 1994, 9 months after I had requested the investigation, I wrote requesting release of the information.

In June, I received a response from the Department of Justice to my letter, stating that the report was under review. I wrote back, objecting to being put off, and then requesting the release of the report.

On July 5 of this year, the Department of the Treasury released a report of its investigation. That report concluded that BATF had acted properly in the original investigation and arrest of Weaver; the report also noted that BATF was not involved in any events subsequent to that initial arrest.

I expected the Department of Justice to follow the suit with its report, but no information was released. I spoke to the Attorney General and learned the report was still under review.

Since that time, Attorney General Reno has kept me informed of the status of her report—and I say this to her credit. While I appreciate that courtesy of the Attorney General, we do not appear to be any closer to the report's release now than we were 90 days ago when the Department first officially informed me that the report was under review.

Now, with my patience and credulity wearing mighty thin, I have been informed that there is an active effort within the administration to suppress this report and to prevent its release to the public.

Madam President, I most sincerely hope the administration is not trying to engineer a coverup on this issue. But what am I to think—what are my constituents to think—when my original request for an investigation was made more than a year ago when we learned the investigation and the report were completed before spring of this year and when the Department of the Treasury's report on its involvement was released more than 2 months ago?

I said earlier that comparisons between the Weaver incident and the events in Waco were inevitable. Along those lines, it is instructive to note that the voluminous reports on the investigation of the Government's handling of the very complicated Waco case were completed and released today to the public in less than 8 months.

Let me be clear: I am not on a witch hunt. I have no way of knowing what this report will say about the activities in north Idaho. It was not even the current administration who conducted the operation that we are now questioning. But it is the current administration who has conducted the investigation of those events and has the control of the findings of that investigation.

Whatever their personal thoughts about the particular individuals involved in the standoff, people are concerned about a possible misuse of Federal power and the future threat that may pose to all Americans' civil liberties. Every day that passes only increases the cynicism and the unease felt by those who are monitoring the Weaver matter in my State and elsewhere in the Nation. Every day that passes only darkens the cloud that they see hanging over our Federal law enforcement agencies.

I can promise the administration that delay will not make the case or the issue go away. My constituents are not going to just forget it, citizens who are watching from around the country are not going to tune out, and I am not going to melt away.

Again, I urge the administration to release this report. Silence only allows doubt and suspicion to breed and adds to credence to anyone's claim that a coverup may well be underway. Do the right thing by our own law enforcement agencies and by citizens of this country: Release the report of the Randy Weaver investigation.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Thank you, Madam President.

GRIDLOCK

Mr. WELLSTONE. Madam President, we just had a vote a short time ago in which we were unable to obtain cloture. This was cloture so that we could move to the conference committee on the campaign finance reform bill.

I have four items, Madam President. Let me make a connection between that vote, that obstructionism and, mind you, all we were trying to do is get to conference committee to then consider a campaign finance reform bill.

The second item: Yesterday the majority leader announced there would be no health care reform legislation passed in this Congress. Yesterday the majority leader announced that he really did not see us going forward, given the threat of filibuster or given the threat on part of some Senators to just introduce amendment after amendment after amendment. Let me make a connection.

The second item: Citizens Action came out with a report this past week. That is the Nation's largest consumer organization. And they looked at a period from January 1993 to July of this year in which opponents of health care reform spent $46 million, $46 million mainly targeted to congressional health care committees. Madam President, these were contributions which were made to block health care reform.

The fourth item: A Common Cause study just came out. From 1987 through 1993, according to Common Cause, business PAC's gave over $72 million to Senators as opposed to $16.7 million from labor PAC's. That is a ratio of 4 to 1.

Final item, Madam President, in the lobbying packet the insurance industry, according to one industry news letter, urged its members in each State to go to the Federal Election Commission reports, find out the wealthy contributors of each member, and then hold meetings with those contributor allies for the purposes of then going to Senators and Representatives.

Madam President, that is not very subtle, not very subtle.

My point is simply this: What has happened with the blocking of health care legislation makes the best case I know for campaign finance reform. It really is shameful the unprecedented amount of money that is poured into the House and the Senate. It really is shameful that that money has been used to block health care reform and it emerges, I think, not as the variable but one variable in explaining our inaction.

Madam President, even if you did not agree that it was the variable, let me just simply make the point, that if—and I use the analogy one more time, opposing teams before a football game or a soccer game were paying the referees before they officiated the games, people would not have a lot of confidence that those referees were making impartial decisions or good decisions. And we wonder why people are so angry.

Madam President, I believe that we will get this cloture vote in a day or so, and my distinguished colleague, Senator MCCONNELL, said he looked forward to debate. I look forward to the debate. I look forward to debate and, more importantly, I look forward to action, because in the past couple of days, as I have heard Senators speak about this, they have said to have any kind of campaign finance reform bill passed would be business as usual.

Business as usual is where we are right now. Business as usual is an unholy mix of money and politics. Business as usual is when Senators have to raise $5 million, $6, $8, $12 million, maybe $20 million for a Senate race. This is an obscene money chase and people in the country hate it and they feel as if it just belongs to those people who have the money. They feel as if it is not even a game they can play any longer. They feel completely ripped off. They feel left out of this process.

I venture to say, Madam President, that the citizens of Minnesota and the citizens of Illinois and every single State would like to see the large, big contributions out of politics. Let people make small contributions. Let people raise money. But we do not need to be raising these obscene amounts of money for campaigns.

As to the argument that discount vouchers for ads, or for whatever, represents some kind of entitlement program for politicians, these elections do not belong to politicians, they belong to the people in our country. I think it is absolutely critically important that we get this big money out of politics. But we do not even have an opportunity, based on this vote that took place, to move to a conference committee.

One more time—and I conclude this way with these points: health care reform, hijacked; unholy mix of money and politics, failure to enact reform that would do well for people makes the best case possible for campaign finance reform. No. 1.

No. 2, we see right now in what is going on on the floor of the Senate an effort to just bring this process to a grinding halt, to essentially blow the Senate up, to stop us from moving forward on any major initiative. And that is what has happened on this bill.

What we saw happening with this past vote just about 45 minutes ago was a vote where Senators essentially were saying that we cannot even appoint conferees from the House and from the Senate to come together to try and reach agreement on campaign finance reform, which would get some of the large money out of politics, which would begin to reform this process, which would begin to give people more confidence in this process.

I find this to be business as usual. I heard those people who oppose campaign finance reform talking about business as usual. The business as usual is just blocking, blocking, blocking. The business as usual is to bring this process to a grinding halt; try and let as little as possible pass the Senate; block almost everything, and then go around the country fanning the flames of discontent, telling people throughout our country: "Government can do no good; legislation can't be passed; everything is wrong."

I think it is a profoundly cynical approach. I think it essentially represents the very best of nondecision-making, and I do not think that is why we are here. I fully support what my colleague from California, Senator BOXER, had to say. It is a core issue. It is a root issue. If we do not have campaign finance reform, we will not have made this process accountable. This is a key reform issue. It is a key item for us. It is a priority for the U.S. Senate. And right now, we just see a blatant effort to filibuster this one way or the other: Block it, block it, block it.

I hope we will vote for cloture when we vote on this again. I take it that that will be by Thursday.

I yield the floor.

DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION AND RELATED AGENCIES APPROPRIATIONS ACT, 1995—CONFERENCE REPORT

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of the conference report on H.R. 4606, which the clerk will report.

The legislative clerk read as follows:

The committee on conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4606) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1995, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferences.

The Senate proceeded to consider the conference report.

(The conference report is printed in the House proceedings of the RECORD of September 20, 1994.)

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, I am pleased to report to the Members of the Senate that we have a very successful—and an extremely short—conference with the House. Not only were we able to preserve all the important funding initiatives of the Senate, as well as those of the administration, but we completed action on all 157 Senate amendments to the House bill in less than 10 minutes. In fact, I think the time was 8 minutes total for our conference. We set a new record. So there really is not much contention in the this bill.

The conference agreement now before us is within our subcommittee's 602(b) ceiling and is well below the level requested by the President. The conference agreement totals $252.9 billion. That is $6.6 billion less than last year's level. Of that total, $69.9 billion is for discretionary budget authority under the direct control of the subcommittee.

Our bill also includes $38 million for two programs in the Crime Trust Fund allocated to our subcommittee. The remaining $182.8 billion is for mandatory programs funded by our subcommittee.

I am particularly proud that this agreement does not impose an across-the-board cut of programs within our bill.

Mr. President, there are many important features of this bill, but for the sake of time, I would like to mention just a few highlights.

The conference approves the Senate's initiatives to root out wasteful spending and abusive practices in the Departments of Labor, Health and Human Services, and Education.

Some of the waste, fraud and abuse initiatives include: an increase over the President's budget for payment safeguards to curtail overcharges in the Medicare Program; a pilot program designed to help investigators detect potential Medicaid fraud; prevention of payment of Federal workers' compensation benefits to convicted felons; and increased monitoring by the Social Security Administration to identify and suspend SSI benefits to those who do not comply with drug or alcohol treatment requirements.

The conference agreement includes $1.319 billion for the Low-Income Home Energy Program, which is $94 million more than the House recommendation and $589 million more than the President's budget request. This also includes advance funding for program year 1996 at the fiscal 1995 level.

Overall, the conference agreement provided 46 percent of the President's request for his investment programs in our bill, including initiatives in worker retraining, education reform, and children's programs.

For Head Start, the conference agreement includes a $210 million increase over fiscal year 1994. This report includes a $396 million increase for the National Institutes of Health, reflecting the conference's strong belief that the NIH is a vital investment program for our Nation.

I am also pleased that the conference recommends a $67 million increase for the substance abuse block grant, for a total of $1.234 billion.

For the Department of Labor, the conference report provides an additional $178 million for dislocated worker assistance, and $120 million for one-stop career shopping. In addition, the conferees recommended $250 million for the joint Department of Labor and Department of Education school-to-work transition initiative.

The conference report also provides a total of $528 million for the administration's education reform initiatives, including a $298 million increase for Goals 2000. For title I, the conferees recommended a $328 million increase over fiscal year 1994 levels.

The report also includes $2.25 billion, or $174 billion over the President's request, for 13 key health prevention programs at the Center for Disease Control and Prevention and the Health Resource Services Administration. Specifically, our agreement provides $616 million for community health centers, $100 million for breast cancer screening, and a $12.5 million increase for family planning programs.

And for the first year, our subcommittee has been allocated $38 million from the Crime Trust Funds to fund two crime bill programs. Specifically, this bill provides $37 million for the Community Schools Program and $1 million for the Domestic Violence Hotline.

I also publicly thank Chairman SMITH, my House counterpart, and his ranking member, Congressman PORTER, for their excellent cooperation this year. I want to commend the new chairman of the House subcommittee, Congressman SMITH, for his cooperation, hard work, and his leadership on these issues. The House's assistance was essential to completing this year's conference in record time.

I also want to publicly thank Senator SPECTER, our ranking member on our subcommittee, and his staff, for all of their excellent advice and assistance throughout this process. Senator SPECTER's counsel and input is reflected throughout the process, beginning with hearings earlier this year, committee markup and now conference, and I am most grateful for all of his help and assistance in bringing this bill to the floor.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. 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.

HEALTH CARE REFORM

Mr. MOYNIHAN. I thank the President. I rise to state that I agree with the majority leader's assessment that large-scale health care reform cannot be enacted in the final days of this Congress. I further agree with Senator MITCHELL that we need at least 60 votes in the Senate to pass legislation quickly. I believe the record will be that this has been my view for a very long while. With those two defining facts in mind, I would like to outline four simple provisions that I believe could be passed in just a few days.

This proposal would include basic health insurance reforms to provide portability of coverage and to eliminate the denial of health insurance due to preexisting conditions. These are familiar matters which have passed the House and Senate before. In addition, it would expand health care coverage for the self-employed and for children and pregnant women. These expanded benefits would be financed by a gradual increase in the tobacco tax of the kind we have already reported from the Committee on Finance.

The insurance reforms, again to state, have already passed the Senate twice.

The proposal for expanding benefits is a measured approach using existing programs rather than creating new programs, with all the organizational paraphernalia that goes with new programs. The expansion of existing programs will be financed by a gradual increase in an existing tax. We are not inventing anything new.

This proposal will not foreclose or prejudge the direction of future reforms in the health care system. It is consistent with reforms that stress private or public, Federal and/or State initiatives.

The proposal is deficit neutral; expanded benefits for the self employed and children and pregnant women will cost $59 billion over 10 years and will be fully financed by a quite modest increase in the tobacco tax.

Under the four major elements of the proposal:

First, insurance reforms would guarantee that insurers could not deny coverage based on health status, medical condition, or anticipated need for health services. One of the things we learned in the course of the years of inquiring into the issue of who are the uninsured, we find persons with high professional standing and good incomes who are uninsured because of a previous medical condition, which is absurd.

Second, self-employed persons could deduct 100 percent of the cost of their health insurance premiums, which is effectively the case for persons insured by their employer.

Third, millions of children in families with incomes below 185 percent of the poverty level could become eligible for Medicaid through enhanced matching grants to States.

Fourth, a gradual increase in the tobacco tax would fully fund the expansion of health care benefits for the self-employed and for children and pregnant women.

Under my insurance reform proposal, insurers would be prohibited from imposing a preexisting condition exclusion for individuals who maintain continuous insurance coverage. The intent of this provision is to prohibit insurers from requiring individuals who change jobs from having to meet a new preexisting condition whenever this type of change occurs.

In addition, a limitation would be placed on the length of time insurers could exclude individuals who have preexisting conditions. Under the proposal, insurers would only be permitted to exclude conditions which were diagnosed or treated within the 3 months previous to enrollment for a maximum of 6 months after the date of enrollment.

Identical provisions, as I have said, passed the Senate twice in 1992 but were dropped in conference.

The provisions were included in H.R. 4210—the Family Tax Fairness, Economic Growth, Health Care Access Act of 1992—which was reported by the Finance Committee, and passed by the Senate on March 13, 1992.

In addition, Secretary—then Senator—Bentsen, along with 15 Republicans and 5 Democratic cosponsors, proposed these reforms on the floor of the Senate as part of a package of amendments to H.R. 11, the Revenue Act of 1992. Sixteen Republicans and seven Democrats spoke on the floor in favor of this bipartisan set of reforms. No one in the Senate spoke against it. No one opposed it. And in that spirit, I hope we can proceed, even at this late hour. The reforms passed by a voice vote on September 23, 1992, and there is no reason why these insurance reforms should not enjoy the same support in the Senate today.

My proposal would make health insurance more affordable for self-employed individuals by permitting the self-employed to deduct 100 percent of their insurance premiums. This is a simple matter of tax fairness. It would put self-employed individuals on the same footing as employees who can exclude from income health care insurance premiums paid for by their employers.

The deduction would be gradually phased in starting at 25 percent in 1994. A 25-percent deduction for the self-employed expired on December 31, 1993. Indeed, we allowed it to expire in last year's reconciliation bill only with the full expectation that we would tend to this item as part of health care reform legislation this year. If we do not take action in this Congress, the self-employed will have no deduction for health insurance on their next tax return. I know that no one in this Congress has intended this to happen to the self-employed.

My proposal would expand Medicaid coverage for children and for pregnant women. Currently 10 million children lack health insurance coverage. Under my proposal two-thirds of these children could become eligible for Medicaid coverage.

For children, the proposal would encourage States to expand Medicaid eligibility by giving States an enhanced

Federal matching rate for the costs of covering children who they are not now required to cover. This would make eligible for coverage all children up to age 19 with family incomes up to 185 percent of the Federal poverty level.

Current Medicaid law has an extraordinarily complicated formula for coverage of children. States are now required to provide coverage of infants (up to age 1) and children up to age 6 with family incomes under 133 percent of the Federal poverty level. They have the option of covering infants with family incomes up to 185 percent of poverty. And finally, States must also cover all other children born after September 30, 1983 with family incomes up to 100 percent of poverty.

By giving States an option and an incentive to cover all children under age 19, with family incomes below 185 percent of the Federal poverty level, we will hopefully not only expand coverage significantly but move toward a simplification of eligibility rules, as well.

My proposal would also increase coverage of pregnant women by requiring that States cover this group with family incomes up to 150 percent of the Federal poverty level. Federal law currently requires States to cover pregnant women only up to 133 percent of the Federal poverty level. Thirty-four States cover pregnant women at income levels beyond the minimum of 133 percent of Federal poverty; the majority of these States cover this group up to 185 percent of the Federal poverty level. The requirement that States increase coverage to 150 percent of poverty would also apply to infants.

The Medicaid changes and the deduction for the self-employed would be financed by increasing the excise tax on cigarettes by 45 cents per pack, phased in over 5 years, with a proportional increase in the tax imposed on other tobacco products—a proposal very similar to the one offered by Senator MITCHELL.

Mr. President, as I stated recently, for health care reform legislation I have had one clear guideline in mind at every stage of our deliberations: the first principle of the Hippocratic oath "primum non nocere"—First Do No Harm. In my view, the proposal I have outlined meets this elemental standard. Moreover, it provides expanded health insurance coverage that can be paid for without harming beneficiaries of existing programs.

Mr. President, there is so much more that I would like us to do.

I do wish we could somehow reasonably contain health care costs.

I do wish we could fund new and greater support for medical education and research.

But, Mr. President, the reality is that with only about 15 days left in this Congress, and with so much disagreement on those issues, we must target our efforts in health care reform to what we do know how to do, and to what a large majority can agree on. The undeniable fact that time is running out on this Congress does not mean that we should give up but only that we should concentrate intensely on what health care reforms are realistically possible in this Congress.

DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION AND RELATED AGENCIES APPROPRIATIONS ACT, 1995

The Senate continued with the consideration of the conference report.

Mr. SPECTER. Madam President, I join the chairman of the subcommittee, the distinguished Senator from Iowa, Senator HARKIN, in supporting the conference report before the Senate today. There has been an extraordinary amount of work done in this massive bill, almost $253 billion, and extraordinary staff work. At the same time, I want to thank Chairman SMITH and Congressman PORTER, chairman of the House committee, and the ranking Republican there, for their work. It is a very complicated matter to move through the numerous items of concern in the Departments of Health and Human Services, Education, and Labor, and to allocate the funds which are available.

While at first blush, that sum of money might seem very substantial—and it is—when you have to fund the National Institutes of Health, which does basic research and has had really marvelous results, and when you have to allocate increases for cancer—prostate cancer, breast cancer, cervical cancer—and you have to find money for heart disease and for diabetes, and you have to work through the complicated issues of sufficient funding for Head Start and other educational programs, and fund mine safety, AIDS research, and a tremendous number of items which confront this bill, it seems vast indeed.

We were able to move through the conference with the cooperation, as I say, of Congressman SMITH and Congressman PORTER, and the staffs have done a really extraordinary job. We are on a tight schedule with a great many matters pending, as we try to conclude the work of the Senate this year and try to get all the appropriations bills finished before September 30, which is at the end of this week.

Mr. President, I join the chairman of the subcommittee, the distinguished Senator from Iowa, in supporting the conference report that is before the Senate today. I want to take this opportunity to thank Chairman HARKIN and the other members of the subcommittee, for putting together this very comprehensive conference agreement. I also want to thank Chairman SMITH and Congressman PORTER for their hard work and their willingness to compromise on the differences between the House and Senate bills.

The bill totals more than $252.9 billion, including over $70 billion in discretionary spending, and provides funding for workforce retraining, educating this Nation's children and continuing the critical biomedical research to cure and curb disease. This year, as in the past, the subcommittee allocation was insufficient to meet all of the health, welfare, job training and education and education needs, but given the budget constraints faced by the subcommittee, I think that the agreement is very comprehensive.

TEEN PREGNANCY

When one talks of the social ills in America today, the problem of the increasing numbers of births to adolescents is always at the top of the list. The costs associated with families begun by teens are staggering. In 1990, an estimated 51 percent of Aid to Families With Dependent Children (AFDC] payments went to recipients who were 19 or younger when they first became mothers. And when AFDC costs were combined with those of Medicaid and food stamps, over $25 billion of these funds were used to support families begun by teens in 1990.

The conference agreement contains over $217 million for education and prevention programs to deal with issues surrounding teen pregnancy.

PRENATAL CARE AND LOW BIRTHWEIGHT INFANTS

Each year, about 7 percent, or 287,000, of the 4,100, of the 4,100,000 babies born in the United States are of low birth weight and therefore, at far greater risk of death or disability. Including $4.5 million for the CDC to support the development of community coalitions for the prevention of teen pregnancies.

Beyond the human tragedy of low birth weight there are the financial consequencies. In 1990, the hospital-related costs for caring for low birth weight newborns totaled more than $2 billion, or an average of $21,000 per infant. And in infants of extremely low birth weight, hospital costs often exceed $150,000.

It is generally recognized that prenatal care that begins in the first weeks of pregnancy and is appropriate to the mother's level of health risk can effectively prevent low birth weight births and improve birth outcomes. The bill recommends $1.498 billion for programs which support education, counseling, and prenatal services for pregnant women. This amount includes a $12.5 million increase for the healthy start program, bringing the total amount available to $110 million.

PRISON EDUCATION

On a given day in the United States, there are approximately 1.3 million residents in correctional institutions. The costs of incarcerating an individual per year is approximately $25-

$30,000. The correctional population is characterized by low levels of formal education with estimates of between 60 and 80 percent of the prison population functionally illiterate. Only 40 percent of prison inmates have graduated from high school. Lack of formal education limits an individuals ability to succeed in society. Criminal records, coupled with limited academic and vocational training, exacerbates the problem further. The conference report before us today provides $116.7 million for programs to educate juveniles in adult corrections facilities, literacy and vocational education programs for adult inmates and substance abuse prevention and treatment for the criminal justice population.

LIHEAP

A program that is of critical importance to Pennsylvania is the Low Income Home Energy Assistance Program. These funds help low income families avoid having to decide between heating or eating. Over 70 percent of households who receive LIHEAP have annual incomes of less than $8,000. LIHEAP already has borne its share of funding cuts. From fiscal year 1981 to fiscal year 1993, LIHEAP's funding has been cut by $1.6 billion, or 53.9 percent after adjusting for inflation. Funding for this program supports grants to States to deliver assistance to low income households to help meet the costs of heating and cooling their homes. The conference report includes $1.319 billion for the fiscal year 1995 winter program and for the in advance funding for the fiscal year 1996 winter program. While I would like to have seen an increase in the LIHEAP program, this was not possible, due to the extremely tight budget situation.

FAMILY VIOLENCE

The O.J. Simpson case brought the incidence of domestic violence into the public eye. But unfortunately, family violence is not a rare occurrence. Last year alone, an estimated 4 million women were beaten by their husbands or partners. Battering is the single largest cause of injury to women in the United States and medical costs associated with those injuries is approximately $3.5 billion annually. To prevent family violence and to provide immediate shelter to victims and their families, the agreement includes $32.6 million, an increase of $5 million over the fiscal year 1994 amount. In addition, the agreement provides new funding of $1 million for education and training for community leaders and law enforcement personnel, $750,000 for a national conference on violence, and $1 million for a domestic violence hotline.

BIOMEDICAL RESEARCH

This agreement includes $11.3 billion for the National Institutes of Health, an increase of $396.5 million above last year's level. These funds will continue the progress being made in identifying new treatments and supporting promising avenues of research for diseases such as cancer, Aids, Alzheimers disease, diabetes, mental illness, and arthritis as well as the many other illnesses that afflict the people of this Nation.

BREAST CANCER

Breast cancer, the most commonly diagnosed cancer in America today, currently afflicts over 1.8 million women, and it is estimated that an additional 1 million women have yet to be diagnosed. The incidence of this disease continues to rise and every 12 minutes a woman dies of this dreaded illness. The conference agreement this year provides an estimated $350 million for research programs for breast cancer. In addition, $100 million has been included for breast and cervical cancer screening, an increase of $21.9 million. These additional funds will continue the progress made in ensuring that all women, especially those of low-income and of particular risk of developing cancer, will have access to preventive health services.

AIDS

The agreement contains $2.6 billion for research, education, prevention, and services to stop the spread and find a cure for AIDS. This amount represents an increase of $134.3 million over last year's funding level. Included in this amount is $356.5 million to provide grants to cities with the highest incidence of AIDS. The increase in the title I funds will enable grants to be provided up to 7 additional cities, bringing the total number of cities receiving grants to as many as 41.

I am also pleased to report that the Pediatric AIDS Demonstration Program under title IV of the Ryan White Act has been funded at $26 million. This money helps coordinate services for women, infants, and children who are infected with HIV or who are at risk of developing the disease. Because of their unique vulnerability, infants suffering from AIDS require specially tailored approaches for treatment, prevention, and care. The funds provided will continue the existing pediatric and adolescent AIDS demonstration projects.

MENTAL HEALTH SERVICES

Each year, more than 40 million adults in the United States experience one or more mental disorders. In addition 8 million children are tormented with serious emotional disturbances. The direct and indirect costs of these illnesses have been estimated to cost over $148 billion each year. The bill contains $1.072 billion for research, prevention, and treatment of mental illness.

EDUCATION

This country must give this Nation's youth the opportunity to obtain the best education possible. The challenge is to find new and better ways to teach this country's 43 million school children. Meeting this challenge will take new ideas and innovative approaches to teaching and the resources to assure that all children are given every opportunity to reach their full potential. Because of very severe budget constraints, this bill does not contain all of funds necessary to strengthen our educational system. But we are moving in the right direction. The bill provides $27.4 billion for education programs and provides $7.7 billion for student financial aid, including $6.2 billion for Pell Grants, which raises the maximum grant to $2,340, an increase of $40 over the previous year's cap.

For education for disadvantaged children, the bill includes $7.2 billion, an increase of $321.1 million over the fiscal year 1994 level. Capital expenses for private schools is funded at $41.4 million and the Even Start Program, funded last year at $91.3 million has increased to $102.1 million. The agreement restores $41.1 million in funding cut proposed by the administration for library programs bringing the total amount available to $146.3 million.

Also included is $6 million for a new Charter School Program. This program will stimulate comprehensive education reform by supporting the development of schools, created by teachers, parents and community members. These new schools would be given flexibility from some of the cumbersome Federal regulations, but would be required to meet challenging performance standards. Programs such as charter schools will allow schools to try new ways of teaching, including contracting with private management firms, if they choose to do so.

JOB TRAINING

Another vital part of this Nation's education system is the training and retraining of this Nation's work force. The once-familiar occupations held by our grandfathers, and mothers and fathers, have declined or disappeared and wholly new industries have emerged which require new skills. These skills often involve technical training that is beyond what is traditionally taught in our schools. To help address this need, the bill includes $5.4 billion for job training and adults and youth, including $1.056 billion for summer youth employment and $1.3 billion for the retraining of dislocated workers. Also included is $250 million for the School to Work Program which helps States and localities prepare noncollege bound students for the transition from school to the workplace. This is an increase of $150 million over the fiscal year 1994 level.

In closing, Mr. President, I again want to thank Senator HARKIN and his staff and the other Senators on the subcommittee for their cooperation in a very tough budget year.

Mr. HARKIN. Madam President, I thank Senator SPECTER for all of his

work and input in this bill. It is due in no small part to his working closely with us, and our staffs working together, that we were able to have a record conference. As I said, in less than 10 minutes, we finished our conference meeting.

Madam President, in order to take care of the amendments in disagreement, I ask unanimous consent that the conference report be temporarily laid aside.

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

Mr. HARKIN. Madam President, I ask unanimous consent that the Senate concur, en bloc, to the amendments of the House to the amendments of the Senate in disagreement, with the exception of amendments numbered 73, 83, and 148, and that all the preceding motions be reconsidered, en bloc, and tabled.

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

The amendments in disagreement, with the exception of amendments numbered 73, 83, and 148, are as follows:

Resolved, That the House agree 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. 4606) entitled "An Act making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1995, and for other purposes.".

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 12, 13, 20, 32, 37, 66, 75, 78, 79, 80, 89, 91, 101, 108, and 124 to the aforesaid bill, and concur therein.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 18 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: "$223,837,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 26 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum named in said amendment, insert: "$2,100,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 33 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

SEC. 105. The Secretary of Labor is authorized to accept, in the name of the Department of Labor, and employ or dispose of in furtherance of authorized activities of the Department of Labor, during the fiscal year ending September 30, 1995, and each fiscal year thereafter, any money or property, real, personal, or mixed, tangible of intangible, received by gift, devise, bequest, or otherwise.

SEC. 106. Section 5315 of title 5, United States Code, is amended by inserting at the end thereof: "The Commissioner of Labor Statistics, Department of Labor.".

Section 5316 of title 5, United States code, is amended by striking: "Commissioner of Labor Statistics, Department of Labor.".

SEC. 107. None of the funds appropriated in this title for the Job Corps shall be used to pay the compensation of an individual, either as direct costs or any proration as an indirect cost, at a rate in excess of $125,000.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 35 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum named in said amendment, insert: "$24,625,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 38 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: "$2,089,443,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 51 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: "$218,367,000, of which $3,375,000 shall be transferred to the National Institute of General Medical Sciences".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 53 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: "$2,181,407,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 54 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert: "$65,267,000, together with $1,500,000 which shall be only for employee buyouts, terminal leave, severance pay, and other costs related to the reduction of the number of employees in the Office of the Assistant Secretary for Health".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 56 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: "$138,642,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 63 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: "$5,159,785.000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 69 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

STATE LEGALIZATION IMPACT-ASSISTANCE GRANTS

(INCLUDING RESCISSION)

Funds not obligated by the States by June 29, 1995, under section 204(b)(4) of the Immigration Reform and Control Act of 1986 are hereby rescinded.

For Federal administration and allotments of funds to the States made by the Secretary of Health and Human Services for the purpose of making payments to public and private nonprofit organizations for public information and outreach activities; and English language and civics instruction provided to any adult eligible legalized alien who has not met the requirements of section 312 of the Immigration and Nationality Act for purposes of becoming naturalized as a citizen of the United States, $6,000,000: *Provided*, That the Secretary of Health and Human Services shall allocate such amount among the States not later than August 15, 1995: *Provided further*, That each State's share of these funds shall be equal to that State's percentage share of the total costs of administering and providing educational services to eligible legalized aliens in all States through fiscal year 1994, as determined by the Secretary: *Provided further*, That the definition of "eligible legalized alien" contained in section 204(1)(4) of the Immigration Reform and Control Act of 1986 is amended by inserting before the period at the end ", except that the five-year limitation shall not apply for the purposes of making payments from funds appropriated under the fiscal year 1995 Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act for providing public information and outreach activities regarding naturalization and citizenship; and English language and civics instruction to any adult eligible legalized alien who had not met the requirements of section 312 of the Immigration and Nationality Act for purposes of becoming naturalized as a citizens of the United States": *Provided further*, That each State may designate the appropriate agency or agencies to administer funds under this heading: *Provided further*, That section 204(b)(4) of the Immigration Reform and Control Act of 1986 is amended by striking the fourth sentence and inserting the following: "Funds made available to a State pursuant to the preceding sentence of this paragraph shall be utilized by the State to reimburse all allowable costs within 90 days after a State has received a reallocation of funds from the Secretary, but in no event later than July 31, 1995.".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 70 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert: "$472,920,000, of which $12,000,000 shall be for carrying out the National Youth Sports Program: *Provided*, That payments from such amount to the grantee and subgrantees administering the National Youth Sports Program may not exceed the aggregate amount contributed in cash or in kind by the grantee and subgrantee: *Provided further*, That amounts in excess of $9,400,000 of such amount may not be made available to the grantee and subgrantees administering the National Youth Sports Program unless the grantee agrees to provide contributions in cash to such program in an amount that equals 29 percent of such excess amount.".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 71 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: "$4,419,888,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 74 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: "$91,247,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 81 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

SEC. 208. Taps and other assessments made by any office located in the Department of Health and Human Services shall be treated as a reprogramming of funds except that this provision shall not apply to assessments required by authorizing legislation, or related to working capital funds or other fee-for-service activities.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 86 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert "enacted into law".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 87 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: "$7,232,722,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 88 to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: "$7,214,160,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 90 to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert: "not less than $39,311,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 93 to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert: "enacted into law".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 95 to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert: "8004(f), 9004(f), or the relevant citation which may be designated in the Act: *Provided*, That should the improving America's Schools Act not be enacted into law for fiscal year 1995 funds for impact aid shall be made available under the provisions of Public Laws 81-815 and 81-874 with amounts allocated proportionately and under the same timeframes as provided in fiscal year 1994".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 96 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert: "III, IV, V, VII, VIII, IX, and XV (or under the comparable citations which may be designated)".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 97 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert: "enacted into law".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 98 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: "$1,564,877,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 99 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: "$1,268,418,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 100 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert: "$5,899,000 shall be for law related education; $12,000,000 shall be for arts education activities; $28,000,000 shall be for dropout prevention assistance, if authorized; $4,185,000 shall be for Ellender Fellowships; $12,000,000 shall be for education for Native Hawaiians, $10,912,000 shall be for foreign language assistance, if authorized; and $100,000,000 shall be for new education infrastructure improvement grants, if authorized".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 102 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert: "enacted into law".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 103 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: "$245,200,000.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 104 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the matter stricken and inserted by said amendment, insert: "part C or under subpart 3 of part A of title VII or under the comparable citation which may be designated by amendments to the authorizing legislation".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 107 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: "$2,998,812,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 130 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert: "section 1521 of the Higher Education Amendments of 1986 as amended by Public Law 103-239, to be administered by the Secretary of Education; part E of title XV of the Higher Education Amendments of 1992; and Public Law 102-433, $962,842,000, of which $8,060,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 135 to the aforesaid bill, and concur therein with an amendment as follows:

Restore the matter stricken by said amendment, amended to read as follows: "$5,000,000, to remain available until expended, shall be for general construction needs at the University and $5,500,000, to remain available until expended, shall be for the establishment of a Law School Clinical Center to be administered under the same terms and conditions as the Centers established and funded under Public Laws 99-88 and 100-517 with not more than $1,000,000 to be used for construction".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 138 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert: "as amended by the Improving America's School's Act as enacted into law; the National Education Statistics Act of 1994, as enacted into law; the Education Council Act, as amended; part F of the General Education Provisions Act; and title VI of Public Law 103-227, $354,892,000; *Provided*, That $86,200,000 shall be for education research of which $41,000,000 shall be for regional laboratories, including rural initiatives and network activities, $33,000,000 shall be for research centers and $3,200,000 to remain available until expended, shall be for school finance equalization research; $36,750,000 shall be for the Fund for the Improvement of Education; $3,000,000 shall be for the international education exchange program; $750,000 shall be for 21st Century Community Learning Centers, if authorized; $4,463,000 shall be for civic education activities; $14,480,000 shall be for the National Diffusion Network; $36,356,000 shall be for Eisenhower professional development Federal activities, including not less than $5,472,000 for the National Clearinghouse for Science and Mathematics and $15,000,000 for regional consortia; $2,250,000 shall be a mathematics telecommunications demonstration, if authorized; $40,000,000 shall be for education technology activities, if authorized; and $7,000,000 shall be for Ready to Learn television, including funds to be awarded to the Corporation for Public Broadcasting in such amounts as the Secretary determines appropriate".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 139 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert: "title II of the Higher Education Act, $144,161,000, of which $17,792,000 shall be used to carry out the provisions of title II of the Library Services and Construction Act and shall remain available until expended; and $4,916,000 shall be for section 222 and $6,500,000 shall be for section 223 of the Higher Education Act, of which $5,000,000 shall be for additional awards for demonstration of on-line access to statewide, multitype library bibliographic data bases using fiber optic networks and $1,500,000 shall be for a demonstration project making Federal information and other data bases available for public use by connecting a multistate consortium of public and private colleges and universities to a public library and an historic library".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 144 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

(INCLUDING RESCISSION)

Of the funds made available under this heading in Public Law 102-394, $7,000,000 are hereby rescinded. For payment to the Corporation for Public Broadcasting, as authorized by the Communications Act of 1934, an amount which shall be available within limitations specified by that Act, for the fiscal

year 1997, $315,000,000: *Provided*, That no funds made available to the Corporation for Public Broadcasting by this Act shall be used to pay for receptions, parties, or similar forms of entertainment for Government officials or employees: *Provided further*, That none of the funds contained in this paragraph shall be available or used to aid or support any program or activity from which any person is excluded, or is denied benefits, or is discriminated against, on the basis of race, color, national origin, religion, or sex.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 153 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

SEC. 511. None of the funds appropriated or otherwise made available under this Act may be obligated in violation of existing Federal law or regulation already prohibiting such benefit or assistance. None of the funds appropriated under this act may be used by any federal official or any State or local official to induce undocumented immigrants to apply for Federal benefits for which such officials know or should know such undocumented immigrants are not eligible. In no case, however, shall Federal, State, or local officials be penalized for efforts to ensure that eligible persons are not excluded from participation in, denied the benefits of, or subjected to discrimination by any program receiving funds under this Act, on the grounds of race, color, or national origin-based traits, including language. Each State agency and each other entity administering a program under which verification of immigration status is required by section 121 of the Immigration Reform and Control Act of 1986 shall participate in the system for the verification of such status established by the commissioner of the Immigration and Naturalization Service pursuant to section 121(c) of that Act, unless an alternative system is available and employed for such purposes which is found to meet the criteria for waiver under section 121(c)(4).

SEC. 512. Notwithstanding any other provision of law, monthly benefit rates during fiscal year 1995 and thereafter under part B or part C of the Black Lung Benefits Act shall continue to be based on the benefit rates in effect in September 1994 and be paid in accordance with the Act, until exceeded by the benefit rate specified in section 412(a)(1) of the Act.

SEC. 513. No more than one percent of salaries appropriated for each Agency in this Act may be expended by that Agency on cash performance awards: *Provided*, That of the budgetary resources available to Agencies in this Act for salaries and expenses during fiscal year 1995, $30,500,000, to be allocated by the Office of Management and Budget, are permanently canceled. *Provided further*, That the foregoing proviso shall not apply to the Food and Drug Administration and the Indian Health Service.

SEC. 514. Chapter 51 of title 18, United States Code, is amended by adding at the end thereof the following new section:

§ 1118. Protection against the Human Immunodeficiency Virus

"(a) IN GENERAL.—Whoever, after testing positive for the Human Immunodeficiency Virus (HIV) and receiving actual notice of that fact, knowingly donates or sells, or knowingly attempts to donate or sell, blood, semen, tissues, organs, or other bodily fluids for us by an other, except as determined necessary for medical research or testing, shall be fined or imprisoned in accordance with subsection (c).

"(b) TRANSMISSION NOT REQUIRED.—Transmission of the Human Immunodeficiency Virus does not have to occur for a person to be convicted of a violation of this section.

"(c) PENALTY.—Any person convicted of violating the provisions of subsection (a) shall be subject to a fine of not less than $10,000 nor more than $20,000, imprisoned for not less than 1 year nor more than 10 years, or both."

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 154 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

SEC. 515. Notwithstanding any other provision of law, (1) no amount may be transferred from an appropriation account for the Departments of Labor, Health and Human Services, and Education except as authorized in this or any subsequent appropriation act, or in the Act establishing the program or activity for which funds are contained in this Act;

(2) no department, agency, or other entity other than the one responsible for administering the program or activity for which an appropriation is made in this Act, may exercise authority for the timing of the obligation and expenditure of such appropriation, or for the purposes for which it is obligated and expended, except to the extent and in the manner otherwise provided in sections 1512 and 1513 of title 31, United States Code; and

(3) no funds provided under this or any subsequent appropriation act shall be available for the salary (or any part thereof) of an employee who is reassigned on a temporary detail basis to another position in the employing agency or department or in any other agency or department, unless the detail is independently approved by the head of the employing department or agency.

And on page 55 of the House engrossed bill, H.R. 4606, after line 3, insert:

SEC. 305. None of the funds appropriated under this Act may be used to publish, release, report or finalize the designation of institutions to be reviewed under subpart 1 of part H of title IV of the Higher Education Act of 1965, as amended, until the State postsecondary review entity responsible for evaluating those institutions has received the Secretary's approval for its institutional review standards.

And on page 58, line 19 of the House engrossed bill, H.R. 4606, strike "$8,119,000" and insert in lieu thereof "$8,519,000".

And on page 43 of the House engrossed bill, H.R 4606, after line 14, insert:

SEC. 210. Of the funds made available under this title, under the heading Low Income Home Energy Assistance, for fiscal year 1996, the Secretary shall receive assurances from States that funds will assist low-income households with their home energy needs, particularly those with the lowest incomes that pay a high proportion of household income for home energy.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 155 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: "TITLE VI—EMERGENCY APPROPRIATIONS".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 156 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

PUBLIC HEALTH AND SOCIAL SERVICES EMERGENCY FUND

For the Public Health and Social Services Emergency Fund to be used to assist States and local communities in recovering from the flooding caused by tropical storm Alberto and other emergencies, $35,000,000 to remain available until expended: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That the entire amount shall be available only to the extent an official budget request, for a specific dollar amount, that includes designation of the entire amount of the request as an emergency requirement, as defined in the Balanced Budget and Emergency Deficit Control Act of 1985 as amended, is transmitted by the President to the Congress.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 157 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

TITLE VII—CRIME REDUCTION PROGRAMS

DEPARTMENT OF HEALTH AND HUMAN SERVICES

ADMINISTRATION FOR CHILDREN AND FAMILIES

CHILDREN AND FAMILIES SERVICES PROGRAMS

In addition to amounts otherwise appropriated in this Act, $26,900,000, to be derived from the Violent Crime Reduction Trust Fund, including $1,000,000 for a domestic violence hotline as authorized by the Safe Homes for Women Act of 1994 and $25,900,000 for carrying out the Community Schools Youth Services and Supervision Grant Program Act of 1994.

DEPARTMENT OF EDUCATION

SCHOOL IMPROVEMENT PROGRAMS

In addition to amounts otherwise appropriated in this Act, $11,100,000, to be derived from the Violent Crime Reduction Trust Fund, for carrying out the Family and Community Endeavor Schools Act.

DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION AND RELATED AGENCIES APPROPRIATIONS ACT, 1995

The Senate continued with the consideration of the conference report.

Mr. HARKIN. Madam President, I ask unanimous consent that we return to the conference report.

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

Mr. HARKIN. Madam President, we are now in a situation where we are ready for a vote on the conference report.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays are ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Connecticut [Mr. LIEBERMAN] is necessarily absent.

The result was announced—yeas 83, nays 16, as follows:

[Rollcall Vote No. 310 Leg.]

YEAS—83

Akaka	Exon	McCain
Baucus	Feingold	McConnell
Bennett	Feinstein	Metzenbaum
Biden	Ford	Mikulski
Bingaman	Glenn	Mitchell
Bond	Gorton	Moseley-Braun
Boren	Graham	Moynihan
Boxer	Grassley	Murkowski
Bradley	Harkin	Murray
Breaux	Hatch	Packwood
Bryan	Hatfield	Pell
Bumpers	Heflin	Pryor
Burns	Hollings	Reid
Byrd	Inouye	Riegle
Campbell	Jeffords	Robb
Chafee	Johnston	Rockefeller
Coats	Kassebaum	Sarbanes
Cochran	Kennedy	Sasser
Cohen	Kerrey	Shelby
Coverdell	Kerry	Simon
D'Amato	Kohl	Simpson
Danforth	Lautenberg	Specter
Daschle	Leahy	Stevens
DeConcini	Levin	Thurmond
Dodd	Lott	Warner
Domenici	Lugar	Wellstone
Dorgan	Mack	Wofford
Durenberger	Mathews	

NAYS—16

Brown	Gregg	Pressler
Conrad	Helms	Roth
Craig	Hutchison	Smith
Dole	Kempthorne	Wallop
Faircloth	Nickles	
Gramm	Nunn	

NOT VOTING—1

Lieberman

So the conference report was agreed to.

Mr. HARKIN. Madam President, I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

• Mr. LIEBERMAN. Mr. President, I was unavoidably detained and therefore missed this vote on the Labor-HHS appropriations conference report. Had I been present, I would have voted "aye." This conference report contains important funding for programs that are important to this country and to my home State of Connecticut—programs like LIHEAP, the child care block grant, Ryan White funding, job training and Head Start. I have been an ardent and enthusiastic supporter of these programs so I very much regret having missed this vote.

Today I have been at home and at my synagogue, observing the Jewish holiday of Shemini Atzeres. I was en route to cast my vote on this measure but I regret that because of traffic congestion I did not arrive in time to cast my vote.

Again, had I been present on this vote, I would have voted "aye."•

Mr. DECONCINI addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa has the floor.

Mr. HARKIN. I yield the floor, Madam President.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. DECONCINI. Madam President, I ask unanimous consent I may proceed as if in morning business.

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

STATEMENT ON RESOLUTION CALLING FOR REMOVAL OF RUSSIAN TROOPS FROM MOLDOVA

Mr. DECONCINI. Madam President, on August 10, 1994, negotiators for the Governments of Moldova and Russia reached a tentative agreement on withdrawal of Russia's 14th Army, about 8,000–10,000 strong, from Moldova over a period of 3 years.

This is a significant step, since Moldova is the only remaining former Soviet Republic upon which Russian troops are still stationed without permission of the host government. Moreover, the 14th Army has a violent history in Moldova. It is stationed in Moldova's breakaway Transdniestria region, where many 14th Army soldiers helped provide firepower for the secessionist forces during the bloody civil conflict of 1992.

Unfortunately, there are reports that Moscow may be rethinking the withdrawal agreement. The commander of the 14th Army has publicly rejected the agreement, telling Der Spiegel that it was "idiotic." General Grachev, the Defense Minister, and theoretically General Lebed's boss, met with Lebed in Moscow, and emerged from the meeting suitably chastened. Apparently he now thinks that the agreement needs further drafting after he had signed on to it.

Meanwhile, a diplomatic mission of the Conference on Security and Cooperation in Europe posted in Moldova has called for the accelerated withdrawal of the 14th Army. The call was reiterated last July by the CSCE Parliamentary Assembly in Vienna. Ironically, while the Russian military seems committed to scuttling a political settlement that follows the directions of CSCE policy, Mr. Kozyrev's Foreign Ministry is seeking a greater role for CSCE, including coordination of the activities of several all-European political and military organizations, including NATO.

I would note that, as was the case with Russian military forces in the Baltics, the Clinton administration has been forthright in calling for the renewal of the 14th Army from Moldova. During a recent visit to Moldova, Ambassador Albright characterized the withdrawal of the 14th Army as "a matter of primary importance to United States foreign policy." This statement, incidentally, elicited an outburst from General Lebed that Russia shouldn't let "some woman" make decisions for Russia.

Madam President, the senior Senator from Nebraska [Mr. GRASSLEY] and I have introduced a concurrent resolution urging the Russian government to live up to the agreement to pull its forces out of Moldova. The resolution also urges the administration to use every appropriate opportunity to secure removal of Russian military forces from Moldova.

Mr. Yeltsin is here in our Capital City today. He has met with President Clinton. I am very optimistic that the President will reiterate to Mr. Yeltsin and Mr. Yeltsin will respond as he has in the past in public that it is the policy of the Russian Republic that the troops should get out.

This is important. This is the last bastion of Soviet authority in someone else's homeland, and it is only proper that Mr. Yeltsin, with his leadership that he has demonstrated, will withdraw those troops in accordance with the agreements and urging of this country that he is prepared to do so, and I compliment him.

If Mr. Yeltsin is sincere about Russia's role as a peaceful peacekeeper, and if Russia is genuinely committed to living up to international law and CSCE committments, Moscow should be preparing to bring its 14th Army back to Russia. I urge the Russian Government to adhere to the provisions of the August 10 withdrawal agreement, and I urge my colleagues to join us in supporting this resolution.

I ask unanimous consent that the current resolution sponsored by myself and Senator GRASSLEY be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the REOCRD as follows:

S. CON. RES.—

Whereas military forces of the Russian Federation continue to be deployed on the territory of the sovereign and independent nation of Moldova against the wishes of the people and government of Moldova;

Whereas the continued stationing of military forces by the Russian Federation in Moldova without permission of the government of Moldova is contrary to international law;

Whereas the Parliamentary Assembly of the Conference on Security and Cooperation in Europe passed a resolution on July 6, 1994, calling for a "most rapid, continuing, unconditional, and full withdrawal" of the 14th Army of the Russian Federation from Moldova, and the diplomatic mission in Moldova of the Conference on Security and Cooperation in Europe has called for the accelerated withdrawal of the 14th Army;

Whereas on August 10, 1994, negotiators of the governments of Moldova and the Russian Federation initialed an agreement according to which the Russian Federation will withdraw its military forces from Moldova in 3 years; and

Whereas the Minister of Defense of the Russian Federation has called for changes in such withdrawal agreement and the Commander of the 14 Army of the Russian Federation has publicly rejected the terms of the agreement: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress—

(1) calls upon the government of the Russian Federation to adhere to the provisions of the agreement initialed on August 10, 1994, to provide for the withdrawal of the military forces of the Russian Federation from Moldova; and

(2) urges the Administration to continue to use every appropriate opportunity, including multilateral and bilateral diplomacy, to secure removal of the military forces of the Russian Federation from Moldova.

SERBIA AND MONTENEGRO SANCTIONS

Mr. DECONCINI. Madam President, the announcement that the international community is easing sanctions on Serbia and Montenegro is absolutely appalling to this Senator. The stated intention of this move—to drive a wedge between Serbia and the Serb militants it has supported in Bosnia—is so incredibly naive that I must wonder if it is the real intention of the Contact Group countries, which I am sorry to say includes the United States, that suggested it.

Let me put things into perspective. The Bosnians, who—I should remind everyone—are the victims of aggression—agreed unconditionally and by the two-week deadline to the Contact Group peace plan, which in part turns out to be rewarding that aggressor.

The Bosnians approved of this because they realized this was the best they could get. They are giving up 49 percent of their country, and yet the group that had taken 49 percent—actually taken 70 percent is being rewarded. If the Bosnian Moslems had not done so, the contact group threatened to ease sanctions on Serbia and Montenegro. So they were pressured into it and they manufactured it that way. The Bosnian Serb militants, on the other hand, effectively said no because the plan did not reward them quite enough—only 75 percent of someone else's sovereignty and someone else's country. The consequences for them should have been the lifting of the arms embargo on the Bosnian forces, as this body has finally gone on record as has the House. But this did not happen. Instead, the deadline for the so-called peace plan has been extended indefinitely.

Meanwhile, the Bosnian Serb militants have been allowed to cleanse northern Bosnian regions under their control of about 10,000 additional non-Serbs. They have been allowed to attack U.N. personnel and to hold hostage relief supplies needed for a third winter of war. They have very recently threatened to attack any incoming planes to Sarajevo, and so we halt the flights. Utilities have been cut off by the Serbs for almost 2 weeks in the Bosnian capital, with an occasional trickle of electricity and natural gas.

Sanctions on Serbia and Montenegro were to be tightened for all of this, but Mr. Milosevic conveniently distanced himself from the Bosnian Serb position, thereby avoiding any consequences for the Serb rejection of the plan. This, in turn, conveniently provided the United States and its allies with some cover for the now all but overt support for Milosevic, the person most responsible for this conflict, in this part of the world.

We, as Americans, must now ask our leaders: How have the Bosnians benefited from working with the contact groups these past 3 months? Are they better off as a result of this?

We must now ask: Why continue to offer to the Bosnian Serb militants a plan for which there was a clearly stated, supposedly firm, deadline to take it or leave it, and they left it? There would be consequences.

We must now ask: On what basis can we have trust in the words in Slobodan Milosevic? Is not his announced intent of cutting off military supplies to the Bosnian Serb militants confirmation that he has lied over these past 2 years in denying that he was giving them support? Everyone knows he was, but he said, "No, we are not."

Are his intentions to make peace in Bosnia and Herzegovina, or to derail the latest sanctions-tightening effort? I think it is clear it is the latter. Do we feel he has abandoned his hopes for a greater Serbia? Do we think he is going to let the Serb militants be defeated? No.

We must now ask: If we cannot trust Mr. Milosevic, how will 135 observers cover a 375-mile border with Bosnia and Herzegovina 24 hours a day? Why does NATO let helicopters, the new method for transporting support to the militants, fly into a no-fly zone it is mandated to enforce? What about reports of pontoon bridges over which supplies will also be delivered? Why do we not simply declare the border area a no-supply zone, and bomb the bridges and Serb militant supply routes and depots?

We must now ask: If countries bordering Serbia and Montenegro are, for whatever reasons, unable to fully enforce a complete blockade on these federated Republics, should we not expect that even the most gradual easement of sanctions will lead to the opening of the floodgates regarding items still prohibited by sanctions?

We must now ask: In this effort to get border monitors in Serbia and Montenegro, did we demand as well the reestablishment of CSCE monitors in Kosovo, Sandzak, and Vojvodina? Did we get a commitment from Belgrade that there would be full cooperation in surrendering individuals indicted by the international tribunal for war crimes?

We must now ask: Assuming that the easing of sanctions continues, will we forget that the international community first imposed sanctions on Serbia and Montenegro in light of their instigation of the war in Croatia? Will we forget that the United Nations has linked easing of subsequent, Bosnia-related sanctions to improvements in the situation in the Serb-occupied part of Croatia? Have Serb militants there complied with the Vance plan? The answer is clear they have not. Are they perhaps a new source of supply for their militant brethren in Bosnia? The answer is clearly yes. Have they not, in fact, recently joined them in attacking Bosnian forces in the northwestern Bosnia and Herzegovina?

We must now ask: Assuming that the easing of sanctions continues, will we forget that some of the original U.S. sanctions were linked to Kosovo, where repression of the Albanian population continues with unabated severity?

We must now ask: Where is the unity of our friends or allies regarding the defense of principles they together enshrined in the Helsinki Final Act—including human rights, the territorial integrity of States and the inviolability of their borders—which have been violated so severely and blatantly in the former Yugoslavia now Serbia? Where is the unity of U.N. members regarding the right, enshrined in the U.N. Charter, of a member State to its own self-defense? Where is the unity of the parties to genocide convention regarding their commitment to try to stop genocide where and when it is found to be taking place? And where is the leadership of the United States in creating this unity around principles which it has advocated so strongly? Why are we merely going along with the policy prescriptions of Russia, Britain, and France, even though we know they continually fail to work?

Until these questions are satisfactorily answered, I cannot but call our current approach unacknowledged appeasement. Call it anything but appeasement, and I am disappointed to say that. As Bosnian Prime Minister Haris Silajdzic said in Washington last week, at least the Munich appeasement came before the genocide. Now, we not only ignore that lesson of history, we appease the aggressor after the genocide has already taken place and, in fact, as it resumes. The goal of this policy is simply to get the Bosnian conflict and the former Yugoslavia as a whole off the front pages and out of the nightly news. It is a policy without principle, one that history will judge us, and it will not be a good verdict.

I urge the administrator to rethink its policy and to take stronger steps to see that we meet our obligations of human rights and our commitment to freedom.

The PRESIDING OFFICER. The Senator from Iowa.

DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION AND RELATED AGENCIES APPROPRIATIONS ACT, 1995—CONFERENCE REPORT

The Senate continued with the consideration of the conference report.

AMENDMENTS OF THE HOUSE TO THE AMENDMENTS OF THE SENATE NOS. 73 AND 83

Mr. HARKIN. Madam President, I ask unanimous consent that the Senate concur in the amendments of the House to the amendments of the Senate numbered 73 and 83.

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

The amendments are as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 73 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: "$877,223,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 83 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

SEC. 209. Of the funds appropriated or otherwise made available for the Department of Health and Human Services, General Departmental Management, for fiscal year 1995, the Secretary of Health and Human Services shall transfer to the Office of the Inspector General such sums as may be necessary for any expenses with respect to the provision of security protection for the Secretary of Health and Human Services.

Mr. INOUYE. Mr. President, I would like to thank the House and Senate conferees for accommodating the request I submitted to the Labor, HHS, Education appropriations bill, H.R. 4606. I am especially appreciative of the additional $3 million that was appropriated to the Corporation for Public Broadcasting [CPB] for fiscal year 1997. In looking at the language accompanying the conference report, I noted that there was a reference in title IV to the CPB, regarding the compensation of a certain public television personality. I believe the information contained in the report language has been taken out of context and is misleading. I would like to clarify this issue for the RECORD.

First, the report specifically states that "the conferees have learned that a single individual is paid $438,000 annually for his once a week 30 minute appearance." It also says that "these costs are paid directly by taxpayers and contributors to local stations." I would like to note that the individual referred to in the report is not an employee of public broadcasting. The individual is a television personality who is compensated for his expertise and performance on a popular television program.

Second, CPB's share of the compensation paid to this individual is approximately $14,000. In other words, the vast majority of the compensation level mentioned in the report is not made up of taxpayer funds; only $14,000 of this amount can be traced to Federal taxpayer funds.

Let me tell you how this difference originates. The total yearly cost of the television program in question is approximately $2.3 million. The Public Broadcasting Service [PBS] invests approximately $400,000 for a year's schedule of the program. This is about 17 percent of the program's yearly cost.

Thus, the total PBS contribution to the $438,000 compensation level would be 17 percent, or $75,000. But this $75,000 PBS contribution is not composed totally of Federal funds. PBS is not a direct recipient of Federal funds, but it does receive funding from the private, nonprofit. Government-funded Corporation for Public Broadcasting. PBS receives approximately 19 percent of its yearly budget from the taxpayer-supported CPB to acquire and distribute national programming. Therefore, 19 percent of the $75,000 contribution of PBS money could be said to originate with Federal funds. This amount is $14,000. In other words, approximately $14,000 of the compensation paid to the television personality can be traced to Federal funds.

Mr. President, this modest contribution produces a 600 percent return on its investment because the program as a whole brings in almost $1.5 million from corporations, another $1.22 million from local businesses, and $288,417 in station pledges. Due to this increasing private support, the PBS investment in this program has been declining over the past 4 years.

Mr. President, we are all concerned about rising costs and inflated salaries. However, to imply that taxpayers are footing the entire bill for the compensation level of this on-air talent is misleading. Opinions will differ with regard to the talent or likability of on-air personalities. I believe that decisions about compensation for on-air talent are best left to program producers.

Finally, I would like to remind my colleagues that the Federal Government is just one source of funding for public broadcasting. CPB appropriations account for approximately 14 percent of the public broadcasting industry's income—including public television and public radio. The largest source of funding comes from the more than 5 million individuals and families who contribute each year. In addition, Federal support for public television costs each taxpayer approximately $1 each year. I believe this is a small price to pay for the number of high-quality programs and services we receive each year.

CPB RESCISSION

Mr. HARKIN. Mr. President, the conference agreement on H.R. 4606 rescinds $7 million of CPB's fiscal year 1995 appropriation provided in Public Law 102-394, the fiscal year 1993 Labor, Health and Human Services, and Education appropriations bill. The Senate bill did not include a CPB rescission. The House bill included a $21.1 million rescission.

The $7 million rescission in the conference agreement resulted from severe financial constraints imposed by the discretionary budget caps. Unfortunately, our budget problems were compounded by the fact that the House refused to agree to appropriating an additional $61 million out of the Department of Defense budget for impact aid, thereby reducing funding for impact aid in H.R. 4606 by that amount.

A CPB rescission in the fiscal year 1995 bill, while not based on any effort to influence public broadcasting programming decisions, could open the floodgates for such action. It is not my intention that the fiscal year 1995 rescission for CPB serve as a precedent for future appropriations.

Mr. INOUYE. Mr. President, Senator STEVENS, Senator COCHRAN, and I regretfully agreed to rescind fiscal year 1995 appropriations funding for the Corporation for Public Broadcasting [CPB]. This rescission is a serious threat to the editorial integrity and financial stability of the public broadcasting system. It jeopardizes the continuity and stability that is essential to the continued development of high-quality public radio and television programming for our country. More importantly, the rescission threatens the concept of advance funding.

We have grave concerns about the potential precedent that the rescission may have on the future of public broadcasting. When Congress created the CPB in 1967, it took great pains to ensure that CPB would act as a heatshield from political pressures. Its structure and statutorily restricted activities were designed to ensure that producers and stations would not be subject to political interference.

Placing public broadcasting funding on a regular appropriations schedule provides the opportunity for Congress to immediately influence programming decisions by delaying or reducing funding until concessions were made. The principle of advance funding was established in 1975 to address this very issue. Advance funding was a carefully considered approach to providing much needed Federal support for the CPB while ensuring insulation from political interference and outside pressures.

Mr. President, this rescission must not be repeated. We will not support future rescissions of CPB appropriations. Senators INOUYE and STEVENS of the Communications Subcommittee and Senator COCHRAN are committed to providing multiple year authorizations and advance funding, both of which are vital to ensuring a healthy public broadcasting system in this country.

The Communications Subcommittee, which is in the process of reauthorizing the CPB, will take steps to ensure that the principle of advance funding is emphasized as a critical component of Federal support for public broadcasting.

We must not turn our backs on the commitment we made to the public broadcasting system nearly 20 years ago. It is imperative that we continue to provide the financial stability and means needed for the CPB to realize its full potential.

Mr. SASSER. Mr. President, the Senate Budget Committee has examined the conference report on H.R. 4606, the fiscal year 1995 Labor, Health and Human Services, Education, and related agencies appropriations bill, and has found that the conference report is below its 602(b) general purpose allocation by $124,000 in budget authority and by $169,000 in outlays. This conference report exactly meets its 602(b) crime allocation in budget authority and is below by $1,288,000 in outlays.

Mr. President, I have a table prepared by the Budget Committee which shows the official scoring of the fiscal year 1995 Labor, Health and Human Services, Education, and related agencies appropriations conference report and I ask unanimous consent that it be inserted in the RECORD at the appropriate point.

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

SENATE BUDGET COMMITTEE SCORING OF H.R. 4606—FISCAL YEAR 1995 LABOR, HHS, AND EDUCATION APPROPRIATIONS—CONFERENCE BILL

[Dollars in millions]

	Budget authority	Outlays
VIOLENT CRIME TRUST FUND		
Crime Total	38	7
Senate 602(b) crime allocation	38	8
Difference	0	−1
GENERAL PURPOSE		
Discretionary Totals:		
New spending in bill	68,245	28,123
Outlays from prior years appropriations		39,953
Permanent/advance appropriations	1,771	1,769
Supplementals	0	−20
Subtotal, discretionary spending	70,016	69,826
Mandatory Totals	196,154	195,904
General purpose bill total	266,132	265,723
Senate 602(b) allocation	266,132	265,723
Difference	−(*)	−(*)
General Purpose totals above (+) or below (−):		
President's request	−1,680	−502
House-passed bill	314	1
Senate-reported bill	1	−0
Senate-passed bill	−0	0
Overall Totals:		
General Purpose, Discretionary	70,016	69,826
General Purpose, Mandatory	196,154	195,904
Crime Trust Fund	38	7
Overall bill total	266,208	265,736

Mr. DOMENICI. Mr. President, I rise in support of the conference agreement accompanying H.R. 4606, the Labor, Health and Human Services, Education and related agencies appropriations bill for fiscal year 1995.

The conference agreement provides $213.4 billion in new budget authority and $176.5 billion in new outlays for programs of the Departments of Labor, Health and Human Services, and Education and related agencies.

When adjustments are made for prior-year outlays and other completed actions, the bill as adjusted totals $266.2 billion in budget authority and $265.7 billion in outlays for fiscal year 1995.

The subcommittee has done a good job under very difficult budgetary constraints. I am pleased that the bill is within the subcommittee's 602(b) allocation.

There are several items for which the Senator from New Mexico would like to express appreciation. One item is $12 million for Hispanic serving institutions. This will be the first time funding will be provided to institutions of higher education attempting to meet the needs of Hispanic students. Thirteen universities, serving over 20,000 students in New Mexico, are designated as HSI's.

I would like to thank the chairman and ranking member of the subcommittee for supporting funds for the newly authorized character education grants. The bill provides $750,000 to assist local partnerships working to develop character-counts education programs in their communities. This is the first installment of a $6 million grant program that is authorized in the pending elementary and secondary education reauthorization bill.

I am extremely pleased that this bill provides $25.9 million for the Community Schools Youth Services and Supervision Grant Program.

This program, adopted through an amendment I offered to the crime bill, has tremendous bipartisan support. It will go a long way to providing constructive after-school opportunities for our young people.

I continue to be concerned about the practice of providing a $600 million contingency fund for LIHEAP that must be designated as emergency spending to be released. These expenses, in most cases, can be anticipated and should be addressed through the regular appropriations process.

NATIONAL INSTITUTE OF MENTAL HEALTH

The conference report provides $543.55 million for non-AIDS research at the National Institutes of Mental Health [NIMH], which is now funded as one of the National Institutes of Health. This funding level is $17.3 million above the fiscal year 1994 level and $1.5 million above the House bill. The Senate directed the increase in funding above the House bill, to Decade of the Brain activities. I strongly urge NIH to fulfill this intent.

CENTERS FOR DISEASE CONTROL

Depsite the fact that overall funding for CDC remains close to the fiscal year 1994 level, I am pleased that the subcommittee provided $54.5 million for the infectious disease program, to, among other things, continue monitoring the hantivirus outbreak in the southwest. This represents a $6.7 million increase above the fiscal year 1994 funding level.

HOMELESS INITIATIVES

Finally, I appreciate the subcommittee's support of my efforts to provide increased funding for the Health Care for the Homeless Program. The bill provides $65.4 million for this program, an increase of $2.4 million above the fiscal year 1994 level and the President's request.

Mr. President, there are many worthy programs funded in this legislation. The subcommittee did a good job in setting priorities and staying within

its budget allocation. I urge my colleagues to support the conference agreement.

Mr. NUNN. Mr. President, I vote against this conference report for a very specific reason: the appropriations conferees apparently in deference to the for-profit trade school sector, have tied the hands of the Secretary of Education, prohibiting him from implementing a key provision of the Higher Education Act for 1 year. A "yes" vote for this conference report undermines attempts to bring integrity and accountability to the Federal student financial aid programs.

At issue is a new requirement which for-profit trade schools would have to comply with: a requirement that in order to participate in Federal student aid programs, at least 15 percent of a school's revenue come from somewhere other than the Federal Pell grant or guaranteed student loan programs. This requirement, commonly referred to as the "85–15 rule," was contained in the 1992 amendments to the Higher Education Act, and was to be implemented by the Department of Education on September 30, 1994. However, the conference report, in deference to objections raised by the trade school industry, prohibits the Secretary of Education from implementing this requirement. In doing so, I believe Congress is sending the wrong signal to the trade school sector and may also be costing the taxpayers millions of dollars for substandard job training.

Mr. President, the integrity of the Federal student aid programs is at stake. These programs have been, and are being, wracked by blatant fraud and abuse. Investigations by Congress, the General Accounting Office, the media, the FBI, and the inspector general at the Department of Education have, time and time again, determined that much of the fraud and abuse—amounting to hundreds of millions of dollars per year—was perpetrated by owners of for-profit trade schools. A good portion of Congress' investigative work was done by the Senate Permanent Subcommittee on Investigations which, under my chairmanship, conducted an in-depth examination of waste, fraud, and abuse in title IV programs in 1990, and again in 1993.

Every school which the subcommittee investigated for fraud and abuse had, it turned out, relied very heavily on Federal student aid programs as the main source of revenue. In fact, were it not for student aid programs, the schools we investigated would probably not have existed. Our investigation confirmed that some for-profit trade schools establish their tuition charges based not on what the cost of education is, but rather on the amount of student aid available to the students. When the Pell grant and loan limits were raised, we found that many of these schools raised their tuition.

Clearly, not every trade school is a scam. If I believed that, I would be working to remove that sector from participation in all Federal aid programs entirely. I am not doing that. But I am deeply disappointed that the conferees have bowed to the interests of the trade school sector to delay the implementation of a new eligibility requirement that these schools would have had to comply with. I ask those Members who have opposed the 85–15 rule for fear that some trade schools would close: Do you know the default rate of those schools? Do you know about their teachers and curriculum? Do you know what percentage of the people who enroll in those schools graduate? How many of them get jobs as a result of the training? If you cannot answer these questions, I suggest you should not be asking the Federal taxpayer to be the sole supporter of those schools.

This 85–125 rule is not that tough. Prior to its enactment, we allowed these for-profit businesses to reap profits—big profits—without one dime of funding other than Federal student loans and grants. That is preposterous. Again, every trade school which the Permanent Subcommittee on Investigations has investigated for abusing the Federal loan and Pell grant programs relied almost exclusively on Federal student aid as their revenue source. One school in Florida took in $153 million in Federal loans in just 3 years, and the two schoolowners took out $7.8 million in salary in the same timeframe. That would not have happened if this provision would have been in place. We need to make sure that some other entity, whether it be private companies who hire graduates, the students themselves, or some other financial aid program is willing to provide at least 15 percent of that corporation's tuition revenues. It is hoped that by doing so, some additional measure of quality would be assured. Why should the Federal taxpayer be paying for schools that, on the basis of merit, cannot attract any other form of financial support.

When we allow for-profit schools to rely exclusively on Federal funds, we eliminate competition and a free market. We have created hundreds, if not thousands, of Government-sponsored enterprises which are operated for the benefit of private individuals and to the detriment of the students we aim to assist. We need to constantly remind ourselves that these are student aid programs, not school aid programs.

I am disappointed because, after working diligently to expose the fraud and abuse in these programs, and after working with the Labor and Human Resources Committee to get strong integrity provisions included in the 1992 reauthorization of the Higher Education Act, this appropriations bill protects this industry from what I believe to be a very sound provision of law. Every Member of Congress receives the semiannual reports from the inspector general. Every report I've seen since the late 1980's spell out in graphic detail the extent of the fraud and abuse being perpetrated against us, yet the conferees want us to delay this provision for another year.

Mr. President, I believe this delay is a big mistake. The taxpayers have demanded that defaults be reduced and fraud eliminated. The Congress has directed the Secretary of Education to better manage these programs. If Senators believe that there are truly good for-profit trade schools which will be adversely impacted by this requirement, then perhaps we should give the Secretary of Education specific and limited waiver authority, but we should not delay this provision entirely for another year, while the trade school lobby works to kill this provision altogether.

CDC BIRTH DEFECTS PREVENTION FUNDING FOR FISCAL YEAR 1995

Mr. BOND. Mr. President, I would like to bring the attention of the Senate to an important aspect of this bill. It is my understanding that we are providing the Centers for Disease Control and Prevention with a $17 million, or nearly 15 percent, increase over the fiscal year 1994 level for its activities in the chronic and environmental disease prevention area, including birth defects prevention.

Mr. HARKIN. That is correct. The conference agreement significantly expands funding for the CDC's chronic and environmental disease prevention activities and the Senate report specifically urges CDC to provide expanded funds for State birth defects surveillance programs. I share the Senator's concern for the prevention and treatment of birth defects which are a leading cause of childhood disability and infant mortality in this country.

Mr. BOND. As the chairman well knows, through his good work for children with disabilities, 150,000 babies are born each year with defects and many more have birth defects which are not identified until later in their childhood. Yet we have no system to track these births as we do for low birthweight or even for cancer through national cancer registries. With these expanded birth defects surveillance funds it is my hope that data can be collected to identify environmental factors associated with birth defects and to apply this knowledge to guide public health interventions. I would like to clarify that the committee has prioritized the birth defects surveillance program at CDC for a portion of the increased funds.

Mr. HARKIN. Yes, it is our intention that a portion of the increase provided to the CDC for fiscal year 1995 be used specifically to expand assistance to States for birth defects monitoring systems.

Mr. BOND. I thank the chairman. I know of no greater advocate for children with birth defects than the chairman of this subcommittee, and know he looks forward to the day, as I do, that we have in place a national system for the prevention of birth defects.

BONUS CAPS

Ms. MIKULSKI. Mr. President, I note that the conference report on this bill includes language that places a cap on the amount that agencies may spend on cash performance awards, known as bonuses. Under this provision, the amount spent by an agency on employee bonuses may not exceed 1 percent of the amount budgeted for the agency's personnel compensation and benefits.

Mr. HARKIN. The Senator from Maryland is correct.

Ms. MIKULSKI. As I understand it, this language is not intended to restrict bonuses to hard-working nonsupervisory employees who qualify for performance awards.

Mr. HARKIN. That is correct.

Ms. MIKULSKI. Full-time rank-and-file employees would still be eligible to receive bonuses. Is that correct?

Mr. HARKIN. Yes, that is correct.

Ms. MIKULSKI. Mr. President, because of increasing budget constraints and efforts to downsize and streamline the Federal Government, agency personnel are being asked to assume more and more responsibilities, with fewer resources and rewards. Unfortunately, it is often the lower grade workers that tend to suffer the most from this trend. I want to make it clear for the record that it is not the intent of the Congress to in any way discourage agencies from appropriately rewarding lower level employees who perform their work in an exemplary fashion.

OFFICE OF AMERICAN WORKPLACE FUNDING

Mr. KENNEDY. Mr. President, the conferees have agreed to an appropriation of $7 million for salaries and activities by the Office of the American Workplace. It is my understanding that while the conferees did not provide the specific increase in funding for the Workers Technology Skills Development Act that the Senate had sought, it would be consistent with the appropriation bill that we are passing today to fund this program. As you know, the purpose of that act, which we expect to enact shortly as part of the Elementary and Secondary Education Act, is to increase worker involvement in the introduction and deployment of technology in the workplace and promote the use of advanced workplace practices to improve workers' wages, skills, and participation in the changing workplace.

Mr. HARKIN. Yes. I am a cosponsor of that legislation. I think it would be appropriate and meritorious for the Department of Labor to fund projects under that program. As you know, we had specifically indicated in our Senate report that we intended the $500,000 we had provided to fund pilot programs to be used to fund projects pursuant to that act. The Department of Labor has the ability under our Appropriations Act to fund such programs and to the extent that the Department is able to use appropriated moneys in the coming fiscal year to fund pilot programs, we intend that such funds be used to fund projects under the Workers Technology Skills Development Act.

Mr. WOFFORD. Mr. President, as secretary of labor and industry, I saw first hand what worked for workers in Pennsylvania. I have been very pleased that working with both my colleagues, over a relatively short period of time, the Congress has been able to address the need, even in a modest manner, for ensuring full worker involvement in any efforts to modernize the workplace and make it more competitive. I am pleased that the Department of Labor will be able to fund such programs in the upcoming fiscal year.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. COHEN. Madam 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. 2593

(Purpose: To provide for enhanced penalties for health care fraud)

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Maine [Mr. COHEN] proposes an amendment numbered 2593.

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

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

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

Mr. COHEN. Madam President, it became clear yesterday, with Senator MITCHELL announcing that there will be no further consideration of health care reform this year, that we are missing an opportunity to do a number of things. Senator SPECTER, Senator CHAFEE, myself, and a delegation of Senators from both the Democratic and Republican side, have been working for some time in trying to come up with a bipartisan mainstream coalition bill. We felt we were on the edge of producing such a proposal that we believe would have provided a very sound basis for health care reform for certainly this year and well into the future.

But that is no longer a reality. In addition to not addressing health care reform, there is another opportunity that we are losing due to our failure to consider health care reform measures, and that is the opportunity to crack down on health care fraud. There is strong agreement between Republicans and Democrats that we need to rid our health care system of fraud and abuse that is costing taxpayers, patients, and families dearly and driving up the cost of the entire health care system for all Americans.

Earlier this year, I released the results of a year-long investigation into health care fraud and abuse conducted by my staff on the Senate Special Committee on Aging. We found that health care fraud and abuse is rampant throughout Federal, State, and private health care programs, and that losses to health care fraud and abuse over the last 5 years are almost four times the total costs to date of the entire savings and loan crisis.

Defrauding the Federal and private health care programs, Mr. President, is shockingly simple, and Medicare and Medicaid and private insurers are leaving their doors wide open to fraud, inviting scam artists to rip off the system. According to the GAO, as much as 10 percent of the entire health care budget is lost to fraud and abuse each year. That amounts to up to $100 billion a year—as much as $275 million every single day—and more than $11.5 million every hour—in health care dollars lost to health care fraud and abuse.

Mr. President, that is a staggering sum of money that we are losing every single day and every single hour. One of my great regrets about not taking up health care legislation this year is that we are going to be back here next year in the same position, but having lost $100 billion more by failing to toughen our defenses against health care fraud. I first introduced this legislation last year. Despite strong agreement on the need to combat health care fraud, no action was taken. Then last year I introduced parts of this legislation as an amendment to the crime bill. It was accepted by a unanimous vote, only to be rejected by the House of Representatives. The House stripped it out of the crime bill in order to attach it to the health care reform bill. And now we have no health care reform, but we still have health care fraud. That, Mr. President, should not be tolerated a single day longer. That is the reason why I am standing here today to offer this legislation on this pending bill.

Mr. President, the vulnerabilities to fraud exist throughout the entire health care system, and defrauding the system has become a routine way of doing business for many unscrupulous providers.

Major patterns of abuse that plague the system are overbilling, billing for services not rendered, unbundling,

whereby one item—for example, a wheelchair—is billed as many separate component parts, upcoding services to receive higher reimbursements, or providing inferior products to patients. Some of the other widespread scams are paying kickbacks and inducements for referrals of patients, falsifying claims and medical records to fraudulently certify an individual for Government benefits, billing for so-called ghost patients, and even paying drug addicts or other patients to have their blood drawn or have unnecessary medical tests performed so the fraudulent doctor or clinic can be reimbursed by Medicare or private insurance.

Our health care system is rife with abuse, and Medicare and Medicaid and private insurers are leaving their doors wide open to the fraud. Here are several examples:

Physician-owners of a clinic in New York stole over $1.3 million from the State Medicaid Program by fraudulently billing for over 50,000 phantom psychotherapy sessions never given to Medicaid recipients.

A speech therapist submitted false claims to Medicare for services rendered to patients who were already dead.

A home health care company stole more than $4.6 million from Medicaid by billing for home care provided by unqualified home care aides. In addition to cheating Medicaid, this company placed elderly and disabled individuals at risk from untrained and unsupervised aides. Nursing home operators charged personal items such as swimming pools, jewelry, and even the family nanny, to Medicaid cost reports.

Large quantities of sample and expired drugs were dispensed to nursing home patients and pharmacy customers without their knowledge. When complaints were received from the nursing home staff and patient relatives regarding the ineffectiveness of the medications, one of the scam artists stated "those people are old, they will never know the difference, and they will be dead soon anyway."

One scheme involved the distribution of $6 million worth of reused pacemakers and mislabeled pacemakers intended for animal use only. Think about that. We have people out there using pacemakers whose batteries have gone dead, that are totally useless. Some are intended for animals only and are being implanted in human bodies. The scheme involved kickbacks to cardiologists and surgeons to induce them to use pacemakers that already expired.

Then we have a clinical psychologist who was indicted for having sexual intercourse with some of his patients and then seeking reimbursement from a Federal health plan for these encounters as so-called therapy sessions.

These cases are just the tip of an enormous iceberg of fraud and abuse that is costing taxpayers and patients dearly, and freezing out millions of Americans from affordable health care coverage.

To give you an illustration as to how health care fraud can strike very close to home, I will offer another example of a Medicare beneficiary living in a boarding home in Saco, ME. She fell and sustained a very small cut on her forearm. It was less than an inch long. It required no medical treatment by a physician. The cut healed within 2 weeks, without requiring any doctor's services. At most, she used 14 of the so-called waterproof, 6- by 8-inch dressings, at a total cost, actually, of less than $40. An unscrupulous medical supplier, however, billed Medicare $850 for 50 of these dressings, which were never medically necessary. In addition, that same supply company billed Medicare $2,660 more for these dressings, plus gels, which were never needed by the patient. So, in essence, you and me and everybody here in this country ended up paying almost $3,800 for the treatment of a cut of less than one-inch long that never required a doctor's attention or services.

The amendment I am offering today, Mr. President, will toughen our defenses against such health care fraud and abuse. There is broad agreement on both sides of the aisle on the changes proposed by this amendment in order to stop the fraudulent providers from bleeding billions of dollars from our health care system.

The provisions of this amendment, to give an example, were included in the legislation I first introduced last year, and they are included in the so-called mainstream coalition health care reform bill. They are also included in Senator DOLE's health care reform bill, Senator MITCHELL's reform plan, and, indeed, even the Clinton administration's health care reform package.

Everybody agrees with the provisions in this amendment— President Clinton, Mrs. Clinton, Senator DOLE, Senator MITCHELL, the mainstream coalition. Everybody agrees that we need this legislation.

Ridding the health care system of this kind of fraud and abuse, as I pointed out, is not a partisan issue. Rather, the proposals I am offering in this amendment today are based on recommendations of a Health Care Fraud Task Force convened by the Bush administration. They have been endorsed by the current administration, numerous law enforcement agencies, and many health care provider groups.

The amendment will do the following:

It will give prosecutors stronger tools and tougher statutes to combat criminal health care and fraud.

It should allow health care plans and the Government to kick the so-called bad apples out of the system entirely.

It will create much tougher civil penalties and remedies for fraud and abuse.

It will coordinate enforcement programs and beef up the investigative resources which are inadequate.

The amendment does this by financing additional health care fraud enforcement resources with proceeds derived from forfeiture, fines, and other health care fraud enforcement efforts.

While toughening the system against fraud and abuse, this amendment also gives guidance to health care providers and industries on how to comply with fraud rules, so they will know what is or is not prohibited activity.

I firmly believe the vast majority of health care providers are honest professionals whose highest priority is quality care for their patients. This amendment is in no way designed to impugn the integrity of these dedicated individuals.

Unfortunately, however, health care fraud has become a very lucrative business and some dishonest providers will do all they can to manipulate the system. Just as Willie Sutton said he robbed banks because "that's where the money is," many scam artists seek out health care fraud because they know that the health care budget provides one of the biggest pots of money available for the taking —and one that has very little chance of them being caught.

While the Federal and State law enforcement officials are making some progress cracking down on health care fraud, the current enforcement scheme has resulted in a system whereby the mouse has outsmarted the mousetrap. Those defrauding the system are ingenious and motivated, while the Government and private sector responses cannot hope to keep pace with the sophistication and cunning of those individuals they pursue. We must take steps to stop this abuse now.

Our current system of fighting health care fraud is like trying to put out a forest fire with a garden hose. By providing tougher tools, better coordination, and more resources, this amendment will help equip the law enforcement and health care officials to fight fraud and abuse effectively.

I fully expect that this amendment will be opposed by those who argue that we should wait another year, wait until next year, to come back and start the debate all over again on health care reform. That means maybe sometime in March the debate will begin, maybe sometime next August or September we will conclude that debate and maybe, finally, we will have some kind of health care fraud legislation.

As I indicated before, Mr. President, that means we are out another $100 billion. That means we are out another $275 million a day. That means we are out another $11.5 million an hour. We sit here and say, well, wait until next year.

Mr. President, I do not think we can afford to wait until next year. Over 300 days have elapsed since the Senate passed its crime bill containing some of these health care fraud provisions, and with the estimates that I have just reeled off, that we are losing these $275 million every day, these 300 days could represent over $85 billion lost to health care fraud and abuse just since the Senate passed its crime bill last year.

So here we are, Mr. President, just days before we are due to adjourn and there is no health care reform bill in sight. While it was my hope we could have passed a health care reform bill this year, that is not going to be the case.

The only ones who are benefiting from this delay on this important issue are the ones who are bilking billions from our system. The very big losers are going to be the American people, taxpayers, patients, and families who cannot afford health care coverage now because the premiums and the health care costs are padded to cover these exorbitant costs that are being lost to the scam artists.

Mr. President, I ask that the section-by-section description of my amendment be placed in the RECORD.

I urge my colleagues to accept this amendment.

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

SECTION-BY-SECTION ANALYSIS

The Cohen legislation establishes a stronger, better coordinated federal effort to combat fraud and abuse in our health care system. It expands criminal and civil penalties for health care fraud to provide a stronger deterrent to the billing of fraudulent claims and to eliminate waste in our health care system resulting from such practices. It also seeks to deter fraudulent utilization of health care services.

Section 101.a. All-Payer Fraud and Abuse Control Program: The Secretary of Health and Human Services and the Attorney General are required to jointly establish and coordinate an all-payer national health care fraud control program to restrict fraud and abuse in private and public health programs. The Secretary and Attorney General would be authorized to conduct investigations, audits, evaluations and inspections relating to the delivery and payment for health care; would be required to arrange for the sharing of data with representatives of health plans; and would have to establish standards by regulation to carry out the program.

b. Health Care Fraud and Abuse Control Account: To supplement regularly appropriated funds, a special account would be established to fund the all-payer program, managed by the Secretary and Attorney General. All criminal fines, penalties, and civil monetary penalties imposed for violations of fraud and abuse provisions of this legislation would be deposited into the account and used for carrying out the proposed requirements.

Section 102. Application of Federal Health Anti-Fraud and Abuse Sanctions to All Fraud and Abuse Against Any Health Plan: The provisions under the Medicare and Medicaid program, which provide for criminal penalties for specified fraud and abuse violations, would apply and be extended to similar violations for all payers in the health care system. The violations would include willful submission of false information or claims, acceptance of kickbacks, bribes or rebates in return for referral for services and other violations currently included under Medicare. Penalties would include fines and possible imprisonment. The Secretary could also consider community service opportunities.

Section 103. Health Care Fraud and Abuse Guidance: Provides mechanisms for further guidance to health care providers on the scope and applicability of the anti-fraud statutes in order to better comply with these statutes. The further guidance would be provided by the modifications of existing safe harbors and the promulgation of new safe harbors; interpretive rulings providing the HHS' Inspector General's interpretation of anti-fraud statutes; and special fraud alerts setting activities that the Inspector General considers suspect under the anti-fraud statutes.

Section 104. Reporting of Fraudulent Actions Under Medicare: The Secretary is required to establish a program through which Medicare beneficiaries may report instances of suspected fraudulent actions on a confidential basis.

Section 201. Mandatory Exclusion from Participation in Medicare and State Health Care Programs: The Secretary currently is required to exclude individuals and entities from Medicare and Medicaid based on convictions for program-related crimes relating to patient abuse or neglect. This section would extend the Secretary's authority to felony convictions relating to fraud and felony convictions relating to controlled substances. Currently the Secretary is permitted, but not required, to exclude those convicted of such an offense. Adoption of this proposal would better recognize the seriousness of such offenses and ensure that beneficiaries are well protected from dealing with such individuals.

Section 202. Establishment of Minimum Period of Exclusion for Certain Individuals and Entities Subject to Permissive Exclusion from Medicare and State Health Care Programs: Mandatory exclusions contain a minimum period of exclusion for five years. This section establishes a minimum period of exclusion expressly determined by statute for certain permissive exclusions, such as three years for specific convictions.

Section 203. Permissive Exclusion of Individuals with Ownership or Control Interest in Sanctioned Entities: Some of the current permissive exclusions are "derivative" exclusions—that is, they are based on an action previously taken by a court, licensure board, or other agency. Current law allows permissive exclusion authority for entities when a convicted individual has ownership, control or agency relationship with such entity. The bill would extend the current permissive exclusion authority for entities controlled by a sanctioned individual to individuals who held a controlling interest in sanctioned entities at the time of the violation.

Sections 204–205. a. Actions Subject to Criminal Penalties: The current employer-employee exception to the anti-kickback statute would be clarified to prohibit payment to employees based on value and volume of referrals to the employer.

b. New Exception for Capitated Payments: In order to allow basic managed care arrangements to provide incentives for preventive care and to provide coinsurance and deductible differentials (disclosed in writing) designed to encourage enrollees to utilize a preferred provider network, the bill provides certain exceptions to both the criminal anti-kickback provision and civil monetary penalties provision.

A new exception has been created from the criminal anti-kickback statute for capitated payments.

Section 206. Intermediate Sanctions for Medicare Health Maintenance Organizations: The Secretary would be able to impose civil monetary penalties on Medicare-qualified HMOs for violations of Medicare contracting requirements.

Section 301. Establishment of the Health Care Fraud and Abuse Data Collection Program: The Secretary would create a comprehensive national data collection program for the reporting of information about final adverse actions against health care providers, suppliers, or licensed practitioners including criminal convictions, exclusions from participation in Federal and State programs, civil monetary penalties and license revocations and suspensions.

Section 401. Civil Monetary Penalties: The provisions under Medicare and Medicaid which provide for civil monetary penalties for specified violations would apply to similar violations for all payers in the health care system. The violations would include billing for services not provided, submitting fraudulent claims for payment, hospitals giving financial incentives to physicians to reduce or limit care provided to hospital inpatients, and other violations currently included under the Medicare program.

The provisions would also clarify that repeatedly claiming a higher code, or repeatedly billing for medically unnecessary services, for purposes of reimbursement is prohibited and subject to civil monetary penalties.

An intermediate civil monetary penalty would also be established for criminal anti-kickback violations.

The provision also clarifies that the routine waiver of Medicare Part B copayments and deductibles would be prohibited and subject to civil monetary penalties, although exceptions are provided.

In addition, retention by an excluded individual of an ownership or control interest of an entity who is participating in Medicare or Medicaid would be prohibited and subject to civil monetary penalties.

Finally, the amount of civil monetary penalty that can be assessed is increased from $2,000 to $10,000.

Section 501. Health Care Fraud: Establishes a new health care fraud statute in Title 18. Provides a penalty of up to 10 years in prison, or fines, or both for knowingly executing a scheme to defraud a health plan in connection with the delivery of health care benefits, as well as for obtaining money or property under false pretenses from a health plan. This section is patterned after existing mail and wire fraud statutes.

Section 502. Forfeitures for Federal Health Care Offenses: Requires the court, in imposing sentence on a person convicted of a Federal health care offense, to order the forfeiture to the United States of property used in commission of an offense if it results in a loss or gain of $50,000 or more and constitutes or is derived from proceeds traceable to the commission of the offense.

Section 503. Injunctive Relief Relating to Federal Health Care Offenses: This provision expands the scope of the current injunctive relief section by adding the commission of a health care offense. This provision allows the

Attorney General to commence a civil action to enjoin such violation.

Section 601-604: Payments for State Health Care Fraud Control Units: Provides language to establish state health care provider fraud control units modeled on the current state Medicaid Fraud Control Units. The jurisdiction of these units would be expanded to include investigation and prosecution of provider fraud in other federally-funded or mandated programs. The proposal also allows the states to choose whether to conduct investigations and prosecutions for patient abuse related crimes occurring in board and care facilities and other alternative residential settings.

The HHS' Inspector General would continue oversight and the state units would detail its activities in its yearly grant applications. This section also contains a recitation of the units' original authorization language as currently contained in the Social Security Act, and also allows the units to participate in the all-payer fraud abuse control program.

Mr. BIDEN. Mr. President, I rise for three purposes.

First, I compliment the Senator from Maine. He has worked long and hard on dealing with what is a multibillion-dollar problem. A report which my committee issued several years ago established that there were a minimum of $70 billion in health care fraud per year. That estimate is probably a little low.

I compliment Senator COHEN for sticking to this issue and being as involved in trying to do something about this fraud that takes place with as much diligence and insight as he has. That is the first reason I rise.

The second reason is that a number of my colleagues have said, "Joe, why was this dropped from the crime bill?" The truth of the matter is—and the Senator from Maine did not suggest anything other than this—that the vast bulk of what the Senator has introduced was not in the crime bill. It was not a part of the crime bill, and it was not dropped from the crime bill.

There were several very important amendments, which I supported, cosponsored, if I am not mistaken, with the Senator from Maine, and fought to keep in the crime bill. One was a new health care fraud offense, that is in title 18, Criminal Code of the United States, to set up a new offense called health care fraud. Second, we had in the crime bill a forfeiture provision for health care fraud cases. That is where the Government recovered against a defendant where they found a defendant guilty of being engaged in health care fraud, they could go out like they can in drug cases and through the forfeiture process acquire the fruits of that fraud.

Third, it had a new so-called RICO provision, predicate, that we placed in the crime bill.

Fourth, a few other titles including a total of 18 provisions relating to the Criminal Code.

But this amendment—I am not commenting on the merits of the amendment—goes well beyond what was in the crime bill. Many of the items are things that I personally support and I think we could probably, the bulk of us, reach agreement on. But these provisions I think have to be considered in the context where everybody interested can be involved.

This amendment, for example, includes a provision which creates a special fund for the proceeds of health care fraud to be used by other agencies without further appropriations. I am not sure that is a bad idea. I think that is probably a pretty good idea. In my experience that usually causes apoplexy around here when we set up separate funds which bypass appropriators. It creates a new interagency enforcement structure.

Conceptually I think that is a good idea because we have so much overlapping that goes on. Quite frankly the Justice Department does not know nearly enough about this area, whereas HHS and the others do know a great deal, and to call on the multiple talents of the interagency structure I think would make sense.

It also refuses many of the medically related fraud provisions which the Finance Committee needs to consider. It does some other things as well.

Again, the second purpose of my rising today is to suggest that, to answer the question at least half a dozen of my colleagues have asked me on both sides of the aisle: "Hey, Joe, why did you drop this in the crime bill?"

Mr. COHEN. Will the Senator yield?

Mr. BIDEN. Certainly. I yield to the Senator.

Mr. COHEN. I believe all the provisions in this amendment that are made to title 18 were added to the crime bill on the floor.

Mr. BIDEN. That is correct. But I understand the Senator goes beyond the title 18 provision.

MR. COHEN. That is true. But those provisions were dropped in conference because I understand the House objected. They wanted to wait to consider the provisions as part of health care reform.

Mr. BIDEN. That is correct. Both the Republicans and the Democrats in the House side wanted it dropped. And, quite frankly, a number of people on this side, and leadership on both sides, wanted it dropped because at the time they all wanted it included in a large health care bill.

As the Senator from Maine knows, I share his view. I was, skeptical that would occur and, thought we should not waste any time anyway whether or not they would be included later.

The only point I wish to make is, it is not a criticism but an explanation, I hope a clarification. What the Senator is offering goes well beyond the title 18 provisions which were dropped.

The third point I wish to make is, regardless of what the outcome of this vote will be—and if the Senator is going to keep it on this bill and vote on it or another bill, I do not know what his preference is—but regardless of what happens, if it fails or succeeds, I can assure him that it is my intention—and this is not in any way to dissuade people from supporting the Senator but to make the point that I think that we must, and the Senator from Maine has introduced a bill as well as I have in the Judiciary Committee—if this does not move forward we must create enough of an awareness and a consensus on acting on dealing with health care fraud in the beginning of the next term. So it is my intention to hold hearings in the Judiciary Committee. Again I do not say this as a way to delay action to tell the Senator I am going to do this anyway. I would only do it with his help, input, and cooperation as a member of the Judiciary Committee.

So I just want to make the three points. One, I compliment him for being so vigilant and persistent on this multibillion-dollar issue; second, much of what the Senator suggests in his amendment is noteworthy but was not of part of the crime bill; third, regardless of the outcome of this vote whenever it takes place on this amendment, I, as Chair, assuming that will be the case next year, will continue to pursue this with him.

Mr. COHEN. If the Senator will yield——

Mr. BIDEN. I am happy to yield the floor.

Mr. COHEN. Mr. President, to make it very clear, this legislation that I am proposing basically is endorsed by everyone. President Clinton has the same provisions in his legislation with health care reform. Senator MITCHELL has the same provisions. Senator DOLE has the same provisions. The mainstream coalition has the same provisions. There is no disagreement in terms of the necessity of this legislation.

The Senator is correct. I attached the criminal provisions to the crime bill. Those were dropped. This amendment goes beyond that.

But even this large amendment is supported by virtually everyone. I know of no dissent. I am simply suggesting time is running out. We lost $100 billion this year to health care fraud and we cannot afford to delay further..

What I am saying is we do not have a health care bill. We are still losing money, $11.5 million an hour every day. We have an opportunity to correct that with no dissension that I am aware of in this body.

Mr. BIDEN. If the Senator will yield for just a moment, Mr. President, I do not take issue with that at all. I do not disagree with anything the Senator just said. I just was clarifying because so many people asked me whether all of this had been considered.

I yield the floor.

Mr. SPECTER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the role.

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

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

Mr. HARKIN. Mr. President, if I might, I have tried to listen to the explanation of the Senator from Maine of his amendment. Evidently, it has to do with waste, fraud, and abuse. I will take the time momentarily to go through the provisions in our bill that we have already done on waste, fraud, and abuse.

I would say to the Senator from Maine that this amendment, as I understand it, is 58 pages long. It is a major piece of legislation. I say to the Senator from Maine that this is part of health care reform. I hope the Senator will not want to open that can of worms. I thought we had all kinds of admonitions from the Republican side and the Republican leader that we should not bring up health care reform, that other things may happen. If this happens here, I can tell you there are a bunch of health care reform amendments on this side. If the Senator wants to, we will start the health care reform debate and we will be here for the next week and a half on it.

Mr. COHEN. That is fine with me. I am trying to get a forum where we get this legislation passed. We have delayed year after year. Nothing has been done with this issue in a substantive fashion. There is no disagreement. If you want to take the time to go through the 58 pages, that is fine with me. This proposal is contained in President Clinton's proposal and in Senator DOLE's proposal. There is no disagreement on this. Yet, it is not simply a health care reform proposal, it is anticrime as well. This is criminal activity that is taking place on an hourly basis and we are being robbed; being robbed blind. We simply say, "Well, we will get to it sometime next year, maybe."

Mr. HARKIN. I will simply respond that we have addressed a lot of these issues in our bill. As I said, this is a major piece of legislation that should not find its way on an appropriations bill.

I understand the Senator's frustration. I happen to be frustrated too. We have been debating health care reform for years around here. We are spending $1 trillion a year. What the Senator is talking about is peanuts compared to what he says about being robbed from the public out there day after day with all kinds of fraud, all kinds of prices with all kinds of discrimination, preexisting condition clauses, lack of portability. All of those things are happening out there day after day. We are not addressing those.

I sympathize with the Senator from Maine. A lot of things out there we ought to be addressing this year on health care reform. But we did not get it done.

Again, we have been through that debate before. I had my say on that yesterday. I do not mean to say it again. This is the appropriations bill to fund the Department of Education and the Department of Health and Human Services and the Department of Labor; the National Institutes of Health, biomedical research.

There are some things we can do on waste, fraud, and abuse. We have done it every year. Senator SPECTER and I every year have had hearings on this. We figured out what we could do within the confines of the appropriations process to go after waste, fraud, and abuse. We have done a lot in the last 3 or 4 years that we have worked together on it.

For example, the administration proposed some cuts in the Medicare payments safeguard activities. We held hearings that showed that for every $1 we spent on payment safeguards, we saved $14 in catching the very waste, fraud, and abuse items that the Senator from Maine is talking about. So we put money back in there for that. We also added $3 million for Medicaid fraud demonstration projects. This bill also suspends workers compensation benefits to individuals who have been in prison for a felony offense. We hear a lot of talk about that. We took care of it in here. This bill provides for increased monitoring of SSI beneficiaries disabled by drug addiction and alcoholism, to prevent fraud and abuse. We heard a lot of stories about that where people were supposed to go to alcoholism programs and drug treatment programs. They did not do it, and in some cases used Federal funds to support substance abuse. So we tightened down on it in this bill.

So I think Senator SPECTER and I and the members of this subcommittee have worked very hard and very diligently to go after waste, fraud, and abuse and save the taxpayers tens of millions of dollars in each of the last several years.

Every year we confront this. We have hearings to find out what else we can do to cut down on it.

Again, I am sure there are other things in the whole health care field that can be done and should be done to cut down on further waste, fraud, and abuse.

That is not in the purview of this appropriations committee, not at all. It would be an apt subject for a health reform bill. I daresay in the last couple of weeks I proposed a piece of legislation on health care reform and it had these provisions in it, too. But this is not the place for it.

Again, we are going to have health care reform next year. I suggest that is the place for the Senator from Maine to work to try to get his provisions in that bill, not on this appropriations bill.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, at the outset I compliment my distinguished colleague from Maine for the work which he has done culminating in the legislation which he is proposing here today. He has argued the need for all of these items, and I agree with him totally. I serve with him on the Aging Committee where he has held these hearings which have produced this evidence leading to this legislation. He is the ranking member of that committee and has done extraordinary work there.

This is a very, very important piece of legislation. I have been working with him, along with Senator CHAFEE and others, on the so-called Chafee task force" which has produced legislation, where these provisions are a part. It is true that he brought several of the provisions them forward on the crime bill, and they were passed successfully. The difficulty which is presented here, on this bill, which I have talked to Senator COHEN about privately, is that it will delay the passage of this appropriations bill on Labor, Health, and Human Services, and Education.

The distinguished Senator from Maine quite accurately says he wants to see this bill passed this year. I agree with him. But I think the reality is it will not be passed this year because it will go back to the House and the House will object to it as the House did when these provisions were on the crime bill.

And the reason they will object is that it is within the jurisdiction of the Ways and Means Committee and it is legislation on an appropriations bill, although in a broad sense it is certainly relevant or germane or within the context of this general category of legislation.

What happens, as those of us who are working on the floor today know, is that we are in the very last few days of this session and there are a number of amendments which a number of other Senators wanted to offer which did not relate to health care, as do the provisions of Senator COHEN's amendment. So to that extent, it is a more logical spot here than on some of the other amendments to which other Senators want to add.

Those other Senators have been persuaded not to bring their amendments to this bill, but instead there will be a vehicle which the majority leader has set aside, the appropriations bill for the District of Columbia, where there is already an amendment pending to an amendment in disagreement which may have to go back to the House of

Representatives. And it is the thought of the ranking Republican on the full committee, Senator HATFIELD, who has discussed this matter also with Senator COHEN, that Senator COHEN's amendment be offered to an amendment in disagreement on the District of Columbia appropriations bill.

The concern that I had and have just expressed to the Senator from Maine is there are other Senators who want to add health care amendments to this pending bill. Frankly, I would like to add Senate bill 18, my health care reform bill, because I certainly am not happy to see the session end without reform legislation. But I think it is plain that at this stage, we are not going to be able to deal with health care generally.

So that is where we are. If the distinguished Senator from Maine presses the issue, I think he will succeed; I think he will succeed. The HUD appropriations bill had, I think 43 votes in support of amendments which were not nearly as attractive as what the distinguished Senator from Maine is offering. He has offered it before, and I have supported it, and it is a very difficult amendment to disagree with on the substance and on the merits.

But the consequence will be, I think, that we will have a continuing resolution on Labor, Health, and Human Services, and Education, and the consequence of that is that there may be less appropriated for those important items because a continuing resolution often takes the lesser of the 1994 bill, which is in existence now and the conference report, correct? We always turn to learned staff to be absolutely sure on these technical matters. That is what likely will happen, and that will result in the reduction of appropriations for Health, Education, Human Services, and Labor, which I know the distinguished Senator from Maine would not want to see happen.

So that is the procedural posture we are in. Senator COHEN has every right to proceed with his amendment here. There is no doubt about that. It is a very, very important amendment, and it should have been accepted long ago. And he is right when he talks about $100 billion in waste, fraud, and abuse, and it ought to be enacted. And, as the distinguished Senator from Iowa, Senator HARKIN, has pointed out, we have dealt with it within the confines of this appropriations bill to the extent we could. But the fact, too, is that we have not done as much as a new substantive bill on this subject would do.

So it is my hope that the distinguished Senator from Maine will not press the issue. I think if it is pressed, and again I repeat, he has every right to press it, we are going to have Senators coming to the floor with other health care amendments and Senators on other issues, and then the ranking member, Senator HATFIELD, is talking about taking the bill down in the hope that these amendments will be offered somewhere else.

So we are just a hair's breadth away from getting this bill passed, and I leave it to my distinguished colleague from Maine.

The PRESIDING OFFICER. The Senator from Maine.

Mr. COHEN. Mr. President, during my service here in the Senate, I tried not to be an obstructionist, as some of us are frequently labeled. I have tried always to make some constructive proposals, and that is simply what I am trying to do in this particular case.

If I were allowed by Senate rules to do so, I would hold up a little 6-by-8-inch waterproof dressing to show the American people that this item which is being used to treat a scratch or a cut less than an inch long is costing them $3,800. I would bring over a leg prosthesis that I used during a press conference to try to draw the public's attention to what is taking place. It was remarkable. It was a leg prosthesis, but it looked like it came off a mannequin in Macy's department store window. It was a shell, plastic; it was from the knee down, for someone who has lost the lower part of their leg. What was interesting about this particular device, this prosthesis, I should say, is that it had a right calf and a left foot. Pretty extraordinary for someone who might have to wear that because he or she has lost a leg.

The leg prosthesis was shoddily made and totally useless. But guess what the supplier billed you and me for? Take a wild guess. This thin piece of plastic, this piece of trash, was billed to the Federal Government to the tune of $8,800.

The Health Care Financing Administration approved payment of $1,400. When I held it up and looked at it, I thought it was not worth even 14 cents if it couldn't be used. But we were billed $8,800 and the Federal Government approved $1,400 as a reasonable price for something that was completely worthless.

Then, we have the issue of blood sugar monitoring kits for those who suffer from diabetes. In the Washington Post, there is an ad saying you can buy this at such-and-such store, and with a manufacturer's rebate, you can purchase the kit for roughly $10 to $12.

You know what the suppliers are billing you and me and all the taxpayers in this country? Roughly $250 per kit. And how are they able to do this? They take each item in the kit, the lance and the other items in the kit, and they bill us separately. It is called unbundling. So each item gets billed separately, and the total comes up to roughly $250 for an item that would cost $10 to $12 off the shelf.

There is an explosion of this type of fraud taking place. That is why I felt compelled to offer this amendment. I introduced the bill last year and no action was taken on it. I offered—and I believe the Senator from Delaware is correct in clarifying this—I offered the criminal provisions of this amendment to the crime bill, when it was on the Senate floor and accepted unanimously, but then stripped out by the House for the same reasons that Senator BIDEN expressed. The House Ways and Means Committee said this is a finance matter, a tax matter; it is our jurisdiction. I would like them to explain to the American people why there has been no action taken.

I have been told, well, just wait until the health care bill comes along. We have no health care bill. Now we are told wait until next year. A familiar expression up in New England, when we are still waiting for the Boston Red Sox, to win that pennant again, is: Wait until next year; we will be back next year.

I am not sure how much longer we can afford to wait. I am not sure how much longer the American people are going to tolerate us not taking action. We lost $100 billion last year and the year after, and now we will lose another $100 billion this year. I do not know how long it is going to take to get a health care bill next year. We come back toward the end of January. We go out for the Lincoln Day recess. We are out most of February. We get serious about March or April. And then, the debate starts all over again. We will have either the mainstream coalition proposals as a basis to start off with, or maybe the DOLE proposal. Or we will have another, probably, a sequel to Senator MITCHELL's proposal, perhaps in another form. And we are off in debating, and all the interest groups start lobbying us. We start taking more and more time to work our way through the complexities of the health care system. In the meantime, I dare say we are probably into late next year, and still no health care bill, no antifraud provisions.

So this is not intended as a major proposal to amend our health care system. What this is designed to do is to give our prosecutors a health care fraud statute. Right now, they have to prosecute these individuals by going through mail fraud and wire fraud. It is very complicated and time consuming. They want a statute they can go right to and say: We are going to prosecute you if you try to defraud the Federal taxpayers and the private health insurance. We are going to prosecute you, and we have the law here to do it.

They do not have that now. We can talk about procedure, or other people having amendments that they can come forward with to offer tonight and kill the bill. But someone is killing our system. And if there is anger out in America today directed toward us, this is another classic example of it. We say, well, our procedure does not allow

for it. The House wants it to go through Ways and Means. They have to have hearings. It does not matter that the President wants it, or the majority leader wants or the minority leader wants it. It does not matter. We have to have the jurisdiction all sorted out. That may take some time.

So, Mr. President, I must say that we have waited too long. This is something that I think the American people should be justifiably outraged about, saying: Do something. If we cannot pass a reform bill because of complexity, this is pretty straightforward; this is pretty simple. This gives a tool to the prosecutors of our Federal Government to go after those who would defraud us, day in and day out—$11.5 million an hour, $275 million a day, $100 billion a year—and we are sitting around saying, well, this isn't in the committee's jurisdiction; overlap; delay. You have to wait until next year.

I do not think the American people are going to accept that, not on our part. I do not think they should accept it. If we are going to be met with their anger at the polls in November, I think it is justified. They will look at this and see we had an opportunity and we passed up that opportunity with the invocation of: Let us just wait for next year; we will get it a year from now.

Mr. HARKIN. Will the Senator yield for a question?

Mr. COHEN. Yes.

Mr. HARKIN. First of all, I cannot find anything I disagree with the Senator on. As a matter of fact, we have had hearings on this, almost everything he mentioned, except the prosthesis. For example, we looked excessive payments for such items as blood glucose monitors, bandages, and TENS units. We have all kinds. And every year, we have hearings to expose wasteful spending and how we can combat it.

And so with the mechanisms in our bill, we try to put more emphasis on activities such as the payment safeguards program. This is where Medicare hires investigators, accountants, and auditors to go after fraud, waste, and abuse. They are woefully understaffed. And as I mentioned in my comments, we have proven from GAO and from the inspector generals that for every dollar we put into these activities, we have actually saved, in real, hard cash dollars in that given year, $14 for every dollar we put in. In every administration, this was no different from the one before. Both administrations were asked to put in the payment safeguard program.

We are in the odd position of trying to put money into the program. Talk about spending around here. This is one program we put money into that actually pays the taxpayers back. I assume at some point there, the cost-benefit ratio is not that great. But we have not even approached that yet.

I have not read the Senator's amendment. My staff tells me that much of what is in the Senator's amendment was in amendments offered by myself and others in different, various health reform bills that come through the Labor Committee. Much of this was in the Labor Committee's bill. And some was in the Dole bill. So there is broad general agreement, I think, for what the Senator is trying to do.

But, again, I just have one question. Take the blood glucose monitors. We know what the prices were on that, and they were way out of line. How does the Senator's bill get at that? How would you prevent that from happening? What is the mechanism in your bill that would prevent durable medical equipment, such as blood glucose monitors, or TENS units, from being overpriced in the beginning, in the future?

Mr. COHEN. It does several things. No. 1, it gives the Justice Department a single statute to go to to prosecute those individuals who, in fact, are engaging in fraudulent behavior.

The amendment will also address the problem by getting more people conducting oversight and policing the system. As I understand it, we have a caseload problem in going after those who are fraudulently overbilling our system. In the two major Federal law enforcement agencies, only 450 Federal positions investigate health care fraud. This works out to about one investigator for about 8 million claims. One investigator has to oversee 8 million claims that are coming through the pipeline. With enforcement and oversight capacity as low as this, catching fraud is almost impossible.

We simply do not have enough people. But what we ought to be doing is creating a system sending forth a signal saying, if you engage in fraud, we have a single statute the Justice Department is going to turn to, we are going to penalize you, collect it, and we are also going to expand the oversight ability on the part of the Federal Government.

Mr. HARKIN. If the Senator will yield further, I understand. The problem is, as I understand it—and we looked into this in great detail—take the blood glucose monitor, for example, which was drastically overpriced. I sent a staff person down to a drug store and bought one for $39. Yet HCFA was allowing payment as high as $500 for one. Just ridiculous. But it turned out that the overpricing was not fraudulent because it is allowed under the fee schedules set up under Medicare.

So I suggest to the Senator, you might want to turn this over to the Justice Department. They go in there and, lo and behold, they find out that is part of the law.

What we have to do is get in there and change the kind of fee schedules that we have in there by which these people cannot overprice us for these things. That is the problem. Once we get our fingers on it, then we can do something about it. But it is those initial overpricings we have a problem getting at.

I suggest to the Senator what we really need in Medicare is to get away from that old fee schedule we used to have and perhaps we ought to have more competitive bidding. I suggest that to the Senator. That might take care of a lot of this.

There is fraud. There are other frauds happening. Fraud is where perhaps a doctor would submit a bill for services that he did not render, or a hospital would submit a bill for items that they never provided. That is fraud. A company that makes a product and says, "Hey, this is worth $500." Well, that is what the fee schedule allows, and so they bid it in. That is why they are not being prosecuted for fraud. We need to change that underlying provision to provide for more competitive bidding.

Having said that, the Senator is right on target in terms of giving the Justice Department more authority to go after the fraudulent activities that are happening out there day after day.

But some of these other things that he brings up, I think we have to go under the underlying law itself and change the way that Medicare is able to buy these things. I just ask the Senator if he had any further thoughts on that?

Mr. COHEN. This problem is the combination of two parts. It is correct that we pay far too much legally for some items that can be purchased for much less off the shelf, but we also should never tolerate the kind of billing that is taking place now where the supplier unbundles the glucose monitoring kit, thereby increasing the price from $12 to $250, or even $500.

If that is not fraudulent activity, I do not know what is. That is a fraud upon the Government, and they are getting away with it. We do not have enough people: How can one investigator possibly investigate 8 million claims?

I am trying to create a system whereby we fund greater oversight, greater investigative ability on the part of the Federal Government than we are currently doing. There is no doubt in my mind there have to be changes as far as the fee schedule is concerned. But we also have providers who are upcoding. They simply upcode what they are supplying, even though it is a fraudulent upcoding, in order to get a higher price for something they are not furnishing.

So there is a lot to be done. What I am suggesting is we have a statute, very clear, very specific, have civil monetary penalties that act as a deterrent, and an enforcement mechanism by the Justice Department that will try and discourage this. It will not catch everybody, but it will discourage

a lot of people from engaging in the kind of conduct they have been engaging.

I hear the health care industry, frankly, does not like this particular provision. They are worried about it. I had to explain to them we are talking about intentional fraudulent behavior, not innocent mistakes. But when a doctor or a hospital unit starts billing for thousands of psychotherapy sessions that never occurred, something is wrong. That is fraud. When you have ghost patients or patients who have died and you are still getting reimbursed for services rendered to them, when you are selling pacemakers that are dead and having them implanted in the human body, there is something wrong with that, or intended for animal use only. That is what we are really trying to get at with this particular statute.

Frankly, again, the Justice Department does not oppose it. They support this. The President supports this. Everybody supports it. But we cannot take any action: It is the end of the session, the House will object, jurisdictional toes will be stepped upon. In the meantime, we are out $100 billion.

Mr. President, I think it is a pretty straightforward amendment. It enjoys broad bipartisan support. I think it is long overdue. It was not right for the crime bill. It was not right for the health care bill, because we do not have one. So we are just told to wait for the pennant until next year.

Mr. President, I yield the floor.

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

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

Mr. COHEN. Mr. President, I have had discussions with my friend, the Senator from Oregon, Senator HATFIELD, with Senator DOLE, and with other members of the Appropriations Committee. I am persuaded that, No. 1, the amendment, if pressed to a vote, will pass; that, No. 2, we will send this bill back to conference where it will be dropped because of objections from the House, and we will then have the entire conference report brought back with a day or two of delay. As I indicated before, that is not my intent.

My intent is not to obstruct or to delay but to try and pass legislation that everybody seems to be in favor of. As a matter of fact, just this afternoon I spoke with Director Freeh of the FBI, and he also assured me he would work diligently as possible to get this legislation passed because it is in the interest of our justice system to curb the fraud and waste and abuse taking place right now.

One of the suggestions made is that, well, we still have the D.C. appropriations coming up. Frankly, I do not think, from my perspective, that that is the appropriate vehicle to start debating health care fraud, on the D.C. appropriations. But it appears that may be the only option available to me.

I have discussed this matter with the Senator from Oregon, the ranking member on appropriations. He has indicated to me that he would be willing to urge my colleagues to make sure that I have an opportunity to offer this amendment once again on the D.C. appropriations bill, which I have agreed to do.

I do that in the interest of accommodating not only him, since I have the highest respect for the Senator from Oregon, and I know of his interest in seeing to it that as many, if not all, of the appropriations bills are passed and that we not be required to go to a continuing resolution if at all possible.

So I do not intend to press this to a vote this evening and I will, in a moment, withdraw the amendment. But I must say I want to address this to my colleagues. We keep talking about the anger that is out in the countryside. We keep looking at the poll numbers of how low we are in the public's opinion. We look with astonishment at some of the Members who have very richly deserved reputations in this Chamber and elsewhere but are being defeated. We ask the question why? I think this is an example of why, because we have something that virtually everyone agrees upon and yet it cannot be passed.

So the taxpayer looks at the accumulation of the national debt and it is now some $4 trillion, and climbing. Annual deficits of $200 billion, tax increases going up. They see their tax dollars being wasted day after day after day and they watch us on C-SPAN or elsewhere and say "What are they doing? Why is somebody not trying to put a finger in the dike?" This may not be a panacea but it is virtually something everybody wants—from the White House, to the House, to the Senate. Yet, because of procedural reasons or because time is running out and we are at the end of the session, 1 week to go, we cannot pass something as straightforward as a bill designed to combat fraud.

I think that is just one of the reasons why there is such great public disenchantment, that we do not seem to be making any progress in this regard and in many others.

So I will, for the moment, withdraw the amendment, Mr. President, and indicate to my colleagues that as soon as the D.C. appropriations bill is brought to the floor, at an appropriate time, I will, once again, seek recognition to introduce this amendment and hope that it enjoys the bipartisan support of my colleagues who have indicated that they cannot find anything to disagree with about the amendment except it does not belong on this bill. It does not belong on the crime bill and we have no health care bill to put it on. It does not belong on health and human services appropriations. "Try D.C. appropriations, or try whatever else is left." So they say try again next year, which in all probability is going to be the case.

So I think the losers are the American taxpayers. They are the losers, and we are all the losers. The disenchantment and cynicism will continue to grow.

I withdraw my amendment.

The PRESIDING OFFICER. The Senator has that right. The amendment is withdrawn.

The amendment (No. 2593) was withdrawn.

Mr. HATFIELD. Mr. President, I want to make an observation on this action taken by the Senator from Maine, [Mr. COHEN]. What he reported here to the floor relating to my request to him to withhold this amendment at this time is absolutely accurate.

I could not help but think as he described his amendment, which he has so valiantly and eloquently and frequently presented here on the floor, in which the Senate has agreed to in the past, of an experience I had as a younger Member of this body. The senior Senator from Mississippi, John Stennis, was managing a bill and I found myself offering an amendment which he had described as not belonging to that particular bill. I recited, much like the Senator from Maine, that it had been tried on another bill and did not belong there and I felt like it was truly an orphan amendment. He responded and said, well, I will tell you what it is like. It is like a half-drowned rooster running around in a chicken yard looking for shelter. Well, that was typical of Senator Stennis's graphic description of things we get involved with here in parliamentary procedure.

I want to assure the Senator again that even though there could be a question of germaneness raised on the D.C. bill, as against this particular bill, there is still a point of order of legislating on an appropriation bill that coequally would be raised on the D.C. bill as well as this bill. We would like to accommodate the Senator, of course, in any way, not foreclosing his right by withdrawing the amendment here to offer it on another vehicle.

Senator COATS of Indiana, who has what has commonly been referred to as his trash amendment, which he has offered on different vehicles, has also agreed to withhold his amendment. Senator HANK BROWN of Colorado has also agreed to withhold his amendment on this bill so that we can finalize action on the bill, knowing that we do have another bill with amendments of disagreement. This will let us concentrate any extraneous amendments

on that bill and let us expedite this procedure, because, Mr. President, when it comes Friday night at midnight, I need not remind the Senate that we are facing the deadline of the fiscal year.

We have a half a dozen conference reports still pending. We are going to have a tremendous backlog and logjam at that moment. Let us move these bills through now and reserve these amendments to attach or at least to raise and debate on the D.C. appropriations bill.

I understand from our leadership that in discussion with the Democratic leadership we are not going to be put in the bind of waiting to bring up the D.C. conference report at midnight or quarter to midnight on Friday, but that the D.C. conference report will follow the conference report on agriculture which follows this conference report. So we have four more reports after that.

But, nevertheless, all I am saying is we have another vehicle with amendments in disagreement which will be open to amendments. While I commend Senator HARKIN of Iowa and Senator SPECTER of Pennsylvania for trying to expedite this bill, bear in mind, any amendment on this bill goes back to conference or goes back to the House. This bill includes funding for Low-Income Home Energy Assistance and has some of the most important health and welfare and educational programs. We cannot afford in any way to delay beyond Friday night at midnight.

So I plead with my colleagues on both sides. Since we have demonstrated good faith on this side of the aisle in withholding these amendments at this time on this bill to expedite the Labor-HHS and Education bill, I hope that the leadership can move this bill rapidly and complete it so we can take up the agriculture appropriations conference report and then the D.C. conference report before we take up Interior, Treasury, and a number of the other conference reports down the line.

Mr. COHEN. Will the Senator yield for a moment?

Mr. HATFIELD. Yes.

Mr. COHEN. I want to respond about what the Senator said about his experience with Chairman Stennis and being told it is not the appropriate place. I see several of my colleagues here on the floor—Senator COCHRAN from Mississippi, who came to the House with me at the same time. I gave my maiden speech in the House of Representatives back in 1973. It was a speech pertaining to an amendment I offered to the energy bill. I offered an amendment to the energy bill to provide tax credits for people who conserve energy. The senior Members of the House of Representatives at that time got up and objected to the amendment saying that it was not germane under the House rules, that on the one hand by providing incentives for people to drill for oil was relevant and germane but providing tax incentives for people to save energy was completely nongermane. It was ruled out of order. It took 4 years before we finally passed that measure to provide tax credits for people to conserve energy. I feel the same sense here. It has been 2 years now, and maybe another year before we finally pass this bill dealing with health care fraud.

So it is a measure of my own frustration. I have been at this nearly 22 years now finding the same kinds of arguments being raised saying, well, wait until the next bill, not germane to this bill, we will get it next year with a little more patience.

I yield the floor.

Mr. HATFIELD. Mr. President, knowing Senator COHEN as I do I know he will persevere. I only say that I know his frustration. It took me 25 years to get an underground test ban enacted. But perseverance won out. I wish him well. I hope it is not 25 years for him.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio is recognized, Mr. METZENBAUM.

Mr. METZENBAUM. Mr. President, I would like to address myself to this question of going forward with amendments on this bill and using some other bill as an appropriate vehicle. The Senator from Ohio has been waiting and has attempted on previous occasions to bring to the floor of the U.S. Senate the bill having to do with baseball and the antitrust exemption that exists with respect to baseball and the fact that if the amendment were to be adopted—the amendment that has been submitted by myself and Senator HATCH—I do not know that the baseball season could be completed this year but certainly the players would indicate their being willing to go back to work for spring training.

The argument is made, well, use some other bill as an appropriate vehicle to which you might attach an amendment. It so happens that the amendment that we are talking about offering on this bill in our opinion is germane to an amendment of the House and therefore not subject to a point of order. If we were to attach it to some other bill, it is not at all unlikely that a point of order could and would be raised.

The Senator from Ohio attempted to bring a bill having to do with baseball to the floor a week or 10 days ago and asked unanimous consent to move forward, and an objection was made. It was perfectly appropriate to make the objection. I had no problem with that. But if there is to be a baseball season in 1995, then, as I see it, either the players or the owners are going to have to come to some agreement or we are going to have to pass legislation in the Congress that deals with the fact that there is now an antitrust exemption for the baseball owners.

That exemption, in my opinion, should never be in the law. It is one of only two businesses in this country that are exempt from the law—the insurance industry being the other one. And we have now drafted this in such a manner that it is not a total repeal of the exemption but rather an effort on our part to just deal with the exemption as it applies to the contract we are talking about and the very limited question of the right of the players to go into court when the owners attempt to impose unilaterally a cap on their salaries or any other kind of imposition of terms of a contract unilaterally.

So the Senator from Ohio is not happy about the fact that there are many who would like to bring this bill to a conclusion. I do not care to be an obstructionist. I do not see that we need to have a lengthy debate on this, although some of my colleagues have indicated that they would like to debate the issue. But I would be willing to agree to some limited time either tonight or tomorrow morning, although I think tonight would be unfair because it would not be giving fair notice to some of those who may have an interest in it. But I would be willing to agree to a 2-hour limit tomorrow morning on the issue. I think we can lay down our amendment tonight. The issue of germaneness can then be raised. I would not want anyone to be taken unaware or not be prepared for it. But I am trying to lay out the picture as I see it.

I do not know of any alternative the Senator from Ohio has in order to bring this matter before the U.S. Senate for a vote. I think the American people want to see baseball played in this country. I believe that if we pass this amendment, the House has already indicated through Chairman BROOKS that if the Senate sends something over, he will act immediately to bring it to the floor of the House so that it may become law before we conclude this session.

So I say to my colleagues, I do not have any better friends in this body than the manager of the bill, that I regret the fact that I am not being cooperative, and that I am prepared to offer an amendment on this subject. But I do not know that I have any other alternative. Therefore, I suggest the absence of a quorum.

Mr. BUMPERS. Will the Senator withhold?

Mr. METZENBAUM. Yes.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. BUMPERS. Mr. President, let me plead with the Senator from Ohio to offer his amendment on another vehicle just so we can get this HHS bill and

the Agriculture appropriations bill out. As the Senator from Oregon pointed out, Friday is the deadline. September 30 we have to have all of these appropriations bills finished or have a continuing resolution. The issue is perfectly legitimate. The antitrust provision the baseball owners enjoy is a legitimate issue for debate.

I must say I think the Senator tried to get this out of the committee two or three times without success, and I must also say that in the right atmosphere I would very seriously consider the Senator's amendment. In the atmosphere of this evening when we are trying to pass very important appropriations bills totaling probably in the vicinity—I cannot speak for the HHS bill. Our bill is about $70 billion. HHS is probably $300 billion. We are trying to get these out so we can keep the Government running and do what we have been sent here to do.

If I had to vote on the Senator's amendment at this point, frankly, during this session of Congress, I would be constrained to vote no because I have not really studied the issue. I have the same, what I shall say, not necessarily revulsion, but aversion to antitrust exemptions. I know the Senator feels the antitrust laws in this country have not been very well enforced in the past.

But I plead with the Senator, No. 1, to postpone the offering of this amendment until the next session of Congress. The only problem with that is the Senator is not going to be here the next session of Congress.

Mr. METZENBAUM. It makes it a little difficult.

Mr. BUMPERS. I do not expect him to agree with that request but at least offer it on the D.C. appropriations bill tomorrow. The Senator has suggested 2 hours. He can make that request tomorrow—or 3 hours—whatever the Senator wants. But the Senator can accommodate some of his friends in the Senate by allowing us to go forward with these two appropriations bills tonight and bring that amendment up tomorrow. The Senator is not losing anything.

Mr. METZENBAUM. Yes. I am.

Mr. BUMPERS. I think the Senator and the Senate would be well served.

Mr. HARKIN. Mr. President, I want to thank the Senator from Arkansas for his comments on this, and to say to my friend from Ohio, Senator METZENBAUM, that this Senator has no closer personal friend in the Senate and there is no Senator with whom I have greater admiration than Senator METZENBAUM. He knows that. He knows I wish he were going to be here next session, too. I probably would, like the Senator from Arkansas, vote with him on the antitrust exemption, although I do not know the issue that well, to tell you the truth. But I am usually on the same side of Senator METZENBAUM on these kinds of issues.

But I must again reiterate what the Senator from Oregon said, who is of course our ranking minority member on the full Appropriations Committee. Members on the minority side, on the Republican side, withheld their amendments on this bill. I think there were at least three amendments that could have been offered on this bill, and it caused a lot of problems. That would have caused a lot of problems. This bill would have bounced to the House, they would not have accepted it, it probably would have bounced back here, and it would have bounced back to the House. The deadline is Friday.

I point out to my friend from Ohio that if we go to a Continuing Resolution on this bill, it is the very people for whom he has fought and voted for all of these years who are going to be hurt. We have increases, to name just a few, in immunization, Head Start, breast cancer, AIDS prevention under the Ryan White Act—$2.2 billion over what we had last year.

The Senator may say that will not happen. Well, it has happened before. I do not know how contentious his amendment is on baseball. I do not know. But I daresay if the Senator does this, I do not know that I, in good faith, could then go to my friends on the Republican side and say please withhold your amendments. It would be open season. And this whole bill could become bogged down in extraneous matters that have nothing to do with funding for education, health, job training, and medical research.

So while I know the Senator feels strongly about his amendment and about the antitrust exemption for baseball, I join the Senator from Arkansas asking my friend from Ohio to think about what has transpired here earlier. I know how he may feel about this. Sometimes we all get caught in these things, but the Republicans have acted in good faith on this bill and they have withheld their amendments in good faith to offer them on the D.C. appropriations bill. I must say that in good faith I have to then strenuously object or ask the Senator from Ohio to please withhold his amendment on this bill. I hate to be in that position because I have such great respect for him.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. HARKIN. I yield the floor.

Mr. METZENBAUM. Mr. President, I find myself in a very difficult position because it is a fact that two Members of the Senate for whom I have tremendous respect are friends of mine.

Certainly Tom HARKIN and I have been very close over the period of years.

But let me tell you the dilemma in which I find myself. By happenstance this amendment is germane because the House had an amendment providing $12 million for the national youth sports program, and so I am informed by the Parliamentarian under those circumstances the amendment would not be ruled out of order, but the question of germaneness would be before the body.

I do not have such a vehicle, at least I do not know of it at this moment on the D.C. appropriations bill or on any other bills that are coming up. It just is a peculiarity that this one particular House amendment included this provision and, therefore, instead of offering an amendment which would be legislation on an appropriations bill which would be subject to a point of order, this amendment would not be subject to a point of order, and the only question would be the question of germaneness which is a totally different issue.

So I would say that I want to be cooperative. I do not want to put the bill in jeopardy. Let us face it. I am not talking about any filibuster, I am not talking about even engaging in lengthy debate. I am talking about a very limited time in which to consider this amendment, or particularly the amendment as it pertains to germaneness.

The Senator from Nebraska, who is on the floor at the moment and speaking with the Senator from Iowa, was the one who objected to my moving forward the other evening when I asked unanimous consent to bring the bill up separately, independently, and just move forward with it. So I had an objection there and I respect his right and I hold no personal grudge against him for doing that. He was fully within his rights. But in this instance we have examined the legislation in order to find an amendment to which we could attach our amendment so that it would not be out of order, and I find myself in the dilemma that if I do not put it on this point or off it at this point and give my colleagues who wish to be heard on the subject an opportunity to be heard, then we are running out of time and I have no other vehicle to which I can attach the amendment.

So I would just say that unless someone can come up with a better solution, the Senator from Ohio would intend to proceed forward, notwithstanding the fact that I know both of my colleagues from Iowa and Arkansas would prefer that I not do so.

Mr. HARKIN. If the Senator will yield I will just point out that this amendment would still be subject, if I am not mistaken, to a rule 16 point of order that it is legislation on appropriations.

Mr. METZENBAUM. I do not believe so.

Mr. HARKIN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HARKIN. Mr. President, would an amendment dealing with doing away with the antitrust exemption that is now in law, be considered legislation on appropriations?

The PRESIDING OFFICER. The Chair has not been able to review the amendment. There is a possibility that the question might be raised.

Mr. HARKIN. I appreciate the Chair's position. I know the Chair has not seen it. That probably was an unfair parliamentary inquiry. But I believe that it is; then again, we just have a vote on whether or not it is a point of order and that is just as simple.

Mr. METZENBAUM. May I respond?

Mr. HARKIN. Yes.

Mr. METZENBAUM. Mr. President, it would not. I am advised by the Parliamentarian that it would not be subject to a point of order because it relates to an amendment adopted by the House. But it would be subject to raising the question of germaneness, which could then be decided by the body; is the amendment germane or is it not? That is a totally different issue for the Senator from Ohio than the question of appealing the decision of the Chair would be the case if I offer legislation on an appropriations bill unless there is something in the amendment from the House that permits me to do so. By happenstance there is in these circumstances.

Mr. HARKIN. If the Senator will yield, we have two things here: We are concerned about germaneness and legislation on an appropriations bill. The national youth sports program was simply an appropriation. It is my feeling that while the Senator's amendment meets the test of germaneness, I do not know if it meets the test of not being legislation on an appropriations bill. We still could have a point of order. Whether the vote were subsequently on germaneness or appealing the ruling of the chair, it is still 51 votes, majority vote, anyway you look at it.

Mr. METZENBAUM. I believe, Mr. President, that the Chair would rule that it is not subject to a point of order. I think that the Chair would rule that the question of germaneness would be before the body.

Now, I would suggest the absence of a quorum——

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska [Mr. EXON] is recognized.

Mr. EXON. Mr. President, I rise once again to become involved in this debate on the efforts by my friend and colleague from Ohio to change the antitrust exemption of baseball.

This matter came up some time last week when the Senator from Ohio asked unanimous consent, and I objected to that unanimous consent request. I said at that time I knew of the keen interest by the Senator from Ohio in this issue. I said at that time that I had not made up my mind. I have not studied the issue enough to know whether or not I believe there should be a temporary, partial, or a total exemption from change in the present exemption that organized baseball has.

I think there are some pros and cons on this issue. I would simply point out to my friend from Ohio, as has been pointed out by the Senator from Arkansas and the Senator from Iowa, that regardless of the matter of germaneness, the measure that he suggested we bring up is essentially not different from what the Senator from Ohio and others attempted to do with a measure that was turned down earlier this year, as I understand it, by the Judiciary Committee.

I see the chairman of the Judiciary Committee on the floor of the Senate. He may like to address that, but I believe I am correct in that the Judiciary Committee turned down the form of a change that the Senator from Ohio had sought.

I rise again in opposition. I would hope that the Senator from Ohio, regardless of what he has a right to do to try to bring this up on this bill—I think it is a wrong bill at the wrong time when we are trying to wind down some very important appropriations measures. I would simply advise the Senator from Ohio that at least this one Senator would raise objection to any time agreements on such an amendment. Extended debate could follow.

I simply say to my friend from Ohio once again that I think this the wrong time and the wrong place for the U.S. Senate in conjunction with a few people in the House of Representatives who are trying to immediately involve themselves in a side in a very intense labor dispute between the owners of the baseball franchises and the very talented players that make baseball go and make baseball grow.

Again, Mr. President, I think there probably is no one in this body who is a better baseball fan, there is no one in this body I think who is more disturbed, distraught, upset, at the interruption in the middle of a very exciting season. I say a plague on both the houses, of the ownerships and of the players. Obviously the Senator from Ohio has made no secret of the fact that the players association feel that if some kind of an amendment as he has offered would become law, that then they would begin to agree to start playing baseball again if the owners would let them. I simply say that I am so discouraged. I believe that organized baseball is bringing down on that great American pastime, a cleavage that is going to be long felt by the baseball fans of the United States of America.

I think it is wrong, it is improper and it is not wise, for the Congress of the United States to begin choosing up sides at this particular moment.

Therefore, I say that I think I would certainly oppose the amendment offered by the Senator from Ohio, as it was opposed by his colleagues on the Judiciary Committee. I think this is the wrong place, the wrong time, and the Congress of the United States would be doing a very wrong action to try to involve the Congress of the United States in this labor-management matter.

I simply say that I really believe it is a time for the baseball players and the baseball owners to slug it out, if that is what it takes, and to delay the start of the baseball season this year, the elimination of the World Series, the playoffs and maybe it goes into next year and from there on out. But I happen to think that the selfish owners and the selfish players who kiss off the organized fans of the United States of America who are very dedicated to baseball; I am going to object; I will continue to object to any kind of a shortcut action as suggested by my friend from Ohio.

I know he is very sincere. I do not quarrel with his motives. But I believe it is the wrong time, and I will do everything that I can to oppose this. I would urge my friend from Ohio not to offer the amendment, as has been requested by the Senator from Arkansas and the Senator from Iowa. And I would simply say that if the Senator persists at least this Senator will object to any time agreements on any kind of an amendment as suggested by the Senator from Ohio.

The PRESIDING OFFICER. The Senator from Arkansas [Mr. BUMPERS].

UNANIMOUS-CONSENT REQUEST

Mr. BUMPERS. Mr. President, I ask unanimous consent that the pending conference report and any amendments thereto be temporarily laid aside in order for Senator COCHRAN and me to offer the agriculture appropriations bill on which there is no controversy, which will probably be disposed of in 10 minutes. And immediately upon the disposition of that conference report, the Senate return immediately to the pending matter on HHS.

The PRESIDING OFFICER. Is there objection?

Mr. HATCH. Mr. President, reserving the right to object, would the Senator modify his request to give me a minute and a half so I could just speak to Senator METZENBAUM's amendment?

Mr. BUMPERS. I am happy to.

Mr. DOMENICI. Mr. President, reserving the right to object, and I do not know whether I will at this point, but let me just ask a couple questions.

I ask Chairman BUMPERS whether there are amendments in disagreement on his bill.

Mr. BUMPERS. There are not.

Mr. DOMENICI. No amendments in disagreement?

Mr. BUMPERS. No amendments in agreement. There is nothing on the conference report. We can dispose of it in 5 minutes.

Mr. DOMENICI. I have no objection.

Mr. COCHRAN. Mr. President, reserving the right to object, I have just been

advised by staff that there is a Senator on this side of the aisle who has to object to that request. I certainly do not want to object to that request. But I hope the Senator will withhold for a minute and let the Senator from Utah proceed with his comments, and then make a renewal of the request to proceed without objection.

There is no objection.

Mr. President, I withdraw my reservation.

The PRESIDING OFFICER. The Senator from New Mexico [Mr. DOMENICI] is recognized.

Mr. DOMENICI. Mr. President, I do not say this in any manner other than to clarify something. I understand there are amendments in disagreement.

Mr. BUMPERS. That is all. That is what I want the floor to say. I misspoke myself. There are.

Mr. DOMENICI. I wonder, I do not choose to unduly delay the bill, but I would like just about 10 minutes to go talk to the leadership about a matter that has not yet been arranged to be called up. I would like to see if we can arrange it.

If not, I might have to use the appropriations bill to put it on. I object at this point, but it will not be longer than 10 minutes.

Mr. BUMPERS. Mr. President, I withdraw my unanimous-consent request.

The PRESIDING OFFICER. The Senator has a right to withdraw his unanimous-consent request.

The Senator from Utah [Mr. HATCH] is recognized.

Mr. HATCH. Mr. President, I appreciate your recognizing me. I will just take a minute because I am one of the Senators who voted to keep the antitrust exemption alive in the Judiciary Committee. I have had a very difficult time voting to take the exemption away through the years, and I have always voted to keep it alive. If my recollection is correct, I cast a deciding vote on that matter.

It was more than a deciding vote, because some other people voted with me, but literally had I gone the other way, it would have changed the dynamics.

The reason the distinguished Senator from Ohio is bringing this up and, frankly, with my support, is not to cloud this issue but merely to solve a problem in labor law that really exists and in antitrust law that exists, something that would be more fair to both sides.

Under our labor laws, when you have a strike and there is an impasse, the management has the power to impose unilaterally terms and conditions of employment upon the players in this case. Ordinarily, that is a right that they should have in labor law. The problem is they are going to impose their contractual provisions, or their sought-after contractual provisions, on the players while hiding behind an antitrust exemption that is greatly to the disadvantage of the players.

I have said to the baseball owners that I think they would be better off if the exemption were lifted because then it comes down to a court litigation and they can resolve these matters without these types of strikes.

I cannot blame either side. They both have arguments that are worthy of consideration. But all the distinguished Senator from Ohio and I am trying to do is to say to the owners of those teams, "You can unilaterally impose, if you want to, any terms and conditions you want to under the law. But if you do, then you lose the antitrust exemption until this matter is resolved." It is a temporary loss, but it would give the players the right to have some rights as well in this matter.

To me, that is a fair way of doing it. To me, it is an intelligent way of handling it. Neither side would have a major advantage. If they want to continue to strike, they can; if the owners want to unilaterally impose terms and conditions, they can, but then they are going to be subject to an antitrust suit by the players if they do. So there will be a disincentive to do that.

I do think it would end the strike. I do think it would push both sides together. I do think they would resolve this. I really believe unless you do it, they are not going to resolve it, and we may face the same problems next year.

So I want to commend the distinguished Senator from Ohio for at least trying to get this thing resolved in a fair and equitable manner. Normally, he and I do not agree on labor law, but in this particular case, I think it is in both sides' interest to do it this way, although I have to say, those representing the owners of the baseball teams do not like it because it takes away a super advantage that they have—two advantages, because they have an advantage to unilaterally impose their conditions and they have an advantage of not having to suffer from litigation under the antitrust laws.

So some feel all the cards are in the hands of the owners, while really all they have is their ability to play ball. If the owners will not let them play, then that ability is gone as well.

These players have forsaken a billion dollars in salaries and in contract terms because they feel so strongly about this and they do not want salary caps unless there are some other things that are done.

I do not know what the final negotiations will result in, but what the amendment by the distinguished Senator from Ohio does is it gives both sides a chance to sit down without all of the fuss and fury and bother and really get this matter resolved. From that standpoint, I think it is a worthwhile thing to do, and I support the Senator from Ohio. I do think it is probably going to be very difficult for him to get it done in this context, but I support him and I hope we can get this matter resolved in the interest of everybody, but above all, especially the fans.

I took a little longer than a minute and a half. I apologize to my colleagues. I did want to make that statement for the RECORD.

I yield the floor.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

UNANIMOUS-CONSENT AGREEMENT

Mr. HARKIN. Mr. President, I ask unanimous consent that the pending conference report and the amendment in disagreement—one amendment in disagreement left—be temporarily set aside, and that we move to the consideration of the Department of Agriculture conference report; that on the disposition of that conference report, we return to the conference report on Labor Health, Human Services, Education, and related agencies.

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

Mr. DOMENICI. Reserving the right to object.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I was not present. I apologize for that. I gather you are going to do what Senator BUMPERS asked a while ago when I was present?

Mr. HARKIN. Yes.

Mr. DOMENICI. That means we are going to accept the amendments in disagreement?

Mr. BUMPERS. En bloc.

Mr. DOMENICI. Mr. President, I am not going to object, because I know the hard work that the subcommittee put into this. I notice both the chairman and the ranking Republican are on the floor. But I would just like to make a comment. I note the chairman of the Appropriations Committee is also on the floor.

While we agree on a lot of things, I say to Chairman BYRD, we do not agree on the issue of congressional reform as reported out by the bipartisan commission that then went to the Rules Committee and was, obviously, altered by way of the Rules Committee suggestions.

I do want the leadership to know—and I have told Senator DOLE and I have left word with Senator MITCHELL—that I do not think it is right that

we recess this year without being able to offer the congressional reform bill. That does not mean the Senator from New Mexico is confident that it is going to pass as the commission reported it out, but I think we deserve an opportunity to offer it.

While I am going to give up one opportunity now, because the Senator from New Mexico could amend one of the amendments in disagreement and offer the commission-reported congressional reform bill, I do not choose to do that. But I think the leadership should know there are a couple of other opportunities where appropriations may have amendments in disagreement, or anything else that comes down the line.

Senator BOREN and I feel a few hours of good debate on why we are not adopting what was recommended might be in order after all the work that was spent, the time spent, the witnesses heard from, and meeting our deadline under the mandate of the Senate, not even using all the money they gave us; we are ready to have a vote.

I just want to make a case tonight that congressional reform, as reported by the bipartisan commission, that the Senator from New Mexico wants to at least get that measure up. We will get it up one way or another. I hope the leadership will find 4 or 5 hours in the remaining days to let us bring that up as a freestanding measure. We will ask them that again in the morning. That is why I was thinking of objecting.

I will not object. I do not object, and I yield the floor.

The PRESIDING OFFICER. Is there objection to the unanimous consent request by the Senator from Iowa to lay aside the conference report on Labor-HHS? Without objection, it is so ordered.

AGRICULTURAL, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1995—CONFERENCE REPORT

The PRESIDING OFFICER. The clerk will report the conference report on H.R. 4554.

The assistant legislative clerk read as follows:

The committee on conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4554), making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1995, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The Senate proceeded to consider the conference report.

(The conference report is printed in the House proceedings of the RECORD of September 20, 1994.)

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I move that the Senate adopt the conference report on H.R. 4554.

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

So the motion was agreed to.

Mr. BUMPERS. Mr. President, I move to reconsider the vote by which the motion was agreed to.

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

The motion to lay on the table was agreed to.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the Senate concur en bloc with the amendments of the House to the amendments of the Senate in disagreement, and that all the preceding motions be considered en bloc and tabled.

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

The amendments are as follows:

Resolved, That the House agree 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. 4554) entitled "An Act making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1995, and for other purposes.".

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 5, 18, 24, 29, 58, 83, 95, 96, and 101 to the aforesaid bill, and concur therein.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 11 to the aforesaid bill, and concur therein with an amendment as follows:

Restore the matter stricken by said amendment, amended to read as follows: "$475,000 for rangeland research grants as authorized by subtitle M of the National Agricultural Research, Extension, and Teaching Policy Act of 1977, as amended; $8,990,000 for contracts and grants for agricultural research under the Act of August 4, 1965, as amended (7 U.S.C. 450i(c));".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 15 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: "$433,438,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 25 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: "$443,651,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 26 to the aforesaid bill, and concur therein with an amendment as follows:

Restore the matter stricken by said amendment, amended to read as follows:

In fiscal year 1995 the agency is authorized to collect fees to cover the total costs of providing technical assistance, goods, or services requested by States, other political subdivisions, domestic and international organizations, foreign governments, or individuals, provided that such fees are structured such that any entity's liability for such fees is reasonably based on the technical assistance, goods, or services provided to the entity by the agency, and such fees shall be credited to this account, to remain available until expended, without further appropriation, for providing such assistance, goods, or services.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 32 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter stricken by said amendment, insert: ": *Provided*, That until October 1, 1995, the Secretary of Agriculture may collect and use such sums as may be necessary for the delivery of catastrophic risk protection under subsections (b) and (c) of section 508 of the Federal Crop Insurance Act, as that Act would be amended by section 6(a)(3) of H.R. 4217 as passed by the House on August 5, 1994, if such provision or similar provision is enacted into law: *Provided further*, That in addition to amounts otherwise appropriated in this Act, there are hereby appropriated such sums as may be necessary to carry out the purposes of the crop insurance fund established under section 516 of the Federal Crop Insurance Act, as that Act would be amended by sections 8 (b) and (c) of H.R. 4217, if such provision or similar provision is enacted into law".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 33 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

DISASTER ASSISTANCE

Such sums as may be necessary from the Commodity Credit Corporation shall be available, through July 15, 1995, to producers under the same terms and conditions authorized in chapter 3, subtitle B, title XXII of Public Law 101-624 for 1994 crops, including aquaculture and excluding ornamental fish, affected by natural disasters: *Provided*, That these funds shall be made available upon enactment of this Act: *Provided further*, That such funds shall also be available for payments to producers for 1995 through 1996 orchard crop losses, if the losses are due to freezing conditions incurred between January 1, 1994 and March 31, 1994, and Federal crop insurance is not available for affected orchard crop producers: *Provided further*, That such funds shall also be available to fund the costs of replanting, reseeding, or repairing damage to commercial trees, including orchard and nursery inventory, as a result of 1994 weather-related damages: *Provided further*, That the terms and conditions of section 521, paragraph (a)(3) and (4), paragraph (b)(3), subparagraph (c)(2)(C), and subsections (d) and (e), as amended in section 201 of S. 2095 (as reported by the Committee on Agriculture, Nutrition, and Forestry on June 22, 1994) shall apply to all claims for assistance made under this paragraph; *Provided further*, That such amounts and uses of funds made available under the paragraph are designated by Congress as emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, and that such funds and uses shall be available only to the extent an official budget request for a specific dollar amount, that includes designation of the entire amount of the request as an emergency requirement pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, is transmitted by the President to the Congress.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 34 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert: "$556,062,000, and the unobligated and uncommitted portion of the fiscal year 1994 appropriation for the Conservation Reserve Program shall be transferred to this account".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 37 to the aforesaid bill, and concur therein with an amendment as follows:

Restore the matter stricken by said amendment, amended to read as follows: "(of which $10,000,000 shall be available for the watersheds authorized under the Flood Control Act approved June 22, 1936 (33 U.S.C. 701, 16 U.S.C. 1006a), as amended and supplemented): *Provided*, That, for fiscal year 1995 only, not to exceed 10 per centum of the foregoing amounts shall be available for allocation to any one State".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 41 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: "$2,200,000,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 42 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: "$244,720,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 57 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter stricken by said amendment, insert:

RURAL WATER AND WASTE DISPOSAL GRANTS

Notwithstanding any other provision of law, the Secretary may use 1980 or 1990 census information for grant eligibility of projects submitted to the agency prior to the availability of 1990 census information in amounts not to exceed total project cost overruns.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 70 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum named in said amendment insert: "$500,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 75 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert: "and section 601 of Public Law 96-597 (48 U.S.C. 1469d), $28,830,710,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 76 to the aforesaid bill, and concur therein with an amendment as follows:

Restore the matter stricken by said amendment, amended to read as follows: "; *Provided further*, That none of the funds in this Act shall be used to cash out food stamp benefits beyond a total of 25 projects and the total participation in such projects shall not exceed 3 per centum of the estimated national household level participating in the Food Stamp Program".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 84 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

The stay (published at 58 Fed. Reg. 47962) of the 1987 food additive regulation relating to selenium (21 Code of Federal Regulations 573.920) is suspended until December 31, 1995.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 89 to the aforesaid bill, and concur therein with an amendment as follows:

Restore the matter stricken by said amendment, amended to read as follows: "; *Provided*, That the Commission is authorized to charge reasonable fees to attendees of Commission sponsored educational events and symposia to cover the Commission's costs of providing those events and symposia, and notwithstanding 31 U.S.C. 3302, said fees shall be credited to this account, to be available without further appropriation".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 91 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert: ", unless additional acres in excess of the 100,000 acre limitation can be enrolled without exceeding $93,200,000: *Provided*, That the unobligated portion of the fiscal year 1994 appropriation shall be transferred to and merged with the appropriation for the Soil Conservation Service, Conservation Operations".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 94 to the aforesaid bill, and concur therein with an amendment as follows:

Restore the matter stricken by said amendment, amended as follows:

In lieu of the sum named in said amendment, insert: "$25,650,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 98 to the aforesaid bill, and concur therein with the following amendments:

Delete the matter inserted by said amendment, and on page 61, line 12, of the House engrossed bill strike "$94,500,000" and insert in lieu thereof $84,500,000, and on page 79, line 18, of the House engrossed bill strike "$850,000,000" and insert in lieu thereof $800,000,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 100 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

SEC. 725. The Secretary shall take reasonable steps to ensure that no funds made available under this Act be used to provide any direct individual Federal benefit or assistance to any individual applying for such benefit or assistance unless said individual meets all eligibility criteria for the benefit or assistance.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 102 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

SEC. 727. REPAYMENT OF DEFICIENCY PAYMENTS.—In any case in which the Secretary of Agriculture finds that the farming, ranching, or aquaculture operations of producers on a farm have been substantially affected by a natural disaster in the United States or by a major disaster or emergency designated by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), the Secretary of Agriculture shall not require any repayment under subparagraph (G) or (H) of section 114(a)(2) of the Agricultural Act of 1949 (7 U.S.C. 1445j(a)(2)) for the 1993 crop of a commodity prior to March 1, 1995.

Mr. BUMPERS. Mr. President, I am pleased to bring before the Senate, the conference report on H.R. 4554, the appropriations bill for agriculture, rural development, and related agencies for fiscal year 1995. I hope my colleagues will support it.

As was the case when we considered the bill on the Senate floor, it is an extremely tight bill. So tight that, in my opinion, it does not do justice to agriculture programs in this country. We have devastated conservation programs. We have slashed rural housing programs. We have drastically reduced the farm loan programs. Rural electrification and telephone programs are cut back significantly. The P.L. 480 program is below this year's level by 16 percent.

None of these cuts are popular. In my opinion, they are not wise either.

The only programs that did well are the nutrition programs. And that is because they are either mandatory programs, or very politically popular. Food stamp funding is at an all-time high of $29 billion. Child nutrition programs take up $7.5 billion of the total. The WIC program is funded as proposed by both the House and Senate at $3.47 billion, a $260 million increase to the 1994 level.

Mr. President, I want to stress that well over half of the funding in this bill—58 percent—or $40.3 billion is for domestic food programs that go predominantly to urban areas.

The conference agreement provides funding levels similar to the Senate bill for agricultural research, rural development, conservation, extension, and inspection programs.

The food Safety and Inspection Service is funded at exactly this year's level, which is $17 million less than what the President proposed. I don't know exactly how this agency will make it through the year at this level, but I hope it figures it out while still maintaining the safety of the Nation's meat and poultry supply.

Probably the most significant change the conferees made to the Senate bill affects the Food and Drug Administration. The bill does not require the additional $163 million in user fees that the Senate bill originally contained. Total salaries and expenses of FDA are set at $905,894,000. This amount represents an increase of $36,271,000 to the 1994 level, but a reduction of $18.6 million to the overall level the Senate had proposed.

In order to accommodate this change to the Senate level of funding, other changes had to be made. The Commodity Supplemental Food Program is funded at $84.5 million instead of $94.5 million in both the House and Senate bills. Instead of capping funding at $90 million for the Market Promotion Program, the conferees agreed to a level of $85.5 million. Similarly, the Export Enhancement Program is capped at a level of $800 million, instead of $850 million as proposed by both the House and Senate. The Sunflower and Cottonseed Oil Assistance Program is capped at $25,650,000—a level lower than what was proposed by either the House or the Senate.

Another reduction to both the House and Senate levels was made in the rural housing section 502 program. The direct loan level is set at $1.2 billion in the conference agreement. The House level was $1.3 billion and the Senate level was $1.4 billion. This is a cut that is particularly troublesome and, in my opinion, unwise. But, as I stated earlier, the conferees were constrained in our options and we had to make many unpopular and unwise decisions.

Finally, the conservation operations account of the Soil Conservation Service has a direct appropriation of $556 million. However, we have provided for the transfer of unused balances in both the Wetlands Reserve Program and the Conservation Reserve Program to conservation operations. We expect the level for this account to be at approximately $587 million—about $4 million less than this year.

In summary, the conference bill totals $69 billion in total new obligational authority.

I commend the conference report to my colleagues and recommend that it be accepted.

Mr. President, I want to thank everybody who cooperated in allowing us to submit this conference report tonight.

I will make about 30 seconds' worth of observations and say that this is only the second year I have chaired this subcommittee. But I can tell you, this has been one of the most trying experiences I ever had.

We were required under the allocation system of the Senate, to make very dramatic cuts from what we have been allowed to do in the past. We had numerous requests from Senators wanting money for projects in their States. Obviously, we all like to accommodate Senators on both sides of the aisle.

I might say—and without any real denigration of anybody—that sometimes the Senators who plead the longest and the hardest for projects in their States get them and wind up voting against the bill. I must say I take exception to people who play that game of getting something in the bill and then voting against the bill and going home and telling their constituents what great fiscal conservatives they are by voting against the bill, when they were at the trough.

Having said that, I consider this to be a truly fine bill, within the limits of the amount of money we had to spend. We had to make some draconian cuts, even in 550 and housing. We made other cuts in TEFAP; for example, which is a commodities program for poor people, and it is always very difficult to cut programs like that. We had to cut the export promotion program and others that have almost universal support in the Senate.

In any event, I will close by saying that I sincerely appreciate and publicly thank my distinguished colleague from Mississippi, Senator COCHRAN, for his usual courtesies and fine spirit of cooperation in getting this bill passed and getting it out of conference and here this evening.

I yield the floor.

Mr. COCHRAN. Mr. President, I thank the distinguished Senator from Arkansas for his kind comments and also for his excellent work, his hard, and effective work in getting this bill to this point where we tonight present a conference agreement that totals $68 billion in funding for the next fiscal year for the programs and activities under the jurisdiction of this subcommittee.

I might point out to the Senate that this is nearly $3 billion below the fiscal year 1994 enacted level and $461 million below the level requested by the President for these programs. If people are interested in our exercising some fiscal restraint and imposing reductions in spending, they can point to this bill as an example of just that.

Including congressional budget scorekeeping adjustments and prior-year spending actions, this conference agreement provides total discretionary spending for fiscal year 1995 of $13.4 billion in budget authority and $13.9 billion in outlays. These amounts are within the subcommittee's revised 602(b) discretionary spending allocations.

The committee of conference on this bill considered 102 amendments in disagreement between the two Houses. While not all issues were settled as I would have preferred, I believe we have reached an agreement which meets the many funding requirements covered by the bill within the limited resources available. The conference committee did not have an easy task. Major funding differences between the House and Senate bills had to be compromised to achieve a total net reduction in discretionary spending of $1.2 billion below the fiscal year 1994 level.

Approximately $40.2 billion, close to 60 percent of the total new budget authority provided by this bill, is for domestic food programs administered by the U.S. Department of Agriculture. This represents a net increase of $805 million above the fiscal year 1994 level for these programs, which include food stamps; the special supplemental food program for Women, Infants, and Children [WIC]; the school lunch and breakfast programs; and the Emergency Food Assistance Program.

The $260-million increase above fiscal year 1994 for the Women, Infants, and Children [WIC] Program, as recommended in both the House and Senate bills, remains the single largest program funding increase provided by this bill.

For the Emergency Food Assistance Program, the conference agreement provides $65 million, $15 million below the House bill recommendation for commodity purchases and $25 million above the budget request level recommended in the Senate bill. The conference agreement also reduces the Commodity Supplemental Food Program $10 million below the Senate bill level in light of the anticipated balance of carryover funds which will be available for the program at the beginning of the new fiscal year.

The conference agreement provides $144.8 million above the Senate bill appropriation for salaries and expenses of the Food and Drug Administration. As my colleagues will recall, the bill, as passed by the Senate, assumed that new FDA user fee collections, as requested by the President, would be available to partially fund these FDA costs in fiscal year 1995. The House lodged a constitutional objection to this user fee provision and returned the bill to the Senate. To get this bill into conference, the Senate dropped the objectionable provision, leaving a gap of $160 million between the House and Senate recommended appropriation levels for FDA salaries and expenses.

The conferees have provided $819.971 million, $6.6 million above the fiscal year 1994 level and $15 million below the House bill level for FDA's salaries and expenses appropriation. As I said, this is $145 million above the Senate-passed bill level.

To get where we are, to keep this bill within its spending targets, many agriculture and rural development programs have suffered funding reductions.

Total funding for agricultural programs has been reduced by $2.6 billion below the fiscal year 1994 level; funding for USDA conservation programs has been reduced a total of $654 million below current levels; Farmers Home and Rural Development programs by a total of $297 million; and USDA's foreign assistance activities, including Public Law 480, have been reduced by a total of $216 million below fiscal year 1994 levels.

The USDA conservation programs have been hit particularly hard. Funding of $6.6 is provided for the Forestry Incentives Program, 52 percent below the program's current funding level.

Funding of $4.5 million is provided for the Colorado River Basin Salinity Control Program, 33 percent below the fiscal year 1994 level. The watershed and flood prevention program has been reduced 32 percent, from a fiscal year 1994 appropriation level of $220.8 million to $70 million. I would like to add here that I am hopeful the administration will maximize funding for this particular program in fiscal year 1995 by supplementing this appropriation with any of the fiscal year 1994 supplemental funds not required for emergency work, as directed by both the House and Senate.

Other reductions in agriculture and rural development programs below the levels recommended in the Senate-passed bill include: $2.5 million for Alternative Agricultural Research and Commercialization; $2.4 million for the Agricultural Research Service; $17.2 million for the Food Safety and Inspection Service; $200 million in authority for direct Section 502 rural low-income housing loans; and $71.3 million in direct rural water and sewer facility loan authorizations.

In addition, the Senate bill limitation on funding for the Market Promotion Program has been reduced from $90 million to $85.5 million; the limitation on Export Enhancement Program subsidies has been reduced from $850 million to $800 million; and the limitation on cottonseed and sunflower oil assistance subsidies [COAP and SOAP] from $27 million to $25.65 million.

Mr. President, I realize that sacrifices are required of everyone if we are to reduce the Federal budget deficit. However, I regret that the resources allocated for this bill prevent us from maintaining and increasing funding for the FDA and our Nation's feeding programs as well as these programs so essential to agriculture and to rural America. These are beneficial programs. They help America's farmers to be competitive both here and abroad; they provide essential services to people in rural towns and communities across this Nation; they work to conserve and protect our Nation's natural resources.

Mr. President, again, I would point out to my colleagues that there are genuine cuts in this bill. Senators and others have heard criticism and cynical comments about how you hear about spending reductions or cutting spending, but you never see it really happen. I am here to tell you tonight that it really happened in this bill. There are substantial reductions in spending, and many that were very difficult for us to agree upon.

Mr. President, I want to thank our hardworking staff members. They have done an outstanding job, and without their help, we would not have been successful in getting this conference agreement, this legislation, to this point.

Mr. BUMPERS. Mr. President, I echo Senator COCHRAN's comments about the hardworking staff. They have done an excellent job on this, and I also echo what he said about the $3 billion that we have cut out of this bill this year.

People—if they are really serious about deficit reduction—have to do these things, painful and unpleasant as they are. We have done it. I dare say that if every committee or subcommittee of the Appropriations Committee had to take the same kind of percentage cut we did, you would see the deficit down to less than it is this year or going to be next year. That concludes our statements.

AGRICULTURAL RESEARCH FACILITIES CLOSURE

Mr. LEAHY. Mr. President, I rise today to express my great disappointment and frustration with actions taken by the Committee of Conference on the Agriculture, Rural Development and Related Agencies appropriations bill.

I have been fighting for years to bring some sanity to the way we fund agricultural research facilities. The plain and simple truth is that too many USDA research facilities are underutilized, falling apart, and ill-equipped to carry out modern scientific research.

Just 2 months ago, the Senate approved, by a vote of 76 to 23, an amendment offered by Senator LUGAR and myself to close 19 USDA research facilities, as recommended in the President's budget.

The conference report before us today, however, keeps open 10 of those facilities for another year, for further evaluation.

I want to make sure it is perfectly clear what we are talking about here. These are Federal laboratories—payed for with Federal tax dollars, staffed with Federal employees, and designed to meet national research objectives—that the Federal government wants to close. If the President and the USDA have concluded they are no longer justifiable, how can we possibly insist on keep them open?

We do not need to keep these facilities open for another year—we do not even need to keep them open for another day—and we certainly do not need any further evaluation. The facilities proposed for closure were identified after an extensive evaluation process spanning two administrations. We have all the information we need.

Let me give you just one graphic example. One of the facilities that the conference report recommends keeping open has only five scientists and 89 separate buildings. That's almost 18 buildings per scientist.

We have all agreed that the Department of Agriculture must be restructured and downsized. The Senate made clear its commitment to reform on April 13, 1994 when it passed our major USDA reorganization bill 98 to 1. It reconfirmed that commitment just last month when it again passed the USDA reorganization bill as an amendment to our crop insurance reform bill.

Everyone supports reform, but when it comes down to actually doing the work—when we start on the road to reform—roadblocks are thrown up before us.

It is this kind of action that makes the American people so disillusioned about the Federal Government. This is a test of whether we are serious about budget reform. If we cannot support the President and shut down these 10 outdated research facilities, how will we ever cut a $200 billion deficit?

Closing these 10 facilities makes good sense. It would save more than $7.5 million per year, and allow USDA to direct its limited resources to higher priority research programs. We all know the value of agricultural research—and that is why we must get a handle on facilities spending.

We can spend our money on research that is going to take us into the next century, or we can spend it on buildings that were built a half century ago. But we cannot do both.

I realize that this appropriations bill is critical to American farmers and I will not hold it hostage over this issue. But refunding these research facilities is an outrageous and infuriating waste of millions of dollars—and let me assure you, and all our colleagues, that you have not heard the last of this. I will not give up this fight.

Mr. LUGAR. Mr. President, I share the chairman of the Senate Agriculture Committee's deep disappointment with the conference committee's decision to reject our amendment and recommend continuation of 10 Agricultural Research Service facilities proposed for closure by the Department of Agriculture.

Mr. President, the Agriculture appropriations bill passed by the other body recommended only five ARS facilities for continuation. The Senate voted overwhelmingly against placing any limits on the Secretary's authority to close all 10 research facilities for continuation. This conference agreement ignores the guidelines passed by both bodies and recommends continuation of 10 facilities.

Mr. President, this conference agreement has broader implications. It's not just a matter of the conference agreement adding facilities instead of subtracting. Congress has failed a key test in our ability to oversee the downsizing of the U.S. Department of Agriculture.

Earlier this year, this body voted 98 to 1 in favor of reorganizing and streamlining the Department of Agriculture. When the chairman and I offered the Senate a concrete opportunity to further this effort by affirming the Secretary's authority to close ARS facilities, members voted 76 to 23 in support of our amendment to the

bill before us. The Senate has spoken clearly on this issue.

I want to remind my colleagues that the facilities the Department of Agriculture recommended for closure were not chosen at random. Two different administrations, representing two different political parties, thorougly reviewed ARS facilities using objective criteria. And yet that is apparently not good enough for some in Congress.

By rejecting the chairman's and my amendment, Congress is telling the Department and the taxpayers that it wants to hang on to virtually every outpost of the Federal Government's agricultural research network, no matter how outdated, no matter how duplicative. I do not believe that is the message the voters want to hear.

Mr. GRASSLEY. Mr. President, I would like to enter into a brief discussion with the Senator from Mississippi regarding the establishment of an important research center in the Midwest. I had urged the Senate Appropriations Subcommittee on Agriculture to consider funding the establishment of the center in this year's appropriation, but I understand the numerous projects competing for funding. It is my hope that the project could be a priority in next year's funding legislation. I would also encourage the administration to include the project in future budget proposals.

There is great interest in utilizing vegetation in filter strips along streams, around sink holes, in buffer strips around cropland, as cover crops to reduce surface runoff and as vegetative terraces in breaking long erosive slopes. I believe that the establishment of a Plant Materials Center at the University of Northern Iowa would be a great asset to the Midwest in the research and development of appropriate vegetation to most fully accomplish these goals. I know that the Senator from Mississippi shares my concern for providing beneficial information and practices to our Nation's farmers and would ask whether he would join me in my support for the development of the center.

Mr. COCHRAN. Mr. President, I commend the Senator from Iowa for his interest in improving the information available to our Nation's farmers. I know that a center for the development of plants in the upper Midwest area would be beneficial in enhancing the available knowledge in the field and would be a worthy project. I would be glad to give every consideration to the establishment of a Plant Material Center in Iowa in next year's funding legislation. I would also think that the administration might consider including the project in next year's budget. I know that all citizens in the upper Midwest would benefit from the research and development that could be accomplished at such a center.

Mr. GRASSLEY. I thank my friend for his interest in the development of the Plant Material Center. I feel that the research from such a center could be put to use by Federal, State and county agencies as well as private individuals. It could be utilized for roadside native prairie planting, CRP prairie planting, prairie reconstruction projects and wet prairie plantings in the Wetland Reserve Program. I believe the benefits derived would be widespread and the knowledge gained invaluable in better utilizing the plant species available for use in the region. I again thank my colleague for his cooperation. I know that he will give his full attention and consideration to the establishment of this important center.

LAKE CHAMPLAIN-RELATED PROVISIONS

Mr. LEAHY. Mr. President, I address my remarks to the Senator from Arkansas, the floor manager of this conference report. I very much appreciate the two Lake Champlain-related provisions the subcommittee included in the Agricultural Stabilization and Conservation Service section of Senate Report 103-290. These two provisions—one relative to the Water Quality Incentives Program and the other to Agricultural Conservation Program cost share assistance—are authorized under the Lake Champlain Special Designation Act of 1990. Both are central to long-term efforts to stabilize and improve the water quality of this large, magnificent lake.

Neither of these provisions are referred to directly in House Report 103-734, the measure presently under consideration. However, it is my understanding that in the absence of conference report language to the contrary, the two provisions I have cited in Senate Report 103-290 remain in effect. Does the Senator share this interpretation?

Mr. BUMPERS. In response I would direct my friend's attention to the first sentence of the second paragraph under Congressional Directives on page 7 of the conference report. It states: "Report language included by the House which is not changed by the report of the Senate, and Senate report language which is not changed by the conference are approved by the committee of conference."

Mr. LEAHY. I appreciate my friend's response, and his consideration for the concerns I and several of our colleagues have expressed in Senate report language.

CHILD AND ADULT CARE FOOD PROGRAM

Mr. LEAHY. Several years ago, the Congress authorized demonstration projects for proprietary day care centers within the USDA-funded nutrition programs. These Child and Adult Care Food Program projects have been conducted in Iowa and Kentucky for the last 4 years.

Since 1992, the Department has continued to operate them under guidance from the Appropriations Committee.

They are very worthwhile demonstration projects which the Department will continue to operate in fiscal year 1995. The evidence shows that the projects are well-targeted nutrition programs that help low-income working families whose children are in child care.

Is it the Senator's understanding that the Department will continue to operate these important projects?

Mr. BUMPERS. I expect USDA to continue to operate these projects as they have been. This act provides the fiscal year 1995 appropriation requested for the Child and Adult Care Food Program which I understand includes funding to continue these projects.

Mr. COCHRAN. I agree with the Senator from Arkansas [Mr. BUMPERS], that USDA has accounted for this demonstration project in its budget, and this project will continue to be funded.

Mr. HARKIN. I appreciate the Senators' position, Senator BUMPERS and Senator COCHRAN, since these projects meet important needs and have been successful. I likewise understand that these projects are included in USDA's budget and will receive funding for fiscal year 1995.

Mr. McCONNELL. I, too, agree with these assertions. As Senator LEAHY mentioned, the projects have reached thousands of low-income children in Kentucky and Iowa. Because of this demo child care centers have improved the nutritional quality of the meals they serve to the children. It is my understanding as well that USDA has accounted for this project in their baseline, and the project will continue to be funded.

REPAYMENT OF ADVANCE DEFICIENCY PAYMENTS

Mr. HARKIN. Mr. President, I wish to clarify a matter of interest with the chairman of the Agriculture Subcommittee. Section 727 of H.R. 4554 would mandate that deficiency payments provided to producers affected by a natural disaster for the 1993 crop year would not become due before March 1, 1995. Accordingly, I would like to clarify that CCC would continue to have discretionary authority to begin the set off demand process for collections under the CCC Charter Act for those not covered by section 727, and that there is no scorekeeping effect for collections made on or after March 1, 1995, provided they are made within the fiscal year.

Mr. BUMPERS. The Senator from Iowa is correct. Section 727 would not restrict or limit the authority for beginning the collections process provided under the CCC Charter Act.

Mr. HARKIN. I thank the chairman for the consideration he has given to farmers and ranchers who have experienced hardship in recent years.

Mr. DOMENICI. Mr. President, I rise in support of the Agriculture, Rural Development, and related agencies conference report.

The conference report provides $67.5 billion in new budget authority and

$43.2 billion in new outlays for the Department of Agriculture, Food and Drug Administration, and related agencies for fiscal year 1995.

When outlays from prior-year budget authority and other completed actions are taken into account, the Senate-reported bill totals $58.1 billion in budget authority and $50.3 billion in outlays for fiscal year 1995.

Based on CBO estimates, the Senate subcommittee is $1.5 billion in budget authority below its 602(b) allocation and essentially at its outlays allocation. The conference report is $295.7 million in budget authority below and $25.7 million in outlays above the President's request.

It is $65.8 million in budget authority and $1.0 million in outlays above the House-passed bill. The conference report is $90.8 million in budget authority and $66.3 million in outlays above the Senate-passed bill.

Mr. President, the conference report also includes report language which states: "The conferees expect the Office of Management and Budget and the Congressional Budget Office to continue to provide conservation reserve program costs in their baselines . . ."

If this would have been statutory in nature, the bill would have been subject to a 60 vote budget-point-of-order.

Since the language is not statutory it will not determine the CBO baseline.

I bring this up today because the budget committee has a uniform set of rules and procedures and we should not change those rules and procedures in a piecemeal fashion.

I commend the distinguished subcommittee chairman and ranking member for their support of $3.47 billion for the WIC Program, an increase of $260 million over the 1994 level.

I appreciate the subcommittee's support for a number of ongoing projects and programs important to my home State of New Mexico as it has worked to keep this bill within its budget allocation.

I urge the adoption of the bill.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. METZENBAUM. 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. METZENBAUM. Mr. President, on behalf of the majority leader I ask unanimous consent that there be a period for morning business with Senators permitted to speak therein for up to 3 minutes each.

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

THE AMERICAN INDIAN RELIGIOUS FREEDOM ACT

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the Indian Affairs Committee be discharged from further consideration of H.R. 4230, a bill to amend the American Indian Religious Freedom Act, that the Senate then proceed to its immediate consideration, that the bill be read a third time, passed, and the motion to reconsider be laid upon the table.

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

There being no objection, the Senate proceeded to consider the bill to amend the American Indian Religious Freedom Act to provide for the traditional use of peyote by Indians for religious purposes, and for other purposes.

So the bill (H.R. 4230) was deemed read the third time, and passed.

MEASURE PLACED ON THE CALENDAR—H.R. 4008

Mr. METZENBAUM. Mr. President, I ask unanimous consent that H.R. 4008, the National Oceanic and Atmospheric Administration Authorization Act, received from the House and at the desk be placed on the calendar.

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

ROY M. WHEAT POST OFFICE ACT

AUBREY C. OTTLEY POST OFFICE ACT

CANDACE WHITE POST OFFICE ACT

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the Senate proceed, en bloc, to the immediate consideration of Calendar Nos. 627 and 628, that the bills be read three times, passed and the motions to reconsider be laid upon the table, en bloc; further that the consideration of these items appear individually in the RECORD; and any statements relative to these calendar items appear at the appropriate place in the RECORD; provided further that upon disposition of these measures, the Governmental Affairs Committee be discharged from further consideration of H.R. 4177, designating the Candace White P.O., and that the Senate proceed to its immediate consideration; that the bill be read three times, passed and the motion to reconsider be laid upon the table.

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

ROY M. WHEAT POST OFFICE ACT

The bill (H.R. 3839) to designate the U.S. Post Office located at 220 South 40th Avenue in Hattiesburg, MS, as the Roy M. Wheat Post Office was considered, ordered to a third reading, deemed read the third time, and passed.

AUBREY C. OTTLEY POST OFFICE ACT

The bill (H.R. 4191) to designate the U.S. Post Office located at 9630 Estate Thomas in St. Thomas, VI, as the Aubrey C. Ottley United States Post Office was considered, ordered to a third reading, deemed read the third time, and passed.

Mr. BRADLEY. Mr. President, I rise in support of the passage of legislation to rename the Middletown Post Office in memory of Candace White, a courageous letter carrier who died at far too young an age.

Candy White was an extraordinarily dedicated worker at the Middletown Post Office for 3 years when, at a mere 24 years of age, Ms. White entered the hospital because of heart problems. Candy White was told by doctors that she needed a heart transplant immediately, but after 3 weeks of waiting for a donor and a progressively worsening situation, Candy had to settle for a ventricular-assist device, a heart outside her body. Finally, a donor became available and Candy received her new heart in the May of 1992. After only 4 months of recovery, Candy returned to work for the Post Office in September. Her unbelievably fast return to work showed how dedicated this woman was to her job. Sadly, she did not work long, as her body rejected her new heart and Candy White's all too short life ended in May of 1993.

Candy White was both dedicated to, and loved by, the workers and customers of the Middletown Post Office. While in the hospital, Candy received daily visits from her co-workers, who donated hundreds of hours of leave to their beloved friend. A bowling telethon and other programs organized by the letter-carriers of the Middletown Post Office raised money to help pay for Candy's medical bills and the salary she lost while in the hospital. When at the age of 26, Candy White passed away, her funeral was attended by every carrier who had had the chance to meet her as well as by over 200 local customers.

Mr. President, naming the Middletown Post Office after Candy White will not bring back this wonderful young woman. But it will keep her memory alive for those who knew and loved her, and remind those who never had the chance to know Candy of the importance of courage, a loving heart, and a devotion to public service.

Mr. President, I ask unanimous consent that a letter from the deputy mayor of Middletown, Joan Smith, be printed in the RECORD at this point to clarify several points related to the naming of this post office.

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

THE TOWNSHIP OF MIDDLETOWN,
MIDDLETOWN, NJ,
September 27, 1994.

Senator WILLIAM BRADLEY,
Hart Senate Office Building,
Washington, DC.

DEAR SENATOR BRADLEY: The Township Committee has reviewed Federal Bill 4177 and applauds the spirit of the Bill and the intent to honor the exemplary life of Candice White.

In order to dissuade the concerns of some residents and customers of the Middletown Post Office we request that the following clarifying language be included as part of the Bill when adopted.

It is understood that this Bill is in accordance with Sec. 518.124 of the Administrative Support Manual of the United States Post Office which provides a procedure to honor an individual. This Bill, when enacted, will have no effect on local addresses, mail processing, or delivery operations. The Middletown Post Office will continue to serve residents of the 07748 Zip Code service. The last line of the mailing address will continue to be Middletown, NJ 07748. Letter carriers and clerks will remain employees of the Middletown Post Office and letters posted at that office still will receive Middletown Postmarks.

It is further understood that signage on the Post Office will continue to be the Middletown Post Office.

Thank you for your consideration and cooperation in this matter.

Very truly yours,

JOAN A. SMITH,
Deputy Mayor.

REMOVAL OF INJUNCTION OF SECRECY—TREATY DOCUMENT 103–37 AND TREATY DOCUMENT 103–38

Mr. METZENBAUM. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from two treaties transmitted to the Senate on September 26, 1994, by the President of the United States:

Treaty Between the United States of America and Ukraine Concerning the Encouragement and Reciprocal Protection of Investment, with Annex, and related exchange of letters, done at Washington on March 4, 1994. (Treaty Document 103–37);

Treaty Between the Government of the United States of America and the Government of the Republic of Estonia Concerning the Encouragement and Reciprocal Protection of Investment, with Annex, done at Washington on April 19, 1994. (Treaty Document 103–38);

I also ask that the treaty be considered as having been read the first time; that it be referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed; and that the President's message be printed in the RECORD.

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

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Treaty Between the Government of the United States of America and the Government of the Republic of Estonia for the Encouragement and Reciprocal Protection of Investment, with Annex, done at Washington on April 19, 1994. Also transmitted for the information of the Senate is the report of the Department of State with respect to this Treaty.

This bilateral investment Treaty with Estonia is the first such Treaty between the United States and a Baltic state. This Treaty will protect U.S. investors and assist the Republic of Estonia in its efforts to develop its economy by creating conditions more favorable for U.S. private investment and thus strengthening the development of the private sector.

The Treaty is fully consistent with U.S. policy toward international and domestic investment. A specific tenet of U.S. policy, reflected in this Treaty, is that U.S. investment abroad and foreign investment in the United States should receive national treatment. Under this Treaty, the Parties also agree to international law standards for expropriation and compensation for expropriation; free transfer of funds associated with investments; freedom of investments from performance requirements; fair, equitable and most-favored-nation treatment; and the investor or investment's freedom to choose to resolve disputes with the host government through international arbitration.

I recommend that the Senate consider this Treaty as soon as possible, and give its advice and consent to ratification of the Treaty, with Annex, at an early date.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *September 26, 1994.*

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Treaty Between the United States of America and Ukraine Concerning the Encouragement and Reciprocal Protection of Investment, with Annex and related exchange of letters, done at Washington on March 4, 1994. Also transmitted for the information of the Senate is the report of the Department of State with respect to this Treaty.

This bilateral investment Treaty with Ukraine is the seventh such Treaty between the United States and a newly independent state of the former Soviet Union. This Treaty will protect U.S. investors and assist Ukraine in its efforts to develop its economy by creating conditions more favorable for U.S. private investment and thus strengthening the development of the private sector.

The Treaty is fully consistent with U.S. policy toward international and domestic investment. A specific tenet of U.S. policy, reflected in this Treaty, is that U.S. investment abroad and foreign investment in the United States should receive national treatment. Under this Treaty, the Parties also agree to international law standards for expropriation and compensation for expropriation; free transfer of funds associated with investments; freedom of investments from performance requirements; fair, equitable and most-favored-nation treatment; and the investor or investment's freedom to choose to resolve disputes with the host government through international arbitration.

I recommend that the Senate consider this Treaty as soon as possible, and give its advice and consent to ratification of the Treaty, with Annex, and related exchange of letters at an early date.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *September 26, 1994.*

THE JACOB K. JAVITS SENATE FELLOWSHIP PROGRAM

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Res. 269, a resolution related to the Jacob K. Javits Senate Fellowship Program submitted earlier today by the majority leader and the Republican leader, that the resolution be agreed to, and that the motion to reconsider be laid upon the table.

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

There being no objection, the Senate proceeded to consider the resolution.

So the resolution (S. Res. 269) was agreed to.

The resolution is as follows:

S. RES. 269

Resolved, That Senate Resolution 75 (103d Congress, 1st Session), agreed to March 3, 1993, is amended—

(1) in section 2, by adding at the end thereof the following:

"(c) The Jacob K. Javits Foundation, Incorporated shall—

"(1) broadly publicize the availability of the fellowship program;

"(2) develop and administer an application process for Senate fellowships;

"(3) conduct a screening of applicants for the fellowship program; and

"(4) select participants without regard to race, color, religion, sex, national origin, age, or disability.";

(2) in section 3, by amending subsection (c) to read as follows:

"(c) The Secretary, after consultation with the Majority Leader and the Minority Leader of the Senate, shall assist with the placement of eligible participants in positions in the Senate that are, within practical considerations, supportive of the fellowship participants' academic programs. Fellows shall be considered as employees of the office or committee in which they are placed."; and

(3) in section 5, by inserting "the Minority Leader of" before "the Senate".

BANNING THE USE OF UNITED STATES PASSPORTS IN LEBANON

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 618, Senate Concurrent Resolution 74, a concurrent resolution concerning the ban on the use of United States passports in Lebanon; that the concurrent resolution and preamble be agreed to; the motions to reconsider be laid upon the table en bloc; and that any statements thereon appear in the RECORD at the appropriate places as though read.

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

There being no objection, the Senate proceeded to consider the concurrent resolution.

So the concurrent resolution (S. Con. Res. 74) was agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, is as follows:

S. CON. RES. 74

Whereas, on January 26, 1987, the United States Department of State issued a prohibition on the use of United States passports in Lebanon, creating in effect a ban on travel to Lebanon by United States citizens;

Whereas the ban on travel to Lebanon was instituted during a time of civil war, anarchy, and general lawlessness in Lebanon, when the safety and well-being of United States citizens were at particular risk as evidenced by the bombings of the United States Marine barracks and the United States Embassy in Beirut, in which a total of 258 United States citizens were killed, as well as by the taking of United States hostages by terrorists;

Whereas the civil war in Lebanon ended in 1990 and the last United States hostage held in Lebanon was freed on December 2, 1991;

Whereas the security situation in Lebanon has improved demonstrably since the end of the civil war;

Whereas the United States returned its Ambassador to Lebanon on November 28, 1990, and the United States maintains an economic and military assistance program in Lebanon;

Whereas it is estimated that more than 40,000 United States citizens traveled safely to Lebanon in 1993 either in defiance of the ban or under current United States regulations which permit the use of passports by dual Lebanese-United States nationals and in urgent humanitarian cases;

Whereas the Government of Lebanon has made considerable progress in reasserting sovereignty and control over significant portions of Lebanon despite the fact that the Taif accords have yet to be fully implemented;

Whereas the Lebanese Government has initiated a 10-year $18,000,000,000 reconstruction effort, and in 1993 awarded more than 100 contracts worth $2,400,000,000 to business firms for development, reconstruction, and consulting projects;

Whereas the ban on the use of United States passports in Lebanon creates a major impediment to United States firms that wish to bid for contracts in Lebanon;

Whereas it is in the United States national interest for United States firms to participate in the reconstruction of Lebanon, as United States participation will bring economic benefit to the United States and help to create a stable and sound infrastructure in Lebanon;

Whereas the United States Secretary of State must give paramount consideration to the safety and security of United States citizens in regulating their travel abroad; and

Whereas, in regulating the travel of United States citizens abroad, the United States Secretary of State has a variety of options, including instituting a travel advisory for countries where United States citizens are deemed at risk or have been attacked, as has been done for such countries as Bosnia, Rwanda, Somalia, Haiti, Colombia, Peru, the Philippines, and Turkey: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That—

(1) in determining whether to restrict the use of United States passports in any country, the Secretary of State should apply consistent criteria;

(2) in deciding whether to extend the ban on the use of United States passports in Lebanon, the Secretary of State should—

(A) give paramount consideration to the need to ensure the safety of United States citizens;

(B) give full consideration to the improved security situation in Lebanon, the effect of the ban on the opportunities for United States businesses, and the impact of the ban on United States interests in Lebanon and the Middle East; and

(C) give full consideration to whether United States interests would be more effectively served by removing the ban on the use of United States passports in Lebanon, and instituting instead of a travel advisory for Lebanon; and

(3) the Secretary of the Senate shall transmit a copy of this concurrent resolution to the Secretary of State.

CONDEMNING THE CRUEL AND TORTUOUS PRACTICE OF FEMALE GENITAL MUTILATION

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the Foreign Relations Committee be discharged from further consideration of Senate Resolution 263, a resolution to condemn the cruel and tortuous practice of female genital mutilation, and that the Senate then proceed to its immediate consideration, that the resolution and preamble be agreed to, en bloc, the motions to reconsider be laid upon the table, en bloc; that any statements relating thereto appear in the RECORD at the appropriate place.

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

There being no objection, the Senate proceeded to consider the resolution.

So the resolution (S. Res. 263) was agreed to.

The preamble was agreed to.

The resolution with its preamble is as follows:

S. Res. 263

Whereas the Senate recognizes the importance of traditions and ritual rites of passage in the cultures of all nations;

Whereas such traditions and rites should not impede or violate the human rights of any person:

Whereas the practice of female genital mutilation of girls and young women under the age 18 represents an act of cruelty and a basic violation of a person's human rights.

Whereas the aftereffects of female genital mutilation include shock, infection, psychological scarring, hemorrhaging, and death;

Whereas the practice of female genital mutilation represents a threat to the health of girls and young women who undergo the procedure; and

FULL FAITH AND CREDIT FOR CHILD SUPPORT ORDERS ACT

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 604, S. 922, a bill relating to State Court modifications to orders requiring payment of child support.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 922) to provide that a State court may not modify an order of another State court requiring the payment of child support unless the recipient of child consents to the seeking of the modification in that court support payments resides in the State in which the modification is sought or consents to the seeking of the modification in that court.

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 the Judiciary, with an amendment to strike out all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Full Faith and Credit for Child Support Orders Act".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) there is a large and growing number of child support cases annually involving disputes between parents who reside in different States;

(2) the laws by which the courts of different jurisdictions determine their authority to establish child support orders are not uniform;

(3) those laws, along with the limits imposed by the Federal system on the authority of each State to take certain actions outside its own boundaries—

(A) encourage noncustodial parents to relocate outside the States where their children and the custodial parents reside to avoid the jurisdiction of the courts of such States, resulting in an increase in the amount of interstate travel and communication required to establish and collect on child support orders and a burden on custodial parents that is expensive, time consuming, and disruptive of occupations and commercial activity;

(B) contribute to the pressing problem of relatively low levels of child support payments in interstate cases and to inequities in child support payments levels that are based solely on the noncustodial parent's choice of residence;

(C) encourage a disregard of court orders resulting in massive arrearages nationwide;

(D) allow noncustodial parents to avoid the payment of regularly scheduled child support payments for extensive periods of time, resulting in substantial hardship for the children for whom support is due and for their custodians; and

(E) lead to the excessive relitigation of cases and to the establishment of conflicting orders by the courts of various jurisdictions, resulting in confusion, waste of judicial resources, disrespect for the courts, and a diminution of public confidence in the rule of law; and

(4) among the results of the conditions described in this subsection are—

(A) the failure of the courts of the States to give full faith and credit to the judicial proceedings of the other States;

(B) the deprivation of rights of liberty and property without due process of law;

(C) burdens on commerce among the States; and

(D) harm to the welfare of children and their parents and other custodians.

(b) STATEMENT OF POLICY.—In view of the findings made in subsection (a), it is necessary to establish national standards under which the courts of the various States shall determine their jurisdiction to issue a child support order and the effect to be given by each State to child support orders issued by the courts of other States.

(c) PURPOSES.—The purposes of this Act are—

(1) to facilitate the enforcement of child support orders among the States;

(2) to discourage continuing interstate controversies over child support in the interest of greater financial stability and secure family relationships for the child; and

(3) to avoid jurisdictional competition and conflict among State courts in the establishment of child support orders.

SEC. 3. FULL FAITH AND CREDIT FOR CHILD SUPPORT ORDERS.

(a) IN GENERAL.—Chapter 115 of title 28, United States Code, is amended by inserting after section 1738A the following new section:

"§ 1738B. Full faith and credit for child support orders

"(a) GENERAL RULE.—The appropriate authorities of each State—

"(1) shall enforce according to its terms a child support order made consistently with this section by a court of another State; and

"(2) shall not seek or make a modification of such an order except in accordance with subsection (e).

"(b) DEFINITIONS.—In this section:

"'child' means—

"(A) a person under 18 years of age; and

"(B) a person 18 or more years of age with respect to whom a child support order has been issued pursuant to the laws of a State.

"'child's State' means the State in which a child resides.

"'child support' means a payment of money, continuing support, or arrearages or the provision of a benefit (including payment of health insurance, child care, and educational expenses) for the support of a child.

"'child support order'—

"(A) means a judgment, decree, or order of a court requiring the payment of child support in periodic amounts or in a lump sum; and

"(B) includes—

"(i) a permanent or temporary order; and

"(ii) an initial order or a modification of an order.

"'contestant' means—

"(A) a person (including a parent) who—

"(i) claims a right to receive child support;

"(ii) is a party to a proceeding that may result in the issuance of a child support order; or

"(iii) is under a child support order; and

"(B) a State or political subdivision of a State to which the right to obtain child support has been assigned.

"'Court' means a court or administrative agency of a State that is authorized by State law to establish the amount of child support payable by a contestant or make a modification of a child support order.

"'Modification' means a change in a child support order that affects the amount, scope, or duration of the order and modifies, replaces, supersedes, or otherwise is made subsequent to the child support order.

"'State' means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the territories and possessions of the United States, and Indian country (as defined in section 1151 of title 18).

"(c) REQUIREMENTS OF CHILD SUPPORT ORDERS.—A child support order made is made consistently with this section if—

"(1) a court that makes the order, pursuant to the laws of the State in which the court is located—

"(A) has subject matter jurisdiction to hear the matter and enter such an order; and

"(B) has personal jurisdiction over the contestants; and

"(2) reasonable notice and opportunity to be heard is given to the contestants.

"(d) CONTINUING JURISDICTION.—A court of a State that has made a child support order consistently with this section has continuing, exclusive jurisdiction over the order if the State is the child's State or the residence of any contestant unless the court of another State, acting in accordance with subsection (e), has made a modification of the order.

"(e) AUTHORITY TO MODIFY ORDERS.—A court of a State may make a modification of a child support order with respect to a child that is made by a court of another State if—

"(1) the court has jurisdiction to make such a child support order; and

"(2)(A) the court of the other State no longer has continuing, exclusive jurisdiction of the child support order because that State no longer is the child's State or the residence of any contestant; or

"(B) each contestant has filed written consent to that court's making the modification and assuming continuing, exclusive jurisdiction over the order.

"(f) ENFORCEMENT OF PRIOR ORDERS.—A court of a State that no longer has continuing, exclusive jurisdiction of a child support order may enforce the order with respect to nonmodifiable obligations and unsatisfied obligations that accrued before the date on which a modification of the order is made under subsection (e).

"(g) CHOICE OF LAW.—

"(1) IN GENERAL.—In a proceeding to establish, modify, or enforce a child support order, the forum State's law shall apply except as provided in paragraphs (2) and (3).

"(2) LAW OF STATE OR ISSUANCE OF ORDER.—In interpreting a child support order, a court shall apply the law of the State of the court that issued the order.

"(3) PERIOD OF LIMITATION.—In an action to enforce a child support order, a court shall apply the statute of limitation of the forum State or the State of the court that issued the order, whichever statute provides the longer period of limitation.".

(b) TECHNICAL AMENDMENT.—The chapter analysis for chapter 115 of title 28, United States Code, is amended by inserting after the item relating to section 1738A the following new item:

"1738B. Full faith and credit for child support orders.".

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the committee substitute amendment be agreed to; that the bill be deemed read a third time, passed; that the motion to reconsider be laid upon the table, and any statements thereon be placed in the RECORD at the appropriate place and as if read.

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

So the bill (S. 922) was deemed read a third time and passed.

SMALL BUSINESS ADMINISTRATION AMENDMENTS OF 1994

Mr. METZENBAUM. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on a bill (S. 2060) to amend the Small Business Act and the Small Business Investment Act of 1958, and for other purposes.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 2060) entitled "An Act to amend the Small Business Act and the Small Business Investment Act of 1958, and for other purposes", do pass with the following amendments:

Strike out all after the enacting clause and insert:

That this Act may be cited as the "Small Business Reauthorization and Amendment Act of 1994".

TITLE I—AUTHORIZATIONS

SEC. 101. AUTHORIZATIONS.

Section 20 of the Small Business Act (15 U.S.C. 631 note) is amended by striking all of such section after subsection (k), as added by section 115(a) of the Small Business Credit and Business Opportunity Enhancement Act of 1992, and by inserting in lieu thereof 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 $142,000,000 in direct and immediate participation loans; and of such sum, the Administration is authorized to make $12,000,000 in loans as provided in section 7(a)(10) and $130,000,000 in loans as provided in section 7(m).

"(2) For the programs authorized by this Act, the Administration is authorized to make $11,535,000,000 in deferred participation loans and other financings. Of such sum, the Administration is authorized to make—

"(A) $9,315,000,000 in general business loans as provided in section 7(a);

"(B) $2,200,000,000 in financings as provided in section 7(a)(13) and section 504 of the Small Business Investment Act of 1958; and

"(C) $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) $23,000,000 in purchases of preferred securities;

"(B) $244,000,000 in guarantees of debentures, of which $44,000,000 is authorized in guarantees of debentures from companies operating pursuant to section 301(d) of such Act; and

"(C) $400,000,000 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 $600,000,000 may be in

bonds approved pursuant to the provisions of section 411(a)(3) of such Act.

"(5) For the Service Corps of Retired Executives program authorized by section 8(b)(1) of this Act, the Administration is authorized to make grants or enter cooperative agreements not to exceed $3,500,000, and for the small business institute program authorized by section 8(b)(1) of this Act, the Administration is authorized to make grants or enter cooperative agreements not to exceed $3,000,000.

"(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 $198,000,000 in direct and immediate participation loans; and of such sum the Administration is authorized to make $13,000,000 in loans as provided in section 7(a)(10) and $185,000,000 in loans as provided in section 7(m).

"(2) For the programs authorized by this Act, the Administration is authorized to make $13,465,000,000 in deferred participation loans and other financings. Of such sum, the Administration is authorized to make—

"(A) $10,935,000,000 in general business loans as provided in section 7(a);

"(B) $2,500,000,000 in financings as provided in section 7(a)(13) and section 504 of the Small Business Investment Act of 1958; and

"(C) $30,000,000 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) $24,000,000 in purchases of preferred securities;

"(B) $256,000,000 in guarantees of debentures, of which $46,000,000 is authorized in guarantees of debentures from companies operating pursuant to section 301(d) of such Act; and

"(C) $650,000,000 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 $600,000,000 may be in bonds approved pursuant to the provisions of section 411(a)(3) of such Act.

"(5) For the Service Corps of Retired Executives program authorized by section 8(b)(1) of this Act, the Administration is authorized to make grants or enter cooperative agreements not to exceed $3,675,000, and for the small business institute program authorized by section 8(b)(1) of this Act, the Administration is authorized to make grants or enter cooperative agreements not to exceed $3,150,000.

"(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 $264,000,000 in direct and immediate participation loans; and of such sum the Administration is authorized to make $14,000,000 in loans as provided in section 7(a)(10) and $250,000,000 in loans as provided in section 7(m).

"(2) For the programs authorized by this Act, the Administration is authorized to make $17,215,000,000 in deferred participation loans and other financings. Of such sum, the Administration is authorized to make—

"(A) $14,175,000,000 in general business loans as provided in section 7(a);

"(B) $3,000,000,000 in financings as provided in section 7(a)(13) and section 504 of the Small Business Investment Act of 1958; and

"(C) $40,000,000 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) $25,000,000 in purchases of preferred securities;

"(B) $268,000,000 in guarantees of debentures, of which $48,000,000 is authorized in guarantees of debentures from companies operating pursuant to section 301(d) of such Act; and

"(C) $900,000,000 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 $600,000,000 may be in bonds approved pursuant to the provisions of section 411(a)(3) of such Act.

"(5) For the Service Corps of Retired Executives program authorized by section 8(b)(1) of this Act, the Administration is authorized to make grants or enter cooperative agreements not to exceed $3,860,000, and for the small business institute program authorized by section 8(b)(1) of this Act, the Administration is authorized to make grants or enter cooperative agreements not to exceed $3,310,000.

"(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 the following new paragraph at the end:

"(12) DEFERRED PARTICIPATION LOAN PILOT.—During fiscal years 1995 through 1997, on a pilot basis, in lieu of making direct loans to intermediaries as authorized in paragraph (1)(B), the Administration may participate on a deferred basis of up to 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.—The Administration shall not participate in providing financing on a deferred basis to more than ten intermediaries in urban areas per year and to more than ten intermediaries in rural areas per year.

"(B) TERM OF LOANS.—The term of such loans shall be ten years. During the first five years of the loan, the intermediary shall be required to pay interest only; and during the second five years of the loan, the intermediary shall be required to fully amortize principal and interest payments.

"(C) INTEREST RATE.—The interest rate on such loans shall be the rate specified by paragraph (3)(F) for direct loans.".

SEC. 202. MICROLOAN STATE LIMITATION.

Section 7(m)(7)(C) of the Small Business Act (15 U.S.C. 636(m)(7)(C)) is repealed.

SEC. 203. LIMIT ON PARTICIPATION.

Section 7(m)(7)(A) of the Small Business Act (15 U.S.C. 636(m)(7)(A)) is amended to read as follows:

"(A) NUMBER OF PARTICIPANTS.—During this demonstration program, the Administration is authorized to fund, on a competitive basis, not more than 240 microloan programs.".

SEC. 204. EQUITABLE DISTRIBUTION.

Section 7(m)(8) of the Small Business Act (15 U.S.C. 636(m)(8)) is amended to read as follows:

"(8) EQUITABLE DISTRIBUTION OF INTERMEDIARIES.—In approving microloan program applicants, the Administration shall select participation by such intermediaries as will ensure appropriate availability of loans to small businesses located in urban areas and in rural areas.".

SEC. 205. AMOUNT OF LOANS TO INTERMEDIARIES.

Section 7(m)(3)(C) of the Small Business Act (15 U.S.C. 636(m)(3)(C)) is amended to read as follows:

"(C) LOAN LIMITS.—In determining the amount of funding which the Administration may provide to one intermediary, it shall take into consideration the small business population in the area served by the intermediary.".

SEC. 206. 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:

"(A) The Administration may provide extensions, 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. 207. 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. 208. 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 under paragraph (16).".

SEC. 209. ACCREDITED LENDERS PROGRAM.

(a) 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) The Administration is authorized to establish an Accredited Lenders Program for qualified State and local development companies which meet the requirements of subsection (b).

"(b) 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 for at least the last 12 months;

"(2) has well-trained, qualified personnel who are knowledgeable in the Administration's lending policies and procedures for the development company program;

"(3) has the ability to process, close, and service financing for plant and equipment under section 502 of this Act;

"(4) has a loss rate on its debentures that is acceptable to the Administration;

"(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 as provided in section 502 of this Act.

"(c) The Administration shall expedite the processing of 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) The designation of a qualified State or local development company as an accredited lender may be suspended or revoked if the Administration determines that the development company has not continued to meet the criteria for eligibility under subsection (b) or that the development company has failed to adhere to the Administration's rules and regulations or is violating any other applicable provision of law. Suspension or revocation shall not affect any outstanding debenture guarantee.

"(e) For purposes of this section, the term 'qualified State or local development company' has the same meaning as in section 503(e).".

(b) The Administration shall promulgate regulations to carry out this section within 90 days of the date of the enactment of this Act.

(c) The Administration shall report to the Small Business Committee of the United States Senate and to the Small Business Committee of the United States House of Representatives within one year, and annually thereafter, on the implementation of this section, specifically including data on the number of development companies designated as accredited lenders, their debenture guarantee volume, their loss rates, and the average processing time on their guarantee applications, along with such other information as the Administration deems appropriate.

SEC. 210. PREMIER LENDERS PROGRAM.

(a) Title V of the Small Business Investment Act of 1958 (15 U.S.C. 695 et seq.) is further amended by adding at the end the following new section:

"SEC. 508. PREMIER LENDERS PROGRAM.

"(a) The Administration is authorized to establish a Premier Lenders Program for certified development companies which meet the requirements of subsection (b).

"(b) The Administration may designate a participant in the accredited lenders program as a premier lender if such company—

"(1) has been an active participant in the accredited lenders program for at least the last 12 months: Provided, That prior to January 1, 1996, the Administration may waive this provision if the applicant is qualified to participate in the accredited lenders program;

"(2) has a history of submitting to the Administration adequately analyzed debenture guarantee application packages; and

"(3) agrees to assume and to reimburse the Administration for 5 percent of any loss sustained by the Administration on account of default by the certified development company in the payment of principal or interest on a debenture issued by such company and guaranteed by the Administration under this section.

"(c) Upon approval of an applicant as a premier lender, the certified development company shall establish a loss reserve in an amount equal to the anticipated losses to the certified development company pursuant to subsection (b)(3) based upon the historic loss rate on debentures issued by such company, or 3 percent of the aggregate principal amount of debentures issued by such company and guaranteed by the Administration under this section, whichever is greater. The loss reserve shall be comprised of segregated assets of the development company which shall be securitized in favor of the Administration or of such unqualified letters of credit or indemnity agreements from a third party as the Administration deems appropriate.

"(d) Upon designation and qualification of a company as a premier lender, and subject to such terms and conditions as the Administration may determine, and notwithstanding the provisions of section 503(b)(6), the Administration may permit a premier lender to approve loans to be funded with the proceeds of and to authorize the guarantee of a debenture issued by such company. The approval by the premier lender shall be subject to the final approval as to eligibility of any such guarantee by the Administration pursuant to subsection 503(a) of this Act, but such final approval shall not include decisions by the company involving creditworthiness, loan closing, or compliance with legal requirements imposed by law or regulation.

"(e) The designation of a qualified State or local development company as a premier lender may be suspended or revoked if the Administration determines that the company—

"(1) has not continued to meet the criteria for eligibility under subsection (b);

"(2) has not established or maintained the loss reserve required under subsection (c); or

"(3) is failing to adhere to the Administration's rules and regulations or is violating any other applicable provision of law.

"(f) Suspension or revocation shall not affect any outstanding debenture guarantee.".

(b) The Administration shall promulgate such regulations to carry out this section within 180 days of the date of the enactment of this Act.

(c) The Administration shall report to the Small Business Committee of the United States Senate and to the Small Business Committee of the United States House of Representatives within one year, and annually thereafter, on the implementation of this section, specifically including data on the number of development companies designated as premier lenders, their debenture guarantee volume, and the loss rate for premier lenders as compared to accredited and other lenders, along with such other information as the Administration deems appropriate.

(d) Section 508 of the Small Business Investment Act of 1958 is repealed on October 1, 1999.

(e) The table of contents contained in section 101 of the Small Business Investment Act of 1958 is amended by adding at the end of the matter relating to title V the following:

"Sec. 507. Accredited lenders program.

"Sec. 508. Premier lenders program.".

SEC. 211. SSBIC ADVISORY COUNCIL.

(a) COUNCIL ESTABLISHED.—Not later than 90 days after the date of the enactment of this Act, the Administrator of the Small Business Administration shall appoint an Investment Advisory Council for the Specialized Small Business Investment Company Program. The Council shall consist of not less than 12 individuals from the private sector, including individuals—

(1) who have experience in providing venture capital to small business, particularly minority small business;

(2) who are current participants in the Specialized Small Business Investment Company Program;

(3) who are former participants in the Specialized Small Business Investment Company Program; or

(4) who are or who represent small business concerns.

(b) CHAIRMAN AND STAFF.—The Administrator shall designate one of the members of the Council as chairperson. The Investment Division of the Small Business Administration shall provide such staff, technical support, and information as shall be deemed appropriate. Council members shall be deemed to be an advisory board pursuant to section 8(b)(13) of the Small Business Act for purposes of reimbursement of expenses.

(C) REPORT.—Within six months of the date of appointment, the Council shall make a written report with findings and recommendations on the venture capital needs, including debt and equity, of socially or economically disadvantaged small business concerns and any needed Federal incentives to assist the private sector to meet such needs. The report shall specifically address—

(1) the history of the Specialized Small Business Investment Company program in providing assistance to such concerns and the impact of such assistance on the economy;

(2) the appropriateness and ability of the Specialized Small Business Investment Company Program to meet these needs;

(3) the problems affecting the Specialized Small Business Investment Company Program; and

(4) the effectiveness of the Specialized Small Business Investment Company Program and its administration by the Small Business Administration.

SEC. 212. 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 the following new paragraph at the end:

"(13) 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; except that during the last quarter of each fiscal year, the Administrator may, if he determines that there is a lack of qualified applicants with private capital under such amount, utilize all or any part of the securities so reserved.".

SEC. 213. REPORT ON SBIC PROGRAM.

The Small Business Administration shall provide the Committee on Small Business of the House of Representatives and Senate with a comprehensive report on the status and disposition of all Small Business Investment Companies, active or in liquidation, and a complete accounting of the assets in and the basis of their portfolios, the projected and actual loss rates for all portfolios in liquidation or active, and a detailed accounting of valuation of the SBIC program's investments. This report shall be delivered to the respective Committees on Small Business no later than April 15, 1995.

TITLE III—SIZE STANDARDS AND BOND GUARANTEES

SEC. 301. COMPETITIVE DEMONSTRATION PROJECT SIZE STANDARDS.

Section 732 of the Business Opportunity Development Reform Act of 1988 (Public Law 100-656) is amended by repealing the second sentence of such section.

SEC. 302. 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) 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. Such standards may utilize number of employees, dollar volume of business, net worth, net income, or a combination thereof. 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—

"(A) is being proposed after an opportunity for public notice and comment;

"(B) provides for determining—

"(i) the size of a manufacturing concern as measured by its average employment based upon employment during each of the concern's pay periods for the preceding twelve calendar months;

"(ii) the size of a concern providing services on the basis of the annual average gross receipts of the concern over a period of not less than 3 years; and

"(iii) the size of other concerns on the basis of data over a period of not less than 3 years; and

"(C) is approved by the Administrator if it is not being proposed by the Small Business Administration.".

SEC. 303. SUNSET ON PREFERRED SURETY BOND GUARANTEE PROGRAM.

Section 207 of the Small Business Administration Reauthorization and Amendment Act of 1988 (Public Law 100-590) is amended by striking "September 30, 1994" and by inserting in lieu thereof "September 30, 1997".

SEC. 304. VERY SMALL BUSINESS CONCERNS.

The Small Business Act (15 U.S.C. 631 et seq.) is amended by redesignating section 30 as section 41 and by inserting after section 29, as redesignated by section 606 of this Act, the following:

"SEC. 30. PILOT PROGRAM FOR VERY SMALL BUSINESS CONCERNS.

"(a) ESTABLISHMENT.—The Administration shall establish and carry out a pilot program in accordance with the requirements of this section to provide procurement opportunities to very small business concerns.

"(b) SUBCONTRACTING OF PROCUREMENT CONTRACTS.—

"(1) IN GENERAL.—In carrying out the program, the Administration is authorized to enter into procurement contracts with the United States Government and to arrange for the performance of such contracts through the award of subcontracts to very small business concerns.

"(2) TERMS AND CONDITIONS.—The authority of the Administration under paragraph (1) shall be subject to the same terms and conditions as apply to the authority of the Administration under section 8(a), except that—

"(A) the Administration may make such modifications to such terms and conditions as the Administration determines necessary; and

"(B) all contract opportunities offered for award under the program shall be awarded on the basis of competition restricted to eligible program participants.

"(c) PROGRAM PARTICIPATION.—Very small business concerns participating in the program shall be subject to the same terms and conditions for program participation as apply to program participants under sections 7(j) and 8(a); except that—

"(1) the Administration may make such modifications to such terms and conditions as the Administration determines necessary; and

"(2) eligibility shall be determined on the basis of qualifying as a very small business concern as defined in subsection (g), in lieu of the requirements contained in paragraphs (4), (5), and (6) of section 8(a).

"(d) TECHNICAL AND FINANCIAL ASSISTANCE.—In order to assist very small business concerns participating in the program, the Administration is authorized—

"(1) to provide technical assistance to such concerns in the same manner and to the same extent as technical assistance is provided to small business concerns pursuant to section 7(j); and

"(2) to provide pre-authorization to such concerns for the purpose of receiving financial assistance under section 7(a).

"(e) PROGRAM TERM.—The Administration shall carry out the program in each of fiscal years 1995, 1996, and 1997.

"(f) REPORT TO CONGRESS.—On or before December 31, 1996, the Administration shall transmit to Congress a report containing an analysis of the results of the program, together with recommendations for appropriate legislative and administrative actions.

"(g) DEFINITIONS.—For the purposes of this section, the following definitions apply:

"(1) PROGRAM.—The term 'program' means the program established pursuant to subsection (a).

"(2) VERY SMALL BUSINESS CONCERN.—The term 'very small business concern' means a small business concern that—

"(A) has 10 employees or less; or

"(B) has average annual receipts that total $1,000,000 or less.".

TITLE IV—MANAGEMENT ASSISTANCE

SEC. 401. SUNSET ON COSPONSORED TRAINING.

(a) The authority of the Small Business Administration to cosponsor training as authorized by section 5(a) of the Small Business Computer Security and Education Act of 1984 (15 U.S.C. 633 note) is hereby repealed September 30, 1997.

(b) Section 7(b) of the Small Business Computer Security and Education Act of 1984 (15 U.S.C. 633 note) is amended by striking the second sentence.

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) 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 per centum cash and not more than 50 per centum of indirect costs and in-kind contributions: Provided, That this matching amount shall not include any indirect costs or in-kind contributions derived from any Federal program: Provided further, That no recipient of funds under this section shall receive a grant which would exceed its 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, plus $125,000, or $200,000, whichever is greater, per year. The amount of the national program shall be—

"(A) $70,000,000 through September 30, 1995;

"(B) $77,500,000 from October 1, 1995 through September 30, 1996; and

"(C) $85,000,000 beginning October 1, 1996.

The amount of eligibility of each Small Business Development Center shall be based upon the amount of the national program in effect as of the date for commencement of performance of the Center's grant.".

SEC. 403. FEDERAL CONTRACTS WITH SMALL BUSINESS DEVELOPMENT CENTERS.

(a) Section 21(a)(5) of the Small Business Act (15 U.S.C. 648(a)(5)) is amended to read as follows:

"(5) A Small Business Development Center may enter 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 Deputy Associate Administrator of the Small Business Development Center program. Approval shall be based upon a determination that the contract will provide assistance to small business concerns and that its performance will not hinder the Center in carrying out the terms of its grant from the Administration. The amount of any such contract shall not be subject to the matching funds requirements of paragraph (4) nor shall the amount of eligibility under such paragraph: Provided, That notwithstanding any other provision of law, such contracts for assistance to small business concerns shall not be counted toward any Federal department or agency's small business, women-owned business, or socially and economically disadvantaged business contracting goal as established by section 15(g) of the Small Business Act (15 U.S.C. 644(g)).".

(b) Section 21(a)(6) of the Small Business Act (15 U.S.C. 648(a)(6)) is amended by striking "paragraphs (4) and (5)" and by inserting in lieu thereof "paragraph (4)".

SEC. 404. CENTRAL EUROPEAN SMALL BUSINESS DEVELOPMENT.

Section 25(i) of the Small Business Act (15 U.S.C. 652(i)) is amended by striking "and $2,000,000 for each of fiscal years 1993 and 1994" and by inserting in lieu thereof ", $2,000,000 for each of fiscal years 1993 and 1994, and $1,000,000 for fiscal year 1995".

SEC. 405. MOBILE RESOURCE CENTER PILOT PROGRAM.

(a) ESTABLISHMENT.—The Administrator of the Small Business Administration may establish and carry out in each of fiscal years 1995, 1996, and 1997 a mobile resource pilot program (in this section referred to as the "program" in accordance with the requirements of this section.

(b) MOBILE RESOURCE CENTER VEHICLES.—Under the program, the Administration may use mobile resource center vehicles to provide technical assistance, information, and other services available from the Small Business Administration to traditionally underserved populations. Two of such vehicles should be utilized in rural areas and 2 of such vehicles should be utilized in urban areas.

(c) REPORT TO CONGRESS.—If the Administrator conducts the program authorized in this section, not later than December 31, 1996, he shall transmit to Congress a report containing the results of such program, together with recommendations for appropriate legislative and administrative actions.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for fiscal year 1995 $900,000 to carry out this section. Of such sums—

(1) $800,000 may be made available for the purchase or lease of mobile resource center vehicles; and

(2) $100,000 may be made available for studies, startup expenses, and other administrative expenses.

Such sums shall remain available until expended.

TITLE V—RELIEF FROM FFB DEBENTURE PREPAYMENT PENALTIES

SEC. 501. CITATION.

This title may be cited as the "Small Business Prepayment Penalty Relief Act of 1994.".

SEC. 502. MODIFICATION OF DEVELOPMENT COMPANY DEBENTURE INTEREST RATES.

(a) IN GENERAL.—Upon the request of the issuer and the concurrence of the borrower, the Small Business Administration is authorized to transfer to the Federal Financing Bank such sums as may be necessary to carry out the provisions of this section in order to reduce the interest rate on a debenture issued by a certified development company. The reduction shall be effective January 2, 1995 and shall apply for the remainder of the term of the debenture.

(b) INTEREST RATE MODIFICATION.—Upon receipt of such payment, the Federal Financing Bank shall modify the interest rate of each debenture for which the payment is made. No other change shall be made in the terms and conditions of the debenture, and the modification in the interest rate shall not be construed as a new direct loan or a new loan guarantee.

(c) DEFINITIONS.—For the purposes of this section—

(1) the term "issuer" means the issuer of a debenture pursuant to section 503 of the Small Business Investment Act of 1958 which has been purchased by the Federal Financing Bank if the debenture is outstanding on the date of enactment of this Act, and neither the loan that secures the debenture nor the debenture is in default on such date; and

(2) the term "borrower" means the small business concern whose loan secures a debenture issued pursuant to such section.

(d) OTHER RIGHTS.—A modification of the interest rate on a debenture as authorized in this section shall not affect any rights or options of the issuer or borrower which are otherwise authorized by contract or by law.

(e) REFINANCING.—Debentures authorized by sections 504 and 505 of the Small Business Investment Act of 1958 may be used to refinance debentures issued under section 503 of such Act if the amount of the new financing is limited to such amounts as are needed to repay the existing debenture, including any prepayment penalty imposed by the Federal Financing Bank. Any such refinancing shall be subject to all of the other provisions of sections 504 and 505 of such Act and the rules and regulations of the Administration promulgated thereunder, including, but not limited to, rules and regulations governing payment of authorized expenses and commissions, fees and discounts to brokers and dealers in trust certificates issued pursuant to section 505: Provided, however, That no applicant for refinancing under section 504 of this Act need demonstrate that the requisite number of jobs will be created or preserved with the proceeds of such refinancing: Provided further, That a development company which provides refinancing under this subsection shall be limited to a loan processing fee not to exceed one-half of one percent to cover the cost of packaging, processing and other nonlegal staff functions.

SEC. 503. MODIFICATION OF SMALL BUSINESS INVESTMENT COMPANY DEBENTURE INTEREST RATES.

(a) IN GENERAL.—Upon the request of the issuer, the Small Business Administration is authorized to transfer to the Federal Financing Bank such sums as may be necessary to carry out the provisions of this section in order to reduce the interest rate on a debenture issued by a Small Business Investment Company under the provisions of title III of the Small Business Investment Act of 1958. The reduction shall be effective January 2, 1995 and shall apply for the remainder of the term of the debenture.

(b) INTEREST RATE MODIFICATION.—Upon receipt of such payment, the Federal Financing Bank shall modify the interest rate of each debenture for which the payment is made. No other change shall be made in the terms and conditions of the debenture, and the modification in the interest rate shall not be construed as a new direct loan or a new loan guarantee.

(c) DEFINITIONS.—For the purposes of this section, the term "issuer" means the issuer of a debenture pursuant to section 303 of the Small Business Investment Act of 1958 which has been purchased by the Federal Financing Bank if the debenture is outstanding on the date of enactment of this Act, and is not in default on such date.

(d) OTHER RIGHTS.—A modification of the interest rate on a debenture as authorized in this section shall not affect any rights or options of the issuer which are otherwise authorized by contract or by law.

SEC. 504. MODIFICATION OF SPECIALIZED SMALL BUSINESS INVESTMENT COMPANY DEBENTURE INTEREST RATES.

(a) INTEREST RATE MODIFICATION.—Upon the request of the issuer, the Small Business Administration is authorized to modify the interest rate on a debenture issued by a Small Business Investment Company licensed under the provisions of section 301(d) of the Small Business Investment Act of 1958 and which is held by the Administration. No debenture which has been sold to a third party shall be eligible for modification under this section. The reduction shall be effective January 2, 1995 and shall apply for the remainder of the term of the debenture. No other change shall be made in the terms and conditions of the debenture, and the modification in the interest rate shall not be construed as a new direct loan or a new loan guarantee.

(b) DEFINITIONS.—For the purposes of this section, the term "issuer" means a Specialized Small Business Investment Company licensed under the provisions of section 301(d) of the Small Business Investment Act of 1958 which has issued a debenture which has been funded by the Small Business Administration, providing the debenture is outstanding on the date of enactment of this Act and is not in default on such date.

(c) OTHER RIGHTS.—A modification of the interest rate on a debenture as authorized in this section shall not affect any rights or options of the issuer which are otherwise authorized by contract or by law.

SEC. 505. INTEREST RATE REDUCTIONS.

(a) IN GENERAL.—Upon enactment of an Appropriations Act providing funds to carry out the provisions of this Act and limited to amounts specifically provided in advance in Appropriations Acts, the Small Business Administration shall evaluate the outstanding portfolio of debentures which are eligible for interest rate relief under this Act. The Administration shall apply the funds appropriated to carry out this Act in order to reduce the highest interest rate on all eligible debentures to a uniform rate.

(b) AUTHORIZATION.—There are authorized to be appropriated $30 million to carry out the provisions of this Act in fiscal year 1995.

TITLE VI—DEVELOPMENT OF WOMEN-OWNED BUSINESSES

SEC. 601. STATUS OF COUNCIL.

Section 401 of the Women's Business Ownership Act of 1988 (15 U.S.C. 631 note) is redesignated as section 405 of such Act and, as redesignated, is amended—

(1) in the heading by inserting "**OF THE COUNCIL**" after "**ESTABLISHMENT**"; and

(2) by striking the period at the end and inserting the following: "which shall serve as an independent advisory council to the Interagency Committee on Women's Business Enterprise, to the Administrator of the Small Business Administration, and to the Congress of the United States. The Council, in order to carry out its function as an independent advisory council to the Congress, is authorized and directed to report independently of the Interagency Committee directly to the Congress at such times and on such matters as it, in its discretion, deems appropriate.".

SEC. 602. DUTIES OF NATIONAL WOMEN'S BUSINESS COUNCIL.

Section 402 of the Women's Business Ownership Act of 1988 (15 U.S.C. 631 note) is redesignated as section 406 of such Act and, as redesignated, is amended to read as follows:

"SEC. 406. DUTIES OF THE COUNCIL.

"The Council shall meet at such times as it determines necessary in order to advise and consult with the Interagency Committee on Women's Business Enterprise on matters relating to the activities, functions, and policies of such Committee as provided in this title. The Council shall make annual recommendations for consideration by the Committee. The Council also shall provide reports and make such other recommendations as it deems appropriate to the Committee, to the Administrator of the Small Business Administration, and to the Small Business Committee of the United States Senate and to the Small Business Committee of the United States House of Representatives.".

SEC. 603. MEMBERSHIP OF THE COUNCIL.

Section 403 of the Women's Business Ownership Act of 1988 (15 U.S.C. 631 note) is redesignated as section 407 of such Act, and, as redesignated, is amended to read as follows:

"SEC. 407. MEMBERSHIP OF THE COUNCIL.

"(a) The Council shall be composed of 15 members who shall be appointed by the Administrator of the Small Business Administration and who shall serve at the Administrator's discretion. In making the appointments, the Administrator shall include racial, geographic and economic diversity, and representation from diverse sectors of the economy, including manufacturing, high technology, services and credit institutions, and shall give priority to include representation of major women's business organizations.

"(b) Only the owner, operator or employee of a woman-owned business shall be eligible for appointment, and not more than eight appointees shall be members of the same political party. If any member of the Council subsequently becomes an officer or employee of the Federal Government or of the Congress, such individual may continue as a member of the Council for not longer than the thirty-day period beginning on the date such individual becomes such an officer or employee.

"(c) The Council annually shall select one member to serve as its Chairperson. The Chairperson of the Council, or her designee, shall be the representative of the Council to all meetings of the Interagency Committee on Women's Business Enterprise.

"(d) The Council shall meet not less than four times per year. Meetings shall be at the call of the Chairperson at such times as she deems appropriate.

"(e) Members of the Council shall serve without pay for such membership, except they shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in carrying out the functions of the Council, in the same manner as persons serving on advisory boards pursuant to section 8(b) of the Small Business Act.".

SEC. 604. INTERAGENCY COMMITTEE.

Title IV of the Women's Business Ownership Act of 1988 (15 U.S.C. 631 note) is amended by striking section 404 and by inserting the following new sections prior to section 405 as redesignated by section 601 of this Act:

"SEC. 401. ESTABLISHMENT OF THE COMMITTEE.

"There is established an Interagency Committee to be known as the 'Interagency Committee on Women's Business Enterprise' (hereinafter in this title referred to as the Committee).

"SEC. 402. DUTIES OF THE COMMITTEE.

"The Committee shall—

"(1) promote, coordinate and monitor the plans, programs and operations of the departments and agencies of the Federal Government which may contribute to the establishment, preservation and strengthening of women's business enterprise. It may, as appropriate, develop comprehensive interagency plans and specific program goals for women's business enterprise with the cooperation of Federal departments and agencies;

"(2) promote the better utilization of the activities and resources of State and local governments, business and trade associations, private industry, colleges and universities, foundations, professional organizations, and volunteer and women's business enterprise, and facilitate the coordination of the efforts of these groups with those of Federal departments and agencies;

"(3) consult with the Council to develop and promote new initiatives designed to foster women's business enterprise, and to develop policies, programs, and plans intended to promote such development;

"(4) consider the Council's recommendations and public and private sector studies of the problems of women entrepreneurs, and promote further research into such problems; and

"(5) design a comprehensive plan for a joint public-private sector effort to facilitate the development and growth of women-owned businesses. The Committee should submit the plan to the President for review within six months of the effective date of this Act.

"SEC. 403. MEMBERSHIP OF THE COMMITTEE.

"(a) The Committee shall be composed of representatives of the following departments and agencies: The Departments of Agriculture, Commerce, Defense, Energy, Health and Human Services, Education, Housing and Urban Development, Interior, Justice, Labor, Transportation, Treasury, the Federal Trade Commission, General Services Administration, National Science Foundation, Office of Federal Procurement Policy, and the Director of the Office of Women's Business Ownership of the Small Business Administration, who shall serve as Vice Chairperson of the Committee. The head of each such department and agency shall designate a representative who shall be a policy making official within the department or agency.

"(b) The Committee shall have a Chairperson appointed by the President, after consultation with the Administrator of the Small Business Administration and the Chief Counsel for Advocacy of the Small Business Administration. The Chairperson shall be the head of a Federal department or agency. If the Chairperson is the head of one of the departments or agencies enumerated in subsection (a), he or she shall also serve as the representative of such department or agency.

"(c) The Committee shall meet not less than four times per year. Meetings shall be at the call of the Chairperson at such times as he or she deems appropriate.

"(d) The members of the Committee shall serve without additional pay for such membership.

"(e) The Chairperson of the Committee may designate a Director of the Committee, after consultation with the Administrator of the Small Business Administration and the Chief Counsel for Advocacy of the Small Business Administration.

"(f) The Chief Counsel for Advocacy is authorized to appoint to his staff under the provisions of section 204 of Public Law 94–305 (15 U.S.C. 634(d)) the person so designated under subsection (e). He or she is also authorized to provide additional staff and administrative support for the Committee.

"(g) The Director of the Office of Women's Business Ownership of the Small Business Administration is authorized to provide additional staff and administrative support for the Committee.

"SEC. 404. REPORTS FROM THE COMMITTEE.

"The Committee shall transmit to the President and to the Small Business Committee of the United States Senate and to the Small Business Committee of the United States House of Representatives a report no less than once in every twelve-month period. The first such report shall be submitted no later than March 31, 1995. Such reports shall contain any recommendations from the Council and any comments of the Committee thereon, a detailed statement on the activities of the Committee, the findings and conclusions of the Committee, together with its recommendations for such legislation and administrative actions as it considers appropriate to promote the development of small business concerns owned and controlled by women.".

SEC. 605. REPEALER.

Sections 404 through 407 of the Women's Business Ownership Act of 1988, as in effect on the day before the date of the enactment of this Act, are repealed and the following new section is added at the end of title IV of such Act:

"SEC. 408. DEFINITIONS.

"For the purposes of this Act, the term—

"(1) 'woman-owned business' shall mean a small business which is at least 51 percent owned by a woman or women who also control and operate it;

"(2) 'control' shall mean exercising the power to make policy decisions;

"(3) 'operate' shall mean being actively involved in the day-to-day management; and

"(4) 'women's business enterprise' shall mean a woman-owned business or businesses or the efforts of a woman or women to establish, maintain, or develop such a business or businesses.".

SEC. 606. EXTENSION OF AUTHORITY FOR DEMONSTRATION PROJECTS.

Section 28 of the Small Business Act, as added by section 2 of Public Law 102–191, is redesignated as section 29 and, as so redesignated, is amended by striking from subsection (g) "1995" and by inserting "1997".

SEC. 607. ESTABLISHMENT OF OFFICE OF WOMEN'S BUSINESS OWNERSHIP.

Section 29 of the Small Business Act, as redesignated by section 606 of this Act, is amended by adding the following new subsection at the end:

"(h) There is 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 defined in section 408 of the Women's Business Ownership Act of 1988. The Office shall be headed by a director who shall be appointed by the Administrator.".

SEC. 608. TECHNICAL AND CONFORMING AMENDMENTS.

(a) Title IV of the table of contents of the Women's Business Ownership Act of 1988 (15 U.S.C. 631 note) is amended to read as follows:

"TITLE IV—DEVELOPMENT OF WOMEN'S BUSINESS ENTERPRISE

"Sec. 401. Establishment of the Committee.
"Sec. 402. Duties of the Committee.
"Sec. 403. Membership of the Committee.
"Sec. 404. Reports from the Committee.
"Sec. 405. Establishment of the Council.
"Sec. 406. Duties of the Council.
"Sec. 407. Membership of the Council.
"Sec. 408. Definitions.".

(b) The heading to title IV of the Women's Business Ownership Act of 1988 (15 U.S.C. 631 note) is amended to read as follows:

"TITLE IV—DEVELOPMENT OF WOMEN'S BUSINESS ENTERPRISES".

SEC. 609. AUTHORIZATION.

There is authorized to be appropriated $200,000 in each of fiscal years 1995 through 1997 to carry out the provisions of title IV of the Women's Business Ownership Act of 1988 (15 U.S.C. 631 note).

TITLE VII—MISCELLANEOUS AMENDMENTS

SEC. 701. HANDICAPPED PARTICIPATION IN SMALL BUSINESS SET ASIDE CONTRACTS.

Section 15(c) of the Small Business Act (15 U.S.C. 644(c)) is amended—

(1) by amending paragraph (2)(A) to read as follows:

"(2)(A) During each fiscal year, public or private organizations for the handicapped shall be eligible to participate in programs authorized under this section in an aggregate amount not to exceed $50,000,000."; and

(2) by adding the following new paragraph at the end thereof:

"(7) Any contract awarded to such an organization pursuant to the provisions of this subsection may be extended for up to two additional years.".

SEC. 702. SBA INTEREST PAYMENTS TO TREASURY.

Section 4(c)(5)(B)(ii) of the Small Business Act (15 U.S.C. 633(c)(5)(B)(ii)) is amended to read as follows:

"(ii) The Administration shall pay into the miscellaneous receipts of the Treasury following the close of each fiscal year the actual interest it collects during that fiscal year on all financings made under the authority of this Act.".

SEC. 703. 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 the following new paragraphs at the end:

"(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. The administrator is authorized to impose, retain and utilize, subject to approval in appropriations Acts, the following additional fees—

"(A) not to exceed $100 for each loan servicing action requested after disbursement of the loan, including substitution of collateral, loan assumptions, release or substitution of guarantors, reamortizations or similar actions;

"(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) to 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: Provided, That any monies so collected shall be utilized solely to facilitate the administration of the program which generated the excess monies.".

SEC. 704. 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). Such selection shall be competitive using merit-based criteria, for a term not to exceed 3 years.".

SEC. 705. MANUFACTURING CONTRACTS.

(a) ESTABLISHMENT OF PILOT PROGRAM.—Section 15 of the Small Business Act (15 U.S.C. 644) is amended by adding at the end the following:

"(p) MANUFACTURING MODERNIZATION PILOT PROGRAM.—

"(1) ESTABLISHMENT.—The Administrator may establish and carry out a manufacturing modernization pilot program (hereinafter in this section referred to as the 'program') for the purpose of promoting the award of Federal procurement contracts to small business concerns that participate in manufacturing application and education centers that are established or certified pursuant to paragraph (2).

"(2) MANUFACTURING APPLICATION AND EDUCATION CENTERS.—The Administrator may establish manufacturing application and education centers which will provide training to small business concerns on new and innovative manufacturing practices in a shared-use production environment and which will assist such concerns in carrying out Federal procurement contracts for the manufacture of components and subsystems. The Administrator may also certify

existing manufacturing application and education centers for participation in the program.

"(3) USE OF PRIVATE CENTERS AS EXAMPLES.—In establishing any manufacturing application and education centers pursuant to paragraph (2), the Administrator may use as examples manufacturing application and education centers in the private sector that provide the following services: technology demonstration, technology education, technology application support, technology advancement support, and technology awareness.

"(4) IDENTIFICATION OF CONTRACTS.—The Administrator and the head of a contracting agency may identify for additional small business set-asides pursuant to subsection (a) any procurement, and in particular any procurement which is being foreign-sourced or is considered critical, which is susceptible to performance by a small business concern if the concern is assisted by a manufacturing application and education center under the program. Any such procurement shall be subject to the requirements of subsection (a), including requirements relating to any failure of the Administrator and the head of the contracting agency to agree on procurement methods.

"(5) NONAPPLICABILITY OF PERFORMANCE REQUIREMENT.—The requirement of subsection (o)(1)(B) shall not apply with respect to any contract carried out by a small business concern under the program with the assistance of a manufacturing application and education center.

"(6) REGULATIONS.—Not later than 6 months after the date of the enactment of this subsection, the Administrator shall issue regulations to carry out this subsection if he determines it appropriate to carry out the program authorized by this subsection.

"(7) REPORTS.—

"(A) PROGRESS REPORT.—Not later than 3 months after the last day of the fiscal year in which final regulations are issued pursuant to paragraph (6), the Administrator shall transmit to the Committees on Small Business of the House of Representatives and the Senate a report on the progress of the program.

"(B) FINAL REPORT.—If the Administrator establishes the program authorized herein, not later than March 31, 1999, he shall transmit to the Committees on Small Business of the House of Representatives and the Senate a report on the success of the program in—

"(i) enabling deployment of technology to small business concerns participating in the program, and

"(ii) assisting manufacturing application and education centers in achieving self-sufficiency, together with recommendations concerning continuation, modification, or discontinuance of the program.

"(8) PROGRAM TERM.—The Administrator may carry out the program during the period beginning on the date of issuance of final regulations under paragraph (5) and ending on September 30, 1999.

"(9) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this subsection.".

SEC. 706. DENIAL OF USE OF FUNDS FOR INDIVIDUALS NOT LAWFULLY WITHIN THE UNITED STATES.

The Small Business Act (15 U.S.C. 631 et seq.) is amended by inserting after section 30, as added by section 304 of this Act, the following:

"SEC. 31. DENIAL OF 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 when it is made known to the Administrator of the Small Business Administration or the official to which the funds are made available that the individual is not lawfully within the United States.".

SEC. 707. OFFICE OF ADVOCACY EMPLOYEES.

Section 204 of Public Law 94–305 (15 U.S.C. 634d) is amended as follows—

(1) by striking "after consultation with and subject to the approval of the Administrator,"; and

(2) in paragraph (1) by striking "GS–15 of the General Schedule" and all that follows and inserting "GS–15 of the General Schedule: Provided, however, That not more than 14 staff personnel at any one time may be employed and compensated at a rate in excess of GS–15, step 10, of the General Schedule;".

SEC. 708. ADVOCACY STUDY OF PAPERWORK AND TAX IMPACT.

The Chief Counsel for Advocacy of the Small Business Administration shall conduct a study of the impact of all Federal regulatory paperwork and tax requirements upon small business and report its findings to the Congress within 1 year of the date of the enactment of this Act.

SEC. 709. CERTIFICATION OF COMPLIANCE WITH CHILD SUPPORT OBLIGATIONS.

The Small Business Act (15 U.S.C. 631 et seq.) is amended by inserting after section 31, as added by section 706 of this Act, the following:

"SEC. 32. CERTIFICATION OF COMPLIANCE WITH CHILD SUPPORT OBLIGATIONS.

"Each applicant for financial assistance under this Act, including applicants for direct loans and loan guarantees, shall certify, as a condition for receiving such assistance, that the applicant is not in violation of the terms of any administrative order, court order, or repayment agreement entered into between the applicant and the custodial parent or the State agency providing child support enforcement services which requires the applicant to pay child support, as such term is defined by section 462(b) of the Social Security Act.".

Amend the title so as to read: "An Act to amend the Small Business Act, and for other purposes.".

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the Senate disagree to the House amendments, agree to the request for a conference and that the Chair be authorized to appoint conferees.

There being no objection, the Presiding Officer (Mr. BRYAN) appointed Mr. BUMPERS, Mr. NUNN, and Mr. PRESSLER conferees on the part of the Senate.

VEGETABLE INK PRINTING ACT OF 1994

Mr. METZENBAUM. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on a bill (S. 716) to require that all Federal lithographic printing be performed using ink made from vegetable oil, and for other purposes.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 716) entitled "An Act to require that all Federal lithographic printing be performed using ink made from vegetable oil and materials derived from other renewable resources, and for other purposes", do pass with the following amendment:

Strike out all after the enacting clause, and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Vegetable Ink Printing Act of 1994".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds the following:

(1) More than 95 percent of Federal printing involving documents or publications is performed using lithographic inks.

(2) Various types of oil, including petroleum and vegetable oil, are used in lithographic ink.

(3) Increasing the amount of vegetable oil used in a lithographic ink would—

(A) help reduce the Nation's use of nonrenewable energy resources;

(B) result in the use of products that are less damaging to the environment;

(C) result in a reduction of volatile organic compound emissions; and

(D) increase the use of renewable agricultural products.

(4) The technology exists to use vegetable oil in lithographic ink and, in some applications, to use lithographic ink that uses no petroleum distillates in the liquid portion of the ink.

(5) Some lithographic inks have contained vegetable oils for many years; other lithographic inks have more recently begun to use vegetable oil.

(6) According to the Government Printing Office, using vegetable oil-based ink appears to add little if any additional cost to Government printing.

(7) Use of vegetable oil-based ink in Federal Government printing should further develop—

(A) the commercial viability of vegetable oil-based ink, which could result in demand, for domestic use alone, for 2,500,000,000 pounds of vegetable crops or 500,000,000 pounds of vegetable oil; and

(B) a product that could help the United States retain or enlarge its share of the world market for vegetable oil-ink.

(b) PURPOSE.—The purpose of this Act is to require that all lithographic printing using ink containing oil that is performed or procured by a Federal agency shall use ink containing the maximum amounts of vegetable oil and materials derived from other renewable resources that—

(1) are technologically feasible, and

(2) result in printing costs that are competitive with printing using petroleum-based inks.

SEC. 3. FEDERAL PRINTING REQUIREMENTS.

(a) GENERAL RULE.—Notwithstanding any other law, and except as provided in subsection (b), a Federal agency may not perform or procure lithographic printing that uses ink containing oil if the ink contains less than the following percentage of vegetable oil:

(1) In the case of news ink, 40 percent.

(2) In the case of sheet-fed ink, 20 percent.

(3) In the case of forms ink, 20 percent.

(4) In the case of heat-set ink, 10 percent.

(b) EXCEPTIONS.—

(1) EXCEPTIONS.—Subsection (a) shall not apply to lithographic printing performed or procured by a Federal agency, if—

(A) the head of the agency determines, after consultation with the Public Printer and within the 3-year period ending on the date of the commencement of the printing or the date of that procurement, respectively, that vegetable oil-based ink is not suitable to meet specific, identified requirements of the agency related to the printing; or

(B) the Public Printer determines—

(i) within the 3-month period ending on the date of the commencement of the printing, in the case of printing of materials that are printed at intervals of less than 6 months, or

(ii) before the date of the commencement of the printing, in the case of printing of materials that are printed at intervals of 6 months or more;

that the cost of performing the printing using vegetable oil-based ink is significantly greater than the cost of performing the printing using other available ink.

(2) NOTICE TO CONGRESS.—Not later than 30 days after making a determination under paragraph (1)(A), the head of a Federal agency shall report the determination to the Committee on Government Operations and the Committee on House Administration of the House of Representatives, and the Committee on Rules of the Senate.

(c) FEDERAL AGENCY DEFINED.—In this Act, the term "Federal agency" means—

(1) an executive department, military department, Government corporation, Government-controlled corporation, or other establishment in the executive branch of the Government (including the Executive Office of the President), or any independent regulatory agency; and

(2) an establishment or component of the legislative or judicial branch of the Government.

Mr. METZENBAUM. Mr. President, I move that the Senate concur in the amendment of the House.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Ohio.

The motion was agreed to.

AUTHORITY OF THE SECRETARY OF AGRICULTURE TO SHIFT UNUSED FUNDS

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. 2468, a bill to permit the Secretary of Agriculture to make available certain amounts for FmHA farm ownership, operating or emergency loans, introduced earlier today by Senators CONRAD, LEAHY, and others, that the bill be deemed read three times, passed and the 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.

So the bill (S. 2468) was deemed read three times and passed, as follows:

S. 2468

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AVAILABILITY OF AMOUNTS FOR FMHA FARM OWNERSHIP, OPERATING, OR EMERGENCY LOANS.

Notwithstanding any other provision of law, the Secretary of Agriculture—

(1) from the date of enactment of this Act until September 30, 1994, may transfer funds so as to make available—

(A) the amounts that would otherwise be available for gross obligations for the principal amount of direct farm ownership or emergency loans as authorized by sections 308 and 309 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1928 and 1929); and

(B) the amounts that would otherwise be available for the costs of such direct farm ownership or emergency loans (including the cost of modifying loans, as defined in section 502 of the Congressional Budget Act of 1974 (2 U.S.C. 661a));

for any gross obligations or costs of farm ownership, operating, or emergency loans or credit sales, except that the amounts that would otherwise be available for such costs of such emergency loans may be expended only for such costs of guaranteed subsidized operating loans or credit sales; and

(2) after September 30, 1994, may not expend funds, or disburse any new loans, made available by a transfer described in paragraph (1) for fiscal year 1994.

Mr. CONRAD. Mr. President, I am introducing today, on behalf of myself and Senators LEAHY and DORGAN, a bill to allow the Secretary of Agriculture to shift unused funds from various Farmers Home Administration [FmHA] farmer programs to its direct and guaranteed operating loan programs and its credit sale programs. It is identical to an amendment offered by myself and Senators LEAHY and DORGAN that was passed by the Senate as part of the H.R. 4554, the Agriculture, Rural Development, Food and Drug Administration, and related agencies appropriation bill for fiscal year 1995.

FmHA is out of money for direct operating loans for fiscal year 1994. This shortfall is due to very high demand for the program, FmHA's renewed commitment to assisting borrowers, and interest rate changes that have reduced the amount FmHA can lend with the credit subsidy appropriated. This program has been severely cut since 1985, when actual obligations were $3.6 billion—six times this year's levels.

There remains a very high, unmet demand for these loans. FmHA has no funds available to make approximately 3,000 direct operating loans for which it has already approved applications. In addition, more funding is needed for guaranteed operating loans because of a recent mandatory funding shift to the beginning farmer downpayment loan program, which cannot make use of all of these funds. This bill will allow FmHA to meet some of this demand.

While FmHA has some excess funds available in other programs, such as emergency loans and beginning farmer downpayment loans, it does not have the authority to shift significant amounts between accounts. This bill will give the Secretary the authority to shift these funds as needed to fund direct and guaranteed operating loans and farm ownership loans.

I urge my colleagues to support this bill.

MRS. GEORGE ALLEN CLAUSSEN, A TRUE CIVIC LEADER

Mr. COVERDELL. Mr. President, I rise today to honor Mrs. George Allen Claussen, who died on Monday, September 26, 1994. She was a great Augustan and a great Georgian.

Throughout her 70 years, Mrs. Claussen gave 100 percent of herself to the betterment of her community and to those in need. She was a true civic leader. Many will remember her for her volunteer activities with the Junior League of Augusta, her work through the Church of the Good Shepherd, and her assistance to the Pendleton King Park Touch and Smell Garden of the Blind.

To her children, she was an inspiration. And to all of Augusta, she was a friend.

We join with her family today in mourning the passing of Mrs. Claussen. But, we share in the joy of her memory and helping hand that she lent to others.

VA, HUD, INDEPENDENT AGENCIES APPROPRIATION

Mr. ROCKEFELLER. Mr. President, as chairman of the Committee on Veterans' Affairs, and as chairman of the Commerce Subcommittee on Science, Technology and Space, I want to comment on the conference report on H.R. 4624, the fiscal year 1995 Departments of Veterans Affairs and Housing and Urban Development, and independent agencies appropriation bill.

Mr. President, I commend the chairs of the respective House and Senate Appropriations Committees and the other conferees who reached the agreement reflected in this conference report.

And once again, I especially commend Senator MIKULSKI, Chair of the VA-HUD-Independent Agencies Subcommittee for her valiant leadership throughout this process. Thanks to her dedication and acumen, the subcommittee succeeded in making the tough funding choices that were required of them this year, and we now will enact a package that strikes a good and fair balance among programs for veterans, science, housing, and the other important areas covered in this legislation.

I believe America's veterans can feel pleased and grateful towards the fiscal year 1995 appropriations that was secured in this conference agreement for the Department of Veterans Affairs. Despite a particularly difficult budget situation, this conference report addresses many of the VA's highest priority funding needs, programs that truly deserve our support so that we may continue to seek to met the needs of our Nation's veterans and their dependents and survivors.

Mr. President, I specifically recognize that the conference agreement provides $252 million for VA medical research. This amount is $41 million above the amount requested by the administration and allows the funding for research to remain at the fiscal year 1994 level. While this appropriation will not support any new research initiatives, it will salvage some 400 ongoing research projects, covering such critical problems as Alzheimer's disease, AIDS, and alcoholism.

Mr. President, I note with enormous gratitude that the conference report includes many of the specific requests

made by the Senate Committee on Veterans' Affairs concerning the funding of particular items in the medical care account. For a number of medical care programs, the conference report provides additional amounts above the administration's budget request. Specifically, the final agreement provides for increased funding above the amounts requested by the administration for the following purposes: To enhance medical care for women veterans; to increase funding for programs for homeless veterans; to increase funding for blind rehabilitation services; and to support the installation of bedside telephone systems in VA hospitals.

Mr. President, I continue to be concerned about funding for homeless veterans programs. While I am pleased with the increase in the conference agreement of $10 million above the administration's request, this amount is disproportionately low in relation to overall Federal funding for homeless programs. Veterans represent over one-third of our Nation's homeless population. I certainly am encouraged by the appropriation for VA homeless programs; that funding will allow VA to continue its endeavors to meet the needs of homeless veterans through its own programs. However, I again strongly urge HUD to direct an appropriate level of funding to homeless veterans programs.

Mr. President, the conference agreement's appropriation for VA's general operating expense account is highly commendable as well. The administration proposed cutting 622 full-time employee equivalents from the Veterans Benefits Administration at a time when the Department faces a claims backlog of well over 500,000 pending claims. As I have heard repeatedly from veterans in my own State of West Virginia and around the country, the current situation in the adjudication system is appalling. This cut in staffing not only would hinder VBA's efforts to reduce the backlog, it would likely make an already devastating situation even worse.

The House and Senate conferees clearly recognized the importance of the adjudication process and have appropriated an additional $16.5 million for additional staffing to help reduce the claims backlog. The conference agreement also provides an additional $1.6 million specifically to address the backlog of vocational rehabilitation and counseling claims.

The claims adjudication process is a primary function of VA. VA desperately needs adequate funding and staffing to fulfill its obligation to provide all benefits to which veterans are entitled in a timely and efficient manner. While the additional funding will by no means solve the backlog problem, it certainly will help to avoid the situation becoming worse, and perhaps even to begin to alleviate it.

I also note with pleasure that the conference agreement appropriates additional funding for major construction projects. Under the administration's request, VA construction was dealt a significant blow and would have sustained a cut of $254 million, or 53 percent, from the fiscal year 1994 level. The conference agreement appropriates $252.9 million above the administration's budget request, almost returning the funding level to that for fiscal year 1994.

Finally, with respect to VA appropriations, I acknowledge that the conference agreement provides an additional $10 million for grants for the construction of State extended-care facilities. This amount will allow the State home construction program to keep pace with the long-term care needs of veterans. In addition, this funding level will avert a severe backup of projects in those States that are ready to proceed with the acquisition and construction of State extended-care facilities.

Mr. President, as a last note, I express my strong support for the conferees' action to fund the Court of Veterans Appeals Pro Bono Representation Program at a level of $790,000, the amount requested by the Court. This program is of vital importance to our Nation's veterans. It has been extremely successful in securing pro bono representation for veterans appearing before the Court of Veterans Appeals.

I also support this conference report for its investments in science policy, specifically the National Science Foundation [NSF]. On NASA, I believe that we have found a proper balance of funding to maintain our preeminence in air and space, while insisting that NASA target its efforts more carefully with a stronger emphasis on technology. An example of this commitment to competitiveness is the appropriation for two new American wind tunnels. The lack of modern testing facilities for new aircraft has forced U.S. manufacturers like Boeing to go to Europe for testing of their latest designs. In doing so, we fear that the data of their newest ideas may be compromised. The construction of these tunnels on American soil will assure that our aeronautics industry remains first in the world. As chairman of NASA's authorizing subcommittee with a focus on the science and technology policy, I want to note my strong interest in the wind tunnel initiative and intention to promote the best possible results.

It also has been my privilege to work closely with the distinguished chair on science issues, including a historic effort to jointly sponsor the NSF reauthorization legislation along with Senator KENNEDY who chairs the Senate Labor Committee and shares oversight responsibility of NSF. Such cooperation among committees of jurisdiction and appropriations can forge a strategic plan for investment and development in the critical areas of science and technology, which will play an increasingly important role in our country's future competitiveness.

As a former VISTA worker and a proud cosponsor of President Clinton's National and Community Service Act, I appreciate the efforts to secure as much funding for this program as possible. I was in West Virginia just a few short weeks ago to participate in the program to swear in the first group of AmeriCorp members. This event brought back a flood of personal memories of my own experiences in Emmons, WV, as a VISTA worker about 30 years ago. I know firsthand the importance and lasting effect that community service has on both participants and those they serve, and I believe strongly in this initiative.

While I was not as involved in the efforts on programs in the Department of Housing and Urban Development or the Environmental Protection Agency, they are enormously important for West Virginia and our country.

Mr. President, I applaud the House and Senate Appropriations Subcommittees and full committees for their fine work on the extremely arduous task of crafting this measure under such tight fiscal constraints. This has been a particularly difficult year, filled with tough fiscal choices, and I do not envy the decision process they faced. To the credit of many, the result is a responsive, solid final agreement affecting VA and other agencies. With the necessary leadership and management that we ask of VA, I am confident that in the most critical program areas—medical care, medical research, and claims adjudication—VA will be able to continue fulfilling its many important responsibilities to our Nation's veterans.

And again, I express my deepest gratitude to my esteemed colleague, Senator MIKULSKI, the chair of the Senate VA-HUD Subcommittee, for her continued efforts with respect to veterans' programs. I truly appreciate the extraordinary spirit of cooperation between our respective committees during the appropriations process and throughout the year. Consistently over the years, Senator MIKULSKI has shown strong, unwavering support for veterans and their families, for continued progress in science and space, and for America's housing needs. This year has proven to be no exception, as has been so clearly exhibited by her efforts in reaching this final agreement.

REPORT OF RELATED DOCUMENTS TO IMPLEMENT AGREEMENTS RESULTING FROM THE GENERAL AGREEMENT ON TARIFFS AND TRADE URUGUAY ROUND—MESSAGE FROM THE PRESIDENT—PM 147

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Finance.

To the Congress of the United States:

I am pleased to transmit legislation and a number of related documents to implement agreements resulting from the General Agreement on Tariffs and Trade (GATT) Uruguay Round of multilateral trade negotiations. The Uruguay Round Agreements are the broadest, most comprehensive trade agreements in history. They are vital to our national interest and to economic growth, job creation, and an improved standard of living for all Americans.

When fully implemented, the Uruguay Round Agreements will add $100–$200 billion to the U.S. economy each year and create hundreds of thousands of new, well-paying American jobs. They provide for a reduction in worldwide tariffs of $744 billion, the largest global tax cut in history.

The United States will be the biggest winner from the Uruguay Round Agreements. We are the world's largest trading nation with the world's most dynamic economy. In 1993, the United States exported $660 billion in goods and services, accounting for more than 10 percent of the U.S. GDP.

These agreements are the result of bipartisan cooperation and reflect the consensus supporting market-opening trade policies that the United States has enjoyed for decades. The Uruguay Round was launched by President Reagan, continued by President Bush, and concluded by this Administration. Each Administration consulted with the Congress and welcomed congressional participation and guidance throughout the negotiations. Similarly, this Administration has worked closely with the Congress to ensure that the implementing legislation that I am now forwarding enjoys broad bipartisan support.

The United States has led the world on a path of open markets, freer trade, and economic growth. Now we must lead the way in implementing these agreements. The leaders of every major industrialized nation have pledged to take action so that the Uruguay Round Agreements can be implemented by January 1, 1995. Any delay on our part would send a negative signal to our trading partners at a time when their economies are just beginning to recover.

Our economic recovery is now fully underway. As the economies in Europe and Japan begin again to grow, we must be positioned to reap the benefits of their expansion. As a result of the Uruguay Round Agreements, our major trading partners in Europe and Asia will cut their tariffs to historic lows.

The Asian Pacific economies are the fastest growing economies in the world and are currently the largest market for U.S. exports. United States exports to Latin America, the second fastest growing region in the world, have grown 60 percent since 1989. The Uruguay Round Agreements will ensure that these fast-growing markets will be open to international competition and that all of our trading partners will play by international trading rules.

The Uruguay Round Agreements enjoy very broad and deep support in the United States. Forty of our Nation's governors, numerous eminent economists, and the vast majority of U.S. industrial, agricultural, and services firms support the agreements, as do an array of former Presidents, Secretaries of State, Secretaries of the Treasury, and U.S. Trade Representatives.

Americans are at their best when they face the challenges of their time. Our predecessors did so after World War II when they created a new international trading system that guided global growth for 50 years. Now we must do the same to foster sustained prosperity for the decades to come.

The end of the Cold War and the rise of the global economy have created new challenges and new opportunities. Implementation of the Uruguay Round Agreements will ensure that we rise to the challenges of this new era and lead the world on a path of prosperity.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *September 27, 1994.*

MESSAGES FROM THE HOUSE RECEIVED DURING RECESS

Under the authority of the order of the Senate of January 5, 1993, the Secretary of the Senate, on September 27, 1994, during the recess of the Senate, received a message from the House of Representatives announcing that the Speaker has signed the following enrolled bills:

S. 2182. An Act to authorize appropriations for fiscal year 1995 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

H.R. 2144. An Act to provide for the transfer of excess land to the Government of Guam, and for other purposes.

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 4008. An Act to authorize appropriations for the National Oceanic and Atmospheric Administration for fiscal years 1995 and 1996, and for other purposes.

H.R. 4448. An Act to amend the Act establishing Lowell National Historical Park, and for other purposes.

MESSAGES FROM THE HOUSE

At 2:45 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 committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4539) A bill making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1995, and for other purposes.

The message also 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. 4602) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1995, and for other purposes.

At 4:24 p.m., a message from the House of Representatives, delivered by Mr. Hays, 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. 5060. An Act to provide for the continuation of certain fee collections for the expenses of the Securities and Exchange Commission for fiscal year 1995.

MEASURES PLACED ON THE CALENDAR

The following bill, was read the first and second times by unanimous consent, and placed on the calendar pursuant to the order of September 27, 1994:

H.R. 4008. An Act to authorize appropriations for the National Oceanic and Atmospheric Administration for fiscal years 1995 and 1996, and for other purposes.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–635. A concurrent resolution adopted by the Legislature of the State of Mississippi; to the Committee on Armed Services.

"HOUSE CONCURRENT RESOLUTION 13

"Whereas, the smuggling of drugs into the United States is a multi-billion dollar business which destroys numerous lives and has created a plague on our society; and

"Whereas, by using military force the flow of drugs could be drastically reduced and hopefully halted; and

"Whereas, a drug free United States would result in a nation with less crime and would remove the fear of crime which is so prevalent among law abiding citizens; and

"Whereas, drug abuse destroys the fabric of our proud heritage as citizens of the greatest nation in the world; and

"Whereas, it is the policy of this Legislature to make every effort to make our nation a safe and prosperous place for all of our citizens: Now, therefore, be it

"*Resolved by the House of Representatives of the State of Mississippi, the Senate concurring therein*, That we do hereby memorialize the United States Congress to use all available military forces to stop the flow of illegal drugs into the United States; and be it further

"*Resolved*, That copies of this resolution be furnished to the President of the United States Senate, the Speaker of the United States House of Representatives, the Mississippi Congressional Delegation and to the members of the Capitol Press Corps."

POM-636. A resolution adopted by the Legislature of Rockland County, New York relative to the Sterling Forest; to the Committee on Energy and Natural Resources.

POM-637. A resolution adopted by the Municipal Assembly of the City of Aquadilla, Puerto Rico relative to the election of President and Vice President of the United States; to the Committee on Energy and Natural Resources.

POM-638. A resolution adopted by the House of the Legislature of the Commonwealth of Massachusetts; to the Committee on Environment and Public Works.

"RESOLUTION

"Whereas, the communities serviced by the south Essex Sewerage District are faced with meeting the Federal requirements of the Clean Water Act in the construction of a new sewerage treatment facility at a cost of two hundred and sixty million dollars; and

"Whereas, the cost of the project is so overwhelming that there has been a tremendous burden placed on the local ratepayers causing wholesale sewer user charges in the south Essex Sewerage District to triple and communities throughout the commonwealth of Massachusetts are now, or soon will be faced with similar unfunded clean water mandates; and

"Whereas, the new State revolving fund formula contained in the United States Senate bill, S. 2093, properly adopts and undated needs assessment formula which recognizes the changing national priorities in the construction of their important wastewater facilities, including the financial impact of the south Essex Sewerage District project on the communities served by the south Essex sewerage district, as well as other Massachusetts communities faced with similar burdens: Therefore be it

"*Resolved*, That the Massachusetts House of Representatives urges the Congress of the United States to take all actions necessary to ensure the reauthorization of the Clean Water Act in 1994, and to ensure that the south Essex Sewerage District and other communities receive their fair share of funding to offset the cost of Federal clean water projects; and be it further

"*Resolved*, That a copy of these resolutions be forwarded by the Clerk of the House of Representatives to the presiding officer of each branch of Congress and to the Members thereof from this commonwealth.

POM-639. A resolution adopted by the Legislature of Schuyler County, New York relative to the Uruguay Round of the General Agreement on Tariffs and Trade; to the Committee on Finance.

POM-640. A resolution adopted by the General Assembly of the Presbyterian Church relative to the United Nations International Conference on Population and Development; to the Committee on Foreign Relations.

POM-641. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Foreign Relations.

"Whereas, for Fiscal Year 1994, the Congress of the United States enacted $12.7 billion in federal foreign aid; and

"Whereas, in the case *Hope Medical Group for Women* v. *Edwards* the United States District Court, Eastern District of Louisiana has enjoined the state from enforcing R.S. 40:1299.34.5, insofar as it prohibits state funding for abortions to terminate pregnancies resulting from acts of rape or incest, while at the same time accepting Medicaid funds; and

"Whereas, irregardless of Louisiana's participation in the Medicaid program, the citizens and taxpayers of Louisiana would still continue to pay taxes to support both the Medicaid program and, directly or indirectly, the costs of medical treatment for citizens in foreign nations: Therefore be it

"*Resolved* That the Legislature of Louisiana does hereby memorialize the Congress of the United States and in particular the members of the Louisiana congressional delegation to withhold all foreign aid if Medicaid funds are withheld from Louisiana citizens; and be it further

"*Resolved* That copies of this Resolution be transmitted to the secretary of the United States Senate, the clerk of the United States House of Representatives, and to each member of the Louisiana congressional delegation."

POM-642. A concurrent resolution adopted by the Legislature of the State of Texas; to the Committee on Governmental Affairs.

"HOUSE CONCURRENT RESOLUTION 126

"Whereas, in 1995, Texans will commemorate the 150th anniversary of Texas' admission to the union with great pride and patriotic celebrations, paying homage both to statehood and to the unique history and bold traditions that are our heritage; and

"Whereas, Texas was founded by pioneers who were willing to endure any hardship and accept any challenge, for they believed that the fight for freedom was a noble and just cause; after winning their freedom in 1836, these settlers established the Republic of Texas, thus making Texas the only state in this country to exist for nearly a decade as a free and independent nation; and

"Whereas, Texas joined the union in 1845 as the 26th state, and as part of the annexation agreement, the United States included several unique terms for statehood; Texas entered the union as a state, not a territory, was the only state allowed to retain its public domain, and preserved a right to subdivide into additional states; and

"Whereas, Texans wisely chose to keep the Lone Star State intact, however, and in doing so, they ensured that future generations would enjoy a land of immense beauty and contrast; the rugged terrain offers more geographic diversity than many nations, and from the mountains of West Texas to the lush Gulf Coast, from the arid plains of the Panhandle to the fertile Rio Grande Valley, Texas provides a sweeping panorama of the American landscape in all its many forms; and

"Whereas, Similarly, the people of Texas represent a blend of cultures and ethnicities; combining the food, traditions, and languages of Mexico, Spain, Germany, France, and Sweden, as well as many other nations, Texans forged a unique bond and created a distinct culture that celebrates the diversity of its people; and

"Whereas, For many Americans, Texas remains the last frontier, a place where wide open spaces and the Alamo echo the spirit and adventure of the past, while microchip industries and NASA headquarters herald the promise of the future; the spirit of Texas encompasses those values that Americans hold most dear, such as honor, integrity, courage, and liberty; and

"Whereas, As Texans mark 150 years of statehood, they will celebrate this event with much price and joy throughout the Lone Star State; the good people of Texas invite all Americans to join in commemorating a century and a half of Texas history and culture, for this auspicious event is of national as well as statewide significance: Now, therefore, be it

"*Resolved*, That the 73rd Legislature of the State of Texas, Regular Session, 1993, hereby request the United States Postal Service to issue a commemorative postage stamp during 1995 in recognition of Texas' 150 years of statehood; and, be it further

"*Resolved*, That the Texas secretary of state forward an official copy of this resolution to the postmaster general as an expression of the sentiment of the Texas Legislature."

POM-643. A concurrent resolution adopted by the Legislature of the State of Utah; to the Committee on Governmental Affairs.

"SENATE CONCURRENT RESOLUTION 1

"Whereas the Tenth Amendment to the Constitution of the United States, part of the original Bill of Rights, reads as follows: "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively or to the people";

"Whereas it is the sense of the Legislature of the state of Utah and the Governor, acting on behalf of the people of the state of Utah, that the Tenth Amendment was intended to be a substantive limit on the power of the federal government over the states and that it should be so applied by the state and federal courts in deciding questions concerning the exercise of federal authority over the states;

"Whereas the plain meaning of this important constitutional provision has been abrogated by the United States Supreme Court in the two recent decisions of *Garcia* v. *San Antonio Metropolitan Transit Authority*, 469 U.S. 528 1985 and *South Carolina* v. *Baker*, 108 S. Ct. 1355 (1988), wherein the high court held that the limits of the Tenth Amendment are structural rather than substantive, thus inviting further federal preemption of state authority;

"Whereas the states, in light of the rulings discussed above, must look to Congress rather than to the courts for protection from further federal regulation and intrusion into the power previously recognized by the courts as being specifically reserved to the states by the Constitution; and

"Whereas the President of the United States and the Congress should be urged to protect and strengthen the position of the states of our republic, to avoid further intrusion by the federal government upon state prerogatives, and to afford greater protection to the governing authorities of the states: Now, therefore, be it

"*Resolved*, That the Legislature of the state of Utah, the Governor concurring therein, urge the President of the United States and the Congress to reaffirm the powers originally granted to the states by the Tenth Amendment to the U.S. Constitution, to protect and strengthen the position of the states in this republic, to avoid further intrusion by the federal government upon

state prerogatives, and to afford greater constitutional and statutory autonomy to the governing authorities of the states; and be it further

"*Resolved*, That copies of this resolution be sent to the President of the United States, the Speaker of the United States House of Representatives, the majority and minority leaders of the United States Senate and the members of the Utah Congressional delegation."

POM-644. A joint resolution adopted by the Legislature of the State of Utah; to the Committee on the Judiciary.

"SENATE JOINT RESOLUTION 24

"Whereas Congress was originally envisioned by the founding fathers as a nonpartisan, part-time legislative body whose members would take time from their normal businesses and professions to attend the congressional session for four to five months annually;

"Whereas the press of the nation's business has forced the Congress to become increasingly a highly structured, professional, and hierarchical institution rather than an informal, flexible gathering of citizens and legal intellects that obtained in the federalist era;

"Whereas the power of the incumbency has grown over time and, with the institution of electronic media, to the point that the incumbent is nearly unassailable in any normal election;

"Whereas the seniority system in the Congress, though recently reformed, still places disproportionate stress on electoral longevity;

"Whereas innovative ideas and rejuvenated vigor are more likely to come to the Congress through new members fresh from association with the American people;

"Whereas the most common complaint that the public makes about congressional service is that congressmen spend more of their time running for office than attending their duties;

"Whereas the power of incumbency makes biennial congressional elections an expensive, exasperating, and ultimately rather meaningless waste of each congressman's time and talents; and

"Whereas under Article V of the Constitution of the United States, an amendment to the Constitution may be proposed by Congress, which shall become part of the Constitution when ratified by three-fourths of the several states: Now, therefore, be it

"*Resolved by the Legislature of the State of Utah*, That the Congress of the United States is hereby petitioned to propose an amendment to the Constitution of the United States, for submission to the states for ratification, to limit the number of terms a person may serve in the United States House of Representatives to no more than six and to limit the number of terms a person may serve in the United States Senate to no more than two; and be it further

"*Resolved*, That this application by this Legislature constitutes a continuing application in accordance with Article V of the Constitution of the United States until the Congress has proposed an amendment to the Constitution of the United States similar in subject matter to that contained in this Joint Resolution; and be it further

"*Resolved*, That certified copies of this resolution be transmitted to the president and the secretary of the United States Senate, to the speaker and the clerk of the United States House of Representatives, to each member of this state's delegation to the Congress, and to the presiding officer of each house of each state legislature in the United States."

POM-645. A concurrent resolution adopted by the Legislature of the State of Utah; to the Committee on the Judiciary.

"SENATE CONCURRENT RESOLUTION 3

"Whereas the U.S. Supreme Court decision legalizing the burning of the American flag as a form of symbolic political speech poses a threat to the ideals the flag represents;

"Whereas Americans hold the flag in high respect because it is a symbol of the many freedoms made available to us through our democratic system of government, and stands as a reminder of the men and women who fought and died to protect these freedoms;

"Whereas in the words of the President, "Flag burning is wrong, dead wrong, the flag is very special to all loyal Americans";

"Whereas in the words of the National Commander of the American Legion, "Many a Gold Star mother cherishes the carefully folded triangular bundle of red, white, and blue as the closest link to a fallen hero son";

"Whereas Americans in Utah and throughout this great land should not stand silent on this issue, but should let our voice be heard until our elected leaders constitutionally protect the American flag; and

"Whereas many members of Congress give bipartisan support to a constitutional amendment designed to make illegal the physical desecration of the American flag as a form of protected symbolic political speech: Now, therefore, be it

"*Resolved*, That the Legislature of the state of Utah, the Governor concurring therein, strongly urges Utah's congressional delegation to support a constitutional amendment forbidding the physical desecration of the flag as a form of protected symbolic political speech; and be it further

"*Resolved*, That copies of this resolution be sent to President Bush, the leadership of the United States Congress, and Utah's congressional delegation."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ROCKEFELLER, from the Committee on Veterans, Affairs, with an amendment and an amendment to the title:

S. 2094. A bill to make permanent the authority of the Secretary of Veterans, Affairs to approve basic educational assistance for flight training (Rept. No. 103-384).

By Mr. ROCKEFELLER, from the Committee on Veterans Affairs, with an amendment in the nature of a substitute and an amendment to the title:

S. 2325. A bill to amend certain laws under the jurisdiction of the Secretary of Veterans Affairs to reauthorize programs relating to substance abuse and homeless assistance for veterans, to authorize a demonstration program to provide assistance to homeless veterans, and for other purposes (Rept. No. 103-385).

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, without amendment:

H.R. 457. A bill to provide for the conveyance of lands to certain individuals in Butte County, California.

H.R. 1716. A bill to amend the Act of January 26, 1915, establishing Rocky Mountain National Park, to provide for the protection of certain lands in Rocky Mountain National Park and along North St. Vrain Creek, and for other purposes.

H.R. 2620. A bill to authorize the Secretary of the Interior to acquire certain lands in California through an exchange pursuant to the Federal Land Policy and Management Act of 1976.

H.R. 3050. A bill to expand the boundaries of the Red Rock Canyon National Conservation Area.

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, with amendments:

H.R. 3252. A bill to provide for the conservation, management, or study of certain rivers, parks, trails, and historic sites, and for other purposes.

H.R. 3498. A bill to establish the Great Falls Historic District, and for other purposes.

H.R. 3708. A bill to reform the operation, maintenance, and development of the Steamtown National Historic Site, and for other purposes.

By Mr. BAUCUS, from the Committee on Environment and Public Works, without amendment:

H.R. 4543. A bill to designate the United States courthouse to be constructed at 907 Richland Street in Columbia, South Carolina, as the "Matthew J. Perry, Jr. United States Courthouse".

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute and an amendment to the title:

S. 112. A bill to establish the Hudson River Artists National Historical Park in the State of New York, and for other purposes.

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute:

S. 471. A bill to establish a new area study process for proposed additions to the National Park System, and for other purposes.

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, with amendments:

S. 1222. A bill to revise the boundaries of the Blackstone River Valley National Heritage Corridor in Massachusetts and Rhode Island, and for other purposes.

S. 1324. A bill to authorize the Secretary of the Interior to exchange certain lands of the Columbia Basin Federal reclamation project, Washington, and for other purposes.

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute:

S. 1683. A bill to authorize the Secretary of the Interior to provide funds to the Palisades Interstate Park Commission for acquisition of land in the Sterling Forest area of the New York/New Jersey Highlands Region, and for other purposes.

S. 1726. A bill to provide for a competition to select the architectural plans for a museum to be built on the East Saint Louis portion of the Jefferson National Expansion Memorial, and for other purposes.

S. 1998. A bill to provide for the acquisition of certain lands formerly occupied by the Franklin D. Roosevelt family, and for other purposes.

S. 2001. A bill to improve the administration of the Women's Rights National Historical Park in the State of New York, and for other purposes.

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, with amendments:

S. 2064. A bill to expand the boundary of the Weir Farm National Historic Site in the State of Connecticut.

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, without amendment:

S. 2078. A bill to amend the National Trails System Act to designate the Old Spanish Trail and the Northern Branch of the Old Spanish Trail for potential inclusion into the National Trails System, and for other purposes.

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute:

S. 2121. A bill to promote entrepreneurial management of the National Park Service, and for other purposes.

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, without amendment:

S. 2234. A bill to amend the Mississippi River Corridor Study Commission Act of 1989 to extend the term of the commission established under that Act.

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, with amendments:

S. 2249. A bill to amend the Alaska Native Claims Settlement Act, and for other purposes.

S. 2303. A bill to provide for the exchange of lands within Gates of the Arctic National Park and Preserve, and for other purposes.

By Mr. BAUCUS, from the Committee on Environment and Public Works, with amendments and an amendment to the title:

S. 2395. A bill to designate the United States Federal Building and Courthouse in Detroit, Michigan, as the "Theodore Levin Federal Building and Courthouse", and for other purposes.

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, without amendment and with a preamble:

S.J. Res. 217. A joint resolution to approve the location of a World War II Memorial.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. NUNN, from the Committee on Armed Services:

The United States Army National Guard officers named herein for appointment in the Reserve of the Army of the United States in the grades indicated below, under the provisions of title 10, United States Code, sections 593(a), 3371, and 3384:

To be major general

Brig. Gen. William E. Murphy, 455-48-5860.

To be brigadier general

Col. Darrel P. Baker, 462-64-3645.

The following-named officer for appointment in the Reserve of the Army of the United States in the grade indicated below, under the provisions of title 10, United States Code, sections 593, 3385, and 3392:

To be brigadier general

Federico Lopez III, 458-70-0744.

The following-named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Richard M. Scofield, 026-28-8454, U.S. Air Force.

The following-named officer for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Edward P. Barry, Jr., 029-30-0308, U.S. Air Force.

The following-named officer for appointment in the U.S. Air Force to the grade of brigadier general under the provisions of title 10, United States Code, section 624:

To be brigadier general

Col. Claude M. Bolton, Jr., 505-58-5880, Regular Air Force.

The following-named officer for appointment in the Reserve of the Army of the United States in the grade indicated below, under the provisions of title 10, United States Code, sections 593, 3385, and 3392:

To be brigadier general

Col. Wayne D. Marty, 458-66-9856.

The following-named officers for appointment in the U.S. Air Force to the grade of major general under the provisions of title 10, United States Code, section 624:

To be major general

Brig. Gen. Jerrold P. Allen, 009-30-6342, Regular Air Force.

Brig. Gen. Allen D. Bunger, 430-80-3653, Regular Air Force.

Brig. Gen. Stewart E. Cranston, 265-70-8502, Regular Air Force.

Brig. Gen. Robert S. Dickman, 150-34-8510, Regular Air Force.

Brig. Gen. William J. Donahue, 401-58-3904, Regular Air Force.

Brig. Gen. Robert W. Drewes, 060-34-6657, Regular Air Force.

Brig. Gen. Patrick K. Gamble, 533-44-2878, Regular Air Force.

Brig. Gen. Francis C. Gideon, Jr., 284-40-8826, Regular Air Force.

Brig. Gen. Edward F. Grillo, Jr., 265-80-7008, Regular Air Force.

Brig. Gen. John W. Handy, 241-68-5379, Regular Air Force.

Brig. Gen. Charles R. Heflebower, 467-68-8234, Regular Air Force.

Brig. Gen. Henry M. Hobgood, 243-72-9213, Regular Air Force.

Brig. Gen. Hal M. Hornburg, 455-72-6836, Regular Air Force.

Brig. Gen. Normand G. Lezy, 035-26-0318, Regular Air Force.

Brig. Gen. Donald E. Loranger, Jr., 517-46-2623, Regular Air Force.

Brig. Gen. John M. McBroom, 223-58-8526, Regular Air Force.

Brig. Gen. George K. Muellner, 340-36-4452, Regular Air Force.

Brig. Gen. Robert F. Raggio, 564-58-7255, Regular Air Force.

Brig. Gen. John B. Sams, Jr., 252-70-6470, Regular Air Force.

Brig. Gen. Michael C. Short, 522-58-9016, Regular Air Force.

Brig. Gen. Rondal H. Smith, 413-72-4443, Regular Air Force.

The following-named officer for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Buster C. Glosson[1], 240-64-4340, U.S. Air Force.

(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. NUNN. Mr. President, for the Committee on Armed Services, I report favorably the attached listing of nominations.

Those identified with a single asterisk [*] are to be placed on the Executive Calendar. Those identified with a double asterisk [**] are to lie on the Secretary's desk for the information of any Senator since these names have already appeared in the CONGRESSIONAL RECORD of January 5, 1993, June 8, July 27, and September 19, 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 January 5, 1993, June 8, July 27, and September 19, 1994, at the end of the Senate proceedings.)

**In the Army Reserve there are 5 promotions to the grade of colonel (list begins with George D. Baxter) (Reference No. 38-2).

*In the Air Force there is 1 appointment to the grade of brigadier general (Claude M. Bolton, Jr.) (Reference No. 48-5).

*In the Army Reserve there are 2 appointments to the grade of major general and below (list begins with William B. Murphy) (Reference No. 60-2).

*Lieutenant General Edward P. Barry, Jr., USAF to be placed on the retired list in the grade of lieutenant general (Reference No. 811).

*Major General Richard M. Scofield, USAF to be lieutenant general (Reference No. 823).

*In the Air Force there are 21 appointments to the grade of major general (list begins with Jerrold P. Allen) (Reference No. 1104).

**In the Army Reserve there are 8 promotions to the grade of colonel and below (list begins with George R. Allen) (Reference No. 1461).

**In the Army Reserve there are 45 promotions to the grade of lieutenant colonel (list begins with Richard W. Attwood) (Reference No. 1609).

*In the Army Reserve there is 1 appointment to the grade of brigadier general (Federico Lopez III) (Reference No. 1622).

*Colonel Wayne D. Marty, USAR to be brigadier general (Reference No. 1623).

**In the Navy there are 1,657 promotions to the grade of lieutenant commander (list begins with Thor D. Aakre) (Reference No. 1785).

Total: 1,743.

By Mr. PELL, from the Committee on Foreign Relations:

Treaty Doc. 103-24 Treaty Agreement to Promote Compliance with International Conservation and Management Measures by Fishing Vessels on the High Seas (Exec. Rept. 103-32).

Treaty Doc. 103-26 The International Labor Conference Convention No. 150 Concerning Labor Administration (Exec. Rept. 103-33).

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. GLENN (for himself, Mr. DORGAN, Mr. ROTH, Mr. LEVIN, Mr. DECONCINI, Mr. LIEBERMAN, and Mr. STEVENS):

[1] (Together with minority views) (Exec. Rept. 103-34).

S. 2463. A bill to provide, in accordance with the Federal Advisory Committee Act, for the repeal of advisory committees no longer carrying out the purposes for which they were established; to the Committee on Governmental Affairs.

By Mr. WOFFORD:

S. 2464. A bill entitled the "Congressional Health Insurance Accountability Act"; to the Committee on Governmental Affairs.

By Ms. MOSELEY-BRAUN (for herself, Mr. CHAFEE, Mr. SIMON, and Mr. PELL):

S. 2465. A bill to require the Secretary of the Treasury to mint coins in commemoration of black revolutionary war patriots; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. JOHNSTON (for himself and Mr. WALLOP):

S. 2466. A bill to amend the Energy Policy and Conservation Act to manage the Strategic Petroleum Reserve more effectively and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. MITCHELL (for himself, Mr. MOYNIHAN, and Mr. PACKWOOD) (by request):

S. 2467. A bill to approve and implement the trade agreements concluded in the Uruguay Round of multilateral trade negotiations; to the Committee on the Judiciary, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Commerce, Science, and Transportation, the Committee on Finance, the Committee on Governmental Affairs, and the Committee on Labor and Human Resources jointly, pursuant to the order of 19 U.S.C. 2191(c)(1).

By Mr. CONRAD (for himself, Mr. LEAHY, Mr. DORGAN, and Mr. BUMPERS):

S. 2468. A bill to permit the Secretary of Agriculture to make available certain amounts for FmHA farm ownership, operating, or emergency loans, and for other purposes; considered and passed.

By Mr. FORD:

S. 2469. A bill to amend Title XI of the Energy Policy Act of 1992 to provide for the economic and environmentally acceptable disposal of low-level radioactive waste and mixed waste resulting from the operation of gaseous diffusion plants at Paducah, Kentucky and Piketown, Ohio, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. LAUTENBERG:

S.J. Res. 222. A joint resolution to designate October 19, 1994, as "Mercy Otis Warren Day", and for other purposes; to the Committee on the Judiciary.

By Mr. KENNEDY (for himself, Mr. HATCH, Mr. SIMON, Mr. MACK, Mr. BAUCUS, Mr. LEAHY, Mr. D'AMATO, Mr. COCHRAN, Mr. DECONCINI, Mr. BRADLEY, Mr. MOYNIHAN, Mr. GLENN, Mr. WOFFORD, Mr. BIDEN, Mr. CHAFEE, Mr. DODD, Mr. LAUTENBERG, Mr. INOUYE, Mr. KERRY, Mr. ROTH, Mr. THURMOND, Mr. PELL, Mr. WARNER, Mr. DURENBERGER, Mrs. BOXER, Mr. SARBANES, Mr. JOHNSTON, Mr. DORGAN, Mr. JEFFORDS, Mr. METZENBAUM, Mr. RIEGLE, Mr. HEFLIN, Mr. MITCHELL, Mr. PACKWOOD, Mr. GRASSLEY, Mr. SPECTER, Mr. DOLE, Mr. LOTT, Mr. MURKOWSKI, Mr. COHEN, Mr. BENNETT, Mr. BOND, Mr. STEVENS, Mr. HELMS, Mr. MCCAIN, Mr. SASSER, Ms. MIKULSKI, Mr. LIEBERMAN, Mr. LEVIN, Mr. AKAKA, Mr. FORD, and Mr. WELLSTONE):

S.J. Res. 223. A joint resolution to designate March 1995 and March 1996 as "Irish-American Heritage Month"; to the Committee on the Judiciary.

By Mr. SIMON (for himself, Mr. SARBANES, Mr. PELL, Mr. REID, Mr. WOFFORD, Mr. MATHEWS, Mr. BINGAMAN, and Mr. KENNEDY):

S.J. Res. 224. A joint resoution designating November 1, 1994, as "National Family Literacy Day"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. MITCHELL (for himself and Mr. DOLE):

S. Res. 269. A resolution to amend Senate Resolution 75, 103d Congress, relating to the Jacob Javits Senate Fellowship Program; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GLENN (for himself, Mr. DORGAN, Mr. ROTH, Mr. LEVIN, Mr. DECONCINI, Mr. LIEBERMAN, and Mr. STEVENS):

S. 2463. A bill to provide, in accordance with the Federal Advisory Committee Act, for the repeal of advisory committees no longer carrying out the purposes for which they were established; to the Committee on Governmental Affairs.

THE ADVISORY COMMITTEE TERMINATION ACT OF 1994

• Mr. GLENN. Mr. President, today I am pleased to introduce legislation, proposed by the administration, to give us a start in whittling down the numbers of Federal advisory committees, particularly those created by Congress. This follows significant efforts on the parts of the President and Vice President to eliminate over 280 other advisory committees.

When President Clinton took office, there were over 1,200 such advisory committees, costing at least $140 million per year. Of that number, there were approximately 800 such committees of a discretionary nature, which are those created by the President directly or, pursuant to general authorization, through heads of executive level agencies. Another 400 advisory committees can be termed as statutory in nature, owing their existence solely to Congress through specific statutory authorization.

I was pleased that one of President Clinton's first acts was to issue an Executive order mandating a one-third cut in the numbers of the so-called discretionary advisory committees. Earlier this year—after detailed review and evaluation by Federal agencies, the Committee Management Secretariat of the General Services Administration [GSA], and the Office of Management and Budget [OMB]—the President announced he had exceeded his original target by terminating 284 of these committees, with approximate savings of $17 million.

I do not mean to disparage the work of these committees or the efforts of the many qualified individuals who have served on them. I do hope they have fulfilled the purpose for which they were created in exemplary fashion. But I ask you, Mr. President, is anyone in America going to lose sleep over the fact that the National Commission on Sleep Disorders has been put to bed? Or what about the 1610/2483 Mhz Negotiated Rulemaking Committee. Will their frequency be missed? It would seem that the National Advisory Committee on Publications Subvention has had their existence subverted.

I could cite many more, but I use these as examples, not to belittle. The point being that, once these entities are created, they invariably take on a life of their own. It is probably easier to skate across Lake Erie in the dead of winter than it is to keep these numbers under control.

That is not to say that advisory committees, if used properly and judiciously, do not play an important role in our Government. They do. It is an opportunity for us—and more importantly, Government officials—to hear some common sense directly from private citizens, consumers, businesses, industry, and scientific experts alike. Some would say we could always use more of that here. If these advisory committees are created for a limited duration and an explicit purpose, say a report to make recommendations on an issue of public policy, they can bring sound advice at a relatively cheap cost.

But what sometimes happens, is that once these committees get going they don't want to stop. Like weeds, they can proliferate. We need to be able to rake them in once in a while. But to do that—and this is where I give credit to the administration—requires much time and effort. For who sits on these boards? In some cases, the privilege of serving becomes a form of patronage to be dispensed. Who do they represent? While oftentimes there is a broad spectrum of interests, in other cases it can be very narrow and specialized. For those groups, it becomes their channel of communication or participation with an agency. So one can see how hard it is, politically speaking, to try and cut these committees. Frankly, there is more to gain by just going along than there is to take a whack at them. Why make an enemy if you can help it?

Which brings me to the legislation I, and a number of my colleagues—particularly members of the Governmental Affairs Committee—are introducing here today. Previously, I had stated that there were some 400 advisory committees created by Congress. That, unfortunately, is the fastest growing segment in this ballpark. Just

a few years ago, there were only half as many.

Now under the Federal Advisory Committee Act [FACA], there are some provisions which help constrain the growth of advisory committees by making them subject to periodic rechartering and general reviews of their performance. While that is still not perfect—and more teeth need to be put in—at least it is a start. On the other hand, many of the advisory committees created by Congress are not subject to these limitations. Oftentimes, they are exempted. Meaning, that their life—and purpose—are limitless. Further, for the ones which are reviewed periodically, there is always some hesitation on the part of the agency doing the reviewing to recommend their termination. Again, it is politically more expedient.

Which gets me to the point of why we in Congress establish such advisory committees. In some cases, we create them to defer consideration of a particularly contentious issue. In others, we are looking for more guidance and advice from private citizens in the real world. Still more come into existence as the result of agreements made on the floor as compromises in return for not offering time-consuming or delaying amendments to pending legislation.

Again, I certainly do not cast any aspersions on those advisory groups we have created. But the point is: Once they have been statutorily created, it takes an act of Congress to terminate them. That is the bill I am introducing here today.

In the administration's review pursuant to President Clinton's Executive Order 31, congressionally created advisory committees were recommended for elimination and for which we need to pass legislation to do it. Again, it is the agencies themselves which have come up with this list recommending for termination committees whose mandate has been fulfilled, their usefulness outlived, or their duties better performed elsewhere. Each one has a reason of justification.

The estimated savings are not huge. Only $2.4 million. Even more importantly, however, is the fact it shows we in Congress can do something to cut the numbers of Government boards and commissions. Again, it is only a start. I know we can do better. In fact, I note that the Vice President has again directed all agencies to come up with further reductions and savings. Moreover, he has indicated that the administration will not support new advisory committees unless an existing one is terminated.

I think this makes eminent sense, and is something we should be doing in Congress. My hope is that we can do far better than cutting 31 of the 410 advisory committees we've created. I'd be thrilled if we could emulate the President and make that a one-third cut. So I will be following up these efforts by asking my fellow committee chairs and ranking members to conduct a similar review and determine which advisory committees are still needed.

I realize this will be a long, hard, and thankless effort. Already, in response to this proposed list, we're heard from some of those who serve on these groups, or professional organizations whose interests are represented on them. Their cases are certainly compelling—they cost very little or accomplish a great deal. This may or may not be the case, but I'll let my colleagues, in looking at this list, decide for themselves.

In closing, let me thank both the President, Vice President, and former OMB Director and now White House Chief of Staff, Leon Panetta, for their work and commitment to this job. Further, I'd like to acknowledge the interest and support of my able colleague, Senator DORGAN, for his continuing efforts in this area.

Mr. President, I ask unanimous consent that the text of the bill and a summary be printed in the RECORD.

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

S. 2463

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 "Advisory Committee Termination Act of 1994."

SEC. 2. REPEAL OF ADVISORY COMMITTEES.

(a) DEPARTMENT OF AGRICULTURE.—

(1) SWINE HEALTH ADVISORY COMMITTEE.—Section 11 of the Swine Health Protection Act (7 U.S.C. 3810), which required the Secretary of Agriculture to appoint a swine health advisory committee or committees, is repealed.

(2) CASCADE HEAD SCENIC-RESEARCH AREA ADVISORY COUNCIL.—Section 8 of the Act of December 22, 1974 (16 U.S.C. 541g), which required the Secretary of Agriculture to appoint a Cascade Head Scenic-Research Area Advisory Council, is repealed.

(3) GLOBAL CLIMATE CHANGE TECHNICAL ADVISORY COMMITTEE.—Section 2404 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 6703), which required the Secretary of Agriculture to appoint a Global Climate Change Technical Advisory Committee, is repealed.

(4) MONO BASIN NATIONAL FOREST SCENIC AREA ADVISORY BOARD.—Section 306 of the California Wilderness Act of 1984 (16 U.S.C. 543e), which established the Mono Basin National Forest Scenic Area Advisory Board, is repealed.

(5) NEZ PERCE NATIONAL HISTORIC TRAIL ADVISORY COUNCIL.—Section 5(d) of the National Trails System Act, (16 U.S.C. 1244(d)), which required the Secretary of Agriculture to establish an advisory council for the Nez Perce National Historic Trail, is amended in the first sentence by inserting before the period at the end "and the Advisory Council established for the Nez Perce National Historic Trail shall terminate on the effective date of the Advisory Committee Termination Act of 1994.".

(b) DEPARTMENT OF DEFENSE.—Section 3306 of the National Defense Authorization Act for Fiscal Year 1993 (50 U.S.C. 98h-1 note), which authorized the Government-Industry Advisory Committee on the Operation and Modernization of the National Defense Stockpile, is repealed.

(c) DEPARTMENT OF EDUCATION; IMPROVEMENT AND REFORM OF SCHOOLS AND TEACHING FUND BOARD.—

(1) FUND FOR THE IMPROVEMENT AND REFORM OF SCHOOLS AND TEACHING ACT.—The Fund for the Improvement and Reform of Schools and Teaching Act (20 U.S.C. 4811 et seq.), which established the Fund Board, is amended—

(A) in section 3231 (20 U.S.C. 4831)—

(i) in the heading by striking "**BOARD AUTHORIZED**" and inserting "**DIRECTOR'S RESPONSIBILITIES**";

"(ii) by striking subsection (a) and redesignating subsections (b) through (f) as subsections (a) through (e), respectively;

(iii) in subsection (b)—

(I) by amending paragraph (3)(A) to read as follows:

"(A) coordinate the work of the Fund with the work of the Fund for the Improvement of Postsecondary Education,";

(II) by amending paragraph (3)(C) to read as follows:

"(C) identify promising initiatives and solicit proposals,";

(III) by striking paragraph (2); and

(IV) by redesignating paragraph (3) as paragraph (2); and

(iv) in subsection (c)—

(I) by striking "**PRIORITIES RULE**" and inserting "**PROJECT SUMMARY**"; and

(II) by striking the first two sentences;

(B) in section 3233 (20 U.S.C. 4833), by striking the second sentence; and

(C) in section 3243 (20 U.S.C. 4843)—

(i) by striking paragraph (2); and

(ii) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

(2) TECHNICAL AMENDMENT.—Section 551 of the Higher Education Act of 1965 (20 U.S.C. 1107) is amended—

(A) in subsection (a)—

(i) by striking paragraph (2); and

(ii) by redesignating paragraph (3) as paragraph (2);

(B) by striking subsection (c); and

(C) by redesignating subsections (d) through (k) as subsections (c) through (j), respectively.

(d) DEPARTMENT OF ENERGY—

(1) TECHNICAL ADVISORY COMMITTEE ON VERIFICATION OF FISSILE MATERIAL AND NUCLEAR WARHEAD CONTROLS.—Section 3151(c) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510; 104 Stat. (839)), which authorized the Technical Advisory Committee on Verification of Fissile Material and Nuclear Warhead Controls, is repealed.

(2) TECHNICAL PANEL ON MAGNETIC FUSION.—Section 7 of the Magnetic Fusion Energy Engineering Act of 1980 (42 U.S.C. 9306), which authorized a technical panel on magnetic fusion, is repealed.

(e) DEPARTMENT OF HEALTH AND HUMAN SERVICES.—

(1) ADVISORY COUNCIL ON HAZARDOUS SUBSTANCES RESEARCH AND TRAINING.—Section 311(a)(5) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9660(a)(5)), which authorized an advisory council on hazardous substances research and training, is repealed.

(2) ADVISORY COUNCIL ON TRAUMA CARE SYSTEMS.—Section 1202 of the Public Health Service Act (42 U.S.C. 300d-1), which authorized the Advisory Council on Trauma Care Systems, is repealed.

(3) JOB OPPORTUNITIES AND BASIC SKILLS TRAINING PROGRAM ADVISORY PANEL.—Section 203(c)(4) of the Family Support Act of 1988 (42 U.S.C. 681 note), which authorized an advisory panel for the evaluation of the Job Opportunities and Basic Skills Training (JOBS) Program, is repealed.

(4) BOARD OF TEA EXPERTS.—Section 4 of the Tea Importation Act (21 U.S.C. 42), which authorized a board of tea experts, is repealed.

(5) DEVICE GOOD MANUFACTURING ADVISORY COMMITTEE.—Section 520(f)(3) of the Federal Food, and Cosmetic Act (21 U.S.C. 360j(f)(3)), which authorized a device good manufacturing practice advisory committee, is repealed.

(6) END STAGE RENAL DISEASE DATA ADVISORY COMMITTEE.—The second sentence of section 1881(c)(7) of the Social Security Act (42 U.S.C. 1395rr(c)(7)), which authorized a professional advisory group to assist in formulation of policies and procedures relevant to the management of the end stage renal disease registry, is amended by striking everything after "purpose of such" and inserting "registry and shall determine the appropriate location of the registry.".

(7) FEDERAL HOSPITAL COUNCIL.—Section 641 of the Public Health Service Act (42 U.S.C. 291k), which authorized the Federal Hospital Council, is repealed.

(8) NATIONAL ARTHRITIS AND MUSCULOSKELETAL AND SKIN DISEASES ADVISORY BOARD.—Section 442 of the Public Health Service Act (42 U.S.C. 285d-7), which authorized the National Arthritis and Musculoskeletal and Skin Diseases Advisory Board, is repealed.

(9) NATIONAL COMMISSION ON ALCOHOLISM AND OTHER ALCOHOL-RELATED PROBLEMS.—Section 18 of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act Amendments of 1979 (42 U.S.C. 4541 note), which authorized the National Commission on Alcoholism and Other Alcohol-Related Problems, is repealed.

(10) NATIONAL DEAFNESS AND OTHER COMMUNICATION DISORDERS ADVISORY BOARD.—Section 464D of the Public Health Service Act (42 U.S.C. 285m-4), which authorized the National Deafness and Other Communication Disorders Advisory Board, is repealed.

(11) NATIONAL DIABETES ADVISORY BOARD, NATIONAL DIGESTIVE DISEASES ADVISORY BOARD, AND NATIONAL KIDNEY AND UROLOGIC DISEASES ADVISORY BOARD.—Section 430 of the Public Health Service Act (42 U.S.C. 285c-4), which authorized the National Diabetes Advisory Board, National Digestive Diseases Advisory Board, and National Kidney and Urologic Diseases Advisory Board, is repealed.

(12) TASK FORCE ON AGING RESEARCH.—Title III of the Home Health Care and Alzheimer's Disease Amendments of 1990 (42 U.S.C. 242q through 242q-5), which authorized the Task Force on Aging Research, is repealed.

(f) DEPARTMENT OF THE INTERIOR.—

(1) CHATTAHOOCHEE RIVER NATIONAL RECREATION AREA ADVISORY COMMISSION.—Section 106 of Public Law 95-344 (16 U.S.C. 460ii-5), which authorized the Chattahoochee River National Recreation Area Advisory Commission, is repealed.

(2) GULF ISLANDS NATIONAL SEASHORE ADVISORY COMMISSION.—Section 10 of Public Law 91-660 (16 U.S.C. 459h-9), which authorized the Gulf Islands National Seashore Advisory Commission, is repealed.

(3) JEFFERSON NATIONAL EXPANSION MEMORIAL COMMISSION.—Section 7 of the Act of August 24, 1984 (68 Stat. 98, chapter 204; 98 Stat. 1467; 16 U.S.C. 450jj-6), which authorized the Jefferson National Expansion Memorial Commission, is repealed.

(4) POTOMAC HERITAGE NATIONAL SCENIC TRAIL ADVISORY COUNCIL.—The first sentence of section 5(d) of the National Trails System Act (16 U.S.C. 1244(d)), which required the Secretary of the Interior to establish an advisory council for the Potomac Heritage National Scenic Trail, is amended by inserting "except the Potomac Heritage Trail" after "respective trail".

(g) DEPARTMENT OF JUSTICE.—Section 5002 of title 18, United States Code, which authorized the Advisory Corrections Council, is repealed.

(h) DEPARTMENT OF TRANSPORTATION.—

(1) COMMERCIAL MOTOR VEHICLE SAFETY REGULATORY REVIEW PANEL.—Section 31134 of title 49, United States Code, as enacted by Public Law 103-472 (formerly section 209 of the Motor Carrier Safety Act of 1984 (49 U.S.C. App. 2508)), which authorized the Commercial Motor Vehicle Safety Regulatory Review Panel, is repealed.

(2) NATIONAL DRIVER REGISTER ADVISORY COMMITTEE.—Section 209 of the National Driver Register Act of 1982 (23 U.S.C. 401 note), which authorized the National Driver Register Advisory Committee, is repealed.

(3) NATIONAL HIGHWAY SAFETY ADVISORY COMMITTEE.—Section 404 of title 23, United States Code, which authorized the National Highway Safety Advisory Committee, is repealed.

JUSTIFICATION FOR THE REPEAL OF ADVISORY COMMITTEES

(a) Department of Agriculture:

(1) Advisory Committee on Swine Health Protection. The duties of this committee—to advise the Secretary of Agriculture on matters within the scope of the Swine Health Protection Act of 1980, including assuring effective coordination between Federal and State programs for regulating the feeding of garbage to swine—have been completed. Ongoing swine health issues can be considered by the Advisory Committee on Foreign Animal and Poultry Diseases, established by the Department.

(2) Cascade Head Scenic-Research Area Advisory Council. The Council has served its intended purposes under its establishing scenic research area legislation and has been inactive since 1982. There have been no recent disputes or substantive issues to be reviewed by the council, and the management of area properties has been proceeding in a cooperative fashion among Federal and local entities concerned.

(3) Global Climate Change Technical Advisory Committee. The purpose of this committee is to provide advice to the Secretary concerning the major study areas required under the global change research program. The Secretary already receives advice from the private sector in this area through other Departmental advisory committees, and also coordinates its research program through a Federal Global Change Research Task Force and other interagency mechanisms of the global change program.

(4) Mono Basin National Forest Scenic Area Advisory Board. Although the board is scheduled to terminate under its establishing scenic area legislation on May 22, 1995, the Department believes early termination would not affect the management of the area. The important planning and management issues have been worked through between the board and the Forest Service, and the normal day-to-day management processes for the area are presently functioning. The board has been only moderately active since 1991.

(5) Nez Perce National Historic Trail Advisory Council. The council, working with the Forest Service, completed the required comprehensive management plan for this historic trail which was dedicated on July 19, 1991. Since then, the council has been inactive. The newly-formed Nez Perce National Historic Trail Foundation has taken on many of the original roles of the council, and is the catalyst in implementing the comprehensive plan and establishing the trail.

(b) Department of Defense:

(1) Government-Industry Advisory Committee on the Operation and Modernization of the National Defense Stockpile. Section 10(a) of the Strategic and Critical Materials Stock Piling Act of 1939, as amended, gives the President the authority to appoint advisory committees to advise on stockpile matters, but does not require such committees. Most sections of the Stock Piling Act, including section 10, have been delegated to the Secretary of Defense. The Secretary has not chosen to appoint such committees in the past. Information and advice is generally available to Stockpile managers directly from other sources, operationally and contractually, without the need for a formal advisory committee. No members have yet been appointed to this committee.

(c) Department of Education:

(1) Fund for the Improvement and Reform of Schools and Teaching Board. The Secretary of Education can carry out the mandate of the Fund for the Improvement and Reform of Schools and Teaching (FIRST) program without the expense and support of a standing advisory committee. The Department's process for peer review of grant applications obviates the need for recommendations from the board in awarding grants under the FIRST program.

(d) Department of Energy:

(1) Technical Advisory Committee on Verification of Fissile Material and Nuclear Warhead Controls. The purpose of the committee was to make a one-time report primarily on techniques for mutual verification by the United States and the Soviet Union of certain nuclear weapons disarmament actions and to advise the President on the further development of those techniques. The report was provided to the Congress by the President on October 7, 1991. The disarmament environment has changed greatly since this legislation was enacted and the thrust of verification techniques no longer is directed toward mutually verifiable procedures. The necessity for the committee ended with the submission of the required report.

(2) Technical Panel on Magnetic Fusion. The Magnetic Fusion Energy Engineering Act of 1980 provided an accelerated program of magnetic fusion research and development leading to the construction and operation of an engineering test device by 1990 and a demonstration plant before the end of this century. The panel was established under the Department's Energy Research Board primarily to review the conduct of the program and report to the board every three years. However, funds were not appropriated to build and operate the test device or the demonstration plant and, as a result, the panel made only two progress reports to the board on the fusion program. The board was abolished in 1989. The Department currently uses a Fusion Energy Advisory Committee as its ongoing committee to review and recommend directions for this program.

(e) Department of Health and Human Services:

(1) Advisory Council on Hazardous Substances Research and Training. The council has completed its statutory mandate. It has

reviewed and approved the implementation of the basic research program, and endorsed the coordination of the program with other relevant Federal activities authorized under the enabling legislation. The National Advisory Environmental Health Sciences Council can continue reviews of the hazardous substances basic research and professional training program.

(2) Advisory Council on Trauma Care Systems. Although membership nominations for this council have been sought, no appointments have been made and the council has never met. The Department believes that the program has proceeded very successfully for almost two years and has not been impeded by the absence of the council. The Health Resources and Services Administration believes that the participatory intent of an advisory council has been and will continue to be met through working groups and other mechanisms for input. Deletion of the requirement for this council will not delay or detract from the program's implementation.

(3) Advisory Panel for the Evaluation of the Job Opportunities and Basic Skills Training (JOBS) Program. The studies which this panel was designed to evaluate have been conducted under a different authority (section 1115 of the Social Security Act), since funds authorized under the enabling legislation have not been appropriated. This alternate evaluation of the JOBS program by the Department is consistent with the design of the effectiveness studies originally required. Although the panel has been providing advice on the Department's evaluation, this advice can be obtained in other ways, such as directly from the full-time Federal employees who make up about one-half of the panel. The remaining public members can be retained as individual consultants for particular areas on an ad hoc basis. Heretofore the members of the panel have been consulted more as individual experts than as a group from whom consensus advice is required.

(4) Board of Tea Experts. The board, composed of experts in tea tasting, meets annually to advise the Food and Drug Administration (FDA) regarding standards for purity, quality, and fitness for consumption of imported teas. The board can be eliminated since FDA employs tea tasters who are capable of setting the standards mandated under the Act.

(5) Device Good Manufacturing Practice Advisory Committee. Under the enabling legislation, the committee reviews and provides recommendations on proposed medical device good manufacturing practices (GMP) regulations and petitions for exemptions therefrom. Since Food and Drug Administration employees are a major source of expertise on GMPs, the agency has concluded that the functions of the committee can be carried out by Federal staff with the occasional use of outside experts on an ad hoc basis. Affected and interested parties will still have an opportunity to provide input on proposed GMP regulations during the formal rulemaking process, which includes public hearings.

(6) End-Stage Renal Disease Data Advisory Committee. Although the committee has been activated to assist the Secretary in the formulation of policies and procedures relevant to the management of the National End State Renal Disease Registry, the operations of the registry are being carried out by Federal employees of the Health Care Financing Administration without the assistance of such standing committee. When additional expertise is needed, the advice of outside professionals in the areas of interest can be solicited individually on an ad hoc basis.

(7) Federal Hospital Council. The "Hill-Burton" program established under the original legislation, concerning matters relating to the operation of hospitals and other medical facilities, has not awarded any grants since 1976, nor made any loans since 1978. The council, therefore, has been inactive for close to fifteen years. The concerns of the council were superseded and encompassed by the National Council on Health Planning and Development, which terminated on September 30, 1986. The authority for the council is obsolete.

(8) National Advisory Board for Arthritis and Musculoskeletal and Skin Diseases. Besides the board, the National Institute of Arthritis and Musculoskeletal and Skin Diseases has other bodies of experts which provide advice and assistance to the Institute in carrying out its mandate. Those bodies have many similar functions and authorities, as well as some duplication of membership. Currently, there is the National Arthritis and Musculoskeletal and Skin Diseases Advisory Council, which also reviews any proposed grant, contract and cooperative agreement to be made or entered into by the Institute, as well as two Interagency Coordinating Committees, all required as well by the Public Health Service Act. Assumption of the board's functions by these other entities would reduce duplication and increases cost effectiveness.

(9) National Commission on Alcoholism and Other Alcohol-Related Problems. The commission was activated briefly in 1980 and was to submit a final report within two years after the date on which funds first became available to carry out the authorizing legislation. The commission was then to terminate sixty days after submission of the report. Although funds were authorized, they were never appropriated to enable the commission to carry out its mandate. The commission has remained inactive up to this time and is no longer considered necessary by the Department.

(10) National Deafness and Other Communication Disorders Advisory Board. Besides the board, there is the National Deafness and Other Communication Disorders Advisory council, also required by the Public Health Service Act. Both the board and the council provide policy advice to the National Institute on Deafness and Other Communication Disorders, but the council also is required to review and recommend the approval of grant applications prior to funding by the Institute. The board's policy advice function can be adequately served by the council. The other specific function of the board, which concerns the updating of the national strategic research plan with regard to this medical area, can be accomplished by other means.

(11) National Diabetes Advisory Board; National Digestive Diseases Advisory Board; and National Kidney and Urologic Diseases Advisory Board. The functions of these three separate boards can be adequately served by the National Diabetes and Digestive and Kidney Diseases Advisory Council, also required by the Public Health Service Act. The council's membership representation is comparable to that of each board as well. The staff of the National Institute of Diabetes and Digestive and Kidney Diseases also arrange periodic scientific conferences and workshops to gain the individual advice of leading investigators of each of these diseases. This further serves to fulfill the functions of the three boards.

(12) Task Force on Aging Research. The task force essentially has fulfilled its principal mission with the recently completed final report on its basic mandate to make recommendations concerning the priorities for, and funding of aging research by the Department. The National Advisory Council on Aging, in carrying out its required duties, makes policy recommendations to the National Institute on Aging, and also may make certain recommendations to the Secretary on particular projects and categories of research that should be conducted. Since the duties of the task force overlap with those of the council, the former may be eliminated.

(f) Department of the Interior:

(1) Chattahoochee River National Recreation Area Advisory Commission. This commission is scheduled to terminate under its establishing recreation area legislation on October 30, 1994. However, the commission already has served its intended purposes to advise the National Park Service in the management and operation of the area and in promoting the protection of the river corridor resources. The commission has been inactive since 1989.

(2) Gulf Islands National Seashore Advisory Commission. The work of this commission to advise the National Park Service on the establishment and operation of the Gulf Islands National Seashore has been completed. The commission is scheduled to terminate under its establishing legislation on July 6, 1994. Recently, only one meeting of the commission per year has been necessary.

(3) Jefferson National Expansion Memorial Commission. This commission completed a study which made several recommendations which would result in grater access and recreational opportunities in the St. Louis/East St. Louis area. However, the study was not accepted by the Secretary and, therefore, actions recommended by the study have not been implemented. The commission has fulfilled its principal function of preparing a development and management plan for the East St. Louis addition to the requisite park. Subsequent legislation, however, has removed any further need for action by the commission. The commission has been inactive since 1987 and will terminate under its establishing legislation on August 24, 1994.

(4) Potomac Heritage National Scenic Trail Advisory Council. The purpose for this council under the establishing scenic and recreational trail legislation is no longer deemed necessary by the Department. Activity related to this council in implementing the legislation has been severely restricted due to budgetary constraints over the past few years. The council, moreover, would terminate under its establishing legislation on May 26, 1994.

(g) Department of Justice:

(1) Advisory Corrections Council. The council was formed to hold regular meetings to consider problems of treatment and correction of all offenders against the United States. Although initially active for many years, in recent years the council has not met. Most of the council's duties have been undertaken by the Bureau of Prisons as its administrative functions and research capabilities have grown along with the inmate population. The growth of other public and private entities serving as prison advisory organizations, such as the National Institute of Corrections, the U.S. Sentencing Commission, the Federal Judicial Center, the American Corrections Association, and the American Bar Association, has diminished the need for the council.

(h) Department of Transportation:

(1) Commercial Motor Vehicle Safety Regulatory Review Panel. The panel has completed its duties to assist in the review of existing State laws and regulations affecting commercial motor vehicle safety to determine their consistency with Federal regulations. The panel accomplished its mission with the publication of its report to the Secretary in August 1990.

(2) National Driver Register Advisory Committee. The purpose of the committee is to provide advice and recommendations on issues concerning the efficiency of the maintenance and operation of the National Driver Register (NDR) in assisting States exchanging information on motor vehicle driving records. All States now have, or will soon have fully electronic NDR systems in place for identifying problem drivers, so the committee's mission has been accomplished.

(3) National Highway Safety Advisory Committee. This committee was established to advise the Secretary on matters relating to the activities and functions of the Department in the field of highway safety. However, as a result of prohibitions in annual appropriations acts on expenditures to continue implementing the authorizing legislation, this committee has been inactive since 1986. The committee includes thirty-five members to be appointed by the President, but no appointments have been made since 1987 due to the funding prohibition.•

By Mr. WOFFORD:

S. 2464. A bill entitled the "Congressional Health Insurance Accountability Act."; to the Committee on Governmental Affairs.

THE CONGRESSIONAL HEALTH INSURANCE ACCOUNTABILITY ACT

• Mr. WOFFORD. Mr. President, 7 weeks ago I warned Members of this Senate that unless we acted to give all Americans the same kinds of affordable, private health insurance that Members of Congress have arranged for themselves, I would seek to disqualify every Member of Congress from participating in the Federal Employees Health Benefits Plan.

I had hoped I wouldn't have to follow through on that promise. I had hoped the voices of reason would be heard above the din of delay.

It is clear now that won't happen. While reasonable men and women on both sides of the aisle have made a good-faith effort to move ahead, the defenders of the status quo have blocked them at every turn. They've played cynically on people's fears and spent mountains of money to block the kinds of changes we all know must be made to improve our health care system.

They have refused to compromise. Time after time, the moderate majority has tried to meet them halfway. And each time, they have taken another step back. The plain truth is, the defenders of the status quo do not want health care reform because it does not serve their political interests. That's an outrage. It's an outrage for Members of Congress to do nothing about health care while they sit here with their own private health insurance, paid for with taxpayer dollars.

Mr. President, it's time for Members of Congress to support the plan they live under, or live under the plan they support. This amendment will force them to do just that. I know it will not be popular in these Chambers, but I think it's the right thing to do. Under this amendment, Members of Congress will lose their tax-paid health care benefits, effective January 1, 1995. They can remain in the Federal Employees Health Benefits Plan for up to 18 months. But the American taxpayers will no longer pick up 72 percent of the bill, as they do now. Congress Members will have to pay the entire costs of their health insurance, as I myself have been doing for the last few months.

Translated into dollars and cents, this amendment means that if a Congress Member or Senator chooses standard Blue Cross family coverage, he or she will pay the full premium, $405 a month. Right now, Congress Members pay only $101.25 a month and taxpayers pay the balance, $303.75.

After 18 months, if Congress still has not been able to agree on real reform, Members of Congress will be dropped from the FEHB rolls entirely. They will no longer enjoy the cost savings and other benefits that come from being part of a large-group plan. They'll have to either purchase their own insurance with no help from their employer, or go without insurance. For those who may think these terms are harsh, let me remind you that this is exactly what taxpayers who lose their jobs get under COBRA. No more, no less.

The Federal Employees Health Benefits Plan is exactly the kind of health insurance that I have been working to get for all Americans. It's not Government-run health care, it's private health insurance. The 9 million Federal workers who are in it choose the plan they want, and the doctor they want. They can't be dropped, and they can't be turned down because of a pre-existing condition. You know how many people it takes to administer such a program—176 people to cover more than 9 million people.

That's the plan Members of Congress have arranged for themselves. If they aren't willing to guarantee that type of private insurance to the American people, then at the very least they should not enjoy such health care themselves, at taxpayer's expense. Since the Senate began debate on health care, 3 million Americans have lost their health insurance. How many Members of Congress have become uninsured? Zero.

If Members of Congress want more time to study—as they claim—let them study what it's like to be a middle-class American caught up in the health care mess. Let them study how difficult it is to pay for health insurance if your employer doesn't contribute a fair share. And let them worry about what it would be like to try to buy health insurance without the help of their employer, because that's really the problem.

Eighty percent of the people in this country who don't have insurance live in families where at least one family member is working. Every day, they get up and go to work. And every day, they wonder if this is the day their luck is going to run out. Many Members of Congress have pre-existing conditions, some very serious, which may make it difficult to buy health insurance. That's just what millions of Americans experience every day. Many Members of Congress are older; their insurance rates may be high. Millions of Americans face that every day, too.

Why should Members of Congress be the only people in America who don't have to worry about health care? Maybe if Members of Congress had a more profound understanding of what working families go through, they would understand why we must act sooner, rather than later.

There are Members of Congress who say that doing nothing on health care won't hurt them a bit. I hope this amendment will help in some small way to show them that they are wrong. Americans are paying more and more each year to cover fewer and fewer people. Doing nothing about that hurts all of us—every person, every business in this country. I've said it before: health care delayed is health care denied.

Until we act, Americans will continue to face a health insurance maze in which the insurance companies make all the rules and families fall through the loopholes and fine print. Until we act, health care costs will continue to soar out of control, placing an ever greater strain on businesses and devouring an ever greater share of tax dollars. Until we act, America will retain the ignoble distinction of being the only industrialized nation in the world besides South Africa that does not guarantee its citizens the right to see a doctor when they're sick.

Until we act, Americans will continue to suffer and die from diseases that could have been prevented or cured if only they'd been treated sooner.

And until we act, Mr. President, Members of Congress should at least have the decency not to demand of the American people what they will not guarantee for the American people.•

By Ms. MOSELEY-BRAUN (for herself, Mr. CHAFEE, Mr. SIMON, and Mr. PELL):

S. 2465. A bill to require the Secretary of the Treasury to mint coins in commemoration of black revolutionary war patriots; to the Committee on Banking, Housing, and Urban Affairs.

THE 1995 BLACK REVOLUTIONARY WAR PATRIOTS COMMEMORATIVE COIN ACT

• Ms. MOSELEY-BRAUN. Mr. President, I am today introducing, together

with my distinguished colleagues from Rhode Island, Senator CHAFEE and Senator PELL, and my good friend and senior colleague from Illinois, Senator SIMON, the Black Revolutionary War Patriots Commemorative Coin Act, a bill that I believe is more than two centuries overdue. Identical legislation is being authored in the House of Representatives by my good friend and distinguished Member of Congress, JOHN LEWIS, who has taken a real leadership role in developing this legislation.

In 1986 and again in 1988 Congress passed legislation authorizing the construction of a monument just north of the Reflecting Pool on the Mall to honor the black patriots of the Revolutionary War. More than 5,000 black freedmen, slaves, and runaway slaves fought alongside white colonists in the struggle for independence. This bill proposes the minting of 500,000 commemorative coins, which should raise approximately $5 million for use in financing the monument.

All proceeds over and above the cost of minting the coin will go toward the construction of the monument. This bill is revenue-neutral; it will cost the Federal Government absolutely nothing. It supports a memorial that both honors and educates. The memorial commemorates the significant contributions made by over 5,000 African-Americans during a critical period of this Nation's history, the American Revolution. Most Americans don't know that among those who fought for our freedom were African-Americans. This memorial honors their role, and their contribution to our Nation's founding.

We have an opportunity to honor and salute the men and women whose actions contributed to the birth of our Nation, a nation whose Constitution now embodies the very ideals of freedom these patriots risked their lives for. Only in the 150 years after their deaths has this Nation begun to secure and enforce the truths we hold to be self-evident: Life, liberty, and the pursuit of happiness for all Americans. This Nation owes an enormous debt of gratitude to them for their courage to stand with little or no hope of seeing the fruits of their accomplishments.

As citizens who enjoy the benefits of their sacrifice, I hope that every Member of this Senate will join Senator CHAFEE and I in expediting the passage of this legislation, so that the construction of this monument can begin promptly, and so that America may bestow upon these patriots the honor they deserve. I ask unanimous consent that a copy of the bill be printed in the RECORD.

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

S. 2465

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 "1995 Black Revolutionary War Patriots Commemorative Coin Act".

SECTION 2. COIN SPECIFICATIONS

(a) $1 SILVER COINS.—The Secretary of the Treasury (hereafter in this Act referred to as the "Secretary") shall mint and issue not more than 500,000 1 dollar coins, which shall—

(1) weigh 26.73 grams;

(2) have a diameter of 1.500 inches; and

(3) contain 90 percent silver and 10 percent copper.

(b) LEGAL TENDER.—The coins minted under this Act shall be legal tender, as provided in section 5103 of title 31, United States Code.

(c) NUMISMATIC ITEMS.—For purposes of section 5134 of title 31, United States Code, all coins minted under this Act shall be considered to be numismatic items.

SEC. 3. SOURCES OF BULLION.

The Secretary shall obtain silver for minting coins under this Act only from stockpiles established under the Strategic and Critical Materials Stock Piling Act.

SEC. 4. DESIGN OF COINS.

(a) DESIGN REQUIREMENTS—

(1) IN GENERAL.—The design of the coins minted under this Act shall be emblematic of the Black Revolutionary War Patriots Memorial.

(2) DESIGNATION AND INSCRIPTIONS.—On each coin minted under this Act there shall be—

(A) a designation of the value of the coin;

(B) an inscription of the year "1995"; and

(C) inscriptions of the words "Liberty", "In God We Trust", "United States of America", and "E Pluribus Unum".

(b) SELECTION.—The design for the coins minted under this Act shall be—

(1) selected by the Secretary after consultation with the Black Revolutionary War Patriots Foundation and the Commission of Fine Arts; and

(2) reviewed by the Citizens Commemorative Coin Advisory Committee.

SEC. 5. ISSUANCE OF COINS.

(a) QUALITY OF COINS.—Coins minted under this Act shall be issued in uncirculated and proof qualities.

(b) MINT FACILITY.—Only 1 facility of the United States Mint may be used to strike any particular quality of the coins minted under this Act.

(c) PERIOD FOR ISSUANCE.—The Secretary may issue coins minted under this Act only during the period beginning on May 15, 1995, and ending May 15, 1996.

SEC. 6. SALE OF COINS.

(a) SALE PRICE.—The coins issued under this Act shall be sold by the Secretary at a price equal to the sum of—

(1) the face value of the coins;

(2) the surcharge provided in subsection (d) with respect to such coins; and

(3) the cost of designing and issuing the coins (including labor, materials, dies, use of machinery, overhead expenses, marketing, and shipping).

(b) BULK SALES.—The Secretary shall make bulk sales of the coins issued under this Act at a reasonable discount.

(c) PREPAID ORDERS.—

(1) IN GENERAL.—The Secretary shall accept prepaid orders for the coins minted under this Act before the issuance of such coins.

(2) DISCOUNT.—Sale prices with respect to prepaid orders under paragraph (1) shall be at a reasonable discount.

(d) SURCHARGES.—All sales shall include a surcharge of $10 per coin.

SEC. 7. GENERAL WAIVER OF PROCUREMENT REGULATIONS.

(a) IN GENERAL.—Except as provided in subsection (b), no provision of law governing procurement or public contracts shall be applicable to the procurement of goods and services necessary for carrying out the provisions of this Act.

(b) EQUAL EMPLOYMENT OPPORTUNITY.—Subsection (a) shall not relieve any person entering into a contract under the authority of this Act from complying with any law relating to equal employment opportunity.

SEC. 8. DISTRIBUTION OF SURCHARGES.

(a) IN GENERAL.—All surcharges received by the Secretary from the sale of coins issued under this Act shall be promptly paid by the Secretary to the Black Revolutionary War Patriots for the purpose of raising an endowment to support the construction of a Black Revolutionary War Patriots Memorial.

(b) AUDITS.—The Comptroller General of the United States shall have the right to examine such books, records, documents, and other data of the Black Revolutionary War Patriots Foundation as may be related to the expenditures of amounts paid under subsection (a).

SEC. 9. FINANCIAL ASSURANCES.

(a) NO NET COST TO THE GOVERNMENT.—The Secretary shall take such actions as may be necessary to ensure that minting and issuing coins under this Act will not result in any net cost to the United States Government.

(b) PAYMENT FOR COINS.—A coin shall not be issued under this Act unless the Secretary has received—

(1) full payment for the coin;

(2) security satisfactory to the Secretary to indemnify the United States for full payment; or

(3) a guarantee of full payment satisfactory to the Secretary from a depository institution whose deposits are insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration Board.•

By Mr. JOHNSTON (for himself and Mr. WALLOP):

S. 2466. A bill to amend the Energy Policy and Conservation Act to manage the strategic petroleum reserve more effectively and for other purposes; to the Committee on Energy and Natural Resources.

THE ENERGY POLICY AND CONSERVATION ACT AMENDMENTS ACT

• Mr. JOHNSTON. Mr. President, the purpose of this bill is to amend the Energy Policy and Conservation Act to extend the President's basic authorities for dealing with energy emergencies. The authority of the President to maintain, manage, and withdraw oil from our strategic petroleum reserve expires on September 30, 1994. In addition, key authorities essential for the United States to meet its obligation under programs of the International Energy Agency also expire on September 30, 1994. We need to extend these authorities before Congress adjourns. This legislation provides extensions of those authorities through June 30, 1996.•

By Mr. MITCHELL (for himself, Mr. MOYNIHAN, and Mr. PACKWOOD) (by request):

S. 2467. A bill to approve and implement the trade agreements concluded in the Uruguay round of multilateral trade negotiations; to the Committee on the Judiciary, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Commerce, Science, and Transportation, the Committee on Finance, the Committee on Governmental Affairs, and the Committee on Labor and Human Resources, jointly, pursuant to the order of 19 U.S.C. 2191(c)(1).

URUGUAY ROUND AGREEMENTS ACT

Mr. MOYNIHAN. Mr. President, I rise today to inform the Senate of the introduction of a most critical piece of legislation—the Uruguay Round Agreements Act. This legislation, the culmination of months of hard work by the Finance Committee and several other committees, is necessary to implement United States commitments under the Uruguay round agreements, which were signed in Marrakesh last April 15.

Mr. President, it is essential that the Senate now move expeditiously to consider and approve this legislation prior to adjourning for the year. No vote in this Congress will be more important to the economic future of this country, its workers, its industries, and its farmers. And no vote will do more to send a clear signal to the world of the direction in which we are moving—and thereby to reinforce the leadership position of the United States in the post-cold-war world.

The Uruguay round is an historic achievement, the largest and most comprehensive trade agreement in history, the culmination of 60 years of bipartisan trade policy that began with Cordell Hull and the Reciprocal Trade Agreements Act of 1934. An era of unparalleled prosperity, in no small part due to the U.S. commitment to an open world trading system.

The Uruguay round negotiations themselves took more than 7 years to complete, but the effort was worth it. The Uruguay round will cut foreign tariffs on United States manufactured exports by one-third—the largest reduction in history and a great boost to our most competitive industries and workers. Let us recognize these deep tariff reductions for what they are: the world's largest tax cut in history, a tax cut of nearly $750 billion over the next decade—benefiting our exporters and consumers alike.

The Uruguay round finally will bring agriculture under international trading rules. Any by requiring substantial reductions in distortive export subsidies, it will afford new export opportunities for American farmers, long the most productive and efficient in the world. After years of waiting, we will have new rules to protect the intellectual property of American innovators and entrepreneurs—always one or our country's greatest strengths. Trade in services—60 percent of our economy and 70 percent of our jobs—now will be subject to internationally agreed rules, to our great advantage. And we also will benefit from stronger dispute settlement rules, which more often work to our advantage than to our detriment.

The legislation introduced today will be considered under fast track procedures and is thus unamendable. I am most aware that some of my colleagues have been critical of these procedures.

But, Mr. President, let me assure the Senate that the process has not been rushed. The Finance Committee has taken great care in constructing its share of this legislation. The committee held four hearings earlier this year to review key issues and concerns—from application of the antidumping laws of treatment of foreign subsidy practices to how the Uruguay round would affect United States sovereignty. The committee then met six times in public markup sessions from mid-July to early August. In those meetings, the committee formulated its recommendations to the President concerning the provisions of the legislation. Subsequently, we spent several weeks working to reach agreement with the Ways and Means Committee—conferencing just as we would with any other piece of legislation.

That conference reached overwhelming agreement, whittling over 100 initial differences down to only four areas of disagreement. We did so in the finest bipartisan tradition, with great credit due to the ranking member of the committee, the senior Senator from Oregon. There was unanimous support for the conference recommendations. And, I can report, the legislation introduced today is faithful to those recommendations.

The Finance Committee now moves to the final stage of its deliberations, having scheduled a markup session for this Thursday, September 29. I fully expect that the legislation will be considered by the full Senate next week.

Mr. President, as we wind down this session, there is a natural tendency for some to focus on what we have not been able to accomplish, for one reason or another, this year. Let us instead, however, direct our attention and energies in these final days to passing this most critical piece of legislation. I am confident that our strong, bipartisan approval of the Uruguay Round Agreements Act will be recognized as one of the great accomplishments of the 103d United States Congress.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

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

S. 2467

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Uruguay Round Agreements Act".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title and table of contents.
Sec. 2. Definitions.

TITLE I—APPROVAL OF, AND GENERAL PROVISIONS RELATING TO, THE URUGUAY ROUND AGREEMENTS

Subtitle A—Approval of Agreements and Related Provisions

Sec. 101. Approval and entry into force of the Uruguay Round Agreements.
Sec. 102. Relationship of the agreements to United States law and State law.
Sec. 103. Implementing actions in anticipation of entry into force; regulations.

Subtitle B—Tariff Modifications

Sec. 111. Tariff modifications.
Sec. 112. Implementation of Schedule XX provisions on ship repairs.
Sec. 113. Liquidation or reliquidation and refund of duty paid on certain entries.
Sec. 114. Modifications to the HTS.
Sec. 115. Consultation and layover requirements for, and effective date of, proclaimed actions.
Sec. 116. Effective date.

Subtitle C—Uruguay Round Implementation and Dispute Settlement

Sec. 121. Definitions.
Sec. 122. Implementation of Uruguay Round Agreements.
Sec. 123. Dispute settlement panels and procedures.
Sec. 124. Annual report on the WTO.
Sec. 125. Review of participation in the WTO.
Sec. 126. Increased transparency.
Sec. 127. Access to the WTO dispute settlement process.
Sec. 128. Advisory committee participation.
Sec. 129. Administrative action following WTO panel reports.
Sec. 130. Effective date.

Subtitle D—Related Provisions

Sec. 131. Working party on worker rights.
Sec. 132. Implementation of rules of origin work program.
Sec. 133. Membership in WTO of boycotting countries.
Sec. 134. Africa trade and development policy.
Sec. 135. Objectives for extended negotiations.
Sec. 136. Repeal of tax on imported perfumes; drawback of tax on distilled spirits used in perfume manufacture.
Sec. 137. Certain nonrubber footwear.
Sec. 138. Effective date.

TITLE II—ANTIDUMPING AND COUNTERVAILING DUTY PROVISIONS

Sec. 201. Reference.

Subtitle A—General Provisions

Sec. 211. Action with respect to petitions.
Sec. 212. Petition and preliminary determination.
Sec. 213. De minimis dumping margin.
Sec. 214. Critical circumstances.
Sec. 215. Provisional measures.
Sec. 216. Conditions on acceptance of suspension agreements.

Sec. 217. Termination of investigation.
Sec. 218. Special rules for regional industries.
Sec. 219. Determination of weighted average dumping margin.
Sec. 220. Review of determinations.
Sec. 221. Review determinations.
Sec. 222. Definitions.
Sec. 223. Export price and constructed export price.
Sec. 224. Normal value.
Sec. 225. Currency conversion.
Sec. 226. Proprietary and nonproprietary information.
Sec. 227. Opportunity for comment by consumers and industrial users.
Sec. 228. Public notice and explanation of determinations.
Sec. 229. Sampling and averaging; determination of weighted average dumping margin.
Sec. 230. Anticircumvention.
Sec. 231. Evidence.
Sec. 232. Antidumping petitions by third countries.
Sec. 233. Conforming amendments.
Sec. 234. Application to Canada and Mexico.

Subtitle B—Subsidies Provisions

PART 1—COUNTERVAILABLE SUBSIDIES

Sec. 251. Countervailable subsidy.

PART 2—REPEAL OF SECTION 303 AND CONFORMING AMENDMENTS

Sec. 261. Repeal of section 303.
Sec. 262. Imposition of countervailing duties.
Sec. 263. De minimis countervailable subsidy.
Sec. 264. Determination of countervailable subsidy rate.
Sec. 265. Assessment of countervailing duty.
Sec. 266. Nature of countervailable subsidy.
Sec. 267. Definition of developing and least-developed country.
Sec. 268. Upstream subsidies.
Sec. 269. Determination of countervailable subsidy rate.
Sec. 270. Conforming amendments.

PART 3—SECTION 303 INJURY INVESTIGATIONS

Sec. 271. Special rules for injury investigations for certain section 303 countervailing duty orders and investigations.

PART 4—ENFORCEMENT OF UNITED STATES RIGHTS UNDER THE SUBSIDIES AGREEMENT

Sec. 281. Subsidies enforcement.
Sec. 282. Review of subsidies agreement.
Sec. 283. Amendments to title VII of the Tariff Act of 1930.

Subtitle C—Effective Date

Sec. 291. Effective date.

TITLE III—ADDITIONAL IMPLEMENTATION OF AGREEMENTS

Subtitle A—Safeguards

Sec. 301. Investigations, determinations, and recommendations by International Trade Commission.
Sec. 302. Action by President after determination of import injury.
Sec. 303. Miscellaneous amendments.
Sec. 304. Effective date.

Subtitle B—Foreign Trade Barriers and Unfair Trade Practices

Sec. 311. Identification of foreign anticompetitive practices.
Sec. 312. Consultation with committees.
Sec. 313. Identification of countries that deny protection of intellectual property rights.
Sec. 314. Amendments to title III of the Trade Act of 1974.
Sec. 315. Objectives in intellectual property.
Sec. 316. Effective date.

Subtitle C—Unfair Practices in Import Trade

Sec. 321. Unfair practices in import trade.
Sec. 322. Effective date.

Subtitle D—Textiles

Sec. 331. Textile product integration.
Sec. 332. Amendment to section 204 of the Agricultural Act of 1956.
Sec. 333. Textile transshipments.
Sec. 334. Rules of origin for textile and apparel products.
Sec. 335. Effective date.

Subtitle E—Government Procurement

Sec. 341. Monitoring and enforcement of the agreement on government procurement.
Sec. 342. Conforming amendments.
Sec. 343. Reciprocal competitive procurement practices.
Sec. 344. Effective date.

Subtitle F—Technical Barriers to Trade

Sec. 351. Technical barriers to trade.
Sec. 352. Effective date.

TITLE IV—AGRICULTURE-RELATED PROVISIONS

Subtitle A—Agriculture

PART I—MARKET ACCESS

Sec. 401. Section 22 amendments.
Sec. 402. Cheese and chocolate crumb imports.
Sec. 403. Meat Import Act.
Sec. 404. Administration of tariff-rate quotas.
Sec. 405. Special agricultural safeguard authority.

PART II—EXPORTS

Sec. 411. Export programs.
Sec. 412. Other conforming amendments.

PART III—OTHER PROVISIONS

Sec. 421. Authority for certain actions under Article XXVIII.
Sec. 422. Tobacco imports.
Sec. 423. Tobacco proclamation authority.
Sec. 424. Report to Congress on access to Canadian dairy and poultry markets.
Sec. 425. Study of milk marketing order system.
Sec. 426. Additional program funding.

Subtitle B—Sanitary and Phytosanitary Measures

Sec. 431. Sanitary and phytosanitary measures.
Sec. 432. International standard-setting activities.

Subtitle C—Standards

Sec. 441. The Federal Seed Act.

Subtitle D—General Effective Date

Sec. 451. General effective date.

TITLE V—INTELLECTUAL PROPERTY

Sec. 501. Definition.

Subtitle A—Copyright Provisions

Sec. 511. Rental rights in computer programs.
Sec. 512. Civil penalties for unauthorized fixation of and trafficking in sound recordings and music videos of live musical performances.
Sec. 513. Criminal penalties for unauthorized fixation of and trafficking in sound recordings and music videos or live musical performances.
Sec. 514. Restored works.

Subtitle B—Trademark Provisions

Sec. 521. Definition of "abandoned".
Sec. 522. Nonregistrability of misleading geographic indications for wines and spirits.
Sec. 523. Effective date.

Subtitle C—Patent Provisions

Sec. 531. Treatment of inventive activity.
Sec. 532. Patent term and internal priority.
Sec. 533. Patent rights.
Sec. 534. Effective dates and application.

TITLE VI—RELATED PROVISIONS

Subtitle A—Expiring Provisions

Sec. 601. Generalized System of Preferences.
Sec. 602. U.S. insular possessions.

Subtitle B—Certain Customs Provisions

Sec. 611. Reimbursements from customs user fee account.
Sec. 612. Merchandise processing fees.

Subtitle C—Conforming Amendments

Sec. 621. Conforming amendments.

TITLE VII—REVENUE PROVISIONS

Sec. 700. Amendment of 1986 Code and table of contents.

Subtitle A—Withholding Tax Provisions

Sec. 701. Withholding on distributions of Indian casino profits to tribal members.
Sec. 702. Voluntary withholding on certain Federal payments and on unemployment compensation.

Subtitle B—Provisions Relating to Estimated Taxes and Payments and Deposits of Taxes

Sec. 711. Treatment of subpart F and section 936 income of taxpayers using annualized method for estimated tax.
Sec. 712. Time for payments and deposits of certain taxes.
Sec. 713. Reduction in rate of interest paid on certain corporate overpayments.

Subtitle C—Earned Income Tax Credit

Sec. 721. Extension of earned income tax credit to military personnel stationed outside the United States.
Sec. 722. Certain nonresident aliens ineligible for earned income tax credit.
Sec. 723. Income of prisoners disregarded in determining earned income tax credit.

Subtitle D—Provisions Relating To Retirement Benefits

Sec. 731. Treatment of excess pension assets used for retiree health benefits.
Sec. 732. Rounding rules for cost-of-living adjustments.
Sec. 733. Increase in inclusion of social security benefits paid to nonresidents.

Subtitle E—Other Provisions

Sec. 741. Partnership distributions of marketable securities.
Sec. 742. Taxpayer identification numbers required at birth.
Sec. 743. Extension of Internal Revenue Service user fees.
Sec. 744. Modification of substantial understatement penalty for corporations participating in tax shelters.
Sec. 745. Modification of authority to set terms and conditions for savings bonds.

Subtitle F—Pension Plan Funding and Premiums

Sec. 750. Short title.

PART I—PENSION PLAN FUNDING
SUBPART A—AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986
Sec. 751. Minimum funding requirements.
Sec. 752. Limitation on changes in current liability assumptions.
Sec. 753. Anticipation of bargained benefit increases.
Sec. 754. Modification of quarterly contribution requirement.
Sec. 755. Exceptions to excise tax on nondeductible contributions.
SUBPART B—AMENDMENTS TO THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974
Sec. 761. Minimum funding requirements.
Sec. 762. Limitation on changes in current liability assumptions.
Sec. 763. Anticipation of bargained benefit increases.
Sec. 764. Modification of quarterly contribution requirement.
SUBPART C—OTHER FUNDING PROVISIONS
Sec. 766. Prohibition on benefit increases where plan sponsor is in bankruptcy.
Sec. 767. Single sum distributions.
Sec. 768. Adjustments to lien for missed minimum funding contributions.
Sec. 769. Special funding rules for certain plans.
PART II—AMENDMENTS RELATED TO TITLE IV OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974
Sec. 771. Reportable events.
Sec. 772. Certain information required to be furnished to PBGC.
Sec. 773. Enforcement of minimum funding requirements.
Sec. 774. Computation of additional PBGC premium.
Sec. 775. Disclosure to participants.
Sec. 776. Missing participants.
Sec. 777. Modification of maximum guarantee for disability benefits.
Sec. 778. Procedures to facilitate distribution of termination benefits.
PART III—EFFECTIVE DATES
Sec. 781. Effective dates.
TITLE VIII—PIONEER PREFERENCES
Sec. 801. Pioneer preferences.

SEC. 2. DEFINITIONS.

For purposes of this Act:

(1) GATT 1947; GATT 1994.—

(A) GATT 1947.—The term "GATT 1947" means the General Agreement on Tariffs and Trade, dated October 30, 1947, annexed to the Final Act Adopted at the Conclusion of the Second Session of the Preparatory Committee of the United Nations Conference on Trade and Employment, as subsequently rectified, amended, or modified by the terms of legal instruments which have entered into force before the date of entry into force of the WTO Agreement.

(B) GATT 1994.—The term "GATT 1994" means the General Agreement on Tariffs and Trade annexed to the WTO Agreement.

(2) HTS.—The term "HTS" means the Harmonized Tariff Schedule of the United States.

(3) INTERNATIONAL TRADE COMMISSION.—The term "International Trade Commission" means the United States International Trade Commission.

(4) MULTILATERAL TRADE AGREEMENT.—The term "multilateral trade agreement" means an agreement described in section 101(d) of this Act (other than an agreement described in paragraph (17) or (18) of such section).

(5) SCHEDULE XX.—The term "Schedule XX" means Schedule XX—United States of America annexed to the Marrakesh Protocol to the GATT 1994.

(6) TRADE REPRESENTATIVE.—The term "Trade Representative" means the United States Trade Representative.

(7) URUGUAY ROUND AGREEMENTS.—The term "Uruguay Round Agreements" means the agreements approved by the Congress under section 101(a)(1).

(8) WORLD TRADE ORGANIZATION AND WTO.—The terms "World Trade Organization" and "WTO" mean the organization established pursuant to the WTO Agreement.

(9) WTO AGREEMENT.—The term "WTO Agreement" means the Agreement Establishing the World Trade Organization entered into on April 15, 1994.

(10) WTO MEMBER AND WTO MEMBER COUNTRY.—The terms "WTO member" and "WTO member country" mean a state, or separate customs territory (within the meaning of Article XII of the WTO Agreement), with respect to which the United States applies the WTO Agreement.

TITLE I—APPROVAL OF, AND GENERAL PROVISIONS RELATING TO, THE URUGUAY ROUND AGREEMENTS

Subtitle A—Approval of Agreements and Related Provisions

SEC. 101. APPROVAL AND ENTRY INTO FORCE OF THE URUGUAY ROUND AGREEMENTS.

(a) APPROVAL OF AGREEMENTS AND STATEMENT OF ADMINISTRATIVE ACTION.—Pursuant to section 1103 of the Omnibus Trade and Competitiveness Act of 1988 (19 U.S.C. 2903) and section 151 of the Trade Act of 1974 (19 U.S.C. 2191), the Congress approves—

(1) the trade agreements described in subsection (d) resulting from the Uruguay Round of multilateral trade negotiations under the auspices of the General Agreement on Tariffs and Trade, entered into on April 15, 1994, and submitted to the Congress on _____, 1994; and

(2) the statement of administrative action proposed to implement the agreements that was submitted to the Congress on _____, 1994.

(b) ENTRY INTO FORCE.—At such time as the President determines that a sufficient number of foreign countries are accepting the obligations of the Uruguay Round Agreements, in accordance with article XIV of the WTO Agreement, to ensure the effective operation of, and adequate benefits for the United States under, those Agreements, the President may accept the Uruguay Round Agreements and implement article VIII of the WTO Agreement.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated annually such sums as may be necessary for the payment by the United States of its share of the expenses of the WTO.

(d) TRADE AGREEMENTS TO WHICH THIS ACT APPLIES.—Subsection (a) applies to the WTO Agreement and to the following agreements annexed to that Agreement:

(1) The General Agreement on Tariffs and Trade 1994.

(2) The Agreement on Agriculture.

(3) The Agreement on the Application of Sanitary and Phytosanitary Measures.

(4) The Agreement on Textiles and Clothing.

(5) The Agreement on Technical Barriers to Trade.

(6) The Agreement on Trade-Related Investment Measures.

(7) The Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994.

(8) The Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994.

(9) The Agreement on Preshipment Inspection.

(10) The Agreement on Rules of Origin.

(11) The Agreement on Import Licensing Procedures.

(12) The Agreement on Subsidies and Countervailing Measures.

(13) The Agreement on Safeguards.

(14) The General Agreement on Trade in Services.

(15) The Agreement on Trade-Related Aspects of Intellectual Property Rights.

(16) The Understanding on Rules and Procedures Governing the Settlement of Disputes.

(17) The Agreement on Government Procurement.

(18) The International Bovine Meat Agreement.

SEC. 102. RELATIONSHIP OF THE AGREEMENTS TO UNITED STATES LAW AND STATE LAW.

(a) RELATIONSHIP OF AGREEMENTS TO UNITED STATES LAW.—

(1) UNITED STATES LAW TO PREVAIL IN CONFLICT.—No provision of any of the Uruguay Round Agreements, nor the application of any such provision to any person or circumstance, that is inconsistent with any law of the United States shall have effect.

(2) CONSTRUCTION.—Nothing in this Act shall be construed—

(A) to amend or modify any law of the United States, including any law relating to—

(i) the protection of human, animal, or plant life or health,

(ii) the protection of the environment, or

(iii) worker safety, or

(B) to limit any authority conferred under any law of the United States, including section 301 of the Trade Act of 1974,

unless specifically provided for in this Act.

(b) RELATIONSHIP OF AGREEMENTS TO STATE LAW.—

(1) FEDERAL-STATE CONSULTATION.—

(A) IN GENERAL.—Upon the enactment of this Act, the President shall, through the intergovernmental policy advisory committees on trade established under section 306(c)(2)(A) of the Trade and Tariff Act of 1984 (19 U.S.C. 2114c(2)(A)), consult with the States for the purpose of achieving conformity of State laws and practices with the Uruguay Round Agreements.

(B) FEDERAL-STATE CONSULTATION PROCESS.—The Trade Representative shall establish within the Office of the United States Trade Representative a Federal-State consultation process for addressing issues relating to the Uruguay Round Agreements that directly relate to, or will potentially have a direct effect on, the States. The Federal-State consultation process shall include procedures under which—

(i) the States will be informed on a continuing basis of matters under the Uruguay Round Agreements that directly relate to, or will potentially have a direct impact on, the States;

(ii) the States will be provided an opportunity to submit, on a continuing basis, to the Trade Representative information and advice with respect to matters referred to in clause (i); and

(iii) the Trade Representative will take into account the information and advice received from the States under clause (ii) when formulating United States positions regarding matters referred to in clause (i).

The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Federal-

State consultation process established by this paragraph.

(C) FEDERAL-STATE COOPERATION IN WTO DISPUTE SETTLEMENT.—

(i) When a WTO member requests consultations with the United States under Article 4 of the Understanding on Rules and Procedures Governing the Settlement of Disputes referred to in section 101(d)(16) (hereafter in this subsection referred to as the "Dispute Settlement Understanding") concerning whether the law of a State is inconsistent with the obligations undertaken by the United States in any of the Uruguay Round Agreements, the Trade Representative shall notify the Governor of the State or the Governor's designee, and the chief legal officer of the jurisdiction whose law is the subject of the consultations, as soon as possible after the request is received, but in no event later than 7 days thereafter.

(ii) Not later than 30 days after receiving such a request for consultations, the Trade Representative shall consult with representatives of the State concerned regarding the matter. If the consultations involve the laws of a large number of States, the Trade Representative may consult with an appropriate group of representatives of the States concerned, as determined by those States.

(iii) The Trade Representative shall make every effort to ensure that the State concerned is involved in the development of the position of the United States at each stage of the consultations and each subsequent stage of dispute settlement proceedings regarding the matter. In particular, the Trade Representative shall—

(I) notify the State concerned not later than 7 days after a WTO member requests the establishment of a dispute settlement panel or gives notice of the WTO member's decision to appeal a report by a dispute settlement panel regarding the matter; and

(II) provide the State concerned with the opportunity to advise and assist the Trade Representative in the preparation of factual information and argumentation for any written or oral presentations by the United States in consultations or in proceedings of a panel or the Appellate Body regarding the matter.

(iv) If a dispute settlement panel or the Appellate Body finds that the law of a State is inconsistent with any of the Uruguay Round Agreements, the Trade Representative shall consult with the State concerned in an effort to develop a mutually agreeable response to the report of the panel or the Appellate Body and shall make every effort to ensure that the State concerned is involved in the development of the United States position regarding the response.

(D) NOTICE TO STATES REGARDING CONSULTATIONS ON FOREIGN SUBCENTRAL GOVERNMENT LAWS.—

(i) Subject to clause (ii), the Trade Representative shall, at least 30 days before making a request for consultations under Article 4 of the Dispute Settlement Understanding regarding a subcentral government measure of another WTO member, notify, and solicit the views of, appropriate representatives of each State regarding the matter.

(ii) In exigent circumstances clause (i) shall not apply, in which case the Trade Representative shall notify the appropriate representatives of each State not later than 3 days after making the request for consultations referred to in clause (i).

(2) LEGAL CHALLENGE.—

(A) IN GENERAL.—No State law, or the application of such a State law, may be declared invalid as to any person or circumstance on the ground that the provision or application is inconsistent with any of the Uruguay Round Agreements, except in an action brought by the United States for the purpose of declaring such law or application invalid.

(B) PROCEDURES GOVERNING ACTION.—In any action described in subparagraph (A) that is brought by the United States against a State or any subdivision thereof—

(i) a report of a dispute settlement panel or the Appellate Body convened under the Dispute Settlement Understanding regarding the State law, or the law of any political subdivision thereof, shall not be considered as binding or otherwise accorded deference;

(ii) the United States shall have the burden of proving that the law that is the subject of the action, or the application of that law, is inconsistent with the agreement in question;

(iii) any State whose interests may be impaired or impeded in the action shall have the unconditional right to intervene in the action as a party, and the United States shall be entitled to amend its complaint to include a claim or cross-claim concerning the law of a State that so intervenes; and

(iv) any State law that is declared invalid shall not be deemed to have been invalid in its application during any period before the court's judgment becomes final and all timely appeals, including discretionary review, of such judgment are exhausted.

(C) REPORTS TO CONGRESSIONAL COMMITTEES.—At least 30 days before the United States brings an action described in subparagraph (A), the Trade Representative shall provide a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate—

(i) describing the proposed action;

(ii) describing efforts by the Trade Representative to resolve the matter with the State concerned by other means; and

(iii) if the State law was the subject of consultations under the Dispute Settlement Understanding, certifying that the Trade Representative has substantially complied with the requirements of paragraph (1)(C) in connection with the matter.

Following the submission of the report, and before the action is brought, the Trade Representative shall consult with the committees referred to in the preceding sentence concerning the matter.

(3) DEFINITION OF STATE LAW.—For purposes of this subsection—

(A) the term "State law" includes—

(i) any law of a political subdivision of a State; and

(ii) any State law regulating or taxing the business of insurance; and

(B) the terms "dispute settlement panel" and "Appellate Body" have the meanings given those terms in section 121.

(c) EFFECT OF AGREEMENT WITH RESPECT TO PRIVATE REMEDIES.—

(1) LIMITATIONS.—No person other than the United States—

(A) shall have any cause of action or defense under any of the Uruguay Round Agreements or by virtue of congressional approval of such an agreement, or

(B) may challenge, in any action brought under any provision of law, any action or inaction by any department, agency, or other instrumentality of the United States, any State, or any political subdivision of a State on the ground that such action or inaction is inconsistent with such agreement.

(2) INTENT OF CONGRESS.—It is the intention of the Congress through paragraph (1) to occupy the field with respect to any cause of action or defense under or in connection with any of the Uruguay Round Agreements, including by precluding any person other than the United States from bringing any action against any State or political subdivision thereof or raising any defense to the application of State law under or in connection with any of the Uruguay Round Agreements—

(A) on the basis of a judgment obtained by the United States in an action brought under any such agreement; or

(B) on any other basis.

(d) STATEMENT OF ADMINISTRATIVE ACTION.—The statement of administrative action approved by the Congress under section 101(a) shall be regarded as an authoritative expression by the United States concerning the interpretation and application of the Uruguay Round Agreements and this Act in any judicial proceeding in which a question arises concerning such interpretation or application.

SEC. 103. IMPLEMENTING ACTIONS IN ANTICIPATION OF ENTRY INTO FORCE; REGULATIONS.

(a) IMPLEMENTING ACTIONS.—After the date of the enactment of this Act—

(1) the President may proclaim such actions, and

(2) other appropriate officers of the United States Government may issue such regulations,

as may be necessary to ensure that any provision of this Act, or amendment made by this Act, that takes effect on the date any of the Uruguay Round Agreements enters into force with respect to the United States is appropriately implemented on such date. Such proclamation or regulation may not have an effective date earlier than the date of entry into force with respect to the United States of the agreement to which the proclamation or regulation relates.

(b) REGULATIONS.—Any interim regulation necessary or appropriate to carry out any action proposed in the statement of administrative action approved under section 101(a) to implement an agreement described in section 101(d) (7), (12), or (13) shall be issued not later than 1 year after the date on which the agreement enters into force with respect to the United States.

Subtitle B—Tarriff Modifications

SEC. 111. TARRIFF MODIFICATIONS.

(a) IN GENERAL.—In addition to the authority provided by section 1102 of the Omnibus Trade and Competitiveness Act of 1968 (19 U.S.C. 2902), the President shall have the authority to proclaim—

(1) such other modification of any duty,

(2) such other staged rate reduction, or

(3) such additional duties,

as the President determines to be necessary or appropriate to carry out Schedule XX.

(b) OTHER TARIFF MODIFICATIONS.—Subject to the consultation and layover requirements of section 115, the President may proclaim—

(1) the modification of any duty or staged rate reduction of any duty set forth in Schedule XX if—

(A) the United States agrees to such modification or staged rate reduction in a multilateral negotiation under the auspices of the WTO, and

(B) such modification or staged rate reduction applies to the rate of duty on an article contained in a tariff category that was the subject of reciprocal duty elimination or harmonization negotiations during the Uruguay Round of multilateral trade negotiations, and

(2) such modifications as are necessary to correct technical errors in Schedule XX or to make other rectifications to the Schedule.

(c) AUTHORITY TO INCREASE DUTIES ON ARTICLES FROM CERTAIN COUNTRIES.—

(1) IN GENERAL.—

(A) DETERMINATION WITH RESPECT TO CERTAIN COUNTRIES.—Notwithstanding section 251 of the Trade Expansion Act of 1962 (19 U.S.C. 1881), after the entry into force of the WTO Agreement with respect to the United States, if the President—

(i) determines that a foreign country (other than a foreign country that is a WTO member country) is not according adequate trade benefits to the United States, including substantially equal competitive opportunities for the commerce of the United States, and

(ii) consults with the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate,

the President may proclaim an increase in the rate of duty with respect to any article of such country in accordance with subparagraph (B).

(B) RATE OF DUTY DESCRIBED.—The President may proclaim a rate of duty on any article of a country identified under subparagraph (A) that is equal to the greater of—

(i) the rate of duty set forth for such article in the base rate of duty column of Schedule XX, or

(ii) the rate of duty set forth for such article in the bound rate of duty column of Schedule XX.

(2) TERMINATION OF INCREASED DUTIES.—The President shall terminate any increase in the rate of duty proclaimed under this subsection by a proclamation which shall be effective on the earlier of—

(A) the date set out in such proclamation of termination, or

(B) the date the WTO Agreement enters into force with respect to the foreign country with respect to which the determination under paragraph (1) was made.

(3) PUBLICATION OF DETERMINATION AND TERMINATION.—The President shall publish in the Federal Register notice of a determination made under paragraph (1) and a termination occurring by reason of paragraph (2).

(d) ADJUSTMENTS TO CERTAIN COLUMN 2 RATES OF DUTY.—At such time as the President proclaims any modification to the HTS to implement the provisions of Schedule XX, the President shall also proclaim the rate of duty set forth in Column B as the column 2 rate of duty for the subheading of the HTS that corresponds to the subheading in Schedule XX listed in Column A.

Column A	Column B
Schedule XX subheading:	Rate of duty for column 2 of the HTS:
0201.10.50	31.1%
0201.20.80	31.1%
0201.30.80	31.1%
0202.10.50	31.1%
0202.20.80	31.1%
0202.30.80	31.1%
0401.30.25	90.8¢/liter
0401.30.75	$1.936/kg
0402.10.50	$1.018/kg
0402.21.25	$1.018/kg
0402.21.50	$1.285/kg
0402.21.90	$1.831/kg
0402.29.50	$1.299/kg + 17.5%
0402.91.60	36.8¢/kg
0402.99.50	58.4¢/kg
0402.99.90	54.5¢/kg + 17.5%
0403.10.50	$1.217/kg + 20%
0403.90.16	90.8¢/liter
0403.90.45	$1.03/kg
0403.90.55	$1.285/kg
0403.90.65	$1.831/kg
0403.90.78	$1.936/kg
0403.90.95	$1.217/kg + 20%
0404.10.11	20%
0404.10.15	$1.217/kg + 10%
0404.10.90	$1.03/kg
0404.90.30	25%
0404.90.50	$1.399/kg + 10%
0405.00.40	$1.813/kg
0405.00.90	$2.194/kg + 10%
0406.10.08	$1.775/kg
0406.10.18	$2.67/kg
0406.10.28	$1.443/kg
0406.10.38	$1.241/kg
0406.10.48	$2.121/kg
0406.10.58	$2.525/kg
0406.10.68	$1.631/kg
0406.10.78	$1.328/kg
0406.10.88	$1.775/kg
0406.20.28	$2.67/kg
0406.20.33	$1.443/kg
0406.20.39	$1.241/kg
0406.20.48	$2.121/kg
0406.20.53	$2.525/kg
0406.20.63	$2.67/kg
0406.20.67	$1.443/kg
0406.20.71	$1.241/kg
0406.20.75	$2.121/kg
0406.20.79	$2.525/kg
0406.20.83	$1.631/kg
0406.20.87	$1.328/kg
0406.20.91	$1.775/kg
0406.30.18	$2.67/kg
0406.30.28	$1.443/kg
0406.30.38	$1.241/kg
0406.30.48	$2.121/kg
0406.30.53	$1.631/kg
0406.30.63	$2.67/kg
0406.30.67	$1.443/kg
0406.30.71	$1.241/kg
0406.30.75	$2.121/kg
0406.30.79	$2.525/kg
0406.30.83	$1.631/kg
0406.30.87	$1.328/kg
0406.30.91	$1.775/kg
0406.40.70	$2.67/kg
0406.90.12	$1.443/kg
0406.90.18	$2.121/kg
0406.90.33	$2.525/kg
0406.90.38	$2.525/kg
0406.90.43	$2.525/kg
0406.90.48	$2.208/kg
0406.90.64	$1.241/kg
0406.90.68	$2.525/kg
0406.90.74	$2.67/kg
0406.90.78	$1.443/kg
0406.90.84	$1.241/kg
0406.90.88	$2.121/kg
0406.90.92	$1.631/kg
0406.90.94	$1.328/kg
0406.90.97	$1.775/kg
1202.10.80	192.7%
1202.20.80	155%
1517.90.60	40.2¢/kg
1701.11.50	39.85¢/kg
1701.12.10	6.58170¢/kg less 0.0622005¢/kg for each degree under 100 degrees (and fractions of a degree in proportion) but not less than 5.031562¢/kg
1701.12.50	42.05¢/kg
1701.91.10	6.58170¢/kg less 0.0622005¢/kg for each degree under 100 degrees (and fractions of a degree in proportion) but not less than 5.031562¢/kg
1701.91.30	42.05¢/kg
1701.91.48	39.9¢/kg + 6%
1701.91.58	39.9¢/kg + 6%
1701.99.10	6.58170¢/kg less 0.0622005¢/kg for each degree under 100 degrees (and fractions of a degree in proportion) but not less than 5.031562¢/kg
1701.99.50	42.05¢/kg
1702.20.28	19.9¢/kg of total sugars + 6%
1702.30.28	19.9¢/kg of total sugars + 6%
1702.40.28	39.9¢/kg of total sugars + 6%
1702.60.28	39.9¢/kg of total sugars + 6%
1702.90.10	6.58170¢/kg of total sugars
1702.90.20	42.05¢/kg
1702.90.58	39.9¢/kg of total sugars + 6%
1702.90.68	39.9¢/kg + 6%
1704.90.58	47.4¢/kg + 12.2%
1704.90.68	47.4¢/kg + 12.2%
1704.90.78	47.4¢/kg + 12.2%
1806.10.15	25.5¢/kg
1806.10.28	39.5¢/kg
1806.10.38	39.5¢/kg
1806.10.55	39.5¢/kg
1806.10.75	39.5¢/kg
1806.20.26	43.8¢/kg + 5%
1806.20.28	62.1¢/kg + 5%
1806.20.36	43.8¢/kg + 5%
1806.20.38	62.1¢/kg + 5%
1806.20.73	35.9¢/kg + 10%
1806.20.77	35.9¢/kg + 10%
1806.20.82	43.8¢/kg + 10%
1806.20.83	62.1¢/kg + 10%
1806.20.87	43.8¢/kg + 10%
1806.20.89	62.1¢/kg + 10%
1806.20.92	43.8¢/kg + 10%
1806.20.93	62.1¢/kg + 10%
1806.20.96	43.8¢/kg + 10%
1806.20.97	62.1¢/kg + 10%
1806.32.06	43.8¢/kg + 5%
1806.32.08	62.1¢/kg + 5%
1806.32.16	43.8¢/kg + 5%
1806.32.18	62.1¢/kg + 5%
1806.32.70	43.8¢/kg + 7%
1806.32.80	62.1¢/kg + 7%
1806.90.08	43.8¢/kg + 7%
1806.90.10	62.1¢/kg + 7%
1806.90.18	43.8¢/kg + 7%
1806.90.20	62.1¢/kg + 7%
1806.90.28	43.8¢/kg + 7%
1806.90.30	62.1¢/kg + 7%
1806.90.38	43.8¢/kg + 7%
1806.90.40	62.1¢/kg + 7%
1806.90.48	43.8¢/kg + 7%
1806.90.50	62.1¢/kg + 7%
1806.90.58	43.8¢/kg + 7%
1806.90.60	62.1¢/kg + 7%
1901.10.30	$1.217/kg + 17.5%
1901.10.40	$1.217/kg + 17.5%
1901.10.75	$1.217/kg + 17.5%
1901.10.85	$1.217/kg + 17.5%
1901.20.15	49.8¢/kg + 10%
1901.20.25	49.8¢/kg + 10%
1901.20.35	49.8¢/kg + 10%
1901.20.50	49.8¢/kg + 10%
1901.20.60	49.8¢/kg + 10%
1901.20.70	49.8¢/kg + 10%
1901.90.36	$1.328/kg
1901.90.42	25%
1901.90.44	$1.217/kg + 16%
1901.90.46	25%
1901.90.48	$1.217/kg + 16%
1901.90.54	27.9¢/kg + 10%
1901.90.58	27.9¢/kg + 10%
2008.11.15	155%
2008.11.35	155%
2008.11.60	155%
2101.10.38	35.9¢/kg + 10%
2101.10.48	35.9¢/kg + 10%
2101.10.58	35.9¢/kg + 10%
2101.20.38	35.9¢/kg + 10%
2101.20.48	35.9¢/kg + 10%
2101.20.58	35.9¢/kg + 10%
2103.90.78	35.9¢/kg + 7.5%
2105.00.20	59¢/kg + 20%

2105.00.40	59¢/kg + 20%
2106.90.02	$1.014/kg
2106.90.04	$2.348/kg
2106.90.08	$2.348/kg
2106.90.11	6.58170¢/kg of total sugars
2106.90.12	42.05¢/kg
2106.90.34	82.8¢/kg + 10%
2106.90.38	82.8¢/kg + 10%
2106.90.44	82.8¢/kg + 10%
2106.90.48	82.8¢/kg + 10%
2106.90.57	33.9¢/kg + 10%
2106.90.67	33.9¢/kg + 10%
2106.90.77	33.9¢/kg + 10%
2106.90.87	33.9¢/kg + 10%
2202.90.28	27.6¢/liter + 17.5%
2309.90.28	94.6¢/kg + 7.5%
2309.90.48	94.6¢/kg + 7.5%
2401.10.70	85¢/kg
2401.10.90	85¢/kg
2401.20.30	$1.21/kg
2401.20.45	$1.15/kg
2401.20.55	$1.15/kg
2801.30.20	37%
2805.30.00	31.3%
2805.40.00	5.7%
2811.19.10	4.9%
2818.10.20	4.1%
2822.00.00	1.7%
2827.39.20	31.9%
2833.11.50	3.6%
2833.27.00	4.2%
2836.40.20	4.8%
2836.60.00	8.4%
2837.20.10	5.1%
2840.11.00	1.2%
2840.19.00	0.4%
2849.20.20	1.6%
2903.15.00	88%
2903.16.00	33.3%
2903.30.05	46.3%
2906.11.00	6.2%
2907.12.00	48.3%
2909.11.00	4%
2912.11.00	12.1%
2916.15.10	35.2%
2916.19.30	24.4%
2923.20.20	33.4%
3213.90.00	48.6%
3307.10.20	81.7%
3307.49.00	73.2%
3403.11.20	0.4%
3403.19.10	0.4%
3506.10.10	30.4%
3603.00.30	8.3%
3603.00.90	0.3%
3604.10.00	12.5%
3606.90.30	56.7%
3706.10.30	7%
3807.00.00	0.2%
3823.90.33	26.3%
3904.61.00	34.1%
3916.90.10	40.6%
3920.51.50	48.2%
3920.59.80	51.7%
3926.90.65	8.4%
5201.00.18	36.9¢/kg
5201.00.28	36.9¢/kg
5201.00.38	36.9¢/kg
5201.00.80	36.9¢/kg
5202.99.30	9.2¢/kg
5203.00.30	36.9¢/kg

(e) AUTHORITY TO CONSOLIDATE SUBHEADINGS AND MODIFY COLUMN 2 RATES OF DUTY FOR TARIFF SIMPLIFICATION PURPOSES.—

(1) IN GENERAL.—Whenever the HTS column 1 general rates of duty for 2 or more 8-digit subheadings are at the same level and such subheadings are subordinate to a provision required by the International Convention on the Harmonized Commodity Description and Coding System, the President may proclaim, subject to the consultation and layover requirements of section 115, that the goods described in such subheadings be provided for in a single 8-digit subheading of the HTS, and that—

(A) the HTS column 1 general rate of duty for such single subheading be the column 1 general rate of duty common to all such subheadings, and

(B) the HTS column 2 rate of duty for such single subheading be the highest column 2 rate of duty for such subheadings that is in effect on the day before the effective date of such proclamation.

(2) SAME LEVEL OF DUTY.—The provisions of this subsection apply to subheadings described in paragraph (1) that have the same column 1 general rate of duty—

(A) on the date of the enactment of this Act, or

(B) after such date of enactment as a result of a staged reduction in such column 1 rates of duty.

SEC. 112. IMPLEMENTATION OF SCHEDULE XX PROVISIONS ON SHIP REPAIRS.

(a) IN GENERAL.—Section 484E(b) of the Customs and Trade Act of 1990 (19 U.S.C. 1466 note; 104 Stat. 710) is amended—

(1) by striking "and" at the end of paragraph (1);

(2) by striking the period at the end of paragraph (2) and inserting ", and"; and

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

"(3) any entry made pursuant to section 466(h) (1) or (2) of the Tariff Act of 1930 (19 U.S.C. 1466(h) (1) or (2)), on or after the date of the entry into force of the WTO Agreement with respect to the United States.".

(b) EXEMPTION FOR CERTAIN SPARE PARTS.—Section 466(h) of the Tariff Act of 1930 (19 U.S.C. 1466(h)) is amended—

(1) by striking "or" at the end of paragraph (1);

(2) by striking the period at the end of paragraph (2) and inserting ", or"; and

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

"(3) the cost of spare parts necessarily installed before the first entry into the United States, but only if duty is paid under appropriate commodity classifications of the Harmonized Tariff Schedule of the United States upon first entry into the United States of each such spare part purchased in, or imported from, a foreign country.".

SEC. 113. LIQUIDATION OR RELIQUIDATION AND REFUND OF DUTY PAID ON CERTAIN ENTRIES.

(a) LIQUIDATION OR RELIQUIDATION.—Notwithstanding section 514 of the Tariff Act of 1930 (19 U.S.C. 1514) or any other provision of law, and subject to subsection (b), the Secretary of the Treasury shall liquidate or reliquidate the entries listed or otherwise described in subsection (c) and refund any duty or excess duty that was paid, as provided in subsection (c).

(b) REQUESTS.—Liquidation or reliquidation may be made under subsection (a) with respect to an entry only if a request therefor is filed with the Customs Service, within 180 days after the date on which the WTO Agreement enters into force with respect to the United States, that contains sufficient information to enable the Customs Service—

(1) to locate the entry; or

(2) to reconstruct the entry if it cannot be located.

(c) ENTRIES.—The entries referred to in subsection (a) are as follows:

(1) AGGLOMERATED STONE TILES.—Any goods—

(A) for which the importer claimed or would have claimed entry under subheading 6810.19.12 of the HTS on or after October 1, 1990, and before the effective date of a proclamation issued by the President under section 103(a) of this Act with respect to items under such subheading in order to carry out Schedule XX, or

(B) entered on or after January 1, 1989, and before October 1, 1990, for which entry would have been claimed under subheading 6810.19.12 of the HTS on or after October 1, 1990,

shall be liquidated or reliquidated as if the wording of that subheading were "Of stone agglomerated with binders other than cement", and the Secretary of the Treasury shall refund any excess duties paid with respect to such entries.

(2) CLOMIPHENE CITRATE.—

(A) Any entry, or withdrawal from warehouse for consumption, of goods under heading 9902.29.95 of the HTS (relating to clomiphene citrate) which was made after December 31, 1988, and before January 1, 1993, and with respect to which there would have been no duty if the reference to subheading "2922.19.15" in such heading were a reference to subheading "2922.19.15 or any subheading of chapter 30" at the time of such entry or withdrawal, shall be liquidated or reliquidated as free of duty.

(B) The Secretary of the Treasury shall refund any duties paid with respect to entries described in subparagraph (A).

SEC. 114. MODIFICATIONS TO THE HTS.

(a) WOOL.—

(1) AMENDMENTS.—Chapter 51 of the HTS is amended—

(A) by striking subheading 5101.21.60 and inserting the following new superior text and subheadings, with the superior text having the same degree of indentation as the article description in subheading 5101.11.60:

"5101.21.65	Other: Unimproved wool; other wool, not finer than 46s	Free		81.6¢/kg+20%
5101.21.70	Other	7.7¢/kg+6.25%	Free (MX) 0.8¢/kg+0.6% (IL) 3¢/kg+2.5% (CA).	81.6¢/kg+20%;"

(B) by striking subheading 5101.29.60 and inserting the following new superior text and subheadings, with the superior text having the same degree of indentation as the article description in subheading 5102.10.20:

"5101.29.65	Other: Unimproved wool; other wool, not finer than 46s	Free		81.6¢/kg+20%
5101.29.70	Other	7.7¢/kg+6.25%	0.8¢/kg+0.6% (IL) 3¢/kg+2.5% (CA) 6.1¢/kg+5% (MX).	81.6¢/kg+20%;"

and

(C) by striking subheading 5101.30.60 and inserting the following new superior text and subheadings, with the superior text having the same degree of indentation as the superior text immediately preceding subheading 5102.10.20:

"5101.30.65	Other: Unimproved wool; other wool, not finer than 46s	Free		81.6¢/kg+20%
5101.30.70	Other	7.7¢/kg+6.25%	Free (MX) 0.8¢/kg+0.6% (IL) 3¢/kg+2.5% (CA).	81.6¢/kg+20%."

(2) EFFECTIVE DATE.—The amendments made by this subsection take effect on the effective date of the proclamation issued by the President under section 103(a) to carry out Schedule XX.

(b) DUTY FREE TREATMENT FOR OCTADECYL ISOCYANATE AND 5-CHLORO-2-(2,4-DICHLOROPHENOXY)PHENOL.—The President—

(1) shall proclaim duty-free entry for octadecyl isocyanate and 5-Chloro-2-(2,4-dichlorophenoxy)phenol, to be effective on the effective date of the proclamation issued by the President under section 103(a) to carry out Schedule XX, and

(2) shall take such actions as are necessary to reflect such tariff treatment in Schedule XX.

SEC. 115. CONSULTATION AND LAYOVER REQUIREMENTS FOR, AND EFFECTIVE DATE OF, PROCLAIMED ACTIONS.

If a provision of this Act provides that the implementation of an action by the President by proclamation is subject to the consultation and layover requirements of this section, such action may be proclaimed only if—

(1) the President has obtained advice regarding the proposed action from—

(A) the appropriate advisory committees established under section 135 of the Trade Act of 1974 (19 U.S.C. 2155), and

(B) the International Trade Commission;

(2) the President has submitted a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate that sets forth—

(A) the action proposed to be proclaimed and the reasons for such actions, and

(B) the advice obtained under paragraph (1);

(3) a period of 60 calendar days, beginning with the first day on which the President has met the requirements of paragraphs (1) and (2) with respect to such action, has expired; and

(4) the President has consulted with such committees regarding the proposed action during the period referred to in paragraph (3).

SEC. 116. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in section 114(a) and subsection (b) of this section, this subtitle and the amendments made by this subtitle take effect on the date on which the WTO Agreement enters into force with respect to the United States.

(b) SECTION 115.—Section 115 takes effect on the date of the enactment of this Act.

Subtitle C—Uruguay Round Implementation and Dispute Settlement

SEC. 121. DEFINITIONS.

For purposes of this subtitle:

(1) ADMINISTERING AUTHORITY.—The term "administering authority" has the meaning given that term in section 771(1) of the Tariff Act of 1930.

(2) APPELLATE BODY.—The term "Appellate Body" means the Appellate Body established under Article 17.1 of the Dispute Settlement Understanding.

(3) APPROPRIATE CONGRESSIONAL COMMITTEES; CONGRESSIONAL COMMITTEES.—

(A) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term "appropriate congressional committees" means the committees referred to in subparagraph (B) and any other committees of the Congress that have jurisdiction involving the matter with respect to which consultations are to be held.

(B) CONGRESSIONAL COMMITTEES.—The term "congressional committees" means the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

(4) DISPUTE SETTLEMENT PANEL; PANEL.—The terms "dispute settlement panel" and "panel" mean a panel established pursuant to Article 6 of the Dispute Settlement Understanding.

(5) DISPUTE SETTLEMENT BODY.—The term "Dispute Settlement Body" means the Dispute Settlement Body administering the rules and procedures set forth in the Dispute Settlement Understanding.

(6) DISPUTE SETTLEMENT UNDERSTANDING.—The term "Dispute Settlement Understanding" means the Understanding on Rules and Procedures Governing the Settlement of Disputes referred to in section 101(d)(16).

(7) GENERAL COUNCIL.—The term "General Council" means the General Council established under paragraph 2 of Article IV of the WTO Agreement.

(8) MINISTERIAL CONFERENCE.—The term "Ministerial Conference" means the Ministerial Conference established under paragraph 1 of Article IV of the WTO Agreement.

(9) OTHER TERMS.—The terms "Antidumping Agreement", "Agreement on Subsidies and Countervailing Measures", and "Safeguards Agreement" mean the agreements referred to in section 101(d)(7), (12), and (13), respectively.

SEC. 122. IMPLEMENTATION OF URUGUAY ROUND AGREEMENTS.

(a) DECISIONMAKING.—In the implementation of the Uruguay Round Agreements and the functioning of the World Trade Organization, it is the objective of the United States to ensure that the Ministerial Conference and the General Council continue the practice of decisionmaking by consensus followed under the GATT 1947, as required by paragraph 1 of article IX of the WTO Agreement.

(b) CONSULTATIONS WITH CONGRESSIONAL COMMITTEES.—In furtherance of the objective set forth in subsection (a), the Trade Representative shall consult with the appropriate congressional committees before any vote is taken by the Ministerial Conference or the General Council relating to—

(1) the adoption of an interpretation of the WTO Agreement or another multilateral trade agreement,

(2) the amendment of any such agreement,

(3) the granting of a waiver of any obligation under any such agreement,

(4) the adoption of any amendment to the rules or procedures of the Ministerial Conference or the General Council,

(5) the accession of a state or separate customs territory to the WTO Agreement, or

(6) the adoption of any other decision,

if the action described in paragraph (1), (2), (3), (4), (5), or (6) would substantially affect the rights or obligations of the United States under the WTO Agreement or another multilateral trade agreement or potentially entails a change in Federal or State law.

(c) REPORT ON DECISIONS.—

(1) IN GENERAL.—Not later than 30 days after the end of any calendar year in which the Ministerial Conference or the General Council adopts by vote any decision to take any action described in paragraph (1), (2), (4), or (6) of subsection (b), the Trade Representative shall submit a report to the appropriate congressional committees describing—

(A) the nature of the decision;

(B) the efforts made by the United States to have the matter decided by consensus pursuant to paragraph 1 of article IX of the WTO Agreement, and the results of those efforts;

(C) which countries voted for, and which countries voted against, the decision;

(D) the rights or obligations of the United States affected by the decision and any Federal or State law that would be amended or repealed, if the President after consultation with the Congress determined that such amendment or repeal was an appropriate response; and

(E) the action the President intends to take in response to the decision or, if the President does not intend to take any action, the reasons therefor.

(2) ADDITIONAL REPORTING REQUIREMENTS.—

(A) GRANT OF WAIVER.—In the case of a decision to grant a waiver described in subsection (b)(3), the report under paragraph (1) shall describe the terms and conditions of the waiver and the rights and obligations of the United States that are affected by the waiver.

(B) ACCESSION.—In the case of a decision on accession described in subsection (b)(5), the report under paragraph (1) shall state whether the United States intends to invoke Article XIII of the WTO Agreement.

(d) CONSULTATION ON REPORT.—Promptly after the submission of a report under subsection (c), the Trade Representative shall consult with the appropriate congressional committees with respect to the report.

SEC. 123. DISPUTE SETTLEMENT PANELS AND PROCEDURES.

(a) REVIEW BY PRESIDENT.—The President shall review annually the WTO panel roster and shall include the panel roster and the list of persons serving on the Appellate Body in the annual report submitted by the President under section 163(a) of the Trade Act of 1974.

(b) QUALIFICATIONS OF APPOINTEES TO PANELS.—The Trade Representative shall—

(1) seek to ensure that persons appointed to the WTO panel roster are well-qualified, and that the roster includes persons with expertise in the subject areas covered by the Uruguay Round Agreements; and

(2) inform the President of persons nominated to the roster by other WTO member countries.

(c) RULES GOVERNING CONFLICTS OF INTEREST.—The Trade Representative shall seek the establishment by the General Council and the Dispute Settlement Body of rules governing conflicts of interest by persons serving on panels and members of the Appellate Body and shall describe, in the annual report submitted under section 124, any progress made in establishing such rules.

(d) NOTIFICATION OF DISPUTES.—Promptly after a dispute settlement panel is established to consider the consistency of Federal or State law with any of the Uruguay Round Agreements, the Trade Representative shall notify the appropriate congressional committees of—

(1) the nature of the dispute, including the matters set forth in the request for the establishment of the panel, the legal basis of the complaint, and the specific measures, in particular any State or Federal law cited in the request for establishment of the panel;

(2) the identity of the persons serving on the panel; and

(3) whether there was any departure from the rule of consensus with respect to the selection of persons to serve on the panel.

(e) NOTICE OF APPEALS OF PANEL REPORTS.—If an appeal is taken of a report of a panel in a proceeding described in subsection (d), the Trade Representative shall, promptly after the notice of appeal is filed, notify the appropriate congressional committees of—

(1) the issues under appeal; and

(2) the identity of the persons serving on the Appellate Body who are reviewing the report of the panel.

(f) ACTIONS UPON CIRCULATION OF REPORTS.—Promptly after the circulation of a report of a panel or of the Appellate Body to WTO members in a proceeding described in subsection (d), the Trade Representative shall—

(1) notify the appropriate congressional committees of the report;

(2) in the case of a report of a panel, consult with the appropriate congressional committees concerning the nature of any appeal that may be taken of the report; and

(3) if the report is adverse to the United States, consult with the appropriate congressional committees concerning whether to implement the report's recommendation and, if so, the manner of such implementation and the period of time needed for such implementation.

(g) REQUIREMENTS FOR AGENCY ACTION.—

(1) CHANGES IN AGENCY REGULATIONS OR PRACTICE.—In any case in which a dispute settlement panel or the Appellate Body finds in its report that a regulation or practice of a department or agency of the United States is inconsistent with any of the Uruguay Round Agreements, that regulation or practice may not be amended, rescinded, or otherwise modified in the implementation of such report unless and until—

(A) the appropriate congressional committees have been consulted under subsection (f);

(B) the Trade Representative has sought advice regarding the modification from relevant private sector advisory committees established under section 135 of the Trade Act of 1974 (19 U.S.C. 2155);

(C) the head of the relevant department or agency has provided an opportunity for public comment by publishing in the Federal Register the proposed modification and the explanation for the modification;

(D) the Trade Representative has submitted to the appropriate congressional committees a report describing the proposed modification, the reasons for the modification, and a summary of the advice obtained under subparagraph (B) with respect to the modification;

(E) the Trade Representative and the head of the relevant department or agency have consulted with the appropriate congressional committees on the proposed contents of the final rule or other modification; and

(F) the final rule or other modification has been published in the Federal Register.

(2) EFFECTIVE DATE OF MODIFICATION.—A final rule or other modification to which paragraph (1) applies may not go into effect before the end of the 60-day period beginning on the date on which consultations under paragraph (1)(E) begin, unless the President determines that an earlier effective date is in the national interest.

(3) VOTE BY CONGRESSIONAL COMMITTEES.—During the 60-day period described in paragraph (2), the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate may vote to indicate the agreement or disagreement of the committee with the proposed contents of the final rule or other modification. Any such vote shall not be binding on the department or agency which is implementing the rule or other modification.

(4) INAPPLICABILITY TO ITC.—This subsection does not apply to any regulation or practice of the International Trade Commission.

(h) CONSULTATIONS REGARDING REVIEW OF WTO RULES AND PROCEDURES.—Before the review is conducted of the dispute settlement rules and procedures of the WTO that is provided for in the Decision on the Application of the Understanding on Rules and Procedures Governing the Settlement of Disputes, as such decision is set forth in the Ministerial Declarations and Decisions adopted on April 15, 1994, together with the Uruguay Round Agreements, the Trade Representative shall consult with the congressional committees regarding the policy of the United States concerning the review.

SEC. 124. ANNUAL REPORT ON THE WTO.

Not later than March 1 of each year beginning in 1996, the Trade Representative shall submit to the Congress a report describing, for the preceding fiscal year of the WTO—

(1) the major activities and work programs of the WTO, including the functions and activities of the committees established under article IV of the WTO Agreement, and the expenditures made by the WTO in connection with those activities and programs;

(2) the percentage of budgetary assessments by the WTO that were accounted for by each WTO member country, including the United States;

(3) the total number of personnel employed or retained by the Secretariat of the WTO, and the number of professional, administrative, and support staff of the WTO;

(4) for each personnel category described in paragraph (3), the number of citizens of each country, and the average salary of the personnel, in that category;

(5) each report issued by a panel or the Appellate Body in a dispute settlement proceeding regarding Federal or State law, and any efforts by the Trade Representative to provide for implementation of the recommendations contained in a report that is adverse to the United States;

(6) each proceeding before a panel or the Appellate Body that was initiated during that fiscal year regarding Federal or State law, the status of the proceeding, and the matter at issue;

(7) the status of consultations with any State whose law was the subject of a report adverse to the United States that was issued by a panel or the Appellate Body; and

(8) any progress achieved in increasing the transparency of proceedings of the Ministerial Conference and the General Council, and of dispute settlement proceedings conducted pursuant to the Dispute Settlement Understanding.

SEC. 125. REVIEW OF PARTICIPATION IN THE WTO.

(a) REPORT ON THE OPERATION OF THE WTO.—The first annual report submitted to the Congress under section 124—

(1) after the end of the 5-year period beginning on the date on which the WTO Agreement enters into force with respect to the United States, and

(2) after the end of every 5-year period thereafter,

shall include an analysis of the effects of the WTO Agreement on the interests of the United States, the costs and benefits to the United States of its participation in the WTO, and the value of the continued participation of the United States in the WTO.

(b) CONGRESSIONAL DISAPPROVAL OF U.S. PARTICIPATION IN THE WTO.—

(1) GENERAL RULE.—The approval of the Congress, provided under section 101(a), of the WTO Agreement shall cease to be effective if, and only if, a joint resolution described in subsection (c) is enacted into law pursuant to the provisions of paragraph (2).

(2) PROCEDURAL PROVISIONS.—(A) The requirements of this paragraph are met if the joint resolution is enacted under subsection (c), and

(i) the Congress adopts and transmits the joint resolution to the President before the end of the 90-day period (excluding any day described in section 154(b) of the Trade Act of 1974), beginning on the date on which the Congress receives a report referred to in subsection (a), and

(ii) if the President vetoes the joint resolution, each House of Congress votes to override that veto on or before the later of the last day of the 90-day period referred to in clause (i) or the last day of the 15-day period (excluding any day described in section 154(b) of the Trade Act of 1974) beginning on the date on which the Congress receives the veto message from the President.

(B) A joint resolution to which this section applies may be introduced at any time on or after the date on which the President transmits to the Congress a report described in subsection (a), and before the end of the 90-day period referred to in subparagraph (A).

(c) JOINT RESOLUTIONS.—

(1) JOINT RESOLUTIONS.—For purposes of this section, the term "joint resolution" means only a joint resolution of the 2 Houses of Congress, the matter after the resolving clause of which is as follows: "That the Congress withdraws its approval, provided under section 101(a) of the Uruguay Round Agreements Act, of the WTO Agreement as defined in section 2(9) of that Act.".

(2) PROCEDURES.—(A) Joint resolutions may be introduced in either House of the Congress by any Member of such House.

(B) Subject to the provisions of this subsection, the provisions of subsections (b), (d), (e), and (f) of section 152 of the Trade Act of 1974 (19 U.S.C. 2192 (b), (d), (e), and (f)) apply to joint resolutions to the same extent as such provisions apply to resolutions under such section.

(C) If the committee of either House to which a joint resolution has been referred has not reported it by the close of the 45th day after its introduction (excluding any day described in section 154(b) of the Trade Act of 1974), such committee shall be automatically discharged from further consideration of the joint resolution and it shall be placed on the appropriate calendar.

(D) It is not in order for—

(i) the Senate to consider any joint resolution unless it has been reported by the Committee on Finance or the committee has been discharged under subparagraph (C); or

(ii) the House of Representatives to consider any joint resolution unless it has been reported by the Committee on Ways and Means or the committee has been discharged under subparagraph (C).

(D) A motion in the House of Representatives to proceed to the consideration of a joint resolution may only be made on the

second legislative day after the calendar day on which the Member making the motion announces to the House his or her intention to do so.

(3) CONSIDERATION OF SECOND RESOLUTION NOT IN ORDER.—It shall not be in order in either the House of Representatives or the Senate to consider a joint resolution (other than a joint resolution received from the other House), if that House has previously adopted a joint resolution under this section.

(d) RULES OF HOUSE OF REPRESENTATIVES AND SENATE.—This section is enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such is deemed a part of the rules of each House, respectively, and such procedures supersede other rules only to the extent that they are inconsistent with such other rules; and

(2) with the full recognition of the constitutional right of either House to change the rules (so far as relating to the procedures of that House) at any time, in the same manner, and to the same extent as any other rule of that House.

SEC. 126. INCREASED TRANSPARENCY.

The Trade Representative shall seek the adoption by the Ministerial Conference and General Council of procedures that will ensure broader application of the principle of transparency and clarification of the costs and benefits of trade policy actions, through the observance of open and equitable procedures in trade matters by the Ministerial Conference and the General Council, and by the dispute settlement panels and the Appellate Body under the Dispute Settlement Understanding.

SEC. 127. ACCESS TO THE WTO DISPUTE SETTLEMENT PROCESS.

(a) IN GENERAL.—Whenever the United States is a party before a dispute settlement panel established pursuant to Article 6 of the Dispute Settlement Understanding, the Trade Representative shall, at each stage of the proceeding before the panel or the Appellate Body, consult with the appropriate congressional committees, the petitioner (if any) under section 302(a) of the Trade Act of 1974 (19 U.S.C. 2412) with respect to the matter that is the subject of the proceeding, and relevant private sector advisory committees established under section 135 of the Trade Act of 1974 (19 U.S.C. 2155), and shall consider the views of representatives of appropriate interested private sector and nongovernmental organizations concerning the matter.

(b) NOTICE AND PUBLIC COMMENT.—In any proceeding described in subsection (a), the Trade Representative shall—

(1) promptly after requesting the establishment of a panel, or receiving a request from another WTO member country for the establishment of a panel, publish a notice in the Federal Register—

(A) identifying the initial parties to the dispute,

(B) setting forth the major issues raised by the country requesting the establishment of a panel and the legal basis of the complaint,

(C) identifying the specific measures, including any State or Federal law cited in the request for establishment of the panel, and

(D) seeking written comments from the public concerning the issues raised in the dispute; and

(2) take into account any advice received from appropriate congressional committees and relevant private sector advisory committees referred to in subsection (a), and written comments received pursuant to paragraph (1)(D), in preparing United States submissions to the panel or the Appellate Body.

(c) ACCESS TO DOCUMENTS.—In each proceeding described in subsection (a), the Trade Representative shall—

(1) make written submissions by the United States referred to in subsection (b) available to the public promptly after they are submitted to the panel or Appellate Body, except that the Trade Representative is authorized to withhold from disclosure any information contained in such submissions identified by the provider of the information as proprietary information or information treated as confidential by a foreign government;

(2) request each other party to the dispute to permit the Trade Representative to make that party's written submissions to the panel or the Appellate Body available to the public; and

(3) make each report of the panel or the Appellate Body available to the public promptly after it is circulated to WTO members, and inform the public of such availability.

(d) REQUESTS FOR NONCONFIDENTIAL SUMMARIES.—In any dispute settlement proceeding conducted pursuant to the Dispute Settlement Understanding, the Trade Representative shall request each party to the dispute to provide nonconfidential summaries of its written submissions, if that party has not made its written submissions public, and shall make those summaries available to the public promptly after receiving them.

(e) PUBLIC FILE.—The Trade Representative shall maintain a file accessible to the public on each dispute settlement proceeding to which the United States is a party that is conducted pursuant to the Dispute Settlement Understanding. The file shall include all United States submissions in the proceeding and a listing of any submissions to the Trade Representative from the public with respect to the proceeding, as well as the report of the dispute settlement panel and the report of the Appellate Body.

(f) CONFORMING AMENDMENT.—Section 135(a)(1)(B) of the Trade Act of 1974 (19 U.S.C. 2155(a)(1)(B)) is amended to read as follows:

"(B) the operation of any trade agreement once entered into, including preparation for dispute settlement panel proceedings to which the United States is a party; and".

SEC. 128. ADVISORY COMMITTEE PARTICIPATION.

Section 135(b)(1) of the Trade Act of 1974 (19 U.S.C. 2155(b)(1)) is amended by inserting "nongovernmental environmental and conservation organizations," after "retailers,".

SEC. 129. ADMINISTRATIVE ACTION FOLLOWING WTO PANEL REPORTS.

(a) ACTION BY UNITED STATES INTERNATIONAL TRADE COMMISSION.—

(1) ADVISORY REPORT.—If a dispute settlement panel finds in an interim report under Article 15 of the Dispute Settlement Understanding, or the Appellate Body finds in a report under Article 17 of that Understanding, that an action by the International Trade Commission in connection with a particular proceeding is not in conformity with the obligations of the United States under the Antidumping Agreement, the Safeguards Agreement, or the Agreement on Subsidies and Countervailing Measures, the Trade Representative may request the Commission to issue an advisory report on whether title VII of the Tariff Act of 1930 or title II of the Trade Act of 1974, as the case may be, permits the Commission to take steps in connection with the particular proceeding that would render its action not inconsistent with the findings of the panel or the Appellate Body concerning those obligations. The Trade Representative shall notify the congressional committees of such request.

(2) TIME LIMITS FOR REPORT.—The Commission shall transmit its report under paragraph (1) to the Trade Representative—

(A) in the case of an interim report described in paragraph (1), within 30 calendar days after the Trade Representative requests the report; and

(B) in the case of a report of the Appellate Body, within 21 calendar days after the Trade Representative requests the report.

(3) CONSULTATIONS ON REQUEST FOR COMMISSION DETERMINATION.—If a majority of the Commissioners issues an affirmative report under paragraph (1), the Trade Representative shall consult with the congressional committees concerning the matter.

(4) COMMISSION DETERMINATION.—Notwithstanding any provision of the Tariff Act of 1930 or title II of the Trade Act of 1974, if a majority of the Commissioners issues an affirmative report under paragraph (1), the Commission, upon the written request of the Trade Representative, shall issue a determination in connection with the particular proceeding that would render the Commission's action described in paragraph (1) not inconsistent with the findings of the panel or Appellate Body. The Commission shall issue its determination not later than 120 days after the request from the Trade Representative is made.

(5) CONSULTATIONS ON IMPLEMENTATION OF COMMISSION DETERMINATION.—The Trade Representative shall consult with the congressional committees before the Commission's determination under paragraph (4) is implemented.

(6) REVOCATION OF ORDER.—If, by virtue of the Commission's determination under paragraph (4), an antidumping or countervailing duty order with respect to some or all of the imports that are subject to the action of the Commission described in paragraph (1) is no longer supported by an affirmative Commission determination under title VII of the Tariff Act of 1930 or this subsection, the Trade Representative may, after consulting with the congressional committees under paragraph (5), direct the administering authority to revoke the antidumping or countervailing duty order in whole or in part.

(7) MODIFICATION OF ACTION UNDER TITLE II OF TRADE ACT OF 1974.—Section 204(b) of the Trade Act of 1974 (19 U.S.C. 2254(b)) is amended by adding at the end the following new paragraph:

"(3) Notwithstanding paragraph (1), the President may, after receipt of a Commission determination under section 129(a)(4) of the Uruguay Round Agreements Act and consulting with the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate, reduce, modify, or terminate action taken under section 203.".

(b) ACTION BY ADMINISTERING AUTHORITY.—

(1) CONSULTATIONS WITH ADMINISTERING AUTHORITY AND CONGRESSIONAL COMMITTEES.—Promptly after a report by a dispute settlement panel or the Appellate body is issued that contains findings that an action by the administering authority in a proceeding under title VII of the Tariff Act of 1930 is not in conformity with the obligations of the United States under the Antidumping Agreement or the Agreement on Subsidies and Countervailing Measures, the Trade Representative shall consult with the administering authority and the congressional committees on the matter.

(2) DETERMINATION BY ADMINISTERING AUTHORITY.—Notwithstanding any provision of

the Tariff Act of 1930, the administering authority shall, within 180 days after receipt of a written request from the Trade Representative, issue a determination in connection with the particular proceeding that would render the administering authority's action described in paragraph (1) not inconsistent with the findings of the panel or the Appellate Body.

(3) CONSULTATIONS BEFORE IMPLEMENTATION.—Before the administering authority implements any determination under paragraph (2), the Trade Representative shall consult with the administering authority and the congressional committees with respect to such determination.

(4) IMPLEMENTATION OF DETERMINATION.—The Trade Representative may, after consulting with the administering authority and the congressional committees under paragraph (3), direct the administering authority to implement, in whole or in part, the determination made under paragraph (2).

(c) EFFECTS OF DETERMINATIONS; NOTICE OF IMPLEMENTATION.—

(1) EFFECTS OF DETERMINATIONS.—Determinations concerning title VII of the Tariff Act of 1930 that are implemented under this section shall apply with respect to unliquidated entries of the subject merchandise (as defined in section 771 of that Act) that are entered, or withdrawn from warehouse, for consumption on or after—

(A) in the case of a determination by the Commission under subsection (a)(4), the date on which the Trade Representative directs the administering authority under subsection (a)(6) to revoke an order pursuant to that determination, and

(B) in the case of a determination by the administering authority under subsection (b)(2), the date on which the Trade Representative directs the administering authority under subsection (b)(4) to implement that determination.

(2) NOTICE OF IMPLEMENTATION.—

(A) The administering authority shall publish in the Federal Register notice of the implementation of any determination made under this section with respect to title VII of the Tariff Act of 1930.

(B) The Trade Representative shall publish in the Federal Register notice of the implementation of any determination made under this section with respect to title II of the Trade Act of 1974.

(d) OPPORTUNITY FOR COMMENT BY INTERESTED PARTIES.—Prior to issuing a determination under this section, the administering authority or the Commission, as the case may be, shall provide interested parties with an opportunity to submit written comments and, in appropriate cases, may hold a hearing, with respect to the determination.

(e) JUDICIAL OR BINATIONAL PANEL REVIEW.—

(1) REVIEW OF DETERMINATIONS ON RECORD.—Section 516A(a)(2) of the Tariff Act of 1930 (19 U.S.C. 1516a(a)(2)) is amended—

(A) in subparagraph (A)(i)—

(i) in subclause (I) by striking "(B), or" and inserting "(B)", and

(ii) by adding after subclause (II) the following:

"(III) notice of the implementation of any determination described in clause (vii) of subparagraph (B), or"; and

(B) in subparagraph (B), by adding at the end the following new clause:

"(vii) A determination by the administering authority or the Commission under section 129 of the Uruguay Round Agreements Act concerning a determination under title VII of the Tariff Act of 1930.".

(2) TIME LIMITS FOR CASES INVOLVING FREE TRADE AREA COUNTRIES.—Section 516A(a)(5) of the Tariff Act of 1930 (19 U.S.C. 1516a(a)(5)) is amended by adding at the end the following new subparagraph:

"(E) For a determination described in clause (vii) of paragraph (2)(B), the 31st day after the date on which notice of the implementation of the determination is published in the Federal Register.".

(3) REVIEW OF CASES INVOLVING FREE TRADE AREA COUNTRY MERCHANDISE.—Section 516A(g)(8)(A)(i) of the Tariff Act of 1930 (19 U.S.C. 1516a(g)(8)(A)(i)) is amended by striking "subparagraph (A) or (B)" and inserting "subparagraph (A), (B), or (E)".

SEC. 130. EFFECTIVE DATE.

This subtitle and the amendments made by this subtitle take effect on the date on which the WTO Agreement enters into force with respect to the United States.

Subtitle D—Related Provisions

SEC. 131. WORKING PARTY ON WORKER RIGHTS.

(a) IN GENERAL.—The President shall seek the establishment in the GATT 1947, and, upon entry into force of the WTO Agreement with respect to the United States, in the WTO, of a working party to examine the relationship of internationally recognized worker rights, as defined in section 502(a)(4) of the Trade Act of 1974, to the articles, objectives, and related instruments of the GATT 1947 and of the WTO, respectively.

(b) OBJECTIVES OF WORKING PARTY.—The objectives of the United States for the working party described in subsection (a) are to—

(1) explore the linkage between international trade and internationally recognized worker rights, as defined in section 502(a)(4) of the Trade Act of 1974, taking into account differences in the level of development among countries;

(2) examine the effects on international trade of the systematic denial of such rights;

(3) consider ways to address such effects; and

(4) develop methods to coordinate the work program of the working party with the International Labor Organization.

(c) REPORT TO CONGRESS.—The President shall report to the Congress, not later than 1 year after the date of the enactment of this Act, on the progress made in establishing the working party under this section, and on United States objectives with respect to the working party's work program.

SEC. 132. IMPLEMENTATION OF RULES OF ORIGIN WORK PROGRAM.

If the President enters into an agreement developed under the work program described in Article 9 of the Agreement on Rules of Origin referred to in section 101(d)(10), the President may implement United States obligations under such an agreement under United States law only pursuant to authority granted to the President for that purpose by law enacted after the effective date of this title.

SEC. 133. MEMBERSHIP IN WTO OF BOYCOTTING COUNTRIES.

It is the sense of the Congress that the Trade Representative should vigorously oppose the admission into the World Trade Organization of any country which, through its laws, regulations, official policies, or governmental practices, fosters, imposes, complies with, furthers, or supports any boycott described in section 8(a) of the Export Administration Act of 1979 (50 U.S.C. App. 2407(a)) (as in effect on August 20, 1994), including requiring or encouraging entities within that country to refuse to do business with persons who do not comply with requests to take any action prohibited under that section.

SEC. 134. AFRICA TRADE AND DEVELOPMENT POLICY.

(a) DEVELOPMENT OF POLICY.—The President should develop and implement a comprehensive trade and development policy for the countries of Africa.

(b) REPORTS TO CONGRESS.—The President shall, not later than 12 months after the date of the enactment of this Act and annually thereafter for a period of 4 years, submit to the Committee on Ways and Means and the Committee on Foreign Affairs of the House of Representatives, the Committee on Finance and the Committee on Foreign Relations of the Senate, and other appropriate committees of the Congress, a report on the steps taken to carry out subsection (a).

SEC. 135. OBJECTIVES FOR EXTENDED NEGOTIATIONS.

(a) TRADE IN FINANCIAL SERVICES.—The principal negotiating objective of the United States in the extended negotiations on financial services to be conducted under the auspices of the WTO is to seek to secure commitments, from a wide range of commercially important developed and developing countries, to reduce or eliminate barriers to the supply of financial services, including barriers that deny national treatment or market access by restricting the establishment or operation of financial services providers, as the condition for the United States—

(1) offering commitments to provide national treatment and market access in each of the financial services subsectors, and

(2) making such commitments on a most-favored-nation basis.

(b) TRADE IN BASIC TELECOMMUNICATIONS SERVICES.—The principal negotiating objective of the United States in the extended negotiations on basic telecommunications services to be conducted under the auspices of the WTO is to obtain the opening on nondiscriminatory terms and conditions of foreign markets for basic telecommunications services through facilities-based competition or through the resale of services on existing networks.

(c) TRADE IN CIVIL AIRCRAFT.—

(1) NEGOTIATIONS.—The principal negotiating objectives of the United States in the extended negotiations on trade in civil aircraft to be conducted under the auspices of the WTO are—

(A) to obtain competitive opportunities for United States exports in foreign markets substantially equivalent to those afforded to foreign products in the United States;

(B) to obtain the reduction or elimination of specific tariff and nontariff barriers, including through expanded membership in the Agreement on Trade in Civil Aircraft and in the US–EC bilateral agreement for large civil aircraft,

(C) to maintain vigorous and effective disciplines on subsidies practices with respect to civil aircraft products under the Agreement on Subsidies and Countervailing Measures referred to in section 101(d)(12),

(D) to maintain the scope and coverage on indirect support as specified in the US–EC bilateral agreement on large civil aircraft, and

(E) to obtain increased transparency with respect to foreign subsidy programs in the civil aircraft sector, both through greater government disclosure with respect to the use of taxpayer moneys and higher financial disclosure standards for companies receiving government supports (including disclosure comparable to that required under United States securities laws).

(2) DEFINITIONS.—For purposes of paragraph (1)—

(A) the term "civil aircraft" means those products to which the Agreement on Trade in Civil Aircraft applies,

(B) the term "large civil aircraft" has the meaning given that term in Annex II to the US–EC bilateral agreement,

(C) the term "indirect support" means indirect government support as defined in Annex II to the US–EC bilateral agreement,

(D) the term "Agreement on Trade in Civil Aircraft" means the Agreement on Trade in Civil Aircraft approved by the Congress under section 2 of the Trade Agreements Act of 1979, and

(E) the term "US–EC bilateral agreement" means the Agreement Concerning the Application of the GATT Agreement on Trade in Civil Aircraft Between the European Economic Community and the Government of the United States of America on trade in large civil aircraft, entered into on July 17, 1992.

SEC. 136. REPEAL OF TAX ON IMPORTED PERFUMES; DRAWBACK OF TAX ON DISTILLED SPIRITS USED IN PERFUME MANUFACTURE.

(a) REPEAL OF TAX ON IMPORTED PERFUMES.—Subsection (a) of section 5001 of the Internal Revenue Code of 1986 is amended by striking paragraph (3) and redesignating the following paragraphs accordingly.

(b) DRAWBACK OF TAX ON DISTILLED SPIRITS USED IN PERFUME MANUFACTURE.—Sections 5131(a), 5132, 5134(c)(1), and 7652(g) of such Code are each amended by striking "or flavoring extracts" and inserting "flavoring extracts, or perfume".

(c) CONFORMING AMENDMENTS.—

(1) Subsection (b) of section 5002 of such Code is amended by striking paragraph (1) and redesignating the following paragraphs accordingly.

(2) Subsection (f) of section 5005 of such Code is amended—

(A) by striking "section 5001(a)(6) and (7)" in paragraph (3) and inserting "section 5001(a)(5) and (6)", and

(B) by striking "section 5001(a)(5)" in paragraph (4) and inserting "section 5001(a)(4)".

(3) Subsection (b) of section 5007 of such Code is amended to read as follows:

"(b) COLLECTION OF TAX ON IMPORTED DISTILLED SPIRITS.—The internal revenue tax imposed by section 5001(a)(1) and (2) upon imported distilled spirits shall be collected by the Secretary and deposited as internal revenue collections, under such regulations as the Secretary may prescribe. Section 5688 shall be applicable to the disposition of imported spirits.".

(4) Paragraph (3) of section 5007(c) of such Code is amended by striking "section 5001(a)(5), (6), and (7)" and inserting "section 5001(a)(4), (5), and (6)".

(5) Paragraph (1) of section 5061(b) of such Code is amended to read as follows:

"(1) section 5001(a)(4), (5), or (6),".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1995.

SEC. 137. CERTAIN NONRUBBER FOOTWEAR.

In the case of nonrubber footwear imported from Brazil—

(1) which is subject to Treasury Decision 74-233, dated September 9, 1974,

(2) which was entered, or withdrawn from warehouse for consumption, on or before October 28, 1981, and

(3) with respect to which entries are unliquidated on the date of the enactment of this Act,

countervailing duties shall be assessed at rates equal to the amount of the cash deposit of the estimated countervailing duties required on such footwear at the time of entry or withdrawal from warehouse for consumption. Interest on underpayments of amounts required to be deposited as countervailing duties shall be paid in accordance with section 778 of the Tariff Act of 1930 (19 U.S.C. 1677g).

SEC. 138. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in section 136(d) and subsection (b) of this section, this subtitle and the amendments made by this subtitle take effect on the date of the enactment of this Act.

(b) SECTIONS 132 AND 135.—Sections 132 and 135 take effect on the date on which the WTO Agreement enters into force with respect to the United States.

TITLE II—ANTIDUMPING AND COUNTERVAILING DUTY PROVISIONS

SEC. 201. REFERENCE.

Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Tariff Act of 1930.

Subtitle A—General Provisions

SEC. 211. ACTION WITH RESPECT TO PETITIONS.

(a) COUNTERVAILING DUTY INVESTIGATIONS.—Section 702(b) (19 U.S.C. 1671a(b)) is amended—

(1) in paragraph (3) by striking "subsection 702(b)(1)" and inserting "paragraph (1)", and

(2) by adding at the end the following:

"(4) ACTION WITH RESPECT TO PETITIONS.—

"(A) NOTIFICATION OF GOVERNMENTS.—Upon receipt of a petition filed under paragraph (1), the administering authority shall—

"(i) notify the government of any exporting country named in the petition by delivering a public version of the petition to an appropriate representative of such country; and

"(ii) provide the government of any exporting country named in the petition that is a Subsidies Agreement country an opportunity for consultations with respect to the petition.

"(B) ACCEPTANCE OF COMMUNICATIONS.—The administering authority shall not accept any unsolicited oral or written communication from any person other than an interested party described in section 771(9) (C), (D), (E), (F), or (G) before the administering authority makes its decision whether to initiate an investigation, except as provided in subparagraph (A)(ii) and subsection (c)(4)(D), and except for inquiries regarding the status of the administering authority's consideration of the petition.

"(C) NONDISCLOSURE OF CERTAIN INFORMATION.—The administering authority and the Commission shall not disclose information with regard to any draft petition submitted for review and comment before it is filed under paragraph (1).".

(b) ANTIDUMPING INVESTIGATIONS.—Section 732(b) (19 U.S.C. 1673a(b)) is amended by adding at the end the following:

"(3) ACTION WITH RESPECT TO PETITIONS.—

"(A) NOTIFICATION OF GOVERNMENTS.—Upon receipt of a petition filed under paragraph (1), the administering authority shall notify the government of any exporting country named in the petition by delivering a public version of the petition to an appropriate representative of such country.

"(B) ACCEPTANCE OF COMMUNICATIONS.—The administering authority shall not accept any unsolicited oral or written communication from any person other than an interested party described in section 771(9) (C), (D), (E), (F), or (G) before the administering authority makes its decision whether to initiate an investigation, except as provided in subsection (c)(4)(D), and except for inquiries regarding the status of the administering authority's consideration of the petition.

"(C) NONDISCLOSURE OF CERTAIN INFORMATION.—The administering authority and the Commission shall not disclose information with regard to any draft petition submitted for review and comment before it is filed under paragraph (1).".

SEC. 212. PETITION AND PRELIMINARY DETERMINATION.

(a) GENERAL REQUIREMENTS.—

(1) COUNTERVAILING DUTY PETITION.—Section 702(c) (19 U.S.C. 1671a(c)) is amended to read as follows:

"(c) PETITION DETERMINATION.—

"(1) IN GENERAL.—

"(A) TIME FOR INITIAL DETERMINATION.—Except as provided in subparagraph (B), within 20 days after the date on which a petition is filed under subsection (b), the administering authority shall—

"(i) after examining, on the basis of sources readily available to the administering authority, the accuracy and adequacy of the evidence provided in the petition, determine whether the petition alleges the elements necessary for the imposition of a duty under section 701(a) and contains information reasonably available to the petitioner supporting the allegations, and

"(ii) determine if the petition has been filed by or on behalf of the industry.

"(B) EXTENSION OF TIME.—In any case in which the administering authority is required to poll or otherwise determine support for the petition by the industry under paragraph (4)(D), the administering authority may, in exceptional circumstances, apply subparagraph (A) by substituting 'a maximum of 40 days' for '20 days'.

"(C) TIME LIMITS WHERE PETITION INVOLVES SAME MERCHANDISE AS AN ORDER THAT HAS BEEN REVOKED.—If a petition is filed under this section with respect to merchandise that was the subject merchandise of—

"(i) a countervailing duty order that was revoked under section 751(d) in the 24 months preceding the date the petition is filed, or

"(ii) a suspended investigation that was terminated under section 751(d) in the 24 months preceding the date the petition is filed,

the administering authority and the Commission shall, to the maximum extent practicable, expedite any investigation initiated under this section with respect to the petition.

"(2) AFFIRMATIVE DETERMINATIONS.—If the determinations under clauses (i) and (ii) of paragraph (1)(A) are affirmative, the administering authority shall initiate an investigation to determine whether a countervailable subsidy is being provided with respect to the subject merchandise.

"(3) NEGATIVE DETERMINATIONS.—If the determination under clause (i) or (ii) of paragraph (1)(A) is negative, the administering authority shall dismiss the petition, terminate the proceeding, and notify the petitioner in writing of the reasons for the determination.

"(4) DETERMINATION OF INDUSTRY SUPPORT.—

"(A) GENERAL RULE.—For purposes of this subsection, the administering authority shall determine that the petition has been filed by or on behalf of the industry, if—

"(i) the domestic producers or workers who support the petition account for at least 25 percent of the total production of the domestic like product, and

"(ii) the domestic producers or workers who support the petition account for more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for or opposition to the petition.

"(B) CERTAIN POSITIONS DISREGARDED.—

"(i) PRODUCERS RELATED TO FOREIGN PRODUCERS.—In determining industry support under subparagraph (A), the administering authority shall disregard the position of domestic producers who oppose the petition, if such producers are related to foreign producers, as defined in section 771(4)(B)(ii), unless such domestic producers demonstrate that their interests as domestic producers would be adversely affected by the imposition of a countervailing duty order.

"(ii) PRODUCERS WHO ARE IMPORTERS.—The administering authority may disregard the position of domestic producers of a domestic like product who are importers of the subject merchandise.

"(C) SPECIAL RULE FOR REGIONAL INDUSTRIES.—If the petition alleges that the industry is a regional industry, the administering authority shall determine whether the petition has been filed by or on behalf of the industry by applying subparagraph (A) on the basis of production in the region.

"(D) POLLING THE INDUSTRY.—If the petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total production of the domestic like product, the administering authority shall—

"(i) poll the industry or rely on other information in order to determine if there is support for the petition as required by subparagraph (A), or

"(ii) if there is a large number of producers in the industry, the administering authority may determine industry support for the petition by using any statistically valid sampling method to poll the industry.

"(E) COMMENTS BY INTERESTED PARTIES.—Before the administering authority makes a determination with respect to initiating an investigation, any person who would qualify as an interested party under section 771(9) if an investigation were initiated, may submit comments or information on the issue of industry support. After the administering authority makes a determination with respect to initiating an investigation, the determination regarding industry support shall not be reconsidered.

"(5) DEFINITION OF DOMESTIC PRODUCERS OR WORKERS.—For purposes of this subsection, the term 'domestic producers or workers' means those interested parties who are eligible to file a petition under subsection (b)(1)(A).".

(2) ANTIDUMPING DUTY PETITION.—Section 732(c) (19 U.S.C. 1673a(c)) is amended to read as follows:

"(c) PETITION DETERMINATION.—

"(1) IN GENERAL.—

"(A) TIME FOR INITIAL DETERMINATION.—Except as provided in subparagraph (B), within 20 days after the date on which a petition is filed under subsection (b), the administering authority shall—

"(i) after examining, on the basis of sources readily available to the administering authority, the accuracy and adequacy of the evidence provided in the petition, determine whether the petition alleges the elements necessary for the imposition of a duty under section 731 and contains information reasonably available to the petitioner supporting the allegations, and

"(ii) determine if the petition has been filed by or on behalf of the industry.

"(B) EXTENSION OF TIME.—In any case in which the administering authority is required to poll or otherwise determine support for the petition by the industry under paragraph (4)(D), the administering authority may, in exceptional circumstances, apply subparagraph (A) by substituting 'a maximum of 40 days' for '20 days'.

"(C) TIME LIMITS WHERE PETITION INVOLVES SAME MERCHANDISE AS AN ORDER THAT HAS BEEN REVOKED.—If a petition is filed under this section with respect to merchandise that was the subject merchandise of—

"(i) an antidumping duty order or finding that was revoked under section 751(d) in the 24 months preceding the date the petition is filed, or

"(ii) a suspended investigation that was terminated under section 751(d) in the 24 months preceding the date the petition is filed,

the administering authority and the Commission shall, to the maximum extent practicable, expedite any investigation initiated under this section with respect to the petition.

"(2) AFFIRMATIVE DETERMINATIONS.—If the determinations under clauses (i) and (ii) of paragraph (1)(A) are affirmative, the administering authority shall initiate an investigation to determine whether the subject merchandise is being, or is likely to be, sold in the United States at less than its fair value.

"(3) NEGATIVE DETERMINATIONS.—If the determination under clause (i) or (ii) of paragraph (1)(A) is negative, the administering authority shall dismiss the petition, terminate the proceeding, and notify the petitioner in writing of the reasons for the determination.

"(4) DETERMINATION OF INDUSTRY SUPPORT.—

"(A) GENERAL RULE.—For purposes of this subsection, the administering authority shall determine that the petition has been filed by or on behalf of the industry, if—

"(i) the domestic producers or workers who support the petition account for at least 25 percent of the total production of the domestic like product, and

"(ii) the domestic producers or workers who support the petition account for more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for or opposition to the petition.

"(B) CERTAIN POSITIONS DISREGARDED.—

"(i) PRODUCERS RELATED TO FOREIGN PRODUCERS.—In determining industry support under subparagraph (A), the administering authority shall disregard the position of domestic producers who oppose the petition, if such producers are related to foreign producers, as defined in section 771(4)(B)(ii), unless such domestic producers demonstrate that their interests as domestic producers would be adversely affected by the imposition of an antidumping duty order.

"(ii) PRODUCERS WHO ARE IMPORTERS.—The administering authority may disregard the position of domestic producers of a domestic like product who are importers of the subject merchandise.

"(C) SPECIAL RULE FOR REGIONAL INDUSTRIES.—If the petition alleges the industry is a regional industry, the administering authority shall determine whether the petition has been filed by or on behalf of the industry by applying subparagraph (A) on the basis of production in the region.

"(D) POLLING THE INDUSTRY.—If the petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total production of the domestic like product, the administering authority shall—

"(i) poll the industry or rely on other information in order to determine if there is support for the petition as required by subparagraph (A), or

"(ii) if there is a large number of producers in the industry, the administering authority may determine industry support for the petition by using any statistically valid sampling method to poll the industry.

"(E) COMMENTS BY INTERESTED PARTIES.—Before the administering authority makes a determination with respect to initiating an investigation, any person who would qualify as an interested party under section 771(9) if an investigation were initiated, may submit comments or information on the issue of industry support. After the administering authority makes a determination with respect to initiating an investigation, the determination regarding industry support shall not be reconsidered.

"(5) DEFINITION OF DOMESTIC PRODUCERS OR WORKERS.—For purposes of this subsection, the term 'domestic producers or workers' means those interested parties who are eligible to file a petition under subsection (b)(1)(A).".

(b) DETERMINATION BY THE COMMISSION OF REASONABLE INDICATION OF INJURY; PRELIMINARY DETERMINATION BY THE ADMINISTERING AUTHORITY.—

(1) COUNTERVAILING DUTY INVESTIGATIONS.—

(A) Section 703(a) (19 U.S.C. 1671b(a)) is amended to read as follows:

"(a) DETERMINATION BY COMMISSION OF REASONABLE INDICATION OF INJURY.—

"(1) GENERAL RULE.—Except in the case of a petition dismissed by the administering authority under section 702(c)(3), the Commission, within the time specified in paragraph (2), shall determine, based on the information available to it at the time of the determination, whether there is a reasonable indication that—

"(A) an industry in the United States—

"(i) is materially injured, or

"(ii) is threatened with material injury, or

"(B) the establishment of an industry in the United States is materially retarded,

by reason of imports of the subject merchandise and that imports of the subject merchandise are not negligible. If the Commission finds that imports of the subject merchandise are negligible or otherwise makes a negative determination under this paragraph, the investigation shall be terminated.

"(2) TIME FOR COMMISSION DETERMINATION.—The Commission shall make the determination described in paragraph (1)—

"(A) in the case of a petition filed under section 702(b)—

"(i) within 45 days after the date on which the petition is filed, or

"(ii) if the time has been extended pursuant to section 702(c)(1)(B), within 25 days after the date on which the Commission receives notice from the administering authority of initiation of the investigation, and

"(B) in the case of an investigation initiated under section 702(a), within 45 days after the date on which the Commission receives notice from the administering authority that an investigation has been initiated under such section.".

(B) Section 705(b)(1) (19 U.S.C. 1671d(b)(1)) is amended by adding at the end the following: "If the Commission determines that imports of the subject merchandise are negligible, the investigation shall be terminated.".

(C) Section 703(b) (19 U.S.C. 1671b(b)) is amended—

(i) in paragraph (1)—

(I) by striking "85 days after the date on which the petition is filed under section 702(b)" and inserting "65 days after the date on which the administering authority initiates an investigation under section 702(c)";

(II) by striking "best information" and inserting "information"; and

(III) by striking the last sentence; and

(ii) in paragraph (2), by striking "85 days after the date on which the petition is filed under section 702(b)" and inserting "65 days after the date on which the administering authority initiates an investigation under section 702(c)".

(D) Section 703(c)(1) (19 U.S.C. 1671b(c)) is amended by striking "150th day after the date on which a petition is filed under section 702(b)" and inserting "130th day after the date on which the administering authority initiates an investigation under section 702(c)".

(E) Section 702(b)(3) (19 U.S.C. 1671a(b)(3)) is amended by striking "twenty days" and inserting "5 days after the date on which the administering authority initiates an investigation under subsection (c),".

(F) Section 703(f) (19 U.S.C. 1671b(f)) is amended to read as follows:

"(f) NOTICE OF DETERMINATION.—Whenever the Commission or the administering authority makes a determination under this section, the Commission or the administering authority, as the case may be, shall notify the petitioner, and other parties to the investigation, and the Commission or the administering authority (whichever is appropriate) of its determination. The administering authority shall include with such notification the facts and conclusions on which its determination is based. Not later than 5 days after the date on which the determination is required to be made under subsection (a)(2), the Commission shall transmit to the administering authority the facts and conclusions on which its determination is based.".

(2) ANTIDUMPING DUTY INVESTIGATIONS.—

(A) Section 733(a) (19 U.S.C. 1673b(a)) is amended to read as follows:

"(a) DETERMINATION BY COMMISSION OF REASONABLE INDICATION OF INJURY.—

"(1) GENERAL RULE.—Except in the case of a petition dismissed by the administering authority under section 732(c)(3), the Commission, within the time specified in paragraph (2), shall determine, based on the information available to it at the time of the determination, whether there is a reasonable indication that—

"(A) an industry in the United States—

"(i) is materially injured, or

"(ii) is threatened with material injury, or

"(B) the establishment of an industry in the United States is materially retarded,

by reason of imports of the subject merchandise and that imports of the subject merchandise are not negligible. If the Commission finds that imports of the subject merchandise are negligible or otherwise makes a negative determination under this paragraph, the investigation shall be terminated.

"(2) TIME FOR COMMISSION DETERMINATION.—The Commission shall make the determination described in paragraph (1)—

"(A) in the case of a petition filed under section 732(b)—

"(i) within 45 days after the date on which the petition is filed, or

"(ii) if the time has been extended pursuant to section 732(c)(1)(B), within 25 days after the date on which the Commission receives notice from the administering authority of initiation of the investigation, and

"(B) in the case of an investigation initiated under section 732(a), within 45 days after the date on which the Commission receives notice from the administering authority that an investigation has been initiated under such section.".

(B) Section 735(b)(1) (19 U.S.C. 1673d(b)(1)) is amended by adding at the end the following: "If the Commission determines that imports of the subject merchandise are negligible, the investigation shall be terminated.".

(C) Section 733(b)(1) (19 U.S.C. 1673b(b)(1)) is amended—

(i) in subparagraph (A)—

(I) by striking "160 days after the date on which a petition is filed under section 732(b)" and inserting "140 days after the date on which the administering authority initiates an investigation under section 732(c)"; and

(II) by striking "best information" and inserting "information"; and

(ii) in subparagraph (B)—

(I) by striking "120" and inserting "100";

(II) by striking "160" and inserting "140";

(III) by striking "100" and inserting "80"; and

(IV) by striking "160" and inserting "140".

(D) Section 733(c)(1) (19 U.S.C. 1673b(c)(1)) is amended by striking "210th day after the date on which a petition is filed under section 732(b)" and inserting "190th day after the date on which the administering authority initiates an investigation under section 732(c)".

(E) Section 733(f) (19 U.S.C. 1673b(f)) is amended to read as follows:

"(f) NOTICE OF DETERMINATION.—Whenever the Commission or the administering authority makes a determination under this section, the Commission or the administering authority, as the case may be, shall notify the petitioner, and other parties to the investigation, and the Commission or the administering authority (whichever is appropriate) of its determination. The administering authority shall include with such notification the facts and conclusions on which its determination is based. Not later than 5 days after the date on which the determination is required to be made under subsection (a)(2), the Commission shall transmit to the administering authority the facts and conclusions on which its determination is based.".

SEC. 213. DE MINIMIS DUMPING MARGIN.

(a) PRELIMINARY DETERMINATIONS.—Section 733(b) (19 U.S.C. 1673b(b)) is amended by adding at the end the following new paragraph:

"(3) DE MINIMIS DUMPING MARGIN.—In making a determination under this subsection, the administering authority shall disregard any weighted average dumping margin that is de minimis. For purposes of the preceding sentence, a weighted average dumping margin is de minimis if the administering authority determines that it is less than 2 percent ad valorem or the equivalent specific rate for the subject merchandise.".

(b) FINAL DETERMINATIONS.—Section 735(a) (19 U.S.C. 1673d(a)) is amended by adding at the end the following new paragraph:

"(4) DE MINIMIS DUMPING MARGIN.—In making a determination under this subsection, the administering authority shall disregard any weighted average dumping margin that is de minimis as defined in section 733(b)(3).".

SEC. 214. CRITICAL CIRCUMSTANCES.

(a) COUNTERVAILING DUTY INVESTIGATIONS.—

(1) PRELIMINARY DETERMINATIONS.—Section 703(e)(1) (19 U.S.C. 1671b(e)(1)) is amended—

(A) in the matter preceding subparagraph (A) by striking "best information" and inserting "information"; and

(B) by amending subparagraphs (A) and (B) to read as follows:

"(A) the alleged countervailable subsidy is inconsistent with the Subsidies Agreement, and

"(B) there have been massive imports of the subject merchandise over a relatively short period.".

(2) FINAL DETERMINATIONS.—(A) Section 705(a)(2) (19 U.S.C. 1671d(a)(2)) is amended—

(i) in subparagraph (A) by inserting "Subsidies" before "Agreement"; and

(ii) in subparagraph (B) by striking "class or kind of merchandise involved" and inserting "subject merchandise".

(B) Section 705(b)(4)(A) (19 U.S.C. 1671d(b)(4)) is amended to read as follows:

"(A) COMMISSION STANDARD FOR RETROACTIVE APPLICATION.—

"(i) IN GENERAL.—If the finding of the administering authority under subsection (a)(2) is affirmative, then the final determination of the Commission shall include a finding as to whether the imports subject to the affirmative determination under subsection (a)(2) are likely to undermine seriously the remedial effect of the countervailing duty order to be issued under section 706.

"(ii) FACTORS TO CONSIDER.—In making the evaluation under clause (i), the Commission shall consider, among other factors it considers relevant—

"(I) the timing and the volume of the imports,

"(II) any rapid increase in inventories of the imports, and

"(III) any other circumstances indicating that the remedial effect of the countervailing duty order will be seriously undermined.".

(b) ANTIDUMPING INVESTIGATIONS.—

(1) PRELIMINARY DETERMINATIONS.—Section 733(e)(1) (19 U.S.C. 1673b(e)(1)) is amended—

(A) in the matter preceding subparagraph (A) by striking "best information" and inserting "information"; and

(B) by amending subparagraphs (A) and (B) to read as follows:

"(A)(i) there is a history of dumping and material injury by reason of dumped imports in the United States or elsewhere of the subject merchandise, or

"(ii) the person by whom, or for whose account, the merchandise was imported knew or should have known that the exporter was selling the subject merchandise at less than its fair value and that there was likely to be material injury by reason of such sales, and

"(B) there have been massive imports of the subject merchandise over a relatively short period.".

(2) FINAL DETERMINATIONS.—(A) Section 735(a)(3) (19 U.S.C. 1673d(a)(3)) is amended—

(i) in clause (i) of subparagraph (A)—

(I) by inserting "and material injury by reason of dumped imports" after "history of dumping"; and

(II) by striking "class or kind of the merchandise which is the subject of the investigation" and inserting "subject merchandise";

(ii) in clause (ii) of subparagraph (A) by striking "merchandise which is the subject of the investigation at less than its fair value" and inserting "subject merchandise at less than its fair value and that there would be material injury by reason of such sales"; and

(iii) in subparagraph (B) by striking "merchandise which is the subject of the investigation" and inserting "subject merchandise".

(B) Section 735(b)(4)(A) (19 U.S.C. 1673d(b)(4)(A)) is amended to read as follows:

"(A) COMMISSION STANDARD FOR RETROACTIVE APPLICATION.—

"(i) IN GENERAL.—If the finding of the administering authority under subsection (a)(3) is affirmative, then the final determination of the Commission shall include a finding as to whether the imports subject to the affirmative determination under subsection (a)(3) are likely to undermine seriously the remedial effect of the antidumping duty order to be issued under section 736.

"(ii) FACTORS TO CONSIDER.—In making the evaluation under clause (i), the Commission shall consider, among other factors it considers relevant—

"(I) the timing and the volume of the imports,

"(II) a rapid increase in inventories of the imports, and

"(III) any other circumstances indicating that the remedial effect of the antidumping order will be seriously undermined.".

SEC. 215. PROVISIONAL MEASURES.

(a) COUNTERVAILING DUTIES.—

(1) SUSPENSION OF LIQUIDATION.—Section 703(d) (19 U.S.C. 1671b(d)) is amended—

(A) in paragraph (1), by striking "warehouse" and all that follows through "Register," and inserting "warehouse, for consumption on or after the later of—

"(A) the date on which notice of the determination is published in the Federal Register, or

"(B) the date that is 60 days after the date on which notice of the determination to initiate the investigation is published in the Federal Register,"; and

(B) by adding at the end the following:

"The instructions of the administering authority under paragraphs (1) and (2) may not remain in effect for more than 4 months.".

(2) CRITICAL CIRCUMSTANCES CASES.—Section 703(e)(2) (19 U.S.C. 1671b(e)(2)) is amended by striking "warehouse, for consumption on or after the date which is 90 days before the date on which suspension of liquidation was first ordered." and inserting "warehouse, for consumption on or after the later of—

"(A) the date which is 90 days before the date on which the suspension of liquidation was first ordered, or

"(B) the date on which notice of the determination to initiate the investigation is published in the Federal Register.".

(b) ANTIDUMPING DUTIES.—

(1) SUSPENSION OF LIQUIDATION.—Section 733(d) (19 U.S.C. 1673b(d)) is amended—

(A) in paragraph (1), by striking "warehouse" and all that follows through "Register," and inserting "warehouse, for consumption on or after the later of—

"(A) the date on which notice of the determination is published in the Federal Register, or

"(B) the date that is 60 days after the date on which notice of the determination to initiate the investigation is published in the Federal Register,"; and

(B) by adding at the end the following:

"The instructions of the administering authority under paragraphs (1) and (2) may not remain in effect for more than 4 months, except that the administering authority may, at the request of exporters representing a significant proportion of exports of the subject merchandise, extend that 4-month period to not more than 6 months.".

(2) CRITICAL CIRCUMSTANCES CASES.—Section 733(e)(2) (19 U.S.C. 1673b(e)(2)) is amended by striking "warehouse, for consumption on or after the date which is 90 days before the date on which suspension of liquidation was first ordered." and inserting "warehouse, for consumption on or after the later of—

"(A) the date which is 90 days before the date on which the suspension of liquidation was first ordered, or

"(B) the date on which notice of the determination to initiate the investigation is published in the Federal Register.".

SEC. 216. CONDITIONS ON ACCEPTANCE OF SUSPENSION AGREEMENTS.

(a) COUNTERVAILING DUTIES.—Section 704(d)(1) (19 U.S.C. 1671c(d)(1)) is amended by striking "In applying" and inserting the following:

"Where practicable, the administering authority shall provide to the exporters who would have been subject to the agreement the reasons for not accepting the agreement and, to the extent possible, an opportunity to submit comments thereon. In applying".

(b) ANTIDUMPING DUTIES.—Section 734(d) (19 U.S.C. 1673c(d)) is amended by adding at the end the following flush sentence:

"Where practicable, the administering authority shall provide to the exporters who would have been subject to the agreement the reasons for not accepting the agreement and, to the extent possible, an opportunity to submit comments thereon.".

SEC. 217. TERMINATION OF INVESTIGATION.

(a) COUNTERVAILING DUTY INVESTIGATIONS.—Section 704(a)(1) (19 U.S.C. 1671c(a)(1)) is amended—

(1) by striking "Except" and inserting "(A) WITHDRAWAL OF PETITION.—Except";

(2) by indenting the text so as to align it with subparagraph (B) (as added by paragraph (3) of this subsection); and

(3) by adding at the end the following:

"(B) REFILING OF PETITION.—If, within 3 months after the withdrawal of a petition under subparagraph (A), a new petition is filed seeking the imposition of duties on both the subject merchandise of the withdrawn petition and the subject merchandise from another country, the administering authority and the Commission may use in the investigation initiated pursuant to the new petition any records compiled in an investigation conducted pursuant to the withdrawn petition. This subparagraph applies only with respect to the first withdrawal of a petition.".

(b) ANTIDUMPING DUTY INVESTIGATIONS.—Section 734(a)(1) (19 U.S.C. 1673c(a)(1)) is amended—

(1) by striking "Except" and inserting "(A) WITHDRAWAL OF PETITION.—Except";

(2) by indenting the text so as to align it with subparagraph (B) (as added by paragraph (3) of this subsection); and

(3) by adding at the end the following:

"(B) REFILING OF PETITION.—If, within 3 months after the withdrawal of a petition under subparagraph (A), a new petition is filed seeking the imposition of duties on both the subject merchandise of the withdrawn petition and the subject merchandise from another country, the administering authority and the Commission may use in the investigation initiated pursuant to the new petition any records compiled in an investigation conducted pursuant to the withdrawn petition. This subparagraph applies only with respect to the first withdrawal of a petition.".

SEC. 218. SPECIAL RULES FOR REGIONAL INDUSTRIES.

(a) SUSPENSION AGREEMENTS.—

(1) COUNTERVAILING DUTY INVESTIGATIONS.—Section 704 (19 U.S.C. 1671c) is amended by adding at the end the following new subsection:

"(l) SPECIAL RULE FOR REGIONAL INDUSTRY INVESTIGATIONS.—

"(1) SUSPENSION AGREEMENTS.—If the Commission makes a regional industry determination under section 771(4)(C), the administering authority shall offer exporters of the subject merchandise who account for substantially all exports of that merchandise for sale in the region concerned the opportunity to enter into an agreement described in subsection (b) or (c).

"(2) REQUIREMENTS FOR SUSPENSION AGREEMENTS.—Any agreement described in paragraph (1) shall be subject to all the requirements imposed under this section for other agreements under subsection (b) or (c), except that if the Commission makes a regional industry determination described in paragraph (1) in the final affirmative determination under section 705(b) but not in the preliminary affirmative determination under section 703(a), any agreement described in paragraph (1) may be accepted within 60 days after the countervailing duty order is published under section 706.

"(3) EFFECT OF SUSPENSION AGREEMENT ON COUNTERVAILING DUTY ORDER.—If an agreement described in paragraph (1) is accepted after the countervailing duty order is published, the administering authority shall rescind the order, refund any cash deposit and release any bond or other security deposited under section 703(d)(1)(B), and instruct the Customs Service that entries of the subject merchandise that were made during the period that the order was in effect shall be liquidated without regard to countervailing duties.".

(2) ANTIDUMPING INVESTIGATIONS.—Section 734 (19 U.S.C. 1673c) is amended by adding at the end the following new subsection:

"(m) SPECIAL RULE FOR REGIONAL INDUSTRY INVESTIGATIONS.—

"(1) SUSPENSION AGREEMENTS.—If the Commission makes a regional industry determination under section 771(4)(C), the administering authority shall offer exporters of the subject merchandise who account for substantially all exports of that merchandise for sale in the region concerned the opportunity to enter into an agreement described in subsection (b), (c), or (l).

"(2) REQUIREMENTS FOR SUSPENSION AGREEMENTS.—Any agreement described in paragraph (1) shall be subject to all the requirements imposed under this section for other agreements under subsection (b), (c), or (l), except that if the Commission makes a regional industry determination described in paragraph (1) in the final affirmative determination under section 735(b) but not in the preliminary affirmative determination under section 733(a), any agreement described in paragraph (1) may be accepted within 60 days after the antidumping order is published under section 736.

"(3) EFFECT OF SUSPENSION AGREEMENT ON ANTIDUMPING DUTY ORDER.—If an agreement described in paragraph (1) is accepted after the antidumping duty order is published, the administering authority shall rescind the order, refund any cash deposit and release any bond or other security deposited under section 733(d)(1)(B), and instruct the Customs Service that entries of the subject merchandise that were made during the period that the order was in effect shall be liquidated without regard to antidumping duties.".

(b) APPLICABILITY OF ORDERS TO NEW SHIPPERS.—

(1) COUNTERVAILING DUTY CASES.—Section 706 (19 U.S.C. 1671e) is amended by adding at the end the following new subsection:

"(c) SPECIAL RULE FOR REGIONAL INDUSTRIES.—

"(1) IN GENERAL.—In an investigation under this subtitle in which the Commission

makes a regional industry determination under section 771(4)(C), the administering authority shall, to the maximum extent possible, direct that duties be assessed only on the subject merchandise of the specific exporters or producers that exported the subject merchandise for sale in the region concerned during the period of investigation.

"(2) EXCEPTION FOR NEW EXPORTERS AND PRODUCERS.—After publication of the countervailing duty order, if the administering authority finds that a new exporter or producer is exporting the subject merchandise for sale in the region concerned, the administering authority shall direct that duties be assessed on the subject merchandise of the new exporter or producer consistent with the provisions of section 751(a)(2)(B).".

(2) ANTIDUMPING DUTY CASES.—Section 736 (19 U.S.C.1673e) is amended by adding at the end the following new subsection:

"(d) SPECIAL RULE FOR REGIONAL INDUSTRIES.—

"(1) IN GENERAL.—In an investigation in which the Commission makes a regional industry determination under section 771(4)(C), the administering authority shall, to the maximum extent possible, direct that duties be assessed only on the subject merchandise of the specific exporters or producers that exported the subject merchandise for sale in the region concerned during the period of investigation.

"(2) EXCEPTION FOR NEW EXPORTERS AND PRODUCERS.—After publication of the antidumping duty order, if the administering authority finds that a new exporter or producer is exporting the subject merchandise for sale in the region concerned, the administering authority shall direct that duties be assessed on the subject merchandise of the new exporter or producer consistent with the provisions of section 751(a)(2)(B).".

SEC. 219. DETERMINATION OF WEIGHTED AVERAGE DUMPING MARGIN.

(a) PRELIMINARY DETERMINATION.—

(1) IN GENERAL.—Section 733(d) (19 U.S.C. 1673b(d)) is amended—

(A) by striking paragraph (2);

(B) by redesignating paragraph (1), as amended by section 215(b)(1)(A), as paragraph (2);

(C) by inserting "and" at the end of paragraph (2), as so redesignated; and

(D) by inserting before such paragraph (2) the following new paragraph:

"(1)(A) shall—

"(i) determine an estimated weighted average dumping margin for each exporter and producer individually investigated, and

"(ii) determine, in accordance with section 735(c)(5), an estimated all-others rate for all exporters and producers not individually investigated, and

"(B) shall order the posting of a cash deposit, bond, or other security, as the administering authority deems appropriate, for each entry of the subject merchandise in an amount based on the estimated weighted average dumping margin or the estimated all-others rate, whichever is applicable,".

(2) CONFORMING AMENDMENTS.—Section 733(b)(1)(A) (19 U.S.C. 1673b(b)(1)(A)) is amended by striking the last sentence.

(b) FINAL DETERMINATION.—

(1) IN GENERAL.—Section 735(c)(1) (19 U.S.C. 1673d(c)(1)) is amended—

(A) in subparagraph (B)—

(i) by redesignating such subparagraph as subparagraph (C); and

(ii) by striking "under paragraphs (1) and (2)" and all that follows through "security" and inserting "the suspension of liquidation under section 733(d)(2)";

(B) by striking "and" at the end of subparagraph (A); and

(C) by inserting after subparagraph (A) the following new subparagraph:

"(B)(i) the administering authority shall—

"(I) determine the estimated weighted average dumping margin for each exporter and producer individually investigated, and

"(II) determine, in accordance with paragraph (5), the estimated all-others rate for all exporters and producers not individually investigated, and

"(ii) the administering authority shall order the posting of a cash deposit, bond, or other security, as the administering authority deems appropriate, for each entry of the subject merchandise in an amount based on the estimated weighted average dumping margin or the estimated all-others rate, whichever is applicable, and".

(2) METHOD FOR DETERMINING WEIGHTED AVERAGE DUMPING MARGIN.—Section 735(c) (19 U.S.C. 1673d(c)) is amended by adding at the end the following new paragraph:

"(5) METHOD FOR DETERMINING ESTIMATED ALL-OTHERS RATE.—

"(A) GENERAL RULE.—For purposes of this subsection and section 733(d), the estimated all-others rate shall be an amount equal to the weighted average of the estimated weighted average dumping margins established for exporters and producers individually investigated, excluding any zero and de minimis margins, and any margins determined entirely under section 776.

"(B) EXCEPTION.—If the estimated weighted average dumping margins established for all exporters and producers individually investigated are zero or de minimis margins, or are determined entirely under section 776, the administering authority may use any reasonable method to establish the estimated all-others rate for exporters and producers not individually investigated, including averaging the estimated weighted average dumping margins determined for the exporters and producers individually investigated.".

(c) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 733(e)(2) is amended by striking "subsection (d)(1)" and inserting "subsection (d)(2)".

(2) Section 734(f)(2)(A) is amended—

(A) in clause (i), by striking "section 733(d)(1)" and inserting "section 733(d)(2)"; and

(B) in clause (iii), by striking "section 733(d)(2)" and inserting "section 733(d)(1)(B)".

(3) Section 734(f)(2)(B) is amended—

(A) by striking "section 733(d)(1)" and inserting "section 733(d)(2)"; and

(B) by striking "section 733(d)(2)" and inserting "section 733(d)(1)(B)".

(4) Section 734(h)(3) is amended—

(A) in subparagraph (A), by striking "section 733(d)(1)" and inserting "section 733(d)(2)"; and

(B) in subparagraph (B), by striking "section 733(d)(2)" and inserting "section 733(d)(1)(B)".

(5) Section 734(i)(1)(A) is amended by striking "section 733(d)(1)" and inserting "section 733(d)(2)".

(6) Section 735(c)(2)(A) is amended by striking "section 703(d)(1)" and inserting "section 733(d)(2)".

(7) Section 735(c)(2)(B) is amended by striking "section 733(d)(2)" and inserting "section 733(d)(1)(B)".

(8) Section 735(c)(3)(B) is amended by striking "section 733(d)(2)" and inserting "section 733(d)(1)(B)".

(9) Section 736(b)(1) is amended by striking "section 733(d)(1)" each place it appears and inserting "section 733(d)(2)".

(10) Section 737(a) is amended by striking "section 733(d)(2)" each place it appears in the heading and in the text and inserting "section 733(d)(1)(B)".

SEC. 220. REVIEW OF DETERMINATIONS.

(a) IN GENERAL.—Section 751 (19 U.S.C. 1675) is amended to read as follows:

"SEC. 751. ADMINISTRATIVE REVIEW OF DETERMINATIONS.

"(a) PERIODIC REVIEW OF AMOUNT OF DUTY.—

"(1) IN GENERAL.—At least once during each 12-month period beginning on the anniversary of the date of publication of a countervailing duty order under this title or under section 303 of this Act, an antidumping duty order under this title or a finding under the Antidumping Act, 1921, or a notice of the suspension of an investigation, the administering authority, if a request for such a review has been received and after publication of notice of such review in the Federal Register, shall—

"(A) review and determine the amount of any net countervailable subsidy,

"(B) review, and determine (in accordance with paragraph (2)), the amount of any antidumping duty, and

"(C) review the current status of, and compliance with, any agreement by reason of which an investigation was suspended, and review the amount of any net countervailable subsidy or dumping margin involved in the agreement,

and shall publish in the Federal Register the results of such review, together with notice of any duty to be assessed, estimated duty to be deposited, or investigation to be resumed.

"(2) DETERMINATION OF ANTIDUMPING DUTIES.—

"(A) IN GENERAL.—For the purpose of paragraph (1)(B), the administering authority shall determine—

"(i) the normal value and export price (or constructed export price) of each entry of the subject merchandise, and

"(ii) the dumping margin for each such entry.

"(B) DETERMINATION OF ANTIDUMPING OR COUNTERVAILING DUTIES FOR NEW EXPORTERS AND PRODUCERS.—

"(i) IN GENERAL.—If the administering authority receives a request from an exporter or producer of the subject merchandise establishing that—

"(I) such exporter or producer did not export the merchandise that was the subject of an antidumping duty or countervailing duty order to the United States (or, in the case of a regional industry, did not export the subject merchandise for sale in the region concerned) during the period of investigation, and

"(II) such exporter or producer is not affiliated (within the meaning of section 771(33)) with any exporter or producer who exported the subject merchandise to the United States (or in the case of a regional industry, who exported the subject merchandise for sale in the region concerned) during that period,

the administering authority shall conduct a review under this subsection to establish an individual weighted average dumping margin or an individual countervailing duty rate (as the case may be) for such exporter or producer.

"(ii) TIME FOR REVIEW UNDER CLAUSE (i).—The administering authority shall commence a review under clause (i) in the calendar month beginning after—

"(I) the end of the 6-month period beginning on the date of the countervailing duty or antidumping duty order under review, or

"(II) the end of any 6-month period occurring thereafter,

if the request for the review is made during that 6-month period.

"(iii) POSTING BOND OR SECURITY.—The administering authority shall, at the time a review under this subparagraph is initiated, direct the Customs Service to allow, at the option of the importer, the posting, until the completion of the review, of a bond or security in lieu of a cash deposit for each entry of the subject merchandise.

"(iv) TIME LIMITS.—The administering authority shall make a preliminary determination in a review conducted under this subparagraph within 180 days after the date on which the review is initiated, and a final determination within 90 days after the date the preliminary determination is issued, except that if the administering authority concludes that the case is extraordinarily complicated, it may extend the 180-day period to 300 days and may extend the 90-day period to 150 days.

"(C) RESULTS OF DETERMINATIONS.—The determination under this paragraph shall be the basis for the assessment of countervailing or antidumping duties on entries of merchandise covered by the determination and for deposits of estimated duties.

"(3) TIME LIMITS.—

"(A) PRELIMINARY AND FINAL DETERMINATIONS.—The administering authority shall make a preliminary determination under subparagraph (A), (B), or (C) of paragraph (1) within 245 days after the last day of the month in which occurs the anniversary of the date of publication of the order, finding, or suspension agreement for which the review under paragraph (1) is requested, and a final determination under paragraph (1) within 120 days after the date on which the preliminary determination is published. If it is not practicable to complete the review within the foregoing time, the administering authority may extend that 245-day period to 365 days and may extend that 120-day period to 180 days. The administering authority may extend the time for making a final determination without extending the time for making a preliminary determination, if such final determination is made not later than 300 days after the date on which the preliminary determination is published.

"(B) LIQUIDATION OF ENTRIES.—If the administering authority orders any liquidation of entries pursuant to a review under paragraph (1), such liquidation shall be made promptly and, to the greatest extent practicable, within 90 days after the instructions to Customs are issued. In any case in which liquidation has not occurred within that 90-day period, the Secretary of the Treasury shall, upon the request of the affected party, provide an explanation thereof.

"(C) EFFECT OF PENDING REVIEW UNDER SECTION 516A.—In a case in which a final determination under paragraph (1) is under review under section 516A and a liquidation of entries covered by the determination is enjoined under section 516A(c)(2) or suspended under section 516A(g)(5)(C), the administering authority shall, within 10 days after the final disposition of the review under section 516A, transmit to the Federal Register for publication the final disposition and issue instructions to the Customs Service with respect to the liquidation of entries pursuant to the review. In such a case, the 90-day period referred to in subparagraph (B) shall begin on the day on which the administering authority issues such instructions.

"(4) ABSORPTION OF ANTIDUMPING DUTIES.—During any review under this subsection initiated 2 years or 4 years after the publication of an antidumping duty order under section 736(a), the administering authority, if requested, shall determine whether antidumping duties have been absorbed by a foreign producer or exporter subject to the order if the subject merchandise is sold in the United States through an importer who is affiliated with such foreign producer or exporter. The administering authority shall notify the Commission of its findings regarding such duty absorption for the Commission to consider in conducting a review under subsection (c).

"(b) REVIEWS BASED ON CHANGED CIRCUMSTANCES.—

"(1) IN GENERAL.—Whenever the administering authority or the Commission receives information concerning, or a request from an interested party for a review of—

"(A) a final affirmative determination that resulted in an antidumping duty order under this title or a finding under the Antidumping Act, 1921, or in a countervailing duty order under this title or section 303,

"(B) a suspension agreement accepted under section 704 or 734, or

"(C) a final affirmative determination resulting from an investigation continued pursuant to section 704(g) or 734(g),

which shows changed circumstances sufficient to warrant a review of such determination or agreement, the administering authority or the Commission (as the case may be) shall conduct a review of the determination or agreement after publishing notice of the review in the Federal Register.

"(2) COMMISSION REVIEW.—In conducting a review under this subsection, the Commission shall—

"(A) in the case of a countervailing duty order or antidumping duty order or finding, determine whether revocation of the order or finding is likely to lead to continuation or recurrence of material injury,

"(B) in the case of a determination made pursuant to section 704(h)(2) or 734(h)(2), determine whether the suspension agreement continues to eliminate completely the injurious effects of imports of the subject merchandise, and

"(C) in the case of an affirmative determination resulting from an investigation continued under section 704(g) or 734(g), determine whether termination of the suspended investigation is likely to lead to continuation or recurrence of material injury.

"(3) BURDEN OF PERSUASION.—During a review conducted by the Commission under this subsection—

"(A) the party seeking revocation of an order or finding described in paragraph (1)(A) shall have the burden of persuasion with respect to whether there are changed circumstances sufficient to warrant such revocation, and

"(B) the party seeking termination of a suspended investigation or a suspension agreement shall have the burden of persuasion with respect to whether there are changed circumstances sufficient to warrant such termination.

"(4) LIMITATION ON PERIOD FOR REVIEW.—In the absence of good cause shown—

"(A) the Commission may not review a determination made under section 705(b) or 735(b), or an investigation suspended under section 704 or 734, and

"(B) the administering authority may not review a determination made under section 705(a) or 735(a), or an investigation suspended under section 704 or 734

less than 24 months after the date of publication of notice of that determination or suspension.

"(c) FIVE-YEAR REVIEW.—

"(1) IN GENERAL.—Notwithstanding subsection (b) and except in the case of a transition order defined in paragraph (6), 5 years after the date of publication of—

"(A) a countervailing duty order (other than a countervailing duty order to which subparagraph (B) applies or which was issued without an affirmative determination of injury by the Commission under section 303), an antidumping duty order, or a notice of suspension of an investigation, described in subsection (a)(1),

"(B) a notice of injury determination under section 753 with respect to a countervailing duty order, or

"(C) a determination under this section to continue an order or suspension agreement,

the administering authority and the Commission shall conduct a review to determine, in accordance with section 752, whether revocation of the countervailing or antidumping duty order or termination of the investigation suspended under section 704 or 734 would be likely to lead to continuation or recurrence of dumping or a countervailable subsidy (as the case may be) and of material injury.

"(2) NOTICE OF INITIATION OF REVIEW.—Not later than 30 days before the fifth anniversary of the date described in paragraph (1), the administering authority shall publish in the Federal Register a notice of initiation of a review under this subsection and request that interested parties submit—

"(A) a statement expressing their willingness to participate in the review by providing information requested by the administering authority and the Commission,

"(B) a statement regarding the likely effects of revocation of the order or termination of the suspended investigation, and

"(C) such other information or industry data as the administering authority or the Commission may specify.

"(3) RESPONSES TO NOTICE OF INITIATION.—

"(A) NO RESPONSE.—If no interested party responds to the notice of initiation under this subsection, the administering authority shall issue a final determination, within 90 days after the initiation of a review, revoking the order or terminating the suspended investigation to which such notice relates. For purposes of this paragraph, an interested party means a party described in section 771(9) (C), (D), (E), (F), or (G).

"(B) INADEQUATE RESPONSE.—If interested parties provide inadequate responses to a notice of initiation, the administering authority, within 120 days after the initiation of the review, or the Commission, within 150 days after such initiation, may issue, without further investigation, a final determination based on the facts available, in accordance with section 776.

"(4) WAIVER OF PARTICIPATION BY CERTAIN INTERESTED PARTIES.—

"(A) IN GENERAL.—An interested party described in section 771(9) (A) or (B) may elect not to participate in a review conducted by the administering authority under this subsection and to participate only in the review conducted by the Commission under this subsection.

"(B) EFFECT OF WAIVER.—In a review in which an interested party waives its participation pursuant to this paragraph, the administering authority shall conclude that revocation of the order or termination of the

investigation would be likely to lead to continuation or recurrence of dumping or a countervailable subsidy (as the case may be) with respect to that interested party.

"(5) CONDUCT OF REVIEW.—

"(A) TIME LIMITS FOR COMPLETION OF REVIEW.—Unless the review has been completed pursuant to paragraph (3) or paragraph (4) applies, the administering authority shall make its final determination pursuant to section 752 (b) or (c) within 240 days after the date on which a review is initiated under this subsection. If the administering authority makes a final affirmative determination, the Commission shall make its final determination pursuant to section 752(a) within 360 days after the date on which a review is initiated under this subsection.

"(B) EXTENSION OF TIME LIMIT.—The administering authority or the Commission (as the case may be) may extend the period of time for making their respective determinations under this subsection by not more than 90 days, if the administering authority or the Commission (as the case may be) determines that the review is extraordinarily complicated. In a review in which the administering authority extends the time for making a final determination, but the Commission does not extend the time for making a determination, the Commission's determination shall be made not later than 120 days after the date on which the final determination of the administering authority is published.

"(C) EXTRAORDINARILY COMPLICATED.—For purposes of this subsection, the administering authority or the Commission (as the case may be) may treat a review as extraordinarily complicated if—

"(i) there is a large number of issues,

"(ii) the issues to be considered are complex,

"(iii) there is a large number of firms involved,

"(iv) the orders or suspended investigations have been grouped as described in subparagraph (D), or

"(v) it is a review of a transition order.

"(D) GROUPED REVIEWS.—The Commission, in consultation with the administering authority, may group orders or suspended investigations for review if it considers that such grouping is appropriate and will promote administrative efficiency. Where orders or suspended investigations have been grouped, the Commission shall, subject to subparagraph (B), make its final determination under this subsection not later than 120 days after the date that the administering authority publishes notice of its final determination with respect to the last order or agreement in the group.

"(6) SPECIAL TRANSITION RULES.—

"(A) SCHEDULE FOR REVIEWS OF TRANSITION ORDERS.—

"(i) INITIATION.—The administering authority shall begin its review of transition orders in the 42d calendar month after the date such orders are issued. A review of all transition orders shall be initiated not later than the 5th anniversary after the date such orders are issued.

"(ii) COMPLETION.—A review of a transition order shall be completed not later than 18 months after the date such review is initiated. Reviews of all transition orders shall be completed not later than 18 months after the 5th anniversary of the date such orders are issued.

"(iii) SUBSEQUENT REVIEWS.—The time limits set forth in clauses (i) and (ii) shall be applied to all subsequent 5-year reviews of transition orders by substituting 'date of the determination to continue such orders' for 'date such orders are issued'.

"(iv) REVOCATION AND TERMINATION.—No transition order may be revoked under this subsection before the date that is 5 years after the date the WTO Agreement enters into force with respect to the United States.

"(B) SEQUENCE OF TRANSITION REVIEWS.—The administering authority, in consultation with the Commission, shall determine such sequence of review of transition orders as it deems appropriate to promote administrative efficiency. To the extent practicable, older orders shall be reviewed first.

"(C) DEFINITION OF TRANSITION ORDER.—For purposes of this section, the term 'transition order' means—

"(i) a countervailing duty order under this title or under section 303,

"(ii) an antidumping duty order under this title or a finding under the Antidumping Act, 1921, or

"(iii) a suspension of an investigation under section 704 or 734,

which is in effect on the date the WTO Agreement enters into force with respect to the United States.

"(D) ISSUE DATE FOR TRANSITION ORDERS.—For purposes of this subsection, a transition order shall be treated as issued on the date the WTO Agreement enters into force with respect to the United States, if such order is based on an investigation conducted by both the administering authority and the Commission.

"(d) REVOCATION OF ORDER OR FINDING; TERMINATION OF SUSPENDED INVESTIGATION.—

"(1) IN GENERAL.—The administering authority may revoke, in whole or in part, a countervailing duty order or an antidumping duty order or finding, or terminate a suspended investigation, after review under subsection (a) or (b). The administering authority shall not revoke, in whole or in part, a countervailing duty order or terminate a suspended investigation on the basis of any export taxes, duties, or other charges levied on the export of the subject merchandise to the United States which are specifically intended to offset the countervailable subsidy received.

"(2) FIVE-YEAR REVIEWS.—In the case of a review conducted under subsection (c), the administering authority shall revoke a countervailing duty order or an antidumping duty order or finding, or terminate a suspended investigation, unless—

"(A) the administering authority makes a determination that dumping or a countervailable subsidy, as the case may be, would be likely to continue or recur, and

"(B) the Commission makes a determination that material injury would be likely to continue or recur as described in section 752(a).

"(3) APPLICATION OF REVOCATION OR TERMINATION.—A determination under this section to revoke an order or finding or terminate a suspended investigation shall apply with respect to unliquidated entries of the subject merchandise which are entered, or withdrawn from warehouse, for consumption on or after the date determined by the administering authority.

"(e) HEARINGS.—Whenever the administering authority or the Commission conducts a review under this section, it shall, upon the request of an interested party, hold a hearing in accordance with section 774(b) in connection with that review.

"(f) DETERMINATION THAT BASIS FOR SUSPENSION NO LONGER EXISTS.—If the determination of the Commission under subsection (b)(2)(B) is negative, the suspension agreement shall be treated as not accepted, beginning on the date of publication of the Commission's determination, and the administering authority and the Commission shall proceed, under section 704(i) or 734(i), as if the suspension agreement had been violated on that date, except that no duty under any order subsequently issued shall be assessed on merchandise entered, or withdrawn from warehouse, for consumption before that date.

"(g) CORRECTION OF MINISTERIAL ERRORS.—The administering authority shall establish procedures for the correction of ministerial errors in final determinations within a reasonable time after the determinations are issued under this section. Such procedures shall ensure opportunity for interested parties to present their views regarding any such errors. As used in this subsection, the term 'ministerial error' includes errors in addition, subtraction, or other arithmetic function, clerical errors resulting from inaccurate copying, duplication, or the like, and any other type of unintentional error which the administering authority considers ministerial.".

(b) REVIEW OF DETERMINATIONS.—

(1) IN GENERAL.—Section 516A(a)(1) (19 U.S.C. 1516A(a)(1)) is amended by striking "or" at the end of subparagraph (B), by inserting "or" at the end of subparagraph (C), and by inserting immediately after subparagraph (C) the following new subparagraph:

"(D) a final determination by the administering authority or the Commission under section 751(c)(3),".

(2) TECHNICAL AMENDMENTS.—Section 516A(b)(1) (19 U.S.C. 1516a(b)(1)) is amended—

(A) in subparagraph (A), by striking "under paragraph (1) of subsection (a)" and inserting "under subparagraph (A), (B), or (C) of subsection (a)(1)", and

(B) in subparagraph (B)—

(i) by striking "(B) in an action" and inserting "(B)(i) in an action",

(ii) by striking the end period and inserting ", or", and

(iii) by adding at the end the following:

"(ii) in an action brought under paragraph (1)(D) of subsection (a), to be arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law.".

(c) CONFORMING AMENDMENT.—Section 504 (19 U.S.C. 1504) is amended—

(1) in subsection (a), by inserting "except as provided in section 751(a)(3)," before "an entry of merchandise not liquidated", and

(2) in subsection (d), by striking "When a suspension" and inserting "Except as provided in section 751(a)(3), when a suspension".

SEC. 221. REVIEW DETERMINATIONS.

(a) IN GENERAL.—Chapter 1 of subtitle C of title VII (19 U.S.C. 1675) is amended by adding at the end the following new section:

"SEC. 752. SPECIAL RULES FOR SECTION 751(b) AND 751(c) REVIEWS.

"(a) DETERMINATION OF LIKELIHOOD OF CONTINUATION OR RECURRENCE OF MATERIAL INJURY.—

"(1) IN GENERAL.—In a review conducted under section 751 (b) or (c), the Commission shall determine whether revocation of an order, or termination of a suspended investigation, would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. The Commission shall consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated. The Commission shall take into account—

"(A) its prior injury determinations, including the volume, price effect, and impact

of imports of the subject merchandise on the industry before the order was issued or the suspension agreement was accepted,

"(B) whether any improvement in the state of the industry is related to the order or the suspension agreement,

"(C) whether the industry is vulnerable to material injury if the order is revoked or the suspension agreement is terminated, and

"(D) in an antidumping proceeding under section 751(c), the findings of the administering authority regarding duty absorption under section 751(a)(4).

"(2) VOLUME.—In evaluating the likely volume of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether the likely volume of imports of the subject merchandise would be significant if the order is revoked or the suspended investigation is terminated, either in absolute terms or relative to production or consumption in the United States. In so doing, the Commission shall consider all relevant economic factors, including—

"(A) any likely increase in production capacity or existing unused production capacity in the exporting country,

"(B) existing inventories of the subject merchandise, or likely increases in inventories,

"(C) the existence of barriers to the importation of such merchandise into countries other than the United States, and

"(D) the potential for product-shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.

"(3) PRICE.—In evaluating the likely price effects of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether—

"(A) there is likely to be significant price underselling by imports of the subject merchandise as compared to domestic like products, and

"(B) imports of the subject merchandise are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like products.

"(4) IMPACT ON THE INDUSTRY.—In evaluating the likely impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated, the Commission shall consider all relevant economic factors which are likely to have a bearing on the state of the industry in the United States, including, but not limited to—

"(A) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity,

"(B) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, and

"(C) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.

The Commission shall evaluate all relevant economic factors described in this paragraph within the context of the business cycle and the conditions of competition that are distinctive to the affected industry.

"(5) BASIS FOR DETERMINATION.—The presence or absence of any factor which the Commission is required to consider under this subsection shall not necessarily give decisive guidance with respect to the Commission's determination of whether material injury is likely to continue or recur within a reasonably foreseeable time if the order is revoked or the suspended investigation is terminated. In making that determination, the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time.

"(6) MAGNITUDE OF MARGIN OF DUMPING AND NET COUNTERVAILABLE SUBSIDY; NATURE OF COUNTERVAILABLE SUBSIDY.—In making a determination under section 751 (b) or (c), the Commission may consider the magnitude of the margin of dumping or the magnitude of the net countervailable subsidy. If a countervailable subsidy is involved the Commission shall consider information regarding the nature of the countervailable subsidy and whether the subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement.

"(7) CUMULATION.—For purposes of this subsection, the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under section 751 (b) or (c) were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.

"(8) SPECIAL RULE FOR REGIONAL INDUSTRIES.—In a review under section 751 (b) or (c) involving a regional industry, the Commission may base its determination on the regional industry defined in the original investigation under this title, another region that satisfies the criteria established in section 771(4)(C), or the United States as a whole. In determining if a regional industry analysis is appropriate for the determination in the review, the Commission shall consider whether the criteria established in section 771(4)(C) are likely to be satisfied if the order is revoked or the suspended investigation is terminated.

"(b) DETERMINATION OF LIKELIHOOD OF CONTINUATION OR RECURRENCE OF A COUNTERVAILABLE SUBSIDY.—

"(1) IN GENERAL.—In a review conducted under section 751(c), the administering authority shall determine whether revocation of a countervailing duty order or termination of a suspended investigation under section 704 would be likely to lead to continuation or recurrence of a countervailable subsidy. The administering authority shall consider—

"(A) the net countervailable subsidy determined in the investigation and subsequent reviews, and

"(B) whether any change in the program which gave rise to the net countervailable subsidy described in subparagraph (A) has occurred that is likely to affect that net countervailable subsidy.

"(2) CONSIDERATION OF OTHER FACTORS.—If good cause is shown, the administering authority shall also consider—

"(A) programs determined to provide countervailable subsidies in other investigations or reviews under this title, but only to the extent that such programs—

"(i) can potentially be used by the exporters or producers subject to the review under section 751(c), and

"(ii) did not exist at the time that the countervailing duty order was issued or the suspension agreement was accepted, and

"(B) programs newly alleged to provide countervailable subsidies but only to the extent that the administering authority makes an affirmative countervailing duty determination with respect to such programs and with respect to the exporters or producers subject to the review.

"(3) NET COUNTERVAILABLE SUBSIDY.—The administering authority shall provide to the Commission the net countervailable subsidy that is likely to prevail if the order is revoked or the suspended investigation is terminated. The administering authority shall normally choose a net countervailable subsidy that was determined under section 705 or subsection (a) or (b)(1) of section 751.

"(4) SPECIAL RULE.—

"(A) TREATMENT OF ZERO AND DE MINIMIS RATES.—A net countervailable subsidy described in paragraph (1)(A) that is zero or de minimis shall not by itself require the administering authority to determine that revocation of a countervailing duty order or termination of a suspended investigation would not be likely to lead to continuation or recurrence of a countervailable subsidy.

"(B) APPLICATION OF DE MINIMIS STANDARDS.—For purposes of this paragraph, the administering authority shall apply the de minimis standards applicable to reviews conducted under subsections (a) and (b)(1) of section 751.

"(c) DETERMINATION OF LIKELIHOOD OF CONTINUATION OR RECURRENCE OF DUMPING.—

"(1) IN GENERAL.—In a review conducted under section 751(c), the administering authority shall determine whether revocation of an antidumping duty order or termination of a suspended investigation under section 734 would be likely to lead to continuation or recurrence of sales of the subject merchandise at less than fair value. The administering authority shall consider—

"(A) the weighted average dumping margins determined in the investigation and subsequent reviews, and

"(B) the volume of imports of the subject merchandise for the period before and the period after the issuance of the antidumping duty order or acceptance of the suspension agreement.

"(2) CONSIDERATION OF OTHER FACTORS.—If good cause is shown, the administering authority shall also consider such other price, cost, market, or economic factors as it deems relevant.

"(3) MAGNITUDE OF THE MARGIN OF DUMPING.—The administering authority shall provide to the Commission the magnitude of the margin of dumping that is likely to prevail if the order is revoked or the suspended investigation is terminated. The administering authority shall normally choose a margin that was determined under section 735 or under subsection (a) or (b)(1) of section 751.

"(4) SPECIAL RULE.—

"(A) TREATMENT OF ZERO OR DE MINIMIS MARGINS.—A dumping margin described in paragraph (1)(A) that is zero or de minimis shall not by itself require the administering authority to determine that revocation of an antidumping duty order or termination of a suspended investigation would not be likely to lead to continuation or recurrence of sales at less than fair value.

"(B) APPLICATION OF DE MINIMIS STANDARDS.—For purposes of this paragraph, the administering authority shall apply the de minimis standards applicable to reviews conducted under subsections (a) and (b) of section 751.".

(b) AFFIRMATIVE DETERMINATIONS BY DIVIDED COMMISSION.—Section 771(11) (19 U.S.C. 1677(11)) is amended by inserting ", including

a determination under section 751," after "determination by the Commission".

(c) CONFORMING AMENDMENT.—The table of contents for title VII is amended by inserting after the item relating to section 751 the following:

"Sec. 752. Special rules for section 751(b) and 751(c) reviews.".

SEC. 222. DEFINITIONS.

(a) INDUSTRY.—

(1) IN GENERAL.—Subparagraphs (A) and (B) of section 771(4) (19 U.S.C. 1677(4) (A) and (B)) are amended to read as follows:

"(A) IN GENERAL.—The term 'industry' means the producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product.

"(B) RELATED PARTIES.—

"(i) If a producer of a domestic like product and an exporter or importer of the subject merchandise are related parties, or if a producer of the domestic like product is also an importer of the subject merchandise, the producer may, in appropriate circumstances, be excluded from the industry.

"(ii) For purposes of clause (i), a producer and an exporter or importer shall be considered to be related parties, if—

"(I) the producer directly or indirectly controls the exporter or importer,

"(II) the exporter or importer directly or indirectly controls the producer,

"(III) a third party directly or indirectly controls the producer and the exporter or importer, or

"(IV) the producer and the exporter or importer directly or indirectly control a third party and there is reason to believe that the relationship causes the producer to act differently than a nonrelated producer.

For purposes of this subparagraph, a party shall be considered to directly or indirectly control another party if the party is legally or operationally in a position to exercise restraint or direction over the other party.".

(2) REGIONAL INDUSTRY.—Section 771(4)(C) (19 U.S.C. 1677(4)(C)) is amended by adding at the end the following new sentence: "The term 'regional industry' means the domestic producers within a region who are treated as a separate industry under this subparagraph.".

(b) IMPACT ON AFFECTED DOMESTIC INDUSTRY.—

(1) IN GENERAL.—Section 771(7)(C)(iii) (19 U.S.C. 1677(7)(C)(iii)) is amended—

(A) by striking "and" at the end of subclause (III), and

(B) by striking the period at the end of subclause (IV) and inserting ", and

"(V) in a proceeding under subtitle B, the magnitude of the margin of dumping.".

(2) CAPTIVE PRODUCTION.—Section 771(7)(C) (19 U.S.C. 1677(7)(C)) is amended by striking clause (iv) and inserting the following:

"(iv) CAPTIVE PRODUCTION.—If domestic producers internally transfer significant production of the domestic like product for the production of a downstream article and sell significant production of the domestic like product in the merchant market, and the Commission finds that—

"(I) the domestic like product produced that is internally transferred for processing into that downstream article does not enter the merchant market for the domestic like product,

"(II) the domestic like product is the predominant material input in the production of that downstream article, and

"(III) the production of the domestic like product sold in the merchant market is not generally used in the production of that downstream article

then the Commission, in determining market share and the factors affecting financial performance set forth in clause (iii), shall focus primarily on the merchant market for the domestic like product.".

(3) TECHNICAL CORRECTION.—Section 771(7)(C)(iii) is amended by striking "subparagraph (B)(iii)" and inserting "subparagraph (B)(i)(III)".

(c) DETERMINATION OF THREAT OF INJURY.—Clauses (i) and (ii) of section 771(7)(F) (19 U.S.C. 1677(7)(F) (i) and (ii)) are amended to read as follows:

"(i) IN GENERAL.—In determining whether an industry in the United States is threatened with material injury by reason of imports (or sales for importation) of the subject merchandise, the Commission shall consider, among other relevant economic factors—

"(I) if a countervailable subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the countervailable subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement), and whether imports of the subject merchandise are likely to increase,

"(II) any existing unused production capacity or imminent, substantial increase in production capacity in the exporting country indicating the likelihood of substantially increased imports of the subject merchandise into the United States, taking into account the availability of other export markets to absorb any additional exports,

"(III) a significant rate of increase of the volume or market penetration of imports of the subject merchandise indicating the likelihood of substantially increased imports,

"(IV) whether imports of the subject merchandise are entering at prices that are likely to have a significant depressing or suppressing effect on domestic prices, and are likely to increase demand for further imports,

"(V) inventories of the subject merchandise,

"(VI) the potential for product-shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products,

"(VII) in any investigation under this title which involves imports of both a raw agricultural product (within the meaning of paragraph (4)(E)(iv)) and any product processed from such raw agricultural product, the likelihood that there will be increased imports, by reason of product shifting, if there is an affirmative determination by the Commission under section 705(b)(1) or 735(b)(1) with respect to either the raw agricultural product or the processed agricultural product (but not both),

"(VIII) the actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and

"(IX) any other demonstrable adverse trends that indicate the probability that there is likely to be material injury by reason of imports (or sale for importation) of the subject merchandise (whether or not it is actually being imported at the time).

"(ii) BASIS FOR DETERMINATION.—The Commission shall consider the factors set forth in clause (i) as a whole in making a determination of whether further dumped or subsidized imports are imminent and whether material injury by reason of imports would occur unless an order is issued or a suspension agreement is accepted under this title. The presence or absence of any factor which the Commission is required to consider under clause (i) shall not necessarily give decisive guidance with respect to the determination. Such a determination may not be made on the basis of mere conjecture or supposition.".

(d) NEGLIGIBLE IMPORTS.—Section 771 (19 U.S.C. 1677) is amended—

(1) in paragraph (7) by striking clause (v) of subparagraph (C), and

(2) by adding at the end the following:

"(24) NEGLIGIBLE IMPORTS.—

"(A) IN GENERAL.—

"(i) LESS THAN 3 PERCENT.—Except as provided in clauses (ii) and (iv), imports from a country of merchandise corresponding to a domestic like product identified by the Commission are 'negligible' if such imports account for less than 3 percent of the volume of all such merchandise imported into the United States in the most recent 12-month period for which data are available that precedes—

"(I) the filing of the petition under section 702(b) or 732(b), or

"(II) the initiation of the investigation, if the investigation was initiated under section 702(a) or 732(a).

"(ii) EXCEPTION.—Imports that would otherwise be negligible under clause (i) shall not be negligible if the aggregate volume of imports of the merchandise from all countries described in clause (i) with respect to which investigations were initiated on the same day exceeds 7 percent of the volume of all such merchandise imported into the United States during the applicable 12-month period.

"(iii) DETERMINATION OF AGGREGATE VOLUME.—In determining aggregate volume under clause (ii) or (iv), the Commission shall not consider imports from any country specified in paragraph (7)(G)(ii).

"(iv) NEGLIGIBILITY IN THREAT ANALYSIS.—Notwithstanding clauses (i) and (ii), the Commission shall not treat imports as negligible if it determines that there is a potential that imports from a country described in clause (i) will imminently account for more than 3 percent of the volume of all such merchandise imported into the United States, or that the aggregate volumes of imports from all countries described in clause (ii) will imminently exceed 7 percent of the volume of all such merchandise imported into the United States. The Commission shall consider such imports only for purposes of determining threat of material injury.

"(B) NEGLIGIBILITY FOR CERTAIN COUNTRIES IN COUNTERVAILING DUTY INVESTIGATIONS.—In the case of an investigation under section 701, subparagraph (A) shall be applied to imports of subject merchandise from developing countries by substituting '4 percent' for '3 percent' in subparagraph (A)(i) and by substituting '9 percent' for '7 percent' in subparagraph (A)(ii).

"(C) COMPUTATION OF IMPORT VOLUMES.—In computing import volumes for purposes of subparagraphs (A) and (B), the Commission may make reasonable estimates on the basis of available statistics.

"(D) REGIONAL INDUSTRIES.—In an investigation in which the Commission makes a regional industry determination under paragraph (4)(C), the Commission's examination under subparagraphs (A) and (B) shall be based upon the volume of subject merchandise exported for sale in the regional market in lieu of the volume of all subject merchandise imported into the United States.".

(e) CUMULATION.—Section 771(7) (19 U.S.C. 1677(7)) is amended—

(1) in subparagraph (F) by striking clause (iv), and

(2) by adding at the end the following:

"(G) CUMULATION FOR DETERMINING MATERIAL INJURY.—

"(i) IN GENERAL.—For purposes of clauses (i) and (ii) of subparagraph (C), and subject to clause (ii), the Commission shall cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which—

"(I) petitions were filed under section 702(b) or 732(b) on the same day,

"(II) investigations were initiated under section 702(a) or 732(a) on the same day, or

"(III) petitions were filed under section 702(b) or 732(b) and investigations were initiated under section 702(a) or 732(a) on the same day,

if such imports compete with each other and with domestic like products in the United States market.

"(ii) EXCEPTIONS.—The Commission shall not cumulatively assess the volume and effect of imports under clause (i)—

"(I) with respect to which the administering authority has made a preliminary negative determination, unless the administering authority subsequently made a final affirmative determination with respect to those imports before the Commission's final determination is made;

"(II) from any country with respect to which the investigation has been terminated;

"(III) from any country designated as a beneficiary country under the Caribbean Basin Economic Recovery Act (19 U.S.C. 2701 et seq.) for purposes of making a determination with respect to that country, except that the volume and effect of imports of the subject merchandise from such country may be cumulatively assessed with imports of the subject merchandise from any other country designated as such a beneficiary country to the extent permitted by clause (i); or

"(IV) from any country that is a party to an agreement with the United States establishing a free trade area, which entered into force and effect before January 1, 1987, unless the Commission determines that a domestic industry is materially injured or threatened with material injury by reason of imports from that country.

"(iii) RECORDS IN FINAL INVESTIGATIONS.—In each final determination in which it cumulatively assesses the volume and effect of imports under clause (i), the Commission shall make its determinations based on the record compiled in the first investigation in which it makes a final determination, except that when the administering authority issues its final determination in a subsequently completed investigation, the Commission shall permit the parties in the subsequent investigation to submit comments concerning the significance of the administering authority's final determination, and shall include such comments and the administering authority's final determination in the record for the subsequent investigation.

"(iv) REGIONAL INDUSTRY DETERMINATIONS.—In an investigation which involves a regional industry, and in which the Commission decides that the volume and effect of imports should be cumulatively assessed under this subparagraph, such assessment shall be based upon the volume and effect of imports into the region or regions determined by the Commission. The provisions of clause (iii) shall apply to such investigations.

"(H) CUMULATION FOR DETERMINING THREAT OF MATERIAL INJURY.—To the extent practicable and subject to subparagraph (G)(ii), for purposes of clause (i)(III) and (IV) of subparagraph (F), the Commission may cumulatively assess the volume and price effects of imports of the subject merchandise from all countries with respect to which—

"(i) petitions were filed under section 702(b) or 732(b) on the same day,

"(ii) investigations were initiated under section 702(a) or 732(a) on the same day, or

"(iii) petitions were filed under section 702(b) or 732(b) and investigations were initiated under section 702(a) or 732(a) on the same day,

if such imports compete with each other and with domestic like products in the United States market.".

(f) CONSIDERATION OF POST-PETITION INFORMATION.—Section 771(7) (19 U.S.C. 1677(7)), is amended by adding at the end the following:

"(I) CONSIDERATION OF POST-PETITION INFORMATION.—The Commission shall consider whether any change in the volume, price effects, or impact of imports of the subject merchandise since the filing of the petition in an investigation under subtitle A or B is related to the pendency of the investigation and, if so, the Commission may reduce the weight accorded to the data for the period after the filing of the petition in making its determination of material injury, threat of material injury, or material retardation of the establishment of an industry in the United States.".

(g) INTERESTED PARTY.—Section 771(9) (19 U.S.C. 1677(9)) is amended—

(1) in subparagraph (A), by inserting "producers, exporters, or" before "importers", and

(2) in subparagraph (B), inserting "or from which such merchandise is exported" after "manufactured".

(h) ORDINARY COURSE OF TRADE.—Section 771(15) (19 U.S.C. 1677(15)) is amended—

(1) by striking "merchandise which is the subject of an investigation" and inserting "subject merchandise"; and

(2) by adding at the end the following: "The administering authority shall consider the following sales and transactions, among others, to be outside the ordinary course of trade:

"(A) Sales disregarded under section 773(b)(1).

"(B) Transactions disregarded under section 773(f)(2).".

(i) OTHER DEFINITIONS.—

(1) IN GENERAL.—Section 771 (19 U.S.C. 1677), as amended by subsection (d), is amended by adding at the end the following:

"(25) SUBJECT MERCHANDISE.—The term 'subject merchandise' means the class or kind of merchandise that is within the scope of an investigation, a review, a suspension agreement, an order under this title or section 303, or a finding under the Antidumping Act, 1921.

"(26) SECTION 303.—The terms 'section 303' and '303' mean section 303 of this Act as in effect on the day before the effective date of title II of the Uruguay Round Agreements Act.

"(27) SUSPENSION AGREEMENT.—The term 'suspension agreement' means an agreement described in section 704(b), 704(c), 734(b), 734(c), or 734(l).

"(28) EXPORTER OR PRODUCER.—The term 'exporter or producer' means the exporter of the subject merchandise, the producer of the subject merchandise, or both where appropriate. For purposes of section 773, the term 'exporter or producer' includes both the exporter of the subject merchandise and the producer of the same subject merchandise to the extent necessary to accurately calculate the total amount incurred and realized for costs, expenses, and profits in connection with production and sale of that merchandise.

"(29) WTO AGREEMENT.—The term 'WTO Agreement' means the Agreement defined in section 2(9) of the Uruguay Round Agreements Act.

"(30) WTO MEMBER AND WTO MEMBER COUNTRY.—The terms 'WTO member' and 'WTO member country' mean a state, or separate customs territory (within the meaning of Article XII of the WTO Agreement), with respect to which the United States applies the WTO agreement.

"(31) GATT 1994.—The term 'GATT 1994' means the General Agreement on Tariffs and Trade annexed to the WTO Agreement.

"(32) TRADE REPRESENTATIVE.—The term 'Trade Representative' means the United States Trade Representative.

"(33) AFFILIATED PERSONS.—The following persons shall be considered to be 'affiliated' or 'affiliated persons':

"(A) Members of a family, including brothers and sisters (whether by the whole or half blood), spouse, ancestors, and lineal descendants.

"(B) Any officer or director of an organization and such organization.

"(C) Partners.

"(D) Employer and employee.

"(E) Any person directly or indirectly owning, controlling, or holding with power to vote, 5 percent or more of the outstanding voting stock or shares of any organization and such organization.

"(F) Two or more persons directly or indirectly controlling, controlled by, or under common control with, any person.

"(G) Any person who controls any other person and such other person.

For purposes of this paragraph, a person shall be considered to control another person if the person is legally or operationally in a position to exercise restraint or direction over the other person.

"(34) DUMPED; DUMPING.—The terms 'dumped' and 'dumping' refer to the sale or likely sale of goods at less than fair value.".

(2) EXPORTER.—Paragraph (13) of section 771 (19 U.S.C. 1677(13)) is repealed.

SEC. 223. EXPORT PRICE AND CONSTRUCTED EXPORT PRICE.

Section 772 (19 U.S.C. 1677a) is amended to read as follows:

"SEC. 772. EXPORT PRICE AND CONSTRUCTED EXPORT PRICE.

"(a) EXPORT PRICE.—The term 'export price' means the price at which the subject merchandise is first sold (or agreed to be sold) before the date of importation by the producer or exporter of the subject merchandise outside of the United States to an unaffiliated purchaser in the United States or to an unaffiliated purchaser for exportation to the United States, as adjusted under subsection (c).

"(b) CONSTRUCTED EXPORT PRICE.—The term 'constructed export price' means the price at which the subject merchandise is first sold (or agreed to be sold) in the United States before or after the date of importation by or for the account of the producer or exporter of such merchandise or by a seller affiliated with the producer or exporter, to a purchaser not affiliated with the producer or exporter, as adjusted under subsections (c) and (d).

"(c) ADJUSTMENTS FOR EXPORT PRICE AND CONSTRUCTED EXPORT PRICE.—The price used

to establish export price and constructed export price shall be—

"(1) increased by—

"(A) when not included in such price, the cost of all containers and coverings and all other costs, charges, and expenses incident to placing the subject merchandise in condition packed ready for shipment to the United States,

"(B) the amount of any import duties imposed by the country of exportation which have been rebated, or which have not been collected, by reason of the exportation of the subject merchandise to the United States, and

"(C) the amount of any countervailing duty imposed on the subject merchandise under subtitle A to offset an export subsidy, and

"(2) reduced by—

"(A) except as provided in paragraph (1)(C), the amount, if any, included in such price, attributable to any additional costs, charges, or expenses, and United States import duties, which are incident to bringing the subject merchandise from the original place of shipment in the exporting country to the place of delivery in the United States, and

"(B) the amount, if included in such price, of any export tax, duty, or other charge imposed by the exporting country on the exportation of the subject merchandise to the United States, other than an export tax, duty, or other charge described in section 771(6)(C).

"(d) ADDITIONAL ADJUSTMENTS TO CONSTRUCTED EXPORT PRICE.—For purposes of this section, the price used to establish constructed export price shall also be reduced by—

"(1) the amount of any of the following expenses generally incurred by or for the account of the producer or exporter, or the affiliated seller in the United States, in selling the subject merchandise (or subject merchandise to which value has been added)—

"(A) commissions for selling the subject merchandise in the United States;

"(B) expenses that result from, and bear a direct relationship to, the sale, such as credit expenses, guarantees and warranties;

"(C) any selling expenses that the seller pays on behalf of the purchaser;

"(D) any selling expenses not deducted under subparagraph (A), (B), or (C);

"(2) the cost of any further manufacture or assembly (including additional material and labor), except in circumstances described in subsection (e); and

"(3) the profit allocated to the expenses described in paragraphs (1) and (2).

"(e) SPECIAL RULE FOR MERCHANDISE WITH VALUE ADDED AFTER IMPORTATION.—Where the subject merchandise is imported by a person affiliated with the exporter or producer, and the value added in the United States by the affiliated person is likely to exceed substantially the value of the subject merchandise, the administering authority shall determine the constructed export price for such merchandise by using one of the following prices if there is a sufficient quantity of sales to provide a reasonable basis for comparison and the administering authority determines that the use of such sales is appropriate:

"(1) The price of identical subject merchandise sold by the exporter or producer to an unaffiliated person.

"(2) The price of other subject merchandise sold by the exporter or producer to an unaffiliated person.

"If there is not a sufficient quantity of sales to provide a reasonable basis for comparison under paragraph (1) or (2), or the administering authority determines that neither of the prices described in such paragraphs is appropriate, then the constructed export price may be determined on any other reasonable basis.

"(f) SPECIAL RULE FOR DETERMINING PROFIT.—

"(1) IN GENERAL.—For purposes of subsection (d)(3), profit shall be an amount determined by multiplying the total actual profit by the applicable percentage.

"(2) DEFINITIONS.—For purposes of this subsection—

"(A) APPLICABLE PERCENTAGE.—The term 'applicable percentage' means the percentage determined by dividing the total United States expenses by the total expenses.

"(B) TOTAL UNITED STATES EXPENSES.—The term 'total United States expenses' means the total expenses described in subsection (d)(1) and (2).

"(C) TOTAL EXPENSES.—The term 'total expenses' means all expenses in the first of the following categories which applies and which are incurred by or on behalf of the foreign producer and foreign exporter of the subject merchandise and by or on behalf of the United States seller affiliated with the producer or exporter with respect to the production and sale of such merchandise:

"(i) The expenses incurred with respect to the subject merchandise sold in the United States and the foreign like product sold in the exporting country if such expenses were requested by the administering authority for the purpose of establishing normal value and constructed export price.

"(ii) The expenses incurred with respect to the narrowest category of merchandise sold in the United States and the exporting country which includes the subject merchandise.

"(iii) The expenses incurred with respect to the narrowest category of merchandise sold in all countries which includes the subject merchandise.

"(D) TOTAL ACTUAL PROFIT.—The term 'total actual profit' means the total profit earned by the foreign producer, exporter, and affiliated parties described in subparagraph (C) with respect to the sale of the same merchandise for which total expenses are determined under such subparagraph.".

SEC. 224. NORMAL VALUE.

Section 773 (19 U.S.C. 1677b) is amended to read as follows:

"SEC. 773. NORMAL VALUE.

"(a) DETERMINATION.—In determining under this title whether subject merchandise is being, or is likely to be, sold at less than fair value, a fair comparison shall be made between the export price or constructed export price and normal value. In order to achieve a fair comparison with the export price or constructed export price, normal value shall be determined as follows:

"(1) DETERMINATION OF NORMAL VALUE.—

"(A) IN GENERAL.—The normal value of the subject merchandise shall be the price described in subparagraph (B), at a time reasonably corresponding to the time of the sale used to determine the export price or constructed export price under section 772(a) or (b).

"(B) PRICE.—The price referred to in subparagraph (A) is—

"(i) the price at which the foreign like product is first sold (or, in the absence of a sale, offered for sale) for consumption in the exporting country, in the usual commercial quantities and in the ordinary course of trade and, to the extent practicable, at the same level of trade as the export price or constructed export price, or

"(ii) in a case to which subparagraph (C) applies, the price at which the foreign like product is so sold (or offered for sale) for consumption in a country other than the exporting country or the United States, if—

"(I) such price is representative,

"(II) the aggregate quantity (or, if quantity is not appropriate, value) of the foreign like product sold by the exporter or producer in such other country is 5 percent or more of the aggregate quantity (or value) of the subject merchandise sold in the United States or for export to the United States, and

"(III) the administering authority does not determine that the particular market situation in such other country prevents a proper comparison with the export price or constructed export price.

"(C) THIRD COUNTRY SALES.—This subparagraph applies when—

"(i) the foreign like product is not sold (or offered for sale) for consumption in the exporting country as described in subparagraph (B)(i),

"(ii) the administering authority determines that the aggregate quantity (or, if quantity is not appropriate, value) of the foreign like product sold in the exporting country is insufficient to permit a proper comparison with the sales of the subject merchandise to the United States, or

"(iii) the particular market situation in the exporting country does not permit a proper comparison with the export price or constructed export price.

For purposes of clause (ii), the aggregate quantity (or value) of the foreign like product sold in the exporting country shall normally be considered to be insufficient if such quantity (or value) is less than 5 percent of the aggregate quantity (or value) of sales of the subject merchandise to the United States.

"(2) FICTITIOUS MARKETS.—No pretended sale or offer for sale, and no sale or offer for sale intended to establish a fictitious market, shall be taken into account in determining normal value. The occurrence of different movements in the prices at which different forms of the foreign like product are sold (or, in the absence of sales, offered for sale) in the exporting country after the issuance of an antidumping duty order may be considered by the administering authority as evidence of the establishment of a fictitious market for the foreign like product if the movement in such prices appears to reduce the amount by which the normal value exceeds the export price (or the constructed export price) of the subject merchandise.

"(3) EXPORTATION FROM AN INTERMEDIATE COUNTRY.—Where the subject merchandise is exported to the United States from an intermediate country, normal value shall be determined in the intermediate country, except that normal value may be determined in the country of origin of the subject merchandise if—

"(A) the producer knew at the time of the sale that the subject merchandise was destined for exportation;

"(B) the subject merchandise is merely transshipped through the intermediate country;

"(C) sales of the foreign like product in the intermediate country do not satisfy the conditions of paragraph (1)(C); or

"(D) the foreign like product is not produced in the intermediate country.

"(4) USE OF CONSTRUCTED VALUE.—If the administering authority determines that the normal value of the subject merchandise cannot be determined under paragraph (1)(B)(i), then, notwithstanding paragraph

(1)(B)(ii), the normal value of the subject merchandise may be the constructed value of that merchandise, as determined under subsection (e).

"(5) INDIRECT SALES OR OFFERS FOR SALE.—If the foreign like product is sold or, in the absence of sales, offered for sale through an affiliated party, the prices at which the foreign like product is sold (or offered for sale) by such affiliated party may be used in determining normal value.

"(6) ADJUSTMENTS.—The price described in paragraph (1)(B) shall be—

"(A) increased by the cost of all containers and coverings and all other costs, charges, and expenses incident to placing the subject merchandise in condition packed ready for shipment to the United States;

"(B) reduced by—

"(i) when included in the price described in paragraph (1)(B), the cost of all containers and coverings and all other costs, charges, and expenses incident to placing the foreign like product in condition packed ready for shipment to the place of delivery to the purchaser,

"(ii) the amount, if any, included in the price described in paragraph (1)(B), attributable to any additional costs, charges, and expenses incident to bringing the foreign like product from the original place of shipment to the place of delivery to the purchaser, and

"(iii) the amount of any taxes imposed directly upon the foreign like product or components thereof which have been rebated, or which have not been collected, on the subject merchandise, but only to the extent that such taxes are added to or included in the price of the foreign like product, and

"(C) increased or decreased by the amount of any difference (or lack thereof) between the export price or constructed export price and the price described in paragraph (1)(B) (other than a difference for which allowance is otherwise provided under this section) that is established to the satisfaction of the administering authority to be wholly or partly due to—

(i) the fact that the quantities in which the subject merchandise is sold or agreed to be sold to the United States are greater than or less than the quantities in which the foreign like product is sold, agreed to be sold, or offered for sale,

"(ii) the fact that merchandise described in subparagraph (B) or (C) of section 771(16) is used in determining normal value, or

"(iii) other differences in the circumstances of sale.

"(7) ADDITIONAL ADJUSTMENTS.—

"(A) LEVEL OF TRADE.—The price described in paragraph (1)(B) shall also be increased or decreased to make due allowance for any difference (or lack thereof) between the export price or constructed export price and the price described in paragraph (1)(B) (other than a difference for which allowance is otherwise made under this section) that is shown to be wholly or partly due to a difference in level of trade between the export price or constructed export price and normal value, if the difference in level of trade—

"(i) involves the performance of different selling activities; and

"(ii) is demonstrated to affect price comparability, based on a pattern of consistent price differences between sales at different levels of trade in the country in which normal value is determined.

In a case described in the preceding sentence, the amount of the adjustment shall be based on the price differences between the two levels of trade in the country in which normal value is determined.

"(B) CONSTRUCTED EXPORT PRICE OFFSET.—When normal value is established at a level of trade which constitutes a more advanced stage of distribution than the level of trade of the constructed export price, but the data available do not provide an appropriate basis to determine under subparagraph (A)(ii) a level of trade adjustment, normal value shall be reduced by the amount of indirect selling expenses incurred in the country in which normal value is determined on sales of the foreign like product but not more than the amount of such expenses for which a deduction is made under section 772(d)(1)(D).

"(8) ADJUSTMENTS TO CONSTRUCTED VALUE.—Constructed value as determined under subsection (e), may be adjusted, as appropriate, pursuant to this subsection.

"(b) SALES AT LESS THAN COST OF PRODUCTION.—

"(1) DETERMINATION; SALES DISREGARDED.—Whenever the administering authority has reasonable grounds to believe or suspect that sales of the foreign like product under consideration for the determination of normal value have been made at prices which represent less than the cost of production of that product, the administering authority shall determine whether, in fact, such sales were made at less than the cost of production. If the administering authority determines that sales made at less than the cost of production—

"(A) have been made within an extended period of time in substantial quantities, and

"(B) were not at prices which permit recovery of all costs within a reasonable period of time,

such sales may be disregarded in the determination of normal value. Whenever such sales are disregarded, normal value shall be based on the remaining sales of the foreign like product in the ordinary course of trade. If no sales made in the ordinary course of trade remain, the normal value shall be based on the constructed value of the merchandise.

"(2) DEFINITIONS AND SPECIAL RULES.—For purposes of this subsection—

"(A) REASONABLE GROUNDS TO BELIEVE OR SUSPECT.—There are reasonable grounds to believe or suspect that sales of the foreign like product were made at prices that are less than the cost of production of the product, if—

"(i) in an investigation initiated under section 732 or a review conducted under section 751, an interested party described in subparagraph (C), (D), (E), (F), or (G) of section 771(9) provides information, based upon observed prices or constructed prices or costs, that sales of the foreign like product under consideration for the determination of normal value have been made at prices which represent less than the cost of production of the product; or

"(ii) in a review conducted under section 751 involving a specific exporter, the administering authority disregarded some or all of the exporter's sales pursuant to paragraph (1) in the investigation or if a review has been completed, in the most recently completed review.

"(B) EXTENDED PERIOD OF TIME.—The term 'extended period of time' means a period that is normally 1 year, but not less than 6 months.

"(C) SUBSTANTIAL QUANTITIES.—Sales made at prices below the cost of production have been made in substantial quantities if—

"(i) the volume of such sales represents 20 percent or more of the volume of sales under consideration for the determination of normal value, or

"(ii) the weighted average per unit price of the sales under consideration for the determination of normal value is less than the weighted average per unit cost of production for such sales.

"(D) RECOVERY OF COSTS.—If prices which are below the per unit cost of production at the time of sale are above the weighted average per unit cost of production for the period of investigation or review, such prices shall be considered to provide for recovery of costs within a reasonable period of time.

"(3) CALCULATION OF COST OF PRODUCTION.—For purposes of this subtitle, the cost of production shall be an amount equal to the sum of—

"(A) the cost of materials and of fabrication or other processing of any kind employed in producing the foreign like product, during a period which would ordinarily permit the production of that foreign like product in the ordinary course of business;

"(B) an amount for selling, general, and administrative expenses based on actual data pertaining to production and sales of the foreign like product by the exporter in question; and

"(C) the cost of all containers and coverings of whatever nature, and all other expenses incidental to placing the foreign like product in condition packed ready for shipment.

For purposes of subparagraph (A), if the normal value is based on the price of the foreign like product sold for consumption in a country other than the exporting country, the cost of materials shall be determined without regard to any internal tax in the exporting country imposed on such materials or their disposition which are remitted or refunded upon exportation.

"(c) NONMARKET ECONOMY COUNTRIES.—

"(1) IN GENERAL.—If—

"(A) the subject merchandise is exported from a nonmarket economy country, and

"(B) the administering authority finds that available information does not permit the normal value of the subject merchandise to be determined under subsection (a),

the administering authority shall determine the normal value of the subject merchandise on the basis of the value of the factors of production utilized in producing the merchandise and to which shall be added an amount for general expenses and profit plus the cost of containers, coverings, and other expenses. Except as provided in paragraph (2), the valuation of the factors of production shall be based on the best available information regarding the values of such factors in a market economy country or countries considered to be appropriate by the administering authority.

"(2) EXCEPTION.—If the administering authority finds that the available information is inadequate for purposes of determining the normal value of subject merchandise under paragraph (1), the administering authority shall determine the normal value on the basis of the price at which merchandise that is—

"(A) comparable to the subject merchandise, and

"(B) produced in one or more market economy countries that are at a level of economic development comparable to that of the nonmarket economy country,

is sold in other countries, including the United States.

"(3) FACTORS OF PRODUCTION.—For purposes of paragraph (1), the factors of production utilized in producing merchandise include, but are not limited to—

"(A) hours of labor required,

"(B) quantities of raw materials employed,

"(C) amounts of energy and other utilities consumed, and

"(D) representative capital cost, including depreciation.

"(4) VALUATION OF FACTORS OF PRODUCTION.—The administering authority, in valuing factors of production under paragraph (1), shall utilize, to the extent possible, the prices or costs of factors of production in one or more market economy countries that are—

"(A) at a level of economic development comparable to that of the nonmarket economy country, and

"(B) significant producers of comparable merchandise.

"(d) SPECIAL RULE FOR CERTAIN MULTINATIONAL CORPORATIONS.—Whenever, in the course of an investigation under this title, the administering authority determines that—

"(1) subject merchandise exported to the United States is being produced in facilities which are owned or controlled, directly or indirectly, by a person, firm, or corporation which also owns or controls, directly or indirectly, other facilities for the production of the foreign like product which are located in another country or countries,

"(2) subsection (a)(1)(C) applies, and

"(3) the normal value of the foreign like product produced in one or more of the facilities outside the exporting country is higher than the normal value of the foreign like product produced in the facilities located in the exporting country,

it shall determine the normal value of the subject merchandise by reference to the normal value at which the foreign like product is sold in substantial quantities from one or more facilities outside the exporting country. The administering authority, in making any determination under this paragraph, shall make adjustments for the difference between the cost of production (including taxes, labor, materials, and overhead) of the foreign like product produced in facilities outside the exporting country and costs of production of the foreign like product produced in facilities in the exporting country, if such differences are demonstrated to its satisfaction. For purposes of this subsection, in determining the normal value of the foreign like product produced in a country outside of the exporting country, the administering authority shall determine its price at the time of exportation from the exporting country and shall make any adjustments required by subsection (a) for the cost of all containers and coverings and all other costs, charges, and expenses incident to placing the merchandise in condition packed ready for shipment to the United States by reference to such costs in the exporting country.

"(e) CONSTRUCTED VALUE.—For purposes of this title, the constructed value of imported merchandise shall be an amount equal to the sum of—

"(1) the cost of materials and fabrication or other processing of any kind employed in producing the merchandise, during a period which would ordinarily permit the production of the merchandise in the ordinary course of business;

"(2)(A) the actual amounts incurred and realized by the specific exporter or producer being examined in the investigation or review for selling, general, and administrative expenses, and for profits, in connection with the production and sale of a foreign like product, in the ordinary course of trade, for consumption in the foreign country, or

"(B) if actual data are not available with respect to the amounts described in subparagraph (A), then—

"(i) the actual amounts incurred and realized by the specific exporter or producer being examined in the investigation or review for selling, general, and administrative expenses, and for profits, in connection with the production and sale, for consumption in the foreign country, of merchandise that is in the same general category of products as the subject merchandise,

"(ii) the weighted average of the actual amounts incurred and realized by exporters or producers that are subject to the investigation or review (other than the exporter or producer described in clause (i)) for selling, general, and administrative expenses, and for profits, in connection with the production and sale of a foreign like product, in the ordinary course of trade, for consumption in the foreign country, or

"(iii) the amounts incurred and realized for selling, general, and administrative expenses, and for profits, based on any other reasonable method, except that the amount allowed for profit may not exceed the amount normally realized by exporters or producers (other than the exporter or producer described in clause (i)) in connection with the sale, for consumption in the foreign country, of merchandise that is in the same general category of products as the subject merchandise ; and

"(3) the cost of all containers and coverings of whatever nature, and all other expenses incidental to placing the subject merchandise in condition packed ready for shipment to the United States.

For purposes of paragraph (1), the cost of materials shall be determined without regard to any internal tax in the exporting country imposed on such materials or their disposition which are remitted or refunded upon exportation of the subject merchandise produced from such materials.

"(f) SPECIAL RULES FOR CALCULATION OF COST OF PRODUCTION AND FOR CALCULATION OF CONSTRUCTED VALUE.—For purposes of subsections (b) and (e)—

"(1) COSTS.—

"(A) IN GENERAL.—Costs shall normally be calculated based on the records of the exporter or producer of the merchandise, if such records are kept in accordance with the generally accepted accounting principles of the exporting country (or the producing country, where appropriate) and reasonably reflect the costs associated with the production and sale of the merchandise. The administering authority shall consider all available evidence on the proper allocation of costs, including that which is made available by the exporter or producer on a timely basis, if such allocations have been historically used by the exporter or producer, in particular for establishing appropriate amortization and depreciation periods, and allowances for capital expenditures and other development costs.

"(B) NONRECURRING COSTS.—Costs shall be adjusted appropriately for those nonrecurring costs that benefit current or future production, or both.

"(C) STARTUP COSTS.—

"(i) IN GENERAL.—Costs shall be adjusted appropriately for circumstances in which costs incurred during the time period covered by the investigation or review are affected by startup operations.

"(ii) STARTUP OPERATIONS.—Adjustments shall be made for startup operations only where—

"(I) a producer is using new production facilities or producing a new product that requires substantial additional investment, and

"(II) production levels are limited by technical factors associated with the initial phase of commercial production.

For purposes of subclause (II), the initial phase of commercial production ends at the end of the startup period. In determining whether commercial production levels have been achieved, the administering authority shall consider factors unrelated to startup operations that might affect the volume of production processed, such as demand, seasonality, or business cycles.

"(iii) ADJUSTMENT FOR STARTUP OPERATIONS.—The adjustment for startup operations shall be made by substituting the unit production costs incurred with respect to the merchandise at the end of the startup period for the unit production costs incurred during the startup period. If the startup period extends beyond the period of the investigation or review under this title, the administering authority shall use the most recent cost of production data that it reasonably can obtain, analyze, and verify without delaying the timely completion of the investigation or review. For purposes of this subparagraph, the startup period ends at the point at which the level of commercial production that is characteristic of the merchandise, producer, or industry concerned is achieved.

"(2) TRANSACTIONS DISREGARDED.—A transaction directly or indirectly between affiliated persons may be disregarded if, in the case of any element of value required to be considered, the amount representing that element does not fairly reflect the amount usually reflected in sales of merchandise under consideration in the market under consideration. If a transaction is disregarded under the preceding sentence and no other transactions are available for consideration, the determination of the amount shall be based on the information available as to what the amount would have been if the transaction had occurred between persons who are not affiliated.

"(3) MAJOR INPUT RULE.—If, in the case of a transaction between affiliated persons involving the production by one of such persons of a major input to the merchandise, the administering authority has reasonable grounds to believe or suspect that an amount represented as the value of such input is less than the cost of production of such input, then the administering authority may determine the value of the major input on the basis of the information available regarding such cost of production, if such cost is greater than the amount that would be determined for such input under paragraph (2).".

SEC. 225. CURRENCY CONVERSION.

(a) IN GENERAL.—Subtitle D of title VII (19 U.S.C. 1677 et seq.) is amended by inserting after section 773 the following new section:

"SEC. 773A. CURRENCY CONVERSION.

"(a) IN GENERAL.—In an antidumping proceeding under this title, the administering authority shall convert foreign currencies into United States dollars using the exchange rate in effect on the date of sale of the subject merchandise, except that, if it is established that a currency transaction on forward markets is directly linked to an export sale under consideration, the exchange rate specified with respect to such currency in the forward sale agreement shall be used to convert the foreign currency. Fluctuations in exchange rates shall be ignored.

"(b) SUSTAINED MOVEMENT IN FOREIGN CURRENCY VALUE.—In an investigation under subtitle B, if there is a sustained movement in the value of the foreign currency relative

to the United States dollar, the administering authority shall allow exporters at least 60 days to adjust their export prices to reflect such sustained movement.".

(b) CONFORMING AMENDMENT.—The table of contents for title VII is amended by inserting after the item relating to section 773 the following new item:

"Sec. 773A. Currency conversion.".

SEC. 226. PROPRIETARY AND NONPROPRIETARY INFORMATION.

(a) PROPRIETARY STATUS MAINTAINED.—

(1) IN GENERAL.—Section 777(b)(1) (19 U.S.C. 1677f(b)(1)) is amended to read as follows:

"(1) PROPRIETARY STATUS MAINTAINED.—

"(A) IN GENERAL.—Except as provided in subsection (a)(4)(A) and subsection (c), information submitted to the administering authority or the Commission which is designated as proprietary by the person submitting the information shall not be disclosed to any person without the consent of the person submitting the information, other than—

"(i) to an officer or employee of the administering authority or the Commission who is directly concerned with carrying out the investigation in connection with which the information is submitted or any review under this title covering the same subject merchandise, or

"(ii) to an officer or employee of the United States Customs Service who is directly involved in conducting an investigation regarding fraud under this title.

"(B) ADDITIONAL REQUIREMENTS.—The administering authority and the Commission shall require that information for which proprietary treatment is requested be accompanied by—

"(i) either—

"(I) a non-proprietary summary in sufficient detail to permit a reasonable understanding of the substance of the information submitted in confidence, or

"(II) a statement that the information is not susceptible to summary accompanied by a statement of the reasons in support of the contention, and

"(ii) either—

"(I) a statement which permits the administering authority or the Commission to release under administrative protective order, in accordance with subsection (c), the information submitted in confidence, or

"(II) a statement to the administering authority or the Commission that the business proprietary information is of a type that should not be released under administrative protective order.".

(2) SECTION 751 REVIEWS.—Section 777(b) (19 U.S.C. 1677f(b)) is amended by adding at the end the following:

"(3) SECTION 751 REVIEWS.—Notwithstanding the provisions of paragraph (1), information submitted to the administering authority or the Commission in connection with a review under section 751(b) or 751(c) which is designated as proprietary by the person submitting the information may, if the review results in the revocation of an order or finding (or termination of a suspended investigation) under section 751(d), be used by the agency to which the information was originally submitted in any investigation initiated within 2 years after the date of the revocation or termination pursuant to a petition covering the same subject merchandise.".

(b) UNWARRANTED PROPRIETARY DESIGNATION.—Section 777(b)(2) (19 U.S.C. 1677f(b)(2)) is amended by adding at the end the following new sentence: "In a case in which the administering authority or the Commission returns the information to the person submitting it, the person may thereafter submit other material concerning the subject matter of the returned information if the submission is made within the time otherwise provided for submitting such material.".

SEC. 227. OPPORTUNITY FOR COMMENT BY CONSUMERS AND INDUSTRIAL USERS.

Section 777 (19 U.S.C. 1677f) is amended by adding at the end the following new subsection:

"(h) OPPORTUNITY FOR COMMENT BY CONSUMERS AND INDUSTRIAL USERS.—The administering authority and the Commission shall provide an opportunity for industrial users of the subject merchandise and, if the merchandise is sold at the retail level, for representative consumer organizations, to submit relevant information to the administering authority concerning dumping or a countervailable subsidy, and to the Commission concerning material injury by reason of dumped or subsidized imports.".

SEC. 228. PUBLIC NOTICE AND EXPLANATION OF DETERMINATIONS.

Section 777 (19 U.S.C. 1677f), as amended by section 227, is amended by adding at the end the following:

"(i) PUBLICATION OF DETERMINATIONS; REQUIREMENTS FOR FINAL DETERMINATIONS.—

"(1) IN GENERAL.—Whenever the administering authority makes a determination under section 702 or 732 whether to initiate an investigation, or the administering authority or the Commission makes a preliminary determination under section 703 or 733, a final determination under section 705 or section 735, a preliminary or final determination in a review under section 751, a determination to suspend an investigation under this title, or a determination under section 753, the administering authority or the Commission, as the case may be, shall publish the facts and conclusions supporting that determination, and shall publish notice of that determination in the Federal Register.

"(2) CONTENTS OF NOTICE OR DETERMINATION.—The notice or determination published under paragraph (1) shall include, to the extent applicable—

"(A) in the case of a determination of the administering authority—

"(i) the names of the exporters or producers of the subject merchandise or, when providing such names is impracticable, the countries exporting the subject merchandise to the United States,

"(ii) a description of the subject merchandise that is sufficient to identify the subject merchandise for customs purposes,

"(iii)(I) with respect to a determination in an investigation under subtitle A or section 753 or in a review of a countervailing duty order, the amount of the countervailable subsidy established and a full explanation of the methodology used in establishing the amount, and

"(II) with respect to a determination in an investigation under subtitle B or in a review of an antidumping duty order, the weighted average dumping margins established and a full explanation of the methodology used in establishing such margins, and

"(iv) the primary reasons for the determination; and

"(B) in the case of a determination of the Commission—

"(i) considerations relevant to the determination of injury, and

"(ii) the primary reasons for the determination.

"(3) ADDITIONAL REQUIREMENTS FOR FINAL DETERMINATIONS.—In addition to the requirements set forth in paragraph (2)—

"(A) the administering authority shall include in a final determination described in paragraph (1) an explanation of the basis for its determination that addresses relevant arguments, made by interested parties who are parties to the investigation or review (as the case may be), concerning the establishment of dumping or a countervailable subsidy, or the suspension of the investigation, with respect to which the determination is made; and

"(B) the Commission shall include in a final determination of injury an explanation of the basis for its determination that addresses relevant arguments that are made by interested parties who are parties to the investigation or review (as the case may be) concerning volume, price effects, and impact on the industry of imports of the subject merchandise.".

SEC. 229. SAMPLING AND AVERAGING; DETERMINATION OF WEIGHTED AVERAGE DUMPING MARGIN.

(a) IN GENERAL.—Section 777A (19 U.S.C. 1677f-1) is amended to read as follows:

"SEC. 777A. SAMPLING AND AVERAGING; DETERMINATION OF WEIGHTED AVERAGE DUMPING MARGIN.

"(a) IN GENERAL.—For purposes of determining the export price (or constructed export price) under section 772 or the normal value under section 773, and in carrying out reviews under section 751, the administering authority may—

"(1) use averaging and statistically valid samples, if there is a significant volume of sales of the subject merchandise or a significant number or types of products, and

"(2) decline to take into account adjustments which are insignificant in relation to the price or value of the merchandise.

"(b) SELECTION OF AVERAGES AND SAMPLES.—The authority to select averages and statistically valid samples shall rest exclusively with the administering authority. The administering authority shall, to the greatest extent possible, consult with the exporters and producers regarding the method to be used to select exporters, producers, or types of products under this section.

"(c) DETERMINATION OF DUMPING MARGIN.—

"(1) GENERAL RULE.—In determining weighted average dumping margins under section 733(d), 735(c), or 751(a), the administering authority shall determine the individual weighted average dumping margin for each known exporter and producer of the subject merchandise.

"(2) EXCEPTION.—If it is not practicable to make individual weighted average dumping margin determinations under paragraph (1) because of the large number of exporters or producers involved in the investigation or review, the administering authority may determine the weighted average dumping margins for a reasonable number of exporters or producers by limiting its examination to—

"(A) a sample of exporters, producers, or types of products that is statistically valid based on the information available to the administering authority at the time of selection, or

"(B) exporters and producers accounting for the largest volume of the subject merchandise from the exporting country that can be reasonably examined.

"(d) DETERMINATION OF LESS THAN FAIR VALUE.—

"(1) INVESTIGATIONS.—

"(A) IN GENERAL.—In an investigation under subtitle B, the administering authority shall determine whether the subject merchandise is being sold in the United States at less than fair value—

"(i) by comparing the weighted average of the normal values to the weighted average of

the export prices (and constructed export prices) for comparable merchandise, or

"(ii) by comparing the normal values of individual transactions to the export prices (or constructed export prices) of individual transactions for comparable merchandise.

"(B) EXCEPTION.—The administering authority may determine whether the subject merchandise is being sold in the United States at less than fair value by comparing the weighted average of the normal values to the export prices (or constructed export prices) of individual transactions for comparable merchandise, if—

"(i) there is a pattern of export prices (or constructed export prices) for comparable merchandise that differ significantly among purchasers, regions, or periods of time, and

"(ii) the administering authority explains why such differences cannot be taken into account using a method described in paragraph (1)(A) (i) or (ii).

"(2) REVIEWS.—In a review under section 751, when comparing export prices (or constructed export prices) of individual transactions to the weighted average price of sales of the foreign like product, the administering authority shall limit its averaging of prices to a period not exceeding the calendar month that corresponds most closely to the calendar month of the individual export sale.".

(b) DUMPING MARGIN; WEIGHTED AVERAGE DUMPING MARGIN.—Section 771 (19 U.S.C. 1677), as amended by section 222(i), is amended by adding at the end the following new paragraph:

"(35) DUMPING MARGIN; WEIGHTED AVERAGE DUMPING MARGIN.—

"(A) DUMPING MARGIN.—The term 'dumping margin' means the amount by which the normal value exceeds the export price or constructed export price of the subject merchandise.

"(B) WEIGHTED AVERAGE DUMPING MARGIN.—The term 'weighted average dumping margin' is the percentage determined by dividing the aggregate dumping margins determined for a specific exporter or producer by the aggregate export prices and constructed export prices of such exporter or producer.

"(C) MAGNITUDE OF THE MARGIN OF DUMPING.—The magnitude of the margin of dumping used by the Commission shall be—

"(i) in making a preliminary determination under section 733(a) in an investigation (including any investigation in which the Commission cumulatively assesses the volume and effect of imports under paragraph (7)(G)(i)), the dumping margin or margins published by the administering authority in its notice of initiation of the investigation;

"(ii) in making a final determination under section 735(b), the dumping margin or margins most recently published by the administering authority prior to the closing of the Commission's administrative record;

"(iii) in a review under section 751(b)(2), the most recent dumping margin or margins determined by the administering authority under section 752(c)(3), if any, or under section 733(b) or 735(a); and

"(iv) in a review under section 751(c), the dumping margin or margins determined by the administering authority under section 752(c)(3).".

SEC. 230. ANTICIRCUMVENTION.

(a) IN GENERAL.—Subsections (a) and (b) of section 781 (19 U.S.C. 1677j (a) and (b)) are amended to read as follows:

"(a) MERCHANDISE COMPLETED OR ASSEMBLED IN THE UNITED STATES.—

"(1) IN GENERAL.—If—

"(A) merchandise sold in the United States is of the same class or kind as any other merchandise that is the subject of—

"(i) an antidumping duty order issued under section 736,

"(ii) a finding issued under the Antidumping Act, 1921, or

"(iii) a countervailing duty order issued under section 706 or section 303,

"(B) such merchandise sold in the United States is completed or assembled in the United States from parts or components produced in the foreign country with respect to which such order or finding applies,

"(C) the process of assembly or completion in the United States is minor or insignificant, and

"(D) the value of the parts or components referred to in subparagraph (B) is a significant portion of the total value of the merchandise,

the administering authority, after taking into account any advice provided by the Commission under subsection (e), may include within the scope of such order or finding the imported parts or components referred to in subparagraph (B) that are used in the completion or assembly of the merchandise in the United States at any time such order or finding is in effect.

"(2) DETERMINATION OF WHETHER PROCESS IS MINOR OR INSIGNIFICANT.—In determining whether the process of assembly or completion is minor or insignificant under paragraph (1)(C), the administering authority shall take into account—

"(A) the level of investment in the United States,

"(B) the level of research and development in the United States,

"(C) the nature of the production process in the United States,

"(D) the extent of production facilities in the United States, and

"(E) whether the value of the processing performed in the United States represents a small proportion of the value of the merchandise sold in the United States.

"(3) FACTORS TO CONSIDER.—In determining whether to include parts or components in a countervailing or antidumping duty order or finding under paragraph (1), the administering authority shall take into account such factors as—

"(A) the pattern of trade, including sourcing patterns,

"(B) whether the manufacturer or exporter of the parts or components is affiliated with the person who assembles or completes the merchandise sold in the United States from the parts or components produced in the foreign country with respect to which the order or finding described in paragraph (1) applies, and

"(C) whether imports into the United States of the parts or components produced in such foreign country have increased after the initiation of the investigation which resulted in the issuance of such order or finding.

"(b) MERCHANDISE COMPLETED OR ASSEMBLED IN OTHER FOREIGN COUNTRIES.—

"(1) IN GENERAL.—If—

"(A) merchandise imported into the United States is of the same class or kind as any merchandise produced in a foreign country that is the subject of—

"(i) an antidumping duty order issued under section 736,

"(ii) a finding issued under the Antidumping Act, 1921, or

"(iii) a countervailing duty order issued under section 706 or section 303,

"(B) before importation into the United States, such imported merchandise is completed or assembled in another foreign country from merchandise which—

"(i) is subject to such order or finding, or

"(ii) is produced in the foreign country with respect to which such order or finding applies,

"(C) the process of assembly or completion in the foreign country referred to in subparagraph (B) is minor or insignificant,

"(D) the value of the merchandise produced in the foreign country to which the antidumping duty order applies is a significant portion of the total value of the merchandise exported to the United States, and

"(E) the administering authority determines that action is appropriate under this paragraph to prevent evasion of such order or finding,

the administering authority, after taking into account any advice provided by the Commission under subsection (e), may include such imported merchandise within the scope of such order or finding at any time such order or finding is in effect.

"(2) DETERMINATION OF WHETHER PROCESS IS MINOR OR INSIGNIFICANT.—In determining whether the process of assembly or completion is minor or insignificant under paragraph (1)(C), the administering authority shall take into account—

"(A) the level of investment in the foreign country,

"(B) the level or research and development in the foreign country,

"(C) the nature of the production process in the foreign country,

"(D) the extent of production facilities in the foreign country, and

"(E) whether the value of the processing performed in the foreign country represents a small proportion of the value of the merchandise imported into the United States.

"(3) FACTORS TO CONSIDER.—In determining whether to include merchandise assembled or completed in a foreign country in a countervailing duty order or an antidumping duty order or finding under paragraph (1), the administering authority shall take into account such factors as—

"(A) the pattern of trade, including sourcing patterns,

"(B) whether the manufacturer or exporter of the merchandise described in paragraph (1)(B) is affiliated with the person who uses the merchandise described in paragraph (1)(B) to assemble or complete in the foreign country the merchandise that is subsequently imported into the United States, and

"(C) whether imports into the foreign country of the merchandise described in paragraph (1)(B) have increased after the initiation of the investigation which resulted in the issuance of such order or finding.".

(b) TIME LIMITS FOR ADMINISTERING AUTHORITY DETERMINATIONS.—Section 781 (19 U.S.C. 1677j) is amended by adding at the end the following:

"(f) TIME LIMITS FOR ADMINISTERING AUTHORITY DETERMINATIONS.—The administering authority shall, to the maximum extent practicable, make the determinations under this section within 300 days from the date of the initiation of a countervailing duty or antidumping circumvention inquiry under this section.".

SEC. 231. EVIDENCE.

(a) CONDUCT OF INVESTIGATIONS AND ADMINISTRATIVE REVIEWS.—Subtitle D of title VII (19 U.S.C. 1671) is amended by adding at the end the following new section:

"SEC. 782. CONDUCT OF INVESTIGATIONS AND ADMINISTRATIVE REVIEWS.

"(a) TREATMENT OF VOLUNTARY RESPONSES IN COUNTERVAILING OR ANTIDUMPING DUTY INVESTIGATIONS AND REVIEWS.—In any investigation under subtitle A or B or a review under section 751(a) in which the administering authority has, under section 777A(c)(2) or section 777A(e)(2)(A) (whichever is applicable), limited the number of exporters or producers examined, or determined a single country-wide rate, the administering authority shall establish an individual countervailable subsidy rate or an individual weighted average dumping margin for any exporter or producer not initially selected for individual examination under such sections who submits to the administering authority the information requested from exporters or producers selected for examination, if—

"(1) such information is so submitted by the date specified—

"(A) for exporters and producers that were initially selected for examination, or

"(B) for the foreign government, in a countervailing duty case where the administering authority has determined a single country-wide rate; and

"(2) the number of exporters or producers who have submitted such information is not so large that individual examination of such exporters or producers would be unduly burdensome and inhibit the timely completion of the investigation.

"(b) CERTIFICATION OF SUBMISSIONS.—Any person providing factual information to the administering authority or the Commission in connection with a proceeding under this title on behalf of the petitioner or any other interested party shall certify that such information is accurate and complete to the best of that person's knowledge.

"(c) DIFFICULTIES IN MEETING REQUIREMENTS.—

"(1) NOTIFICATION BY INTERESTED PARTY.—If an interested party, promptly after receiving a request from the administering authority or the Commission for information, notifies the administering authority or the Commission (as the case may be) that such party is unable to submit the information requested in the requested form and manner, together with a full explanation and suggested alternative forms in which such party is able to submit the information, the administering authority or the Commission (as the case may be) shall consider the ability of the interested party to submit the information in the requested form and manner and may modify such requirements to the extent necessary to avoid imposing an unreasonable burden on that party.

"(2) ASSISTANCE TO INTERESTED PARTIES.—The administering authority and the Commission shall take into account any difficulties experienced by interested parties, particularly small companies, in supplying information requested by the administering authority or the Commission in connection with investigations and reviews under this title, and shall provide to such interested parties any assistance that is practicable in supplying such information.

"(d) DEFICIENT SUBMISSIONS.—If the administering authority or the Commission determines that a response to a request for information under this title does not comply with the request, the administering authority or the Commission (as the case may be) shall promptly inform the person submitting the response of the nature of the deficiency and shall, to the extent practicable, provide that person with an opportunity to remedy or explain the deficiency in light of the time limits established for the completion of investigations or reviews under this title. If that person submits further information in response to such deficiency and either—

"(1) the administering authority or the Commission (as the case may be) finds that such response is not satisfactory, or

"(2) such response is not submitted within the applicable time limits,

then the administering authority or the Commission (as the case may be) may, subject to subsection (e), disregard all or part of the original and subsequent responses.

"(e) USE OF CERTAIN INFORMATION.—In reaching a determination under section 703, 705, 733, 735, 751, or 753 the administering authority and the Commission shall not decline to consider information that is submitted by an interested party and is necessary to the determination but does not meet all the applicable requirements established by the administering authority or the Commission, if—

"(1) the information is submitted by the deadline established for its submission,

"(2) the information can be verified,

"(3) the information is not so incomplete that it cannot serve as a reliable basis for reaching the applicable determination,

"(4) the interested party has demonstrated that it acted to the best of its ability in providing the information and meeting the requirements established by the administering authority or the Commission with respect to the information, and

"(5) the information can be used without undue difficulties.

"(f) NONACCEPTANCE OF SUBMISSIONS.—If the administering authority or the Commission declines to accept into the record any information submitted in an investigation or review under this title, it shall, to the extent practicable, provide to the person submitting the information a written explanation of the reasons for not accepting the information.

"(g) PUBLIC COMMENT ON INFORMATION.—Information that is submitted on a timely basis to the administering authority or the Commission during the course of a proceeding under this title shall be subject to comment by other parties to the proceeding within such reasonable time as the administering authority or the Commission shall provide. The administering authority and the Commission, before making a final determination under section 705, 735, 751, or 753 shall cease collecting information and shall provide the parties with a final opportunity to comment on the information obtained by the administering authority or the Commission (as the case may be) upon which the parties have not previously had an opportunity to comment. Comments containing new factual information shall be disregarded.

"(h) TERMINATION OF INVESTIGATION OR REVOCATION OF ORDER FOR LACK OF INTEREST.—The administering authority may—

"(1) terminate an investigation under subtitle A or B with respect to a domestic like product if, prior to publication of an order under section 706 or 736, the administering authority determines that producers accounting for substantially all of the production of that domestic like product have expressed a lack of interest in issuance of an order; and

"(2) revoke an order issued under section 706 or 736 with respect to a domestic like product, or terminate an investigation suspended under section 704 or 734 with respect to a domestic like product, if the administering authority determines that producers accounting for substantially all of the production of that domestic like product, have expressed a lack of interest in the order or suspended investigation.

"(i) VERIFICATION.—The administering authority shall verify all information relied upon in making—

"(1) a final determination in an investigation,

"(2) a revocation under section 751(d), and

"(3) a final determination in a review under section 751(a), if—

"(A) verification is timely requested by an interested party as defined in section 771(9)(C), (D), (E), (F), or (G), and

"(B) no verification was made under this subparagraph during the 2 immediately preceding reviews and determinations under section 751(a) of the same order, finding, or notice, except that this clause shall not apply if good cause for verification is shown.".

(b) AVAILABILITY OF NONPROPRIETARY INFORMATION.—Section 777(a)(4) (19 U.S.C. 1677f(a)(4)) is amended by striking "may disclose" and inserting "shall disclose".

(c) DETERMINATIONS ON THE BASIS OF THE FACTS AVAILABLE.—Section 776 (19 U.S.C. 1677e) is amended to read as follows:

"SEC. 776. DETERMINATIONS ON THE BASIS OF THE FACTS AVAILABLE.

"(a) IN GENERAL.—If—

"(1) necessary information is not available on the record, or

"(2) an interested party or any other person—

"(A) withholds information that has been requested by the administering authority or the Commission under this title,

"(B) fails to provide such information by the deadlines for submission of the information or in the form and manner requested, subject to subsections (c)(1) and (e) of section 782,

"(C) significantly impedes a proceeding under this title, or

"(D) provides such information but the information cannot be verified as provided in section 782(i),

the administering authority and the Commission shall, subject to section 782(d), use the facts otherwise available in reaching the applicable determination under this title.

"(b) ADVERSE INFERENCES.—If the administering authority or the Commission (as the case may be) finds that an interested party has failed to cooperate by not acting to the best of its ability to comply with a request for information from the administering authority or the Commission, the administering authority or the Commission (as the case may be), in reaching the applicable determination under this title, may use an inference that is adverse to the interests of that party in selecting from among the facts otherwise available. Such adverse inference may include reliance on information derived from—

"(1) the petition,

"(2) a final determination in the investigation under this title,

"(3) any previous review under section 751 or determination under section 753, or

"(4) any other information placed on the record.

"(c) CORROBORATION OF SECONDARY INFORMATION.—When the administering authority or the Commission relies on secondary information rather than on information obtained in the course of an investigation or review, the administering authority or the Commission, as the case may be, shall, to the extent practicable, corroborate that information from independent sources that are reasonably at their disposal.".

(d) CONFORMING AMENDMENTS.—

(1) Section 777(e) (19 U.S.C. 1677f(e)) is repealed.

(2) The table of contents for title VII is amended—

(A) by amending the item relating to section 776 to read as follows:

"Sec. 776. Determinations on the basis of the facts available.";

and

(B) by inserting after the item relating to section 781 the following new item:

"Sec. 782. Conduct of investigations and administrative reviews.".

SEC. 232. ANTIDUMPING PETITIONS BY THIRD COUNTRIES.

(a) IN GENERAL.—Subtitle D of title VII (19 U.S.C. 1677 et seq.), as amended by section 231(a), is amended by adding at the end the following new section:

"SEC. 783. ANTIDUMPING PETITIONS BY THIRD COUNTRIES.

"(a) FILING OF PETITION.—The government of a WTO member may file with the Trade Representative a petition requesting that an investigation be conducted to determine if—

"(1) imports from another country are being sold in the United States at less than fair value, and

"(2) an industry in the petitioning country is materially injured by reason of those imports.

"(b) INITIATION.—The Trade Representative, after consultation with the administering authority and the Commission and obtaining the approval of the WTO Council for Trade in Goods, shall determine whether to initiate an investigation described in subsection (a).

"(c) DETERMINATIONS.—Upon initiation of an investigation under this section, the Trade Representative shall request the following determinations be made according to substantive and procedural requirements specified by the Trade Representative, notwithstanding any other provision of this title:

"(1) The administering authority shall determine whether imports into the United States of the subject merchandise are being sold at less than fair value.

"(2) The Commission shall determine whether an industry in the petitioning country is materially injured by reason of imports of the subject merchandise into the United States.

"(d) PUBLIC COMMENT.—An opportunity for public comment shall be provided, as appropriate—

"(1) by the Trade Representative, in making the determination required by subsection (b), and

"(2) by the administering authority and the Commission, in making the determination required by subsection (c).

"(e) ISSUANCE OF ORDER.—If the administering authority makes an affirmative determination under paragraph (1) of subsection (c), and the Commission makes an affirmative determination under paragraph (2) of subsection (c), the administering authority shall issue an antidumping duty order in accordance with section 736 and take such other actions as are required by section 736.

"(f) REVIEWS OF DETERMINATIONS.—For purposes of review under section 516A or review under section 751, if an order is issued under subsection (d), the final determinations of the administering authority and the Commission under this section shall be treated as final determinations made under section 735.

"(g) ACCESS TO INFORMATION.—Section 777 shall apply to investigations under this section, to the extent specified by the Trade Representative, after consultation with the administering authority and the Commission.".

(b) CONFORMING AMENDMENT.—The table of contents for title VII, as amended by section 231(d)(2), is amended by adding after the item relating to section 782 the following new item:

"Sec. 783. Antidumping petitions by third countries.".

SEC. 233. CONFORMING AMENDMENTS.

(a) TERMINOLOGY.—

(1) NORMAL VALUE.—Each of the following sections is amended by striking "foreign market value" each place it appears in the text and in the heading and inserting "normal value":

(A) Section 731 (19 U.S.C. 1673).

(B) Section 734 (19 U.S.C. 1673c).

(C) Section 736 (19 U.S.C. 1673e).

(D) Section 739 (19 U.S.C. 1673h).

(E) Section 780 (19 U.S.C. 1677i).

(2) EXPORT PRICE.—

(A) IN GENERAL.—Each of the following sections is amended by striking "United States price" each place it appears in the text and in the heading and inserting "export price (or the constructed export price)":

(i) Section 731 (19 U.S.C. 1673).

(ii) Section 734 (19 U.S.C. 1673c).

(iii) Section 736 (19 U.S.C. 1673e).

(iv) Section 738 (19 U.S.C. 1673g).

(v) Section 739 (19 U.S.C. 1673h).

(vi) Section 780 (19 U.S.C. 1677i).

(B) EXPORTER'S SALES PRICE.—Section 738(b)(3) (19 U.S.C. 1673g(b)(3)) is amended by striking "exporter's sales price" and inserting "constructed export price".

(3) DOMESTIC LIKE PRODUCT.—

(A) Each of the following sections is amended by striking "like product" each place it appears in the text and in the heading and inserting "domestic like product":

(i) Section 771(4)(C) and (D) (19 U.S.C. 1677(4)(C) and (D)).

(ii) Section 771(7)(C)(iii)(IV) (19 U.S.C. 1677(7)(C)(iii)(IV)).

(iii) Section 771(9) (19 U.S.C. 1677(9)).

(iv) Section 771(10) (19 U.S.C. 1677(10)).

(B) Sections 771(7)(B)(i)(II) and (III) and section 771(7)(C)(ii)(I) (19 U.S.C. 1677(7)(B)(i)(II) and (III) and (C)(ii)(I)) are amended by striking "like products" and inserting "domestic like products".

(4) FOREIGN LIKE PRODUCT.—Section 771(16) (19 U.S.C. 1677(16)) is amended—

(A) by striking "such or similar merchandise" in the text and inserting "foreign like product", and

(B) by amending the heading to read as follows: "FOREIGN LIKE PRODUCT.".

(5) SUBJECT MERCHANDISE.—

(A) Section 701(d) (19 U.S.C. 1671(d)) is amended by striking "a class or kind of merchandise subject to a countervailing duty investigation" and inserting "subject merchandise".

(B) Section 702(e) (19 U.S.C. 1671a(e)) is amended by striking "class or kind of merchandise that is the subject of the investigation" each place it appears and inserting "subject merchandise".

(C) Section 703(b)(1) (19 U.S.C. 1671b(b)(1)) is amended by striking "merchandise which is the subject of the investigation" and inserting "subject merchandise".

(D) Section 704(a)(2)(A) (19 U.S.C. 1671c(a)(2)(A)) is amended by striking "merchandise that is subject to the investigation" and inserting "subject merchandise".

(E) Section 704(b) (19 U.S.C. 1671c(b)) is amended by striking "merchandise which is the subject of the investigation" and inserting "subject merchandise".

(F) Section 704(c)(1) (19 U.S.C. 1671c(c)(1)) is amended by striking "merchandise which is the subject of the investigation" and inserting "subject merchandise".

(G) Section 704(c)(2) (19 U.S.C. 1671c(c)(2)) is amended by striking "merchandise which is the subject of the investigation" and inserting "subject merchandise".

(H) Section 704(c)(3) (19 U.S.C. 1671c(c)(3)) is amended by striking "merchandise which is the subject of an investigation" and inserting "subject merchandise".

(I) Section 704(d)(3) (19 U.S.C. 1671c(d)(3)) is amended by striking "merchandise covered by such agreement" and inserting "subject merchandise".

(J) Section 704(f)(1)(A) (19 U.S.C. 1671c(f)(1)(A)) is amended by striking "merchandise which is the subject of the investigation" and inserting "subject merchandise".

(K) Subparagraphs (A)(i) and (B) of section 704(f)(2) (19 U.S.C. 1671c(f)(2)(A)(i) and (B)) are amended by striking "merchandise which is the subject of the investigation" each place it appears and inserting "subject merchandise".

(L) Paragraphs (2) and (3) of section 704(h) (19 U.S.C. 1671c(h) (2) and (3)) are amended by striking "merchandise which is the subject of the investigation" each place it appears and inserting "subject merchandise".

(M) Section 704(j) (19 U.S.C. 1671c(j)) is amended by striking "merchandise which is the subject of the investigation" and inserting "subject merchandise".

(N) Section 705(a)(1) (19 U.S.C. 1671d(a)(1)) is amended by striking "the merchandise" and inserting "the subject merchandise".

(O) Section 706(a)(2) (19 U.S.C. 1671e(a)(2)), as redesignated by section 265, is amended by striking "class or kind of merchandise to which it applies" and inserting "subject merchandise".

(P) Section 732(e)(1) (19 U.S.C. 1673a(e)(1)) is amended by striking "class or kind of the merchandise which is the subject of the investigation" and inserting "the subject merchandise".

(Q) Section 732(e)(2) (19 U.S.C. 1673a(e)(2)) is amended by striking "merchandise which is the subject of the investigation" and inserting "subject merchandise".

(R) Section 732(e) (19 U.S.C. 1673a(e)) is amended by striking "class or kind of merchandise that is the subject of the investigation" each place it appears and inserting "subject merchandise".

(S) Section 734(a)(2)(A) (19 U.S.C 1673c(a)(2)(A)) is amended by striking "merchandise that is subject to the investigation" and inserting "subject merchandise".

(T) Subsections (b), (c)(1), (f)(1)(A), (f)(2)(A)(i), (g)(1), (h)(2), (h)(3), and (j) of section 734 (19 U.S.C 1673c(b), (c)(1), (f)(1)(A), (f)(2)(A)(i), (g)(1), (h)(2), (h)(3), and (j)) are amended by striking "merchandise which is the subject of the investigation" each place it appears and inserting "subject merchandise".

(U) Section 734(f)(2)(B) (19 U.S.C. 1673c(f)(2)(B)) is amended by striking "merchandise subject to the investigation" and inserting "subject merchandise".

(V) Section 735(a)(1) (19 U.S.C. 1673d(a)(1)) is amended by striking "merchandise which was the subject of the investigation" and inserting "subject merchandise".

(W) Section 736(a)(2) (19 U.S.C. 1673e(a)(2)) is amended by striking "class or kind of merchandise to which it applies" and inserting "subject merchandise".

(X) Section 736(b)(1) (19 U.S.C. 1673e(b)(1)) is amended by striking "merchandise subject to the antidumping duty order" and inserting "subject merchandise".

(Y) Section 736(b)(2) (19 U.S.C. 1673e(b)(2)) is amended by striking "merchandise subject to an antidumping duty order" and inserting "subject merchandise".

(Z) Section 762(a)(1) (19 U.S.C. 1676a(a)(1)) is amended by striking "merchandise subject to the agreement" and inserting "subject merchandise".

(AA) Section 762(b)(2) (19 U.S.C. 1676a(b)(2)) is amended by striking "merchandise subject to the order" and inserting "subject merchandise".

(BB) Section 771(7)(B)(i)(I) (19 U.S.C. 1677(7)(B)(i)(I)) is amended by striking "merchandise which is the subject of the investigation" and inserting "subject merchandise".

(CC) Section 771(9)(A) (19 U.S.C. 1677(9)(A)) is amended by striking "merchandise which is the subject of an investigation under this title" and inserting "subject merchandise".

(DD) Section 771(16)(A) (19 U.S.C. 1677(16)(A)) is amended by striking "merchandise which is the subject of an investigation" and inserting "subject merchandise".

(EE) Section 771(16)(B)(i) (19 U.S.C. 1677(16)(B)(i)) is amended by striking "merchandise which is the subject of an investigation" and inserting "subject merchandise".

(FF) Section 771(17) (19 U.S.C. 1677(17)) is amended by striking "merchandise which is the subject of the investigation" and inserting "subject merchandise".

(GG) Section 771A(c) (19 U.S.C. 1677-1(c)) is amended by striking "merchandise under investigation" and inserting "subject merchandise".

(6) INITIATE.—(A) Each of the following sections is amended by striking "commenced" and inserting "initiated":

(i) Section 702(a).

(ii) Section 702(b)(1).

(iii) Section 703(b)(1).

(iv) Section 703(c)(1).

(v) Section 732(a)(1).

(vi) Section 732(a)(2)(D).

(vii) Section 732(b)(1).

(viii) Section 733(b)(1)(A) and (B).

(ix) Section 733(b)(2).

(x) Section 733(c)(1).

(B) Sections 703(g)(1) and 733(b)(2) are each amended by striking "commencement" and inserting "initiation".

(C) Section 732(a)(2)(B) is amended by striking "commence" and inserting "initiate".

(7) TECHNICAL AMENDMENTS.—The table of contents for title VII is amended—

(A) by amending the item relating to section 772 to read as follows:

"Sec. 772. Export price and constructed export price.";

(B) by striking "Foreign market value" in the item relating to section 773 and inserting "Normal value", and

(C) by inserting after the item relating to section 708 the following new item:

"Sec. 709. Conditional payment of countervailing duty.".

(b) OTHER CONFORMING AMENDMENTS.—

(1) WTO MEMBER.—Section 771(7)(F)(iii) (19 U.S.C. 1677(7)(F)(iii)) is amended—

(A) in subclause (I), by striking "GATT member" and inserting "WTO member"; and

(B) in subclause (II)—

(i) in the subclause heading, by striking "GATT MEMBER" and inserting "WTO MEMBER";

(ii) by striking "GATT member" and inserting "WTO member"; and

(iii) by striking "signatory" and all that follows through "measures)" and inserting "WTO member".

(2) ADMINISTERING AUTHORITY.—Section 771(1) (19 U.S.C. 1677(1)) is amended by striking "the Treasury" and inserting "Commerce".

SEC. 234. APPLICATION TO CANADA AND MEXICO.

Pursuant to article 1902 of the North American Free Trade Agreement and section 408 of the North American Free Trade Agreement Implementation Act, the amendments made by this title shall apply with respect to goods from Canada and Mexico.

Subtitle B—Subsidies Provisions

PART 1—COUNTERVAILABLE SUBSIDIES

SEC. 251. COUNTERVAILABLE SUBSIDY.

(a) IN GENERAL.—Section 771 (19 U.S.C. 1677) is amended by striking paragraph (5) and inserting the following:

"(5) COUNTERVAILABLE SUBSIDY.—

"(A) IN GENERAL.—Except as provided in paragraph (5B), a countervailable subsidy is a subsidy described in this paragraph which is specific as described in paragraph (5A).

"(B) SUBSIDY DESCRIBED.—A subsidy is described in this paragraph in the case in which an authority—

"(i) provides a financial contribution,

"(ii) provides any form of income or price support within the meaning of Article XVI of the GATT 1994, or

"(iii) makes a payment to a funding mechanism to provide a financial contribution, or entrusts or directs a private entity to make a financial contribution, if providing the contribution would normally be vested in the government and the practice does not differ in substance from practices normally followed by governments,

to a person and a benefit is thereby conferred. For purposes of this paragraph and paragraphs (5A) and (5B), the term 'authority' means a government of a country or any public entity within the territory of the country.

"(C) OTHER FACTORS.—The determination of whether a subsidy exists shall be made without regard to whether the recipient of the subsidy is publicly or privately owned and without regard to whether the subsidy is provided directly or indirectly on the manufacture, production, or export of merchandise. The administering authority is not required to consider the effect of the subsidy in determining whether a subsidy exists under this paragraph.

"(D) FINANCIAL CONTRIBUTION.—The term 'financial contribution' means—

"(i) the direct transfer of funds, such as grants, loans, and equity infusions, or the potential direct transfer of funds or liabilities, such as loan guarantees,

"(ii) foregoing or not collecting revenue that is otherwise due, such as granting tax credits or deductions from taxable income,

"(iii) providing goods or services, other than general infrastructure, or

"(iv) purchasing goods.

"(E) BENEFIT CONFERRED.—A benefit shall normally be treated as conferred where there is a benefit to the recipient, including—

"(i) in the case of an equity infusion, if the investment decision is inconsistent with the usual investment practice of private investors, including the practice regarding the provision of risk capital, in the country in which the equity infusion is made,

"(ii) in the case of a loan, if there is a difference between the amount the recipient of the loan pays on the loan and the amount the recipient would pay on a comparable commercial loan that the recipient could actually obtain on the market,

"(iii) in the case of a loan guarantee, if there is a difference, after adjusting for any difference in guarantee fees, between the amount the recipient of the guarantee pays on the guaranteed loan and the amount the recipient would pay for a comparable commercial loan if there were no guarantee by the authority, and

"(iv) in the case where goods or services are provided, if such goods or services are provided for less than adequate remuneration, and in the case where goods are purchased, if such goods are purchased for more than adequate remuneration.

For purposes of clause (iv), the adequacy of remuneration shall be determined in relation to prevailing market conditions for the good or service being provided or the goods being purchased in the country which is subject to the investigation or review. Prevailing market conditions include price, quality, availability, marketability, transportation, and other conditions of purchase or sale.

"(F) CHANGE IN OWNERSHIP.—A change in ownership of all or part of a foreign enterprise or the productive assets of a foreign enterprise does not by itself require a determination by the administering authority that a past countervailable subsidy received by the enterprise no longer continues to be countervailable, even if the change in ownership is accomplished through an arm's length transaction.

"(5A) SPECIFICITY.—

"(A) IN GENERAL.—A subsidy is specific if it is an export subsidy described in subparagraph (B) or an import substitution subsidy described in subparagraph (C), or if it is determined to be specific pursuant to subparagraph (D).

"(B) EXPORT SUBSIDY.—An export subsidy is a subsidy that is, in law or in fact, contingent upon export performance, alone or as 1 of 2 or more conditions.

"(C) IMPORT SUBSTITUTION SUBSIDY.—An import substitution subsidy is a subsidy that is contingent upon the use of domestic goods over imported goods, alone or as 1 of 2 or more conditions.

"(D) DOMESTIC SUBSIDY.—In determining whether a subsidy (other than a subsidy described in subparagraph (B) or (C)) is a specific subsidy, in law or in fact, to an enterprise or industry within the jurisdiction of the authority providing the subsidy, the following guidelines shall apply:

"(i) Where the authority providing the subsidy, or the legislation pursuant to which the authority operates, expressly limits access to the subsidy to an enterprise or industry, the subsidy is specific as a matter of law.

"(ii) Where the authority providing the subsidy, or the legislation pursuant to which the authority operates, establishes objective criteria or conditions governing the eligibility for, and the amount of, a subsidy, the subsidy is not specific as a matter of law, if—

"(I) eligibility is automatic,

"(II) the criteria or conditions for eligibility are strictly followed, and

"(III) the criteria or conditions are clearly set forth in the relevant statute, regulation, or other official document so as to be capable of verification.

For purposes of this clause, the term 'objective criteria or conditions' means criteria or conditions that are neutral and that do not favor one enterprise or industry over another.

"(iii) Where there are reasons to believe that a subsidy may be specific as a matter of fact, the subsidy is specific if one or more of the following factors exist:

"(I) The actual recipients of the subsidy, whether considered on an enterprise or industry basis, are limited in number.

"(II) An enterprise or industry is a predominant user of the subsidy.

"(III) An enterprise or industry receives a disproportionately large amount of the subsidy.

"(IV) The manner in which the authority providing the subsidy has exercised discretion in the decision to grant the subsidy indicates that an enterprise or industry is favored over others.

In evaluating the factors set forth in subclauses (I), (II), (III), and (IV), the administering authority shall take into account the extent of diversification of economic activities within the jurisdiction of the authority providing the subsidy, and the length of time during which the subsidy program has been in operation.

"(iv) Where a subsidy is limited to an enterprise or industry located within a designated geographical region within the jurisdiction of the authority providing the subsidy, the subsidy is specific.

For purposes of this paragraph and paragraph (5B), any reference to an enterprise or industry is a reference to a foreign enterprise or foreign industry and includes a group of such enterprises or industries.

"(5B) CATEGORIES OF NONCOUNTERVAILABLE SUBSIDIES.—

"(A) IN GENERAL.—Notwithstanding the provisions of paragraphs (5) and (5A), in the case of merchandise imported from a Subsidies Agreement country, a subsidy shall be treated as noncountervailable if the administering authority determines in an investigation under subtitle A or a review under subtitle C that the subsidy meets all of the criteria described in subparagraph (B), (C), or (D), as the case may be, or the provisions of subparagraph (E)(i) apply.

"(B) RESEARCH SUBSIDY.—

"(i) IN GENERAL.—Except for a subsidy provided on the manufacture, production, or export of civil aircraft, a subsidy for research activities conducted by a person, or by a higher education or research establishment on a contract basis with a person, shall be treated as noncountervailable, if the subsidy covers not more than 75 percent of the costs of industrial research or not more than 50 percent of the costs of precompetitive development activity, and such subsidy is limited exclusively to—

"(I) the costs of researchers, technicians, and other supporting staff employed exclusively in the research activity,

"(II) the costs of instruments, equipment, land, or buildings that are used exclusively and permanently (except when disposed of on a commercial basis) for the research activity,

"(III) the costs of consultancy and equivalent services used exclusively for the research activity, including costs for bought-in research, technical knowledge, and patents,

"(IV) additional overhead costs incurred directly as a result of the research activity, and

"(V) other operating costs (such as materials and supplies) incurred directly as a result of the research activity.

"(ii) DEFINITIONS.—For purposes of this subparagraph—

"(I) INDUSTRIAL RESEARCH.—The term 'industrial research' means planned search or critical investigation aimed at the discovery of new knowledge, with the objective that such knowledge may be useful in developing new products, processes, or services, or in bringing about a significant improvement to existing products, processes, or services.

"(II) PRECOMPETITIVE DEVELOPMENT ACTIVITY.—The term 'precompetitive development activity' means the translation of industrial research findings into a plan, blueprint, or design for new, modified, or improved products, processes, or services, whether intended for sale or use, including the creation of a first prototype that would not be capable of commercial use. The term also may include the conceptual formulation and design of products, processes, or services alternatives and initial demonstration or pilot projects, if these same projects cannot be converted or used for industrial application or commercial exploitation. The term does not include routine or periodic alterations to existing products, production lines, manufacturing processes, services, or other ongoing operations even if those alterations may represent improvements.

"(iii) CALCULATION RULES.—

"(I) IN GENERAL.—In the case of a research activity that spans both industrial research and precompetitive development activity, the allowable level of the noncountervailable subsidy shall not exceed 62.5 percent of the costs set forth in subclauses (I), (II), (III), (IV), and (V) of clause (i).

"(II) TOTAL ELIGIBLE COSTS.—The allowable level of a noncountervailable subsidy described in clause (i) shall be based on the total eligible costs incurred over the duration of a particular project.

"(C) SUBSIDY TO DISADVANTAGED REGIONS.—

"(i) IN GENERAL.—A subsidy provided, pursuant to a general framework of regional development, to a person located in a disadvantaged region within a country shall be treated as noncountervailable, if it is not specific (within the meaning of paragraph (5A)) within eligible regions and if the following conditions are met:

"(I) Each region identified as disadvantaged within the territory of a country is a clearly designated, contiguous geographical area with a definable economic and administrative identity.

"(II) Each region is considered a disadvantaged region on the basis of neutral and objective criteria indicating that the region is disadvantaged because of more than temporary circumstances, and such criteria are clearly stated in the relevant statute, regulation, or other official document so as to be capable of verification.

"(III) The criteria described in subclause (II) include a measurement of economic development.

"(IV) Programs provided within a general framework of regional development include ceilings on the amount of assistance that can be granted to a subsidized project. Such ceilings are differentiated according to the different levels of development of assisted regions, and are expressed in terms of investment costs or costs of job creation. Within such ceilings, the distribution of assistance is sufficiently broad and even to avoid the predominant use of a subsidy by, or the provision of disproportionately large amounts of a subsidy to, an enterprise or industry as described in paragraph (5A)(D).

"(ii) MEASUREMENT OF ECONOMIC DEVELOPMENT.—For purposes of clause (i), the measurement of economic development shall be based on one or more of the following factors:

"(I) Per capita income, household per capita income, or per capita gross domestic product that does not exceed 85 percent of the average for the country subject to investigation or review.

"(II) An unemployment rate that is at least 110 percent of the average unemployment rate for the country subject to investigation or review.

The measurement of economic development shall cover a 3-year period, but may be a composite measurement and may include factors other than those set forth in this clause.

"(iii) DEFINITIONS.—For purposes of this subparagraph—

"(I) GENERAL FRAMEWORK OF REGIONAL DEVELOPMENT.—The term 'general framework of regional development' means that the regional subsidy programs are part of an internally consistent and generally applicable regional development policy, and that regional development subsidies are not granted in isolated geographical points having no, or virtually no, influence on the development of a region.

"(II) NEUTRAL AND OBJECTIVE CRITERIA.—The term 'neutral and objective criteria' means criteria that do not favor certain regions beyond what is appropriate for the elimination or reduction of regional disparities within the framework of the regional development policy.

"(D) SUBSIDY FOR ADAPTATION OF EXISTING FACILITIES TO NEW ENVIRONMENTAL REQUIREMENTS.—

"(i) IN GENERAL.—A subsidy that is provided to promote the adaptation of existing facilities to new environmental requirements that are imposed by statute or by regulation, and that result in greater constraints and financial burdens on the recipient of the subsidy, shall be treated as noncountervailable, if the subsidy—

"(I) is a one-time nonrecurring measure,

"(II) is limited to 20 percent of the cost of adaptation,

"(III) does not cover the cost of replacing and operating the subsidized investment, a cost that must be fully borne by the recipient,

"(IV) is directly linked and proportionate to the recipient's planned reduction of nuisances and pollution, and does not cover any manufacturing cost savings that may be achieved, and

"(V) is available to all persons that can adopt the new equipment or production processes.

"(ii) EXISTING FACILITIES.—For purposes of this subparagraph, the term 'existing facilities' means facilities that have been in operation for at least 2 years before the date on which the new environmental requirements are imposed.

"(E) NOTIFIED SUBSIDY PROGRAM.—

"(i) GENERAL RULE.—If a subsidy is provided pursuant to a program that has been notified in accordance with Article 8.3 of the Subsidies Agreement, the subsidy shall be treated as noncountervailable and shall not be subject to investigation or review under this title.

"(ii) EXCEPTION.—Notwithstanding clause (i), a subsidy shall be treated as countervailable if—

"(I) the Trade Representative notifies the administering authority that a determination has been made pursuant to Article 8.4 or 8.5 of the Subsidies Agreement that the subsidy, or the program pursuant to which the subsidy was provided, does not satisfy the conditions and criteria of Article 8.2 of the Subsidies Agreement; and

"(II) the subsidy is specific within the meaning of paragraph (5A).

"(F) CERTAIN SUBSIDIES ON AGRICULTURAL PRODUCTS.—Domestic support measures that are provided with respect to products listed

in Annex 1 to the Agreement on Agriculture, and that the administering authority determines conform fully to the provisions of Annex 2 to that Agreement, shall be treated as noncountervailable. Upon request by the administering authority, the Trade Representative shall provide advice regarding the interpretation and application of Annex 2.

"(G) PROVISIONAL APPLICATION.—

"(i) Subparagraphs (B), (C), (D), and (E) shall not apply on or after the first day of the month that is 66 months after the WTO Agreement enters into force, unless the provisions of such subparagraphs are extended pursuant to section 282(c) of the Uruguay Round Agreements Act.

"(ii) Subparagraph (F) shall not apply to imports from a WTO member country at the end of the 9-year period beginning on January 1, 1995. The Trade Representative shall determine the precise termination date for each WTO member country in accordance with paragraph (i) of Article 1 of the Agreement on Agriculture and such date shall be notified to the administering authority.".

(b) NET COUNTERVAILABLE SUBSIDY.—Section 771(6) (19 U.S.C. 1677(6)) is amended by inserting "countervailable" before "subsidy" each place it appears in the text and in the heading.

PART 2—REPEAL OF SECTION 303 AND CONFORMING AMENDMENTS

SEC. 261. REPEAL OF SECTION 303.

(a) IN GENERAL.—Section 303 of the Tariff Act of 1930 (19 U.S.C. 1303) is repealed effective on the effective date of this title.

(b) SAVINGS PROVISIONS.—

(1) CONTINUING EFFECT OF LEGAL DOCUMENTS.—All orders, determinations, and other administrative actions—

(A) which have been issued pursuant to an investigation conducted under section 303 of the Tariff Act of 1930, and

(B) which are in effect on the effective date of this title, or were final before such date and are to become effective on or after such date,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the administering authority, the International Trade Commission, or a court of competent jurisdiction, or by operation of law. Except as provided in paragraph (3), such orders or determinations shall be subject to review under section 751 of the Tariff Act of 1930 and, to the extent applicable, investigation under section 753 of such Act (as added by this title).

(2) PROCEEDINGS NOT AFFECTED.—The provisions of subsection (a) shall not affect any proceedings, including notices of proposed rulemaking, pending before the administering authority or the International Trade Commission on the effective date of this title with respect to such section 303. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, in accordance with such section 303 as in effect on the day before the effective date of this title and, except as provided in paragraph (3), shall be subject to review under section 751 of the Tariff Act of 1930 and, to the extent applicable, investigation under section 753 of such Act. Orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, set aside, or revoked in accordance with law by the administering authority, a court of competent jurisdiction, or by operation of law. Nothing in this section shall be deemed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this section had not been enacted.

(3) SUITS NOT AFFECTED.—The provisions of subsection (a) shall not affect the review pursuant to section 516A of the Tariff Act of 1930 of a countervailing duty order issued pursuant to an investigation conducted under section 303 of such Act or a review of a countervailing duty order issued under section 751 of such Act, if such review is pending or the time for filing such review has not expired on the effective date of this title.

(c) DEFINITION OF ADMINISTERING AUTHORITY.—For purposes of this section, the term "administering authority" has the meaning given such term by section 771(1) of the Tariff Act of 1930.

(d) CONFORMING AMENDMENTS.—

(1) IN GENERAL.—

(A) AMENDMENTS TO TRADE ACT OF 1974.—

(i) Section 331(d)(3) of the Trade Act of 1974 (19 U.S.C. 1303 note) is repealed.

(ii) Section 152(a)(2) of the Trade Act of 1974 (19 U.S.C. 2192(a)(2)) is amended by striking "(A) in the case of" and all that follows through "(B)".

(iii) Section 154(a) of the Trade Act of 1974 (19 U.S.C. 2194(a)) is amended by striking "or section 303(e) of the Tariff Act of 1930,".

(B) AMENDMENTS TO TARIFF ACT OF 1930.—The following sections of the Tariff Act of 1930 are amended:

(i) Section 315(d) (19 U.S.C. 1315(d)) is amended by inserting "(as in effect on the day before the effective date of title II of the Uruguay Round Agreements Act) or section 701" after "section 303".

(ii) Section 337(b)(3) (19 U.S.C. 1337(b)(3)) is amended—

(I) by striking "of section 303 or subtitle B of title VII of the Tariff Act of 1930" and inserting "of subtitle B of title VII of this Act",

(II) by striking "section 303, 671, or 673" and inserting "section 701 or 731",

(III) by striking "section 303, 701," and inserting "section 701",

(IV) by striking "of the Secretary under section 303 of this Act or", and

(V) by striking "matter within such section 303, 701, or" and inserting "matter within such section 701 or".

(iii) Section 701 (19 U.S.C. 1671) is amended by striking subsection (f).

(iv) Section 780(c)(1) (19 U.S.C. 1677i(c)(1)) is amended by striking ", 732(a), or 303" and inserting "or 732(a)".

(C) OTHER REFERENCES.—Any reference to section 303 in any other Federal law, Executive order, rule, or regulation shall be treated as a reference to section 303 of the Tariff Act of 1930 as in effect on the day before the effective date of title II of this Act.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on the effective date of this title.

SEC. 262. IMPOSITION OF COUNTERVAILING DUTIES.

Section 701 (a), (b), and (c) (19 U.S.C. 1671 (a), (b), and (c)) are amended to read as follows:

"(a) GENERAL RULE.—If—

"(1) the administering authority determines that the government of a country or any public entity within the territory of a country is providing, directly or indirectly, a countervailable subsidy with respect to the manufacture, production, or export of a class or kind of merchandise imported, or sold (or likely to be sold) for importation, into the United States, and

"(2) in the case of merchandise imported from a Subsidies Agreement country, the Commission determines that—

"(A) an industry in the United States—

"(i) is materially injured, or

"(ii) is threatened with material injury, or

"(B) the establishment of an industry in the United States is materially retarded,

by reason of imports of that merchandise or by reason of sales (or the likelihood of sales) of that merchandise for importation,

then there shall be imposed upon such merchandise a countervailing duty, in addition to any other duty imposed, equal to the amount of the net countervailable subsidy. For purposes of this subsection and section 705(b)(1), a reference to the sale of merchandise includes the entering into of any leasing arrangement regarding the merchandise that is equivalent to the sale of the merchandise.

"(b) SUBSIDIES AGREEMENT COUNTRY.—For purposes of this title, the term 'Subsidies Agreement country' means—

"(1) a WTO member country,

"(2) a country which the President has determined has assumed obligations with respect to the United States which are substantially equivalent to the obligations under the Subsidies Agreement, or

"(3) a country with respect to which the President determines that—

"(A) there is an agreement in effect between the United States and that country which—

"(i) was in force on the date of the enactment of the Uruguay Round Agreements Act, and

"(ii) requires unconditional most-favored-nation treatment with respect to articles imported into the United States, and

"(B) the agreement described in subparagraph (A) does not expressly permit—

"(i) actions required or permitted by the GATT 1947 or GATT 1994, as defined in section 2(1) of the Uruguay Round Agreements Act, or required by the Congress, or

"(ii) nondiscriminatory prohibitions or restrictions on importation which are designed to prevent deceptive or unfair practices.

"(c) COUNTERVAILING DUTY INVESTIGATIONS INVOLVING IMPORTS NOT ENTITLED TO A MATERIAL INJURY DETERMINATION.—In the case of any article or merchandise imported from a country which is not a Subsidies Agreement country—

"(1) no determination by the Commission under section 703(a), 704, or 705(b) shall be required,

"(2) an investigation may not be suspended under section 704(c) or 704(l),

"(3) no determination as to the presence of critical circumstances shall be made under section 703(e) or 705(a)(2),

"(4) section 706(c) shall not apply,

"(5) any reference to a determination described in paragraph (1) or (3), or to the suspension of an investigation under section 704(c) or 704(l), shall be disregarded, and

"(6) section 751(c) shall not apply.".

SEC. 263. DE MINIMIS COUNTERVAILABLE SUBSIDY.

(a) PRELIMINARY DETERMINATIONS.—Section 703(b) (19 U.S.C. 1671b(b)) is amended by adding at the end the following new paragraph:

"(4) DE MINIMIS COUNTERVAILABLE SUBSIDY.—

"(A) GENERAL RULE.—In making a determination under this subsection, the administering authority shall disregard any de minimis countervailable subsidy. For purposes of the preceding sentence, a countervailable subsidy is de minimis if the administering authority determines that the

aggregate of the net countervailable subsidies is less than 1 percent ad valorem or the equivalent specific rate for the subject merchandise.

"(B) EXCEPTION FOR DEVELOPING COUNTRIES.—In the case of subject merchandise imported from a Subsidies Agreement country (other than a country to which subparagraph (C) applies) designated by the Trade Representative as a developing country in accordance with section 771(36), a countervailable subsidy is de minimis if the administering authority determines that the aggregate of the net countervailable subsidies does not exceed 2 percent ad valorem or the equivalent specific rate for the subject merchandise.

"(C) CERTAIN OTHER DEVELOPING COUNTRIES.—In the case of subject merchandise imported from a Subsidies Agreement country that is—

"(i) a least developed country, as determined by the Trade Representative in accordance with section 771(36), or

"(ii) a developing country with respect to which the Trade Representative has notified the administering authority that the country has eliminated its export subsidies on an expedited basis within the meaning of Article 27.11 of the Subsidies Agreement,

subparagraph (B) shall be applied by substituting '3 percent' for '2 percent'.

"(D) LIMITATIONS ON APPLICATION OF SUBPARAGRAPH (C).—

"(i) IN GENERAL.—In the case of a country described in subparagraph (C)(i), the provisions of subparagraph (C) shall not apply after the date that is 8 years after the date the WTO Agreement enters into force.

"(ii) SPECIAL RULE FOR SUBPARAGRAPH (C)(ii) COUNTRIES.—In the case of a country described in subparagraph (C)(ii), the provisions of subparagraph (C) shall not apply after the earlier of—

"(I) the date that is 8 years after the date the WTO Agreement enters into force, or

"(II) the date on which the Trade Representative notifies the administering authority that such country is providing an export subsidy.".

(b) FINAL DETERMINATIONS.—Section 705(a) (19 U.S.C. 1671d(a)) is amended by adding at the end the following new paragraph:

"(3) DE MINIMIS COUNTERVAILABLE SUBSIDY.—In making a determination under this subsection, the administering authority shall disregard any countervailable subsidy that is de minimis as defined in section 703(b)(4).".

SEC. 264. DETERMINATION OF COUNTERVAILABLE SUBSIDY RATE.

(a) PRELIMINARY DETERMINATION.—Section 703(d) (19 U.S.C. 1673b(d)) is amended—

(1) by striking paragraph (2);

(2) by redesignating paragraph (1), as amended by section 215(a)(1), as paragraph (2);

(3) by inserting "and" at the end of paragraph (2), as so redesignated; and

(4) by inserting before such paragraph (2) the following new paragraph:

"(1)(A) shall—

"(i) determine an estimated individual countervailable subsidy rate for each exporter and producer individually investigated, and, in accordance with section 705(c)(5), an estimated all-others rate for all exporters and producers not individually investigated and for new exporters and producers within the meaning of section 751(a)(2)(B), or

"(ii) if section 777A(e)(2)(B) applies, determine a single estimated country-wide subsidy rate, applicable to all exporters and producers, and

"(B) shall order the posting of a cash deposit, bond, or other security, as the administering authority deems appropriate, for each entry of the subject merchandise in an amount based on the estimated individual countervailable subsidy rate, the estimated all-others rate, or the estimated country-wide subsidy rate, whichever is applicable,".

(b) FINAL DETERMINATION.—

(1) IN GENERAL.—Section 705(c)(1) (19 U.S.C. 1671d(c)(1)) is amended—

(A) in subparagraph (B)—

(i) by redesignating such subparagraph as subparagraph (C); and

(ii) by striking "under paragraphs (1) and (2)" and all that follows through "security" and inserting "the suspension of liquidation under paragraph (2) of section 703(d)";

(B) by striking "and" at the end of subparagraph (A); and

(C) by inserting after subparagraph (A) the following new subparagraph:

"(B)(i) the administering authority shall—

"(I) determine an estimated individual countervailable subsidy rate for each exporter and producer individually investigated, and, in accordance with paragraph (5), an estimated all-others rate for all exporters and producers not individually investigated and for new exporters and producers within the meaning of section 751(a)(2)(B), or

"(II) if 777A(e)(2)(B) applies, determine a single estimated country-wide subsidy rate, applicable to all exporters and producers,

"(ii) shall order the posting of a cash deposit, bond, or other security, as the administering authority deems appropriate, for each entry of the subject merchandise in an amount based on the estimated individual countervailable subsidy rate, the estimated all-others rate, or the estimated country-wide subsidy rate, whichever is applicable, and".

(2) METHOD FOR DETERMINING COUNTERVAILABLE SUBSIDY RATE.—Section 705(c) (19 U.S.C. 1671d(c)) is amended by adding at the end the following new paragraph:

"(5) METHOD FOR DETERMINING THE ALL-OTHERS RATE AND THE COUNTRY-WIDE SUBSIDY RATE.—

"(A) ALL-OTHERS RATE.—

"(i) GENERAL RULE.—For purposes of this subsection and section 703(d), the all-others rate shall be an amount equal to the weighted average countervailable subsidy rates established for exporters and producers individually investigated, excluding any zero and de minimis countervailable subsidy rates, and any rates determined entirely under section 776.

"(ii) EXCEPTION.—If the countervailable subsidy rates established for all exporters and producers individually investigated are zero or de minimis rates, or are determined entirely under section 776, the administering authority may use any reasonable method to establish an all-others rate for exporters and producers not individually investigated, including averaging the weighted average countervailable subsidy rates determined for the exporters and producers individually investigated.

"(B) COUNTRY-WIDE SUBSIDY RATE.—The administering authority may calculate a single country-wide subsidy rate, applicable to all exporters and producers, if the administering authority limits its examination pursuant to section 777A(e)(2)(B). The estimated country-wide rate determined under section 703(d)(1)(A)(ii) or paragraph (1)(B)(i)(II) of this subsection shall be based on industry-wide data regarding the use of subsidies determined to be countervailable.".

(c) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 703(b)(2) is amended—

(A) by striking "subsection (b)(1)" and inserting "paragraph (1)",

(B) by striking "subsection 702(b)(3)" and inserting "section 702(b)(3)",

(C) by striking "subsection 703(b)(1)" and inserting "paragraph (1)", and

(D) by striking "section 703(c)" and inserting "subsection (c) of this section".

(2) Section 703(e)(2) is amended by striking "subsection (d)(1)" and inserting "subsection (d)(2)".

(3) Section 704(f)(2)(A) is amended—

(A) in clause (i), by striking "section 703(d)(1)" and inserting "section 703(d)(2)"; and

(B) in clause (iii), by striking "section 703(d)(1)" and inserting "section 703(d)(1)(B)".

(4) Section 704(f)(2)(B) is amended—

(A) by striking "section 703(d)(1)" and inserting "section 703(d)(2)"; and

(B) by striking "section 703(d)(2)" and inserting "section 703(d)(1)(B)".

(5) Section 704(h)(3) is amended—

(A) in subparagraph (A), by striking "section 703(d)(1)" and inserting "section 703(d)(2)"; and

(B) in subparagraph (B), by striking "section 703(d)(2)" and inserting "section 703(d)(1)(B)".

(6) Section 704(i)(1)(A) is amended by striking "section 703(d)(1)" and inserting "section 703(d)(2)".

(7) Section 705(c)(2) is amended—

(A) in subparagraph (A), by striking "section 703(d)(1)" and inserting "section 703(d)(2)"; and

(B) in subparagraph (B), by striking "section 703(d)(2)" and inserting "section 703(d)(1)(B)".

(8) Section 705(c)(3)(B) is amended by striking "section 703(d)(2)" and inserting "section 703(d)(1)(B)".

(9) Section 706(b)(1) is amended by striking "section 703(d)(1)" each place it appears and inserting "section 703(d)(2)".

(10) Section 707(a) is amended—

(A) by striking "section 703(d)(2)" and inserting "section 703(d)(1)(B)", and

(B) by striking "Section 703(d)(2)" in the heading and inserting "Section 703(d)(1)(B)".

(11) Section 708 is amended by striking "section 703(d)(2)" and inserting "section 703(d)(1)(B)".

SEC. 265. ASSESSMENT OF COUNTERVAILING DUTY.

Section 706(a) (19 U.S.C. 1671e(a)) is amended—

(1) by striking paragraph (2); and

(2) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

SEC. 266. NATURE OF COUNTERVAILABLE SUBSIDY.

Section 771(7)(E)(i) (19 U.S.C. 1677(7)(E)(i)) is amended to read as follows:

"(i) NATURE OF COUNTERVAILABLE SUBSIDY.—In determining whether there is a threat of material injury, the Commission shall consider information provided to it by the administering authority regarding the nature of the countervailable subsidy granted by a foreign country (particularly whether the countervailable subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement) and the effects likely to be caused by the countervailable subsidy.".

SEC. 267. DEFINITION OF DEVELOPING AND LEAST-DEVELOPED COUNTRY.

Section 771 (19 U.S.C. 1677), as amended, is amended by adding at the end the following new paragraph:

"(36) DEVELOPING AND LEAST DEVELOPED COUNTRY.—

"(A) DEVELOPING COUNTRY.—The term 'developing country' means a country designated as a developing country by the Trade Representative.

"(B) LEAST DEVELOPED COUNTRY.—The term 'least developed country' means a country which the Trade Representative determines is—

"(i) a country referred to as a least developed country within the meaning of paragraph (a) of Annex VII to the Subsidies Agreement, or

"(ii) any other country listed in Annex VII to the Subsidies Agreement, but only if the country has a per capita gross national product of less than $1,000 per annum as measured by the most recent data available from the World Bank.

"(C) PUBLICATION OF LIST.—The Trade Representative shall publish in the Federal Register, and update as necessary, a list of—

"(i) developing countries that have eliminated their export subsidies on an expedited basis within the meaning of Article 27.11 of the Subsidies Agreement, and

"(ii) countries determined by the Trade Representative to be least developed or developing countries.

"(D) FACTORS TO CONSIDER.—In determining whether a country is a developing country under subparagraph (A), the Trade Representative shall consider such economic, trade, and other factors which the Trade Representative considers appropriate, including the level of economic development of such country (the assessment of which shall include a review of the country's per capita gross national product) and the country's share of world trade.

"(E) LIMITATION ON DESIGNATION.—A determination that a country is a developing or least developed country pursuant to this paragraph shall be for purposes of this title only and shall not affect the determination of a country's status as a developing or least developed country with respect to any other law.".

SEC. 268. UPSTREAM SUBSIDIES.

Section 771A(a) (19 U.S.C. 1677–1(a)) is amended—

(1) by striking the matter preceding paragraph (1) and paragraph (1) and inserting the following:

"(a) DEFINITION.—The term 'upstream subsidy' means any countervailable subsidy, other than an export subsidy, that—

"(1) is paid or bestowed by an authority (as defined in section 771(5)) with respect to a product (hereafter in this section referred to as an 'input product') that is used in the same country as the authority in the manufacture or production of merchandise which is the subject of a countervailing duty proceeding;", and

(2) in the flush sentence at the end thereof, by inserting "countervailable" before "subsidy".

SEC. 269. DETERMINATION OF COUNTERVAILABLE SUBSIDY RATE.

(a) IN GENERAL.—Section 777A (19 U.S.C. 1677f–1), as amended by section 229, is amended by adding at the end the following new subsection:

"(e) DETERMINATION OF COUNTERVAILABLE SUBSIDY RATE.—

"(1) GENERAL RULE.—In determining countervailable subsidy rates under section 703(d), 705(c), or 751(a), the administering authority shall determine an individual countervailable subsidy rate for each known exporter or producer of the subject merchandise.

"(2) EXCEPTION.—If the administering authority determines that it is not practicable to determine individual countervailable subsidy rates under paragraph (1) because of the large number of exporters or producers involved in the investigation or review, the administering authority may—

"(A) determine individual countervailable subsidy rates for a reasonable number of exporters or producers by limiting its examination to—

"(i) a sample of exporters or producers that the administering authority determines is statistically valid based on the information available to the administering authority at the time of selection, or

"(ii) exporters and producers accounting for the largest volume of the subject merchandise from the exporting country that the administering authority determines can be reasonably examined; or

"(B) determine a single country-wide subsidy rate to be applied to all exporters and producers.

The individual countervailable subsidy rates determined under subparagraph (A) shall be used to determine the all-others rate under section 705(c)(5).".

(b) CONFORMING AMENDMENTS.—

(1) The heading for section 777A, as amended by section 229, is amended by inserting **"and countervailable subsidy rate"** after **"margin"**

(2) The table of contents for title VII is amended by inserting "; determination of weighted average dumping margin and countervailable subsidy rate" after "averaging" in the item relating to section 777A.

SEC. 270. CONFORMING AMENDMENTS.

(a) COUNTERVAILABLE SUBSIDY.—

(1) Except as provided in paragraph (2), each of the following sections is amended by striking "subsidy" each place it appears in the text and in the heading and inserting "countervailable subsidy":

(A) Section 702(e) (19 U.S.C. 1671a(e)).

(B) Section 703(b)(1) (19 U.S.C. 1671b(b)(1)).

(C) Section 703(b)(2) (19 U.S.C. 1671b(b)(2)).

(D) Section 703(c)(1)(B)(i)(I) (19 U.S.C. 1671b(c)(1)(B)(i)(I)).

(E) Section 704 (19 U.S.C. 1671c).

(F) Section 705(a)(1) (19 U.S.C. 1671d(a)(1)).

(G) Section 705(a)(2) (19 U.S.C. 1671d(a)(2)).

(H) Section 706(a)(1) (19 U.S.C. 1671e(a)(1)).

(I) Section 761 (19 U.S.C. 1676).

(J) Section 762 (19 U.S.C. 1676a).

(K) Section 771A(b) (19 U.S.C. 1677–1(b)).

(L) Section 771A(c) (19 U.S.C. 1677–1(c)).

(M) Section 780(d)(1)(A)(ii) (19 U.S.C. 1677l(d)(1)(A)(ii)).

(N) Section 516A(a)(2)(B)(iv) (19 U.S.C. 1516a(a)(2)(B)(iv)).

(2)(A) The heading for section 704(b) (19 U.S.C. 1671c(b)) is amended by striking "Subsidy" and inserting "Countervailable Subsidy".

(B) The heading for section 771(A)(c) (19 U.S.C. 1677–1(c)) is amended by striking "Subsidy" and inserting "Countervailable Subsidy".

(b) COUNTERVAILABLE SUBSIDIES.—

(1) Except as provided in paragraph (2), each of the following sections is amended by striking "subsidies" each place it appears in the text and in the heading and inserting "countervailable subsidies":

(A) Section 701(d) (19 U.S.C. 1671(d)).

(B) Section 703(c)(1)(B)(i)(III) (19 U.S.C. 1671b(c)(1)(B)(1)(III)).

(C) Section 761 (19 U.S.C. 1676).

(D) Section 771B (19 U.S.C. 1677–2).

(2) The heading for section 761(a) and section 771B (19 U.S.C. 1676(a) and 1677–2) are each amended by striking "Subsidies" and inserting "Countervailable Subsidies".

(c) OTHER CONFORMING AMENDMENTS.—

(1) The heading for section 704(b) (19 U.S.C. 1671c(b)) is amended by striking "Subsidized Merchandise" and inserting "Subject Merchandise".

(2) Subparagraphs (C) and (D) of section 771(4) (19 U.S.C. 1677(4) (C) and (D)) are amended by striking "subsidized or" each place it appears and inserting "or imports of merchandise benefiting from a countervailable subsidy" after "imports".

(3) Section 771A (19 U.S.C. 1677–1), as amended, is amended in subsection (c), by striking "subsidization" and inserting "the countervailable subsidy".

(4) The table of contents for title VII is amended—

(A) in the item relating to section 771B, by inserting "countervailable" before "subsidies", and

(B) in the item relating to section 775, by striking "Subsidy" and inserting "Countervailable subsidy".

(d) SUBSIDIES AGREEMENT.—Section 702(e) (19 U.S.C. 1671a(e)) is amended by striking "Agreement" and inserting "Subsidies Agreement".

(e) SUBSIDIES AGREEMENT AND AGREEMENT ON AGRICULTURE.—Section 771(8) (19 U.S.C. 1677(8)) is amended to read as follows:

"(8) SUBSIDIES AGREEMENT; AGREEMENT ON AGRICULTURE.—

"(A) SUBSIDIES AGREEMENT.—The term 'Subsidies Agreement' means the Agreement on Subsidies and Countervailing Measures referred to in section 101(d)(12) of the Uruguay Round Agreements Act.

"(B) AGREEMENT ON AGRICULTURE.—The term 'Agreement on Agriculture' means the Agreement on Agriculture referred to in section 101(d)(2) of the Uruguay Round Agreements Act.".

PART 3—SECTION 303 INJURY INVESTIGATIONS

SEC. 271. SPECIAL RULES FOR INJURY INVESTIGATIONS FOR CERTAIN SECTION 303 COUNTERVAILING DUTY ORDERS AND INVESTIGATIONS.

(a) IN GENERAL.—Chapter 1 of subtitle C of title VII, as amended, is amended by inserting after section 752 the following new section:

"SEC. 753. SPECIAL RULES FOR INJURY INVESTIGATIONS FOR CERTAIN SECTION 303 COUNTERVAILING DUTY ORDERS AND INVESTIGATIONS.

"(a) IN GENERAL.—

"(1) INVESTIGATION BY THE COMMISSION UPON REQUEST.—In the case of a countervailing duty order described in paragraph (2), which—

"(A) applies to merchandise that is the product of a Subsidies Agreement country, and

"(B)(i) is in effect on the date on which such country becomes a Subsidies Agreement country, or

"(ii) is issued on a date that is after the date described in clause (i) pursuant to a court order in an action brought under section 516A,

the Commission, upon receipt of a request from an interested party described in section 771(9) (C), (D), (E), (F), or (G) for an injury investigation with respect to such order, shall initiate an investigation and shall determine whether an industry in the United States is likely to be materially injured by reason of imports of the subject merchandise if the order is revoked.

"(2) DESCRIPTION OF COUNTERVAILING DUTY ORDERS.—A countervailing duty order described in this paragraph is an order issued

under section 303 with respect to which the requirement of an affirmative determination of material injury under section 303(a)(2) was not applicable at the time such order was issued.

"(3) REQUIREMENTS OF REQUEST FOR INVESTIGATION.—A request for an investigation under this subsection shall be submitted—

"(A) in the case of an order described in paragraph (1)(B)(i), within 6 months after the date on which the country described in paragraph (1)(A) becomes a Subsidies Agreement country, or

"(B) in the case of an order described in paragraph (1)(B)(ii), within 6 months after the date the order is issued.

"(4) SUSPENSION OF LIQUIDATION.—With respect to entries of subject merchandise made on or after—

"(A) in the case of an order described in paragraph (1)(B)(i), the date on which the country described in paragraph (1)(A) becomes a Subsidies Agreement country, or

"(B) in the case of an order described in paragraph (1)(B)(ii), the date on which the order is issued,

liquidation shall be suspended at the cash deposit rate in effect on the date described in subparagraph (A) or (B) (whichever is applicable).

"(b) INVESTIGATION PROCEDURE AND SCHEDULE.—

"(1) COMMISSION PROCEDURE.—

"(A) IN GENERAL.—Except as otherwise provided in this section, the provisions of this title regarding evidence in and procedures for investigations conducted under subtitle A shall apply to investigations conducted by the Commission under this section.

"(B) TIME FOR COMMISSION DETERMINATION.—Except as otherwise provided in subparagraph (C), the Commission shall issue its determination under subsection (a)(1), to the extent possible, not later than 1 year after the date on which the investigation is initiated under this section.

"(C) SPECIAL RULE TO PERMIT ADMINISTRATIVE FLEXIBILITY.—In the case of requests for investigations received under this section within 1 year after the date on which the WTO Agreement enters into force with respect to the United States, the Commission may, after consulting with the administering authority, initiate its investigations in a manner that results in determinations being made in all such investigations during the 4-year period beginning on such date.

"(2) NET COUNTERVAILABLE SUBSIDY; NATURE OF SUBSIDY.—

"(A) NET COUNTERVAILABLE SUBSIDY.—The administering authority shall provide to the Commission the net countervailable subsidy that is likely to prevail if the order which is the subject of the investigation is revoked. The administering authority normally shall choose a net countervailable subsidy that was determined under section 705 or subsection (a) or (b)(1) of section 751. If the Commission considers the magnitude of the net countervailable subsidy in making its determination under this section, the Commission shall use the net countervailable subsidy provided by the administering authority.

"(B) NATURE OF SUBSIDY.—The administering authority shall inform the Commission of, and the Commission, in making its determination under this section, shall consider, the nature of the countervailable subsidy and whether the countervailable subsidy is a subsidy described in Article 3 or Article 6.1 of the Subsidies Agreement.

"(3) EFFECT OF COMMISSION DETERMINATION.—

"(A) AFFIRMATIVE DETERMINATION.—Upon being notified by the Commission that it has made an affirmative determination under subsection (a)(1)—

"(i) the administering authority shall order the termination of the suspension of liquidation required pursuant to subsection (a)(4), and

"(ii) the countervailing duty order shall remain in effect until revoked, in whole or in part, under section 751(d).

For purposes of section 751(c), a countervailing duty order described in this section shall be treated as issued on the date of publication of the Commission's determination under this subsection.

"(B) NEGATIVE DETERMINATION.—

"(i) IN GENERAL.—Upon being notified by the Commission that it has made a negative determination under subsection (a)(1), the administering authority shall revoke the countervailing duty order, and shall refund, with interest, any estimated countervailing duties collected during the period liquidation was suspended pursuant to subsection (a)(4).

"(ii) LIMITATION ON NEGATIVE DETERMINATION.—A determination by the Commission that revocation of the order is not likely to result in material injury to an industry by reason of imports of the subject merchandise shall not be based, in whole or in part, on any export taxes, duties, or other charges levied on the export of the subject merchandise to the United States that were specifically intended to offset the countervailable subsidy received.

"(4) COUNTERVAILING DUTY ORDERS WITH RESPECT TO WHICH NO REQUEST FOR INJURY INVESTIGATION IS MADE.—If, with respect to a countervailing duty order described in subsection (a), a request for an investigation is not made within the time required by subsection (a)(3), the Commission shall notify the administering authority that a negative determination has been made under subsection (a) and the provisions of paragraph (3)(B) shall apply with respect to the order.

"(c) PENDING AND SUSPENDED COUNTERVAILING DUTY INVESTIGATIONS.—If, on the date on which a country becomes a Subsidies Agreement country, there is a countervailing duty investigation in progress or suspended under section 303 that applies to merchandise which is a product of that country and with respect to which the requirement of an affirmative determination of material injury under section 303(a)(2) was not applicable at the time the investigation was initiated, the Commission shall—

"(1) in the case of an investigation in progress, make a final determination under section 705(b) within 75 days after the date of an affirmative final determination, if any, by the administering authority,

"(2) in the case of a suspended investigation to which section 704(i)(1)(B) applies, make a final determination under section 705(b) within 120 days after receiving notice from the administering authority of the resumption of the investigation pursuant to section 704(i), or within 45 days after the date of an affirmative final determination, if any, by the administering authority, whichever is later, or

"(3) in the case of a suspended investigation to which section 704(i)(1)(C) applies, treat the countervailing duty order issued pursuant to such section as if it were—

"(A) an order issued under subsection (a)(1)(B)(ii) for purposes of subsection (a)(3); and

"(B) an order issued under subsection (a)(1)(B)(i) for purposes of subsection (a)(4).

"(d) PUBLICATION IN FEDERAL REGISTER.—The administering authority or the Commission, as the case may be, shall publish in the Federal Register a notice of the initiation of any investigation, and a notice of any determination or revocation, made pursuant to this section.

"(e) REQUEST FOR SIMULTANEOUS EXPEDITED REVIEW UNDER SECTION 751(c).—

"(1) GENERAL RULE.—

"(A) REQUESTS FOR REVIEWS.—Notwithstanding section 751(c)(6)(A) and except as provided in subparagraph (B), an interested party may request a review of an order under section 751(c) at the same time the party requests an investigation under subsection (a), if the order involves the same or comparable subject merchandise. Upon receipt of such request, the administering authority, after consulting with the Commission, shall initiate a review of the order under section 751(c). The Commission shall combine such review with the investigation under this section.

"(B) EXCEPTION.—If the administering authority determines that the interested party who requested an investigation under this section is a related party or an importer within the meaning of section 771(4)(B), the administering authority may decline a request by such party to initiate a review of an order under section 751(c) which involves the same or comparable subject merchandise.

"(2) CUMULATION.—If a review under section 751(c) is initiated under paragraph (1), such review shall be treated as having been initiated on the same day as the investigation under this section, and the Commission may, in accordance with section 771(7)(G), cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which such investigations are treated as initiated on the same day.

"(3) TIME AND PROCEDURE FOR COMMISSION DETERMINATION.—The Commission shall render its determination in the investigation conducted under this section at the same time as the Commission's determination is made in the review under section 751(c) that is initiated pursuant to this subsection. The Commission shall in all other respects apply the procedures and standards set forth in section 751(c) to such section 751(c) reviews.".

(b) REVIEW OF DETERMINATIONS.—Section 516A(a)(2) (19 U.S.C. 1516a(a)(2)) is amended—

(1) in subparagraph (A)(i)(I), by striking "or (v)" and inserting "(v), or (viii)", and

(2) in subparagraph (B), by adding at the end the following:

"(viii) A determination by the Commission under section 753(a)(1).".

(c) CONFORMING AMENDMENT.—The table of contents for title VII, as amended, is amended by inserting after the item relating to section 752 the following new item:

"Sec. 753. Special rules for injury investigations for certain section 303 countervailing duty orders and investigations.".

PART 4—ENFORCEMENT OF UNITED STATES RIGHTS UNDER THE SUBSIDIES AGREEMENT

SEC. 281. SUBSIDIES ENFORCEMENT.

(a) ASSISTANCE REGARDING MULTILATERAL SUBSIDY REMEDIES.—The administering authority shall provide information to the public upon request, and, to the extent feasible, assistance and advice to interested parties concerning—

(1) remedies and benefits available under relevant provisions of the Subsidies Agreement, and

(2) the procedures relating to such remedies and benefits.

(b) PROHIBITED SUBSIDIES.—

(1) NOTIFICATION OF TRADE REPRESENTATIVE.—If the administering authority determines pursuant to title VII of the Tariff Act of 1930 that a class or kind of merchandise is benefiting from a subsidy which is prohibited under Article 3 of the Subsidies Agreement, the administering authority shall notify the Trade Representative and shall provide the Trade Representative with the information upon which the administering authority based its determination.

(2) REQUEST BY INTERESTED PARTY REGARDING PROHIBITED SUBSIDY.—An interested party may request that the administering authority determine if there is reason to believe that merchandise produced in a WTO member country is benefiting from a subsidy which is prohibited under Article 3 of the Subsidies Agreement. The request shall contain such information as the administering authority may require to support the allegations contained in the request. If the administering authority, after analyzing the request and other information reasonably available to the administering authority, determines that there is reason to believe that such merchandise is benefiting from a subsidy which is prohibited under Article 3 of the Subsidies Agreement, the administering authority shall so notify the Trade Representative, and shall include supporting information with the notification.

(c) SUBSIDIES ACTIONABLE UNDER THE AGREEMENT.—

(1) IN GENERAL.—If the administering authority determines pursuant to title VII of the Tariff Act of 1930 that a class or kind of merchandise is benefiting from a subsidy described in Article 6.1 of the Subsidies Agreement, the administering authority shall notify the Trade Representative, and shall provide the Trade Representative with the information upon which the administering authority based its determination.

(2) REQUEST BY INTERESTED PARTY REGARDING ADVERSE EFFECTS.—An interested party may request the administering authority to determine if there is reason to believe that a subsidy which is actionable under the Subsidies Agreement is causing adverse effects. The request shall contain such information as the administering authority may require to support the allegations contained in the request. At the request of the administering authority, the Commission shall assist the administering authority in analyzing the information pertaining to the existence of such adverse effects. If the administering authority, after analyzing the request and other information reasonably available to the administering authority, determines that there is reason to believe that a subsidy which is actionable under the Subsidies Agreement is causing adverse effects, the administering authority shall so notify the Trade Representative, and shall include supporting information with the notification.

(d) INITIATION OF SECTION 301 INVESTIGATION.—On the basis of the notification and information provided by the administering authority pursuant to subsection (b) or (c), such other information as the Trade Representative may have or obtain, and where applicable, after consultation with an interested party referred to in subsection (b)(2) or (c)(2), the Trade Representative shall, unless such interested party objects, determine as expeditiously as possible, in accordance with the procedures in section 302(b)(1) of the Trade Act of 1974 (19 U.S.C. 2412(b)(1)), whether to initiate an investigation pursuant to title III of that Act (19 U.S.C. 2411 et seq.). At the request of the Trade Representative, the administering authority and the Commission shall assist the Trade Representative in an investigation initiated pursuant to this subsection.

(e) NONACTIONABLE SUBSIDIES.—

(1) COMPLIANCE WITH ARTICLE 8 OF THE SUBSIDIES AGREEMENT.—

(A) MONITORING.—In order to monitor whether a subsidy meets the conditions and criteria described in Article 8.2 of the Subsidies Agreement and is nonactionable, the Trade Representative shall provide the administering authority on a timely basis with any information submitted or report made pursuant to Article 8.3 or 8.4 of the Subsidies Agreement regarding a notified subsidy program. The administering authority shall review such information and reports, and where appropriate, shall recommend to the Trade Representative that the Trade Representative seek pursuant to Article 8.3 or 8.4 of the Subsidies Agreement additional information regarding the notified subsidy program or a subsidy granted pursuant to the notified subsidy program. If the administering authority has reason to believe that a violation of Article 8 of the Subsidies Agreement exists, the administering authority shall so notify the Trade Representative, and shall include supporting information with the notification.

(B) REQUEST BY INTERESTED PARTY REGARDING VIOLATION OF ARTICLE 8.—An interested party may request the administering authority to determine if there is reason to believe that a violation of Article 8 of the Subsidies Agreement exists. The request shall contain such information as the administering authority may require to support the allegations contained in the request. If the administering authority, after analyzing the request and other information reasonably available to the administering authority, determines that additional information is needed, the administering authority shall recommend to the Trade Representative that the Trade Representative seek, pursuant to Article 8.3 or 8.4 of the Subsidies Agreement, additional information regarding the particular notified subsidy program or a subsidy granted pursuant to the notified subsidy program. If the administering authority determines that there is reason to believe that a violation of Article 8 of the Subsidies Agreement exists, the administering authority shall so notify the Trade Representative, and shall include supporting information with the notification.

(C) ACTION BY TRADE REPRESENTATIVE.—

(i) If the Trade Representative, on the basis of the notification and information provided by the administering authority pursuant to subparagraph (A) or (B), and such other information as the Trade Representative may have or obtain, and after consulting with the interested party referred to in subparagraph (B) and appropriate domestic industries, determines that there is reason to believe that a violation of Article 8 of the Subsidies Agreement exists, the Trade Representative shall invoke the procedures of Article 8.4 or 8.5 of the Subsidies Agreement.

(ii) For purposes of clause (i), the Trade Representative shall determine that there is reason to believe that a violation of Article 8 exists in any case in which the Trade Representative determines that a notified subsidy program or a subsidy granted pursuant to a notified subsidy program does not satisfy the conditions and criteria required for a nonactionable subsidy program under this Act, the Subsidies Agreement, and the statement of administrative action approved under section 101(a).

(D) NOTIFICATION OF ADMINISTERING AUTHORITY.—The Trade Representative shall notify the administering authority whenever a violation of Article 8 of the Subsidies Agreement has been found to exist pursuant to Article 8.4 or 8.5 of that Agreement.

(2) SERIOUS ADVERSE EFFECTS.—

(A) REQUEST BY INTERESTED PARTY.—An interested party may request the administering authority to determine if there is reason to believe that serious adverse effects resulting from a program referred to in Article 8.2 of the Subsidies Agreement exist. The request shall contain such information as the administering authority may require to support the allegations contained in the request.

(B) ACTION BY ADMINISTERING AUTHORITY.—Within 90 days after receipt of the request described in subparagraph (A), the administering authority, after analyzing the request and other information reasonably available to the administering authority, shall determine if there is reason to believe that serious adverse effects resulting from a program referred to in Article 8.2 of the Subsidies Agreement exist. If the determination of the administering authority is affirmative, it shall so notify the Trade Representative and shall include supporting information with the notification. The Commission shall assist the administering authority in analyzing the information pertaining to the existence of such serious adverse effects if the administering authority requests the Commission's assistance. If the subsidy program that is alleged to result in serious adverse effects has been the subject of a countervailing duty investigation or review under subtitle A or C of title VII of the Tariff Act of 1930, the administering authority shall take into account the determinations made by the administering authority and the Commission in such investigation or review and the administering authority shall complete its analysis as expeditiously as possible.

(C) ACTION BY TRADE REPRESENTATIVE.—The Trade Representative, on the basis of the notification and information provided by the administering authority pursuant to subparagraph (B), and such other information as the Trade Representative may have or obtain, shall determine as expeditiously as possible, but not later than 30 days after receipt of the notification provided by the administering authority, if there is reason to believe that serious adverse effects exist resulting from the subsidy program which is the subject of the administering authority's notification. The Trade Representative shall make an affirmative determination regarding the existence of such serious adverse effects unless the Trade Representative finds that the notification of the administering authority is not supported by the facts.

(D) CONSULTATIONS.—If the Trade Representative determines that there is reason to believe that serious adverse effects resulting from the subsidy program exist, the Trade Representative, unless the interested party referred to in subparagraph (A) objects, shall invoke the procedures of Article 9 of the Subsidies Agreement, and shall request consultations pursuant to Article 9.2 of the Subsidies Agreement with respect to such serious adverse effects. If such consultations have not resulted in a mutually acceptable solution within 60 days after the request is made for such consultations, the Trade Representative shall refer the matter to the Subsidies Committee pursuant to Article 9.3 of the Subsidies Agreement.

(E) DETERMINATION BY SUBSIDIES COMMITTEE.—If the Trade Representative determines that—

(i) the Subsidies Committee has been prevented from making an affirmative determination regarding the existence of serious adverse effects under Article 9 of the Subsidies Agreement by reason of the refusal of the WTO member country with respect to which the consultations have been invoked to join in an affirmative consensus—

(I) that such serious adverse effects exist, or

(II) regarding a recommendation to such WTO member country to modify the subsidy program in such a way as to remove the serious adverse effects, or

(ii) the Subsidies Committee has not presented its conclusions regarding the existence of such serious adverse effects within 120 days after the date the matter was referred to it, as required by Article 9.4 of the Subsidies Agreement,

the Trade Representative shall, within 30 days after such determination, make a determination under section 304(a)(1) of the Trade Act of 1974 (19 U.S.C. 2414(a)(1)) regarding what action to take under section 301(a)(1)(A) of that Act.

(F) NONCOMPLIANCE WITH COMMITTEE RECOMMENDATION.—In the event that the Subsidies Committee makes a recommendation under Article 9.4 of the Subsidies Agreement and the WTO member country with respect to which such recommendation is made does not comply with such recommendation within 6 months after the date of the recommendation, the Trade Representative shall make a determination under section 304(a)(1) of the Trade Act of 1974 (19 U.S.C. 2414(a)(1)) regarding what action to take under section 301(a) of that Act.

(f) NOTIFICATION, CONSULTATION, AND PUBLICATION.—

(1) NOTIFICATION OF CONGRESS.—The Trade Representative shall submit promptly to the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, and other appropriate committees of the Congress any information submitted or report made pursuant to Article 8.3 or 8.4 of the Subsidies Agreement regarding a notified subsidy program.

(2) PUBLICATION IN THE FEDERAL REGISTER.—The administering authority shall publish regularly in the Federal Register a summary notice of any information submitted or report made pursuant to Article 8.3 or 8.4 of the Subsidies Agreement regarding notified subsidy programs.

(3) CONSULTATIONS WITH CONGRESS AND PRIVATE SECTOR.—The Trade Representative and the administering authority promptly shall consult with the committees referred to in paragraph (1), and with interested representatives of the private sector, regarding all information submitted or reports made pursuant to Article 8.3 or 8.4 of the Subsidies Agreement regarding a notified subsidy program.

(4) ANNUAL REPORT.—Not later than February 1 of each year beginning in 1996, the Trade Representative and the administering authority shall issue a joint report to the Congress detailing—

(A) the subsidies practices of major trading partners of the United States, including subsidies that are prohibited, are causing serious prejudice, or are nonactionable, under the Subsidies Agreement, and

(B) the monitoring and enforcement activities of the Trade Representative and the administering authority during the preceding calendar year which relate to subsidies practices.

(g) COOPERATION OF OTHER AGENCIES.—All agencies, departments, and independent agencies of the Federal Government shall cooperate fully with one another in carrying out the provisions of this section, and, upon the request of the administering authority, shall furnish to the administering authority all records, papers, and information in their possession which relate to the requirements of this section.

(h) DEFINITIONS.—For purposes of this section—

(1) ADVERSE EFFECTS.—The term "adverse effects" has the meaning given that term in Articles 5(a) and 5(c) of the Subsidies Agreement.

(2) ADMINISTERING AUTHORITY.—The term "administering authority" has the meaning given that term in section 771(1) of the Tariff Act of 1930 (19 U.S.C. 1677(1)).

(3) COMMISSION.—The term "Commission" means the United States International Trade Commission.

(4) INTERESTED PARTY.—The term "interested party" means a party described in subparagraph (C), (D), (E), (F), or (G) of section 771(9) of the Tariff Act of 1930 (19 U.S.C. 1677(9) (A), (C), (D), (E), (F), or (G)).

(5) NONACTIONABLE SUBSIDY.—The term "nonactionable subsidy" means a subsidy described in Article 8.1(b) of the Subsidies Agreement.

(6) NOTIFIED SUBSIDY PROGRAM.—The term "notified subsidy program" means a subsidy program which has been notified pursuant to Article 8.3 of the Subsidies Agreement.

(7) SERIOUS ADVERSE EFFECTS.—The term "serious adverse effects" has the meaning given that term in Article 9.1 of the Subsidies Agreement.

(8) SUBSIDIES AGREEMENT.—The term "Subsidies Agreement" means the Agreement on Subsidies and Countervailing Measures described in section 771(8) of the Tariff Act of 1930 (19 U.S.C. 1677(8)).

(9) SUBSIDIES COMMITTEE.—The term "Subsidies Committee" means the committee established pursuant to Article 24 of the Subsidies Agreement.

(10) SUBSIDY.—The term "subsidy" has the meaning given that term in Article 1 of the Subsidies Agreement.

(11) TRADE REPRESENTATIVE.—The term "Trade Representative" means the United States Trade Representative.

(12) VIOLATION OF ARTICLE 8.—The term "violation of Article 8" means the failure of a notified subsidy program or an individual subsidy granted pursuant to a notified subsidy program to meet the applicable conditions and criteria described in Article 8.2 of the Subsidies Agreement.

(i) TREATMENT OF PROPRIETARY INFORMATION.—Notwithstanding any other provision of law, the administering authority may provide the Trade Representative with a copy of proprietary information submitted to, or obtained by, the administering authority that the Trade Representative considers relevant in carrying out its responsibilities under this part. The Trade Representative shall protect from public disclosure proprietary information obtained from the administering authority under this part.

SEC. 282. REVIEW OF SUBSIDIES AGREEMENT.

(a) GENERAL OBJECTIVES.—The general objectives of the United States under this part are—

(1) to ensure that parts II and III of the Agreement on Subsidies and Countervailing Measures referred to in section 101(d)(12) (hereafter in this section referred to as the "Subsidies Agreement") are effective in disciplining the use of subsidies and in remedying the adverse effects of subsidies, and

(2) to ensure that part IV of the Subsidies Agreement does not undermine the benefits derived from any other part of that Agreement.

(b) SPECIFIC OBJECTIVE.—The specific objective of the United States under this part shall be to create a mechanism which will provide for an ongoing review of the operation of part IV of the Subsidies Agreement.

(c) SUNSET OF NONCOUNTERVAILABLE SUBSIDIES PROVISIONS.—

(1) IN GENERAL.—Subparagraphs (B), (C), (D), and (E) of section 771(5B) of the Tariff Act of 1930 shall cease to apply as provided in subparagraph (G)(i) of such section, unless, before the date referred to in such subparagraph (G)(i)—

(A) the Subsidies Committee determines to extend Articles 6.1, 8, and 9 of the Subsidies Agreement as in effect on the date on which the Subsidies Agreement enters into force or in a modified form, in accordance with Article 31 of such Agreement,

(B) the President consults with the Congress in accordance with paragraph (2), and

(C) an implementing bill is submitted and enacted into law in accordance with paragraphs (3) and (4).

(2) CONSULTATION WITH CONGRESS BEFORE SUBSIDIES COMMITTEE AGREES TO EXTEND.—Before a determination is made by the Subsidies Committee to extend Articles 6.1, 8, and 9 of the Subsidies Agreement, the President shall consult with the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate regarding such extension.

(3) IMPLEMENTATION OF EXTENSION.—

(A) NOTIFICATION AND SUBMISSION.—Any extension of subparagraphs (B), (C), (D), and (E) of section 771(5B) of the Tariff Act of 1930 shall take effect if (and only if)—

(i) after the Subsidies Committee determines to extend Articles 6.1, 8, and 9 of the Subsidies Agreement, the President submits to the committees referred to in paragraph (2) a copy of the document describing the terms of such extension, together with—

(I) a draft of an implementing bill,

(II) a statement of any administrative action proposed to implement the extension, and

(III) the supporting information described in subparagraph (C); and

(ii) the implementing bill is enacted into law.

(B) IMPLEMENTING BILL.—The implementing bill referred to in subparagraph (A) shall contain only those provisions that are necessary or appropriate to implement an extension of the provisions of section 771(5B) (B), (C), (D), and (E) of the Tariff Act of 1930 as in effect on the day before the date of the enactment of the implementing bill or as modified to reflect the determination of the Subsidies Committee to extend Articles 6.1, 8, and 9 of the Subsidies Agreement.

(C) SUPPORTING INFORMATION.—The supporting information required under subparagraph (A)(i)(III) consists of—

(i) an explanation as to how the implementing bill and proposed administrative action will change or affect existing law; and

(ii) a statement regarding—

(I) how the extension serves the interests of United States commerce, and

(II) why the implementing bill and proposed administrative action is required or appropriate to carry out the extension.

(4) APPLICATION OF CONGRESSIONAL "FAST TRACK" PROCEDURES TO IMPLEMENTING BILL.—Section 151 of the Trade Act of 1974 (19 U.S.C. 2191) is amended—

(A) in subsection (b)(1)—

(i) by inserting ", or with respect to an extension described in section 282(c)(3) of the

Uruguay Round Agreements Act," after "trade agreements",

(ii) by striking "or section 1103(a)(1) of the Omnibus Trade and Competitiveness Act of 1988" and inserting ", section 1103(a)(1) of the Omnibus Trade and Competitiveness Act of 1988, or section 282 of the Uruguay Round Agreements Act", and

(iii) by inserting "or such extension" in subparagraphs (A) and (C) after "agreements" each place it appears, and

(B) in subsection (c)(1)—

(i) by inserting "or section 282 of the Uruguay Round Agreements Act" after "section 102", and

(ii) by inserting "or extension" after "agreement" each place it appears.

(5) REPORT BY THE TRADE REPRESENTATIVE.—Not later than the date referred to in section 771 (5B) (G)(i) of the Tariff Act of 1930, the Trade Representative shall submit to the Congress a report setting forth the provisions of law which were enacted to implement Articles 6.1, 8, and 9 of the Subsidies Agreement and should be repealed or modified if such provisions are not extended.

(d) REVIEW OF THE OPERATION OF THE SUBSIDIES AGREEMENT.—The Secretary of Commerce, in consultation with other appropriate departments and agencies of the Federal Government, shall undertake an ongoing review of the operation of the Subsidies Agreement. The review shall address—

(1) the effectiveness of part II of the Subsidies Agreement in disciplining the use of subsidies which are prohibited under Article 3 of the Agreement,

(2) the effectiveness of part III and, in particular, Article 6.1 of the Subsidies Agreement, in remedying the adverse effects of subsidies which are actionable under the Agreement, and

(3) the extent to which the provisions of part IV of the Subsidies Agreement may have undermined the benefits derived from other parts of the Agreement, and, in particular—

(A) the extent to which WTO member countries have cooperated in reviewing and improving the operation of part IV of the Subsidies Agreement,

(B) the extent to which the provisions of Articles 8.4 and 8.5 of the Subsidies Agreement have been effective in identifying and remedying violations of the conditions and criteria described in Article 8.2 of the Agreement, and

(C) the extent to which the provisions of Article 9 of the Subsidies Agreement have been effective in remedying the serious adverse effects of subsidy programs described in Article 8.2 of the Agreement.

Not later than 4 years and 6 months after the date of the enactment of this Act, the Secretary of Commerce shall submit to the Congress a report on the review required under this subsection.

SEC. 283. AMENDMENTS TO TITLE VII OF THE TARIFF ACT OF 1930.

(a) PRELIMINARY DETERMINATION BY ADMINISTERING AUTHORITY.—Section 703(b) of the Tariff Act of 1930 (19 U.S.C. 1671b(b)), as amended, is amended by adding at the end the following new paragraph:

"(5) NOTIFICATION OF ARTICLE 8 VIOLATION.—If the only subsidy under investigation is a subsidy with respect to which the administering authority received notice from the Trade Representative of a violation of Article 8 of the Subsidies Agreement, paragraph (1) shall be applied by substituting '60 days' for '65 days'.".

(b) SUBSIDY PRACTICE DISCOVERED DURING A PROCEEDING.—Section 775 of the Tariff Act of 1930 (19 U.S.C. 1677d) is amended to read as follows:

"SEC. 775. COUNTERVAILABLE SUBSIDY PRACTICES DISCOVERED DURING A PROCEEDING.

"If, in the course of a proceeding under this title, the administering authority discovers a practice which appears to be a countervailable subsidy, but was not included in the matters alleged in a countervailing duty petition, or if the administering authority receives notice from the Trade Representative that a subsidy or subsidy program is in violation of Article 8 of the Subsidies Agreement, then the administering authority—

"(1) shall include the practice, subsidy, or subsidy program in the proceeding if the practice, subsidy, or subsidy program appears to be a countervailable subsidy with respect to the merchandise which is the subject of the proceeding, or

"(2) shall transfer the information (other than confidential information) concerning the practice, subsidy, or subsidy program to the library maintained under section 777(a)(1), if the practice, subsidy, or subsidy program appears to be a countervailable subsidy with respect to any other merchandise.".

(c) ADMINISTRATIVE REVIEWS.—Section 751 of the Tariff Act of 1930 (19 U.S.C. 1675), as amended, is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

"(g) REVIEWS TO IMPLEMENT RESULTS OF SUBSIDIES ENFORCEMENT PROCEEDING.—

"(1) VIOLATIONS OF ARTICLE 8 OF THE SUBSIDIES AGREEMENT.—If—

"(A) the administering authority receives notice from the Trade Representative of a violation of Article 8 of the Subsidies Agreement,

"(B) the administering authority has reason to believe that merchandise subject to an existing countervailing duty order or suspended investigation is benefiting from the subsidy or subsidy program found to have been in violation of Article 8 of the Subsidies Agreement, and

"(C) no review pursuant to subsection (a)(1) is in progress,

the administering authority shall conduct a review of the order or suspended investigation to determine whether the subject merchandise benefits from the subsidy or subsidy program found to have been in violation of Article 8 of the Subsidies Agreement. If the administering authority determines that the subject merchandise is benefiting from the subsidy or subsidy program, it shall make appropriate adjustments in the estimated duty to be deposited or appropriate revisions to the terms of the suspension agreement.

"(2) WITHDRAWAL OF SUBSIDY OR IMPOSITION OF COUNTERMEASURES.—If the Trade Representative notifies the administering authority that, pursuant to Article 4 or Article 7 of the Subsidies Agreement—

"(A)(i) the United States has imposed countermeasures, and

"(ii) such countermeasures are based on the effects in the United States of imports of merchandise that is the subject of a countervailing duty order, or

"(B) a WTO member country has withdrawn a countervailable subsidy provided with respect to merchandise subject to a countervailing duty order,

the administering authority shall conduct a review to determine if the amount of the estimated duty to be deposited should be adjusted or the order should be revoked.

"(3) EXPEDITED REVIEW.—The administering authority shall conduct reviews under this subsection on an expedited basis, and shall publish the results of such reviews in the Federal Register.".

Subtitle C—Effective Date

SEC. 291. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in section 261, the amendments made by this title shall take effect on the date described in subsection (b) and apply with respect to—

(1) investigations initiated —

(A) on the basis of petitions filed under section 702(b), 732(b), or 783(b) of the Tariff Act of 1930 after the date described in subsection (b), or

(B) by the administering authority under section 702(a) or 732(a) of such Act after such date,

(2) reviews initiated under section 751 of such Act—

(A) by the administering authority or the Commission on their own initiative after such date, or

(B) pursuant to a request filed after such date,

(3) investigations initiated under section 753 of such Act after such date,

(4) petitions filed under section 780 of such Act after such date, and

(5) inquiries initiated under section 781 of such Act—

(A) by the administering authority on its own initiative after such date, or

(B) pursuant to a request filed after such date.

(b) DATE DESCRIBED.—The date described in this subsection is the date on which the WTO Agreement (as defined in section 2(9)) enters into force with respect to the United States.

TITLE III—ADDITIONAL IMPLEMENTATION OF AGREEMENTS

Subtitle A—Safeguards

SEC. 301. INVESTIGATIONS, DETERMINATIONS, AND RECOMMENDATIONS BY INTERNATIONAL TRADE COMMISSION.

(a) TREATMENT OF CONFIDENTIAL INFORMATION.—Section 202(a)(8) of the Trade Act of 1974 (19 U.S.C. 2252(a)(8)) is amended by adding at the end the following: "The Commission may request that parties providing confidential business information furnish nonconfidential summaries thereof or, if such parties indicate that the information in the submission cannot be summarized, the reasons why a summary cannot be provided. If the Commission finds that a request for confidentiality is not warranted and if the party concerned is either unwilling to make the information public or to authorize its disclosure in generalized or summarized form, the Commission may disregard the submission.".

(b) ADMINISTRATIVE PROTECTIVE ORDERS.—Section 202 of the Trade Act of 1974 (19 U.S.C. 2252) is amended by adding at the end the following:

"(i) LIMITED DISCLOSURE OF CONFIDENTIAL BUSINESS INFORMATION UNDER PROTECTIVE ORDER..—The Commission shall promulgate regulations to provide access to confidential business information under protective order to authorized representatives of interested parties who are parties to an investigation under this section.".

(c) NOTICE OF PROCEEDINGS.—Section 202(b) of the Trade Act of 1974 (19 U.S.C. 2252(b)) is amended by striking paragraphs (3) and (4) and inserting the following:

"(3) The Commission shall publish notice of the commencement of any proceeding under this subsection in the Federal Register and shall, within a reasonable time thereafter, hold public hearings at which the Commission shall afford interested parties and

consumers an opportunity to be present, to present evidence, to comment on the adjustment plan, if any, submitted under subsection (a), to respond to the presentations of other parties and consumers, and otherwise to be heard.".

(d) CRITICAL CIRCUMSTANCES.—

(1) IN GENERAL.—Section 202(d)(2) of the Trade Act of 1974 (19 U.S.C. 2252(d)(2)) is amended to read as follows:

"(2)(A) When a petition filed under subsection (a) alleges that critical circumstances exist and requests that provisional relief be provided under this subsection with respect to imports of the article identified in the petition, the Commission shall, not later than 60 days after the petition containing the request was filed, determine, on the basis of available information, whether—

"(i) there is clear evidence that increased imports (either actual or relative to domestic production) of the article are a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article; and

"(ii) delay in taking action under this chapter would cause damage to that industry that would be difficult to repair.

"(B) If the determinations under subparagraph (A)(i) and (ii) are affirmative, the Commission shall find the amount or extent of provisional relief that is necessary to prevent or remedy the serious injury. In carrying out this subparagraph, the Commission shall give preference to increasing or imposing a duty on imports, if such form of relief is feasible and would prevent or remedy the serious injury.

"(C) The Commission shall immediately report to the President its determinations under subparagraph (A)(i) and (ii) and, if the determinations are affirmative, the finding under subparagraph (B).

"(D) Within 30 days after receiving a report from the Commission under subparagraph (C) containing an affirmative determination under subparagraph (A)(i) and (ii), the President, if he considers provisional relief to be warranted and after taking into account the finding of the Commission under subparagraph (B), shall proclaim, for a period not to exceed 200 days, such provisional relief that the President considers necessary to prevent or remedy the serious injury. Such relief shall take the form of an increase in, or the imposition of, a duty on imports, if such form of relief is feasible and would prevent or remedy the serious injury.".

(2) TIME LIMITS FOR DETERMINATIONS.—Section 202 of the Trade Act of 1974 (19 U.S.C. 2252) is amended—

(A) in subsection (b)(2)—

(i) in subparagraph (A) by inserting "(180 days if the petition alleges that critical circumstances exist)" after "120 days"; and

(ii) in subparagraph (B) by inserting "(210 days if the petition alleges that critical circumstances exist)" after "150 days"; and

(B) in subsection (f)(1) by inserting "(240 days if the petition alleges that critical circumstances exist)" after "180 days".

(3) ACTION BY THE PRESIDENT.—Section 203(a)(4) of the Trade Act of 1974 (19 U.S.C. 2253(a)(4)) is amended—

(A) by striking "The" and inserting "(A) Subject to subparagraph (B), the";

(B) by inserting after "60 days" the following: "(50 days if the President has proclaimed provisional relief under section 202(d)(2)(D) with respect to the article concerned)"; and

(C) by striking "; except that" and all that follows through "received." and inserting a period and the following:

"(B) If a supplemental report is requested under paragraph (5), the President shall take action under paragraph (1) within 30 days after the supplemental report is received, except that, in a case in which the President has proclaimed provisional relief under section 202(d)(2)(D) with respect to the article concerned, action by the President under paragraph (1) may not be taken later than the 200th day after the provisional relief was proclaimed.".

(4) CONFORMING AMENDMENTS.—Section 202(d) of the Trade Act of 1974 (19 U.S.C. 2252(d)) is amended—

(A) in paragraph (3)—

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

(ii) by striking "subsection (b)(1)" and inserting "paragraph (2)(A)"; and

(B) in paragraph (4)(A)(i) by inserting "or (2)(D)" after "(1)(G)".

(e) FACTORS IN MAKING DETERMINATIONS.—Section 202(c) of the Trade Act of 1974 (19 U.S.C. 2252(c)) is amended—

(1) in paragraph (1)(B)(i) by inserting "productivity," after "wages,"; and

(2) in paragraph (6)—

(A) by amending subparagraph (A) to read as follows:

"(A)(i) The term 'domestic industry' means, with respect to an article, the producers as a whole of the like or directly competitive article or those producers whose collective production of the like or directly competitive article constitutes a major proportion of the total domestic production of such article.

"(ii) The term 'domestic industry' includes producers located in the United States insular possessions."; and

(B) by adding at the end the following:

"(C) The term 'serious injury' means a significant overall impairment in the position of a domestic industry.

"(D) The term 'threat of serious injury' means serious injury that is clearly imminent.

(f) LIMITATIONS ON INVESTIGATIONS.—Section 202(h) of the Trade Act of 1974 (19 U.S.C. 2252(h)) is amended by adding at the end the following:

"(3)(A) Not later than the date on which the Textiles Agreement enters into force with respect to the United States, the Secretary of Commerce shall publish in the Federal Register a list of all articles that are subject to the Textiles Agreement. An investigation may be conducted under this section concerning imports of any article that is subject to the Textiles Agreement only if the United States has integrated that article into GATT 1994 pursuant to the Textiles Agreement, as set forth in notices published in the Federal Register by the Secretary of Commerce, including the notice published under section 331 of the Uruguay Round Agreements Act.

"(B) For purposes of this paragraph:

"(i) The term 'Textiles Agreement' means the Agreement on Textiles and Clothing referred to in section 101(d)(4) of the Uruguay Round Agreements Act.

"(ii) The term 'GATT 1994' has the meaning given that term in section 2(1)(B) of the Uruguay Round Agreements Act.".

SEC. 302. ACTION BY PRESIDENT AFTER DETERMINATION OF IMPORT INJURY.

(a) AUTHORITY TO ENTER INTO INTERNATIONAL AGREEMENTS.—Section 203 of the Trade Act of 1974 (19 U.S.C. 2253) is amended—

(1) in subsection (a)(3)(E) by striking "orderly marketing";

(2) in subsection (d)(1) by striking "orderly marketing agreements" and inserting "agreements described in subsection (a)(3)(E)";

(3) in subsection (f)—

(A) in the subsection heading by striking "ORDERLY MARKETING AND OTHER" and inserting "CERTAIN";

(B) in paragraph (1)—

(i) by striking "orderly marketing agreements" the first place it appears and inserting "agreements of the type described in subsection (a)(3)(E)"; and

(ii) by striking "orderly marketing agreements with foreign countries" and inserting "agreements of the type described in subsection (a)(3)(E)"; and

(C) in paragraph (2) by striking "orderly marketing agreement implemented under subsection (a)" and inserting "agreement implemented under subsection (a)(3)(E)"; and

(4) in subsection (g)(2)—

(A) in the first sentence by striking "orderly marketing or other"; and

(B) in the second sentence—

(i) by striking "orderly marketing agreement" and inserting "agreement of the type described in subsection (a)(3)(E) that is"; and

(ii) by striking "agreements" and inserting "agreement".

(b) LIMITATIONS ON ACTIONS.—

(1) DURATION OF ACTIONS.—Section 203(e)(1) of the Trade Act of 1974 (19 U.S.C. 2253(e)(1)) is amended to read as follows:

"(1)(A) Subject to subparagraph (B), the duration of the period in which an action taken under this section may be in effect shall not exceed 4 years. Such period shall include the period, if any, in which provisional relief under section 202(d) was in effect.

"(B)(i) Subject to clause (ii), the President, after receiving an affirmative determination from the Commission under section 204(c) (or, if the Commission is equally divided in its determination, a determination which the President considers to be an affirmative determination of the Commission), may extend the effective period of any action under this section if the President determines that—

"(I) the action continues to be necessary to prevent or remedy the serious injury; and

"(II) there is evidence that the domestic industry is making a positive adjustment to import competition.

"(ii) The effective period of any action under this section, including any extensions thereof, may not, in the aggregate, exceed 8 years.".

(2) LIMITATION ON QUANTITATIVE RESTRICTIONS.—Section 203(e)(4) of the Trade Act of 1974 (19 U.S.C. 2253(e)(4)) is amended to read as follows:

"(4) Any action taken under this section proclaiming a quantitative restriction shall permit the importation of a quantity or value of the article which is not less than the average quantity or value of such article entered into the United States in the most recent 3 years that are representative of imports of such article and for which data are available, unless the President finds that the importation of a different quantity or value is clearly justified in order to prevent or remedy the serious injury.".

(3) PHASING-DOWN OF ACTIONS.—Section 203(e)(5) of the Trade Act of 1974 (19 U.S.C. 2253(e)(5)) is amended to read as follows:

"(5) An action described in subsection (a)(3)(A), (B), or (C) that has an effective period of more than 1 year shall be phased

down at regular intervals during the period in which the action is in effect.".

(4) LIMITATIONS ON NEW ACTIONS AND INVESTIGATIONS OF SAME ARTICLE.—(A) Section 203(e) of the Trade Act of 1974 (19 U.S.C. 2253(e)) is amended by adding at the end the following:

"(7)(A) If an article was the subject of an action under subparagraph (A), (B), (C), or (E) of subsection (a)(3), no new action may be taken under any of those subparagraphs with respect to such article for—

"(i) a period beginning on the date on which the previous action terminates that is equal to the period in which the previous action was in effect, or

"(ii) a period of 2 years beginning on the date on which the previous action terminates,

whichever is greater.

"(B) Notwithstanding subparagraph (A), if the previous action under subparagraph (A), (B), (C), or (E) of subsection (a)(3) with respect to an article was in effect for a period of 180 days or less, the President may take a new action under any of those subparagraphs with respect to such article if—

"(i) at least 1 year has elapsed since the previous action went into effect; and

"(ii) an action described in any of those subparagraphs has not been taken with respect to such article more than twice in the 5-year period immediately preceding the date on which the new action with respect to such article first becomes effective.".

(B) Section 202(h)(2) of the Trade Act of 1974 (19 U.S.C. 2252(h)(2)) is amended to read as follows:

"(2) No new investigation shall be conducted with respect to an article that is or has been the subject of an action under section 203(a)(3)(A), (B), (C), or (E) if the last day on which the President could take action under section 203 in the new investigation is a date earlier than that permitted under section 203(e)(7).".

(c) REPORTS ON MONITORING.—Section 204(a) of the Trade Act of 1974 (19 U.S.C. 2354(a)) is amended—

(1) by amending paragraph (2) to read as follows:

"(2) If the initial period during which the action taken under section 203 is in effect exceeds 3 years, or if an extension of such action exceeds 3 years, the Commission shall submit a report on the results of the monitoring under paragraph (1) to the President and to the Congress not later than the date that is the mid-point of the initial period, and of each such extension, during which the action is in effect."; and

(2) in paragraph (4) by striking "extension,".

(d) INVESTIGATION OF EXTENSION OF ACTION.—Section 204 of the Trade Act of 1974 (19 U.S.C. 2254) is amended—

(1) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively; and

(2) by inserting after subsection (b) the following:

"(c) EXTENSION OF ACTION.—

"(1) Upon request of the President, or upon petition on behalf of the industry concerned filed with the Commission not earlier than the date which is 9 months, and not later than the date which is 6 months, before the date any action taken under section 203 is to terminate, the Commission shall investigate to determine whether action under section 203 continues to be necessary to prevent or remedy serious injury and whether there is evidence that the industry is making a positive adjustment to import competition.

"(2) The Commission shall publish notice of the commencement of any proceeding under this subsection in the Federal Register and shall, within a reasonable time thereafter, hold a public hearing at which the Commission shall afford interested parties and consumers an opportunity to be present, to present evidence, and to respond to the presentations of other parties and consumers, and otherwise to be heard.

"(3) The Commission shall transmit to the President a report on its investigation and determination under this subsection not later than 60 days before the action under section 203 is to terminate, unless the President specifies a different date.".

SEC. 303. MISCELLANEOUS AMENDMENTS.

Title II of the Trade Act of 1974 is amended as follows:

(1) Section 202(a)(2)(B)(ii) (19 U.S.C. 2252(a)(2)(B)(ii)) is amended by striking ", or at any time before the 150th day after the date of filing be amended to request,".

(2) Section 202(b)(1)(A) (19 U.S.C. 2252(b)(1)(A)) is amended by striking "(b)" and inserting "(a)".

(3) Section 202(d)(1) (19 U.S.C. 2252(d)(1)) is amended—

(A) in subparagraph (C)(i) by striking "paragraph (2)" and inserting "subparagraph (B)"; and

(B) by striking "or threat thereof" each place it appears in subparagraphs (E) and (G).

(4) Section 202(d)(4)(A)(i) (19 U.S.C. 2252(d)(4)(A)(i) is amended by striking "203(a)" and inserting "202(b)".

(5) Section 202(c)(6) (19 U.S.C. 2252(c)(6)) is amended by striking "subsection" and inserting "section".

(6) Section 202(f)(2)(G)(ii) (19 U.S.C. 2252(f)(2)(G)(ii)) is amended by striking "is" and inserting "are".

(7) Section 203(a)(2)(C) (19 U.S.C. 2253(a)(2)(C)) is amended by striking "201(b)" and inserting "202(a)".

(8) Section 203(c) (19 U.S.C. 2253(c)) is amended by striking "(c)(2)" and inserting "(d)(2)".

(9) Section 203(e)(2) (19 U.S.C. 2253(e)(2)) is amended—

(A) by striking "may be taken under subsection (a)(1)(A), (B), or (C) or under section 202(d)(2)(B)" and inserting "of a type described in subsection (a)(3)(A), (B), or (C) may be taken under subsection (a)(1), under section 202(d)(1)(G), or under section 202(d)(2)(D)"; and

(B) by striking "or threat thereof".

(10) Section 203(e)(6)(B) (19 U.S.C. 2253(e)(6)(B)) is amended—

(A) by striking "203(c)" and inserting "202(e)"; and

(B) by striking "203(a)" and inserting "202(b)".

SEC. 304. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), this subtitle and the amendments made by this subtitle take effect on the date on which the WTO Agreement enters into force with respect to the United States.

(b) SECTION 301(b).—The amendment made by section 301(b) takes effect on the date of the enactment of this Act.

Subtitle B—Foreign Trade Barriers and Unfair Trade Practices

SEC. 311. IDENTIFICATION OF FOREIGN ANTICOMPETITIVE PRACTICES.

(a) REPORT TO CONGRESS.—

(1) CONTENTS OF REPORT.—Section 181(b)(2) of the Trade Act of 1974 (19 U.S.C. 2241(b)(2)) is amended—

(A) in subparagraph (A) by striking "or" after the comma;

(B) in subparagraph (B) by striking the period and inserting ", or"; and

(C) by adding after subparagraph (B) the following:

"(C) a section on foreign anticompetitive practices, the toleration of which by foreign governments is adversely affecting exports of United States goods or services.".

(2) ASSISTANCE OF OTHER AGENCIES.—Section 181(c) of the Trade Act of 1974 (19 U.S.C. 2241(c)) is amended by adding at the end of paragraph (1) the following: "In preparing the section of the report required by subsection (b)(2)(C), the Trade Representative shall consult in particular with the Attorney General.".

SEC. 312. CONSULTATION WITH COMMITTEES.

Section 181(b)(3) of the Trade Act of 1974 (19 U.S.C. 2241(b)(3)) is amended by adding at the end the following: "After the submission of the report required by paragraph (1), the Trade Representative shall also consult periodically with, and take into account the views of, the committees described in that paragraph regarding means to address the foreign trade barriers identified in the report, including the possible initiation of investigations under section 302 or other trade actions.".

SEC. 313. IDENTIFICATION OF COUNTRIES THAT DENY PROTECTION OF INTELLECTUAL PROPERTY RIGHTS.

Section 182 of the Trade Act of 1974 (19 U.S.C. 2242) is amended—

(1) in subsection (b) by adding at the end the following:

"(4) In identifying foreign countries under paragraphs (1) and (2) of subsection (a), the Trade Representative shall take into account—

"(A) the history of intellectual property laws and practices of the foreign country, including any previous identification under subsection (a)(2), and

"(B) the history of efforts of the United States, and the response of the foreign country, to achieve adequate and effective protection and enforcement of intellectual property rights."; and

(2) in subsection (d)—

(A) in paragraph (3) by amending the matter preceding subparagraph (A) to read as follows:

"(3) A foreign country denies fair and equitable market access if the foreign country effectively denies access to a market for a product protected by a copyright or related right, patent, trademark, mask work, trade secret, or plant breeder's right, through the use of laws, procedures, practices, or regulations which—"; and

(B) by adding at the end the following:

"(4) A foreign country may be determined to deny adequate and effective protection of intellectual property rights, notwithstanding the fact that the foreign country may be in compliance with the specific obligations of the Agreement on Trade-Related Aspects of Intellectual Property Rights referred to in section 101(d)(15) of the Uruguay Round Agreements Act."; and

(3) by adding at the end the following:

"(g) ANNUAL REPORT.—The Trade Representative shall, by not later than the date by which countries are identified under subsection (a), transmit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate, a report on actions taken under this section during the 12 months preceding such report, and the reasons for such actions, including a description of progress made in achieving improved intellectual property protection and market access for persons relying on intellectual property rights.".

SEC. 314. AMENDMENTS TO TITLE III OF THE TRADE ACT OF 1974.

(a) SCOPE OF AUTHORITY.—

(1) IN GENERAL.—Subsections (a)(1) and (b)(2) of section 301 of the Trade Act of 1974 (19 U.S.C. 2411(a)(1) and (b)(2)) are each amended by adding the following sentence at the end:

"Actions may be taken that are within the power of the President with respect to trade in any goods or services, or with respect to any other area of pertinent relations with the foreign country.".

(2) IMPORT RESTRICTIONS.—Section 301(c)(5) of the Trade Act of 1974 (19 U.S.C. 2411(c)(5)) is amended by striking the matter preceding subparagraph (B) and inserting the following:

"(5) If the Trade Representative determines that actions to be taken under subsection (a) or (b) are to be in the form of import restrictions, the Trade Representative shall—

"(A) give preference to the imposition of duties over the imposition of other import restrictions, and".

(b) RELATIONSHIP WITH OTHER AUTHORITIES.—Section 301(c) of the Trade Act of 1974 (19 U.S.C. 2411(c)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (B), by striking "or" after the semicolon at the end;

(B) by redesignating subparagraph (C) as subparagraph (D); and

(C) by inserting after subparagraph (B) the following:

"(C) in a case in which the act, policy, or practice also fails to meet the eligibility criteria for receiving duty-free treatment under subsections (b) and (c) of section 502 of this Act, subsections (b) and (c) of section 212 of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702(b) and (c)), or subsections (c) and (d) of section 203 of the Andean Trade Preference Act (19 U.S.C. 3202(c) and (d)), withdraw, limit, or suspend such treatment under such provisions, notwithstanding the provisions of subsection (a)(3) of this section; or".

(c) DEFINITION OF AN UNREASONABLE ACT, POLICY, OR PRACTICE.—Section 301(d)(3) of the Trade Act of 1974 (19 U.S.C. 2411(d)(3)) is amended—

(1) in subparagraph (B)(i) by striking subclauses (II) and (III) and inserting the following:

"(II) provision of adequate and effective protection of intellectual property rights notwithstanding the fact that the foreign country may be in compliance with the specific obligations of the Agreement on Trade-Related Aspects of Intellectual Property Rights referred to in section 101(d)(15) of the Uruguay Round Agreements Act,

"(III) nondiscriminatory market access opportunities for United States persons that rely upon intellectual property protection, or

"(IV) market opportunities, including the toleration by a foreign government of systematic anticompetitive activities by enterprises or among enterprises in the foreign country that have the effect of restricting, on a basis that is inconsistent with commercial considerations, access of United States goods or services to a foreign market,"; and

(2) by adding at the end the following:

"(F)(i) For the purposes of subparagraph (B)(i)(II), adequate and effective protection of intellectual property rights includes adequate and effective means under the laws of the foreign country for persons who are not citizens or nationals of such country to secure, exercise, and enforce rights and enjoy commercial benefits relating to patents, trademarks, copyrights and related rights, mask works, trade secrets, and plant breeder's rights.

"(ii) For purposes of subparagraph (B)(i)(IV), the denial of fair and equitable nondiscriminatory market access opportunities includes restrictions on market access related to the use, exploitation, or enjoyment of commercial benefits derived from exercising intellectual property rights in protected works or fixations or products embodying protected works.".

(d) TIME LIMITS FOR DETERMINATIONS OF UNFAIR TRADE PRACTICES.—Section 304(a) of the Trade Act of 1974 (19 U.S.C. 2414(a)) is amended—

(1) in subparagraph (A) of paragraph (2), by striking "(other than the agreement on subsidies and countervailing measures described in section 2(c)(5) of the Trade Agreements Act of 1979)",

(2)(A) in subparagraph (A) of paragraph (3), by inserting "does not consider that a trade agreement, including the Agreement on Trade-Related Aspects of Intellectual Property (referred to in section 101(d)(15) of the Uruguay Round Agreements Act), is involved or" after "the Trade Representative" the first place it appears, and

(B) in subparagraph (B) of paragraph (3), in the matter preceding clause (i), by striking "any investigation initiated by reason of section 302(b)(2)" and inserting "an investigation initiated by reason of section 302(b)(2) (other than an investigation involving a trade agreement)", and

(3) in paragraph (4), by striking "(other than the agreement on subsidies and countervailing measures described in section 2(c)(5) of the Trade Agreements Act of 1979)".

(e) MONITORING OF FOREIGN COMPLIANCE.—Subsections (a) and (b) of section 306 of the Trade Act of 1974 (19 U.S.C. 2416) are amended to read as follows:

"(a) IN GENERAL.—The Trade Representative shall monitor the implementation of each measure undertaken, or agreement that is entered into, by a foreign country to provide a satisfactory resolution of a matter subject to investigation under this chapter or subject to dispute settlement proceedings to enforce the rights of the United States under a trade agreement providing for such proceedings.

"(b) FURTHER ACTION.—

"(1) IN GENERAL.—If, on the basis of the monitoring carried out under subsection (a), the Trade Representative considers that a foreign country is not satisfactorily implementing a measure or agreement referred to in subsection (a), the Trade Representative shall determine what further action the Trade Representative shall take under section 301(a). For purposes of section 301, any such determination shall be treated as a determination made under section 304(a)(1).".

"(2) WTO DISPUTE SETTLEMENT RECOMMENDATIONS.—If the measure or agreement referred to in subsection (a) concerns the implementation of a recommendation made pursuant to dispute settlement proceedings under the World Trade Organization, and the Trade Representative considers that the foreign country has failed to implement it, the Trade Representative shall make the determination in paragraph (1) no later than 30 days after the expiration of the reasonable period of time provided for such implementation under paragraph 21 of the Understanding on Rules and Procedures Governing the Settlement of Disputes that is referred to in section 101(d)(16) of the Uruguay Round Agreements Act.".

(f) EXTENSION OF SECTION 310 OF THE TRADE ACT OF 1974.—Section 310 of the Trade Act of 1974 (19 U.S.C. 2420) is amended to read as follows:

"SEC. 310. IDENTIFICATION OF TRADE EXPANSION PRIORITIES.

"(a) IDENTIFICATION.—

"(1) Within 180 days after the submission in calendar year 1995 of the report required by section 181(b), the Trade Representative shall—

"(A) review United States trade expansion priorities,

"(B) identify priority foreign country practices, the elimination of which is likely to have the most significant potential to increase United States exports, either directly or through the establishment of a beneficial precedent, and

"(C) submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives and publish in the Federal Register a report on the priority foreign country practices identified.

"(2) In identifying priority foreign country practices under paragraph (1) of this section, the Trade Representative shall take into account all relevant factors, including—

"(A) the major barriers and trade distorting practices described in the National Trade Estimate Report required under section 181(b);

"(B) the trade agreements to which a foreign country is a party and its compliance with those agreements;

"(C) the medium- and long-term implications of foreign government procurement plans; and

"(D) the international competitive position and export potential of United States products and services.

"(3) The Trade Representative may include in the report, if appropriate—

"(A) a description of foreign country practices that may in the future warrant identification as priority foreign country practices; and

"(B) a statement about other foreign country practices that were not identified because they are already being addressed by provisions of United States trade law, by existing bilateral trade agreements, or as part of trade negotiations with other countries and progress is being made toward the elimination of such practices.

"(b) INITIATION OF INVESTIGATIONS.—By no later than the date which is 21 days after the date on which a report is submitted to the appropriate congressional committees under subsection (a)(1), the Trade Representative shall initiate under section 302(b)(1) investigations under this chapter with respect to all of the priority foreign country practices identified.

"(c) AGREEMENTS FOR THE ELIMINATION OF BARRIERS.—In the consultations with a foreign country that the Trade Representative is required to request under section 303(a) with respect to an investigation initiated by reason of subsection (b), the Trade Representative shall seek to negotiate an agreement that provides for the elimination of the practices that are the subject of the investigation as quickly as possible or, if elimination of the practices is not feasible, an agreement that provides for compensatory trade benefits.

"(d) REPORTS.—The Trade Representative shall include in the semiannual report required by section 309 a report on the status of any investigations initiated pursuant to subsection (b) and, where appropriate, the extent to which such investigations have led

to increased opportunities for the export of products and services of the United States.".

SEC. 315. OBJECTIVES IN INTELLECTUAL PROPERTY.

It is the objective of the United States—

(1) to accelerate the implementation of the Agreement on Trade-Related Aspects of Intellectual Property Rights referred to in section 101(d)(15),

(2) to seek enactment and effective implementation by foreign countries of laws to protect and enforce intellectual property rights that supplement and strengthen the standards of the Agreement on Trade-Related Aspects of Intellectual Property Rights referred to in section 101(d)(15) and the North American Free Trade Agreement and, in particular—

(A) to conclude bilateral and multilateral agreements that create obligations to protect and enforce intellectual property rights that cover new and emerging technologies and new methods of transmission and distribution, and

(B) to prevent or eliminate discrimination with respect to matters affecting the availability, acquisition, scope, maintenance, use, and enforcement of intellectual property rights,

(3) to secure fair, equitable, and nondiscriminatory market access opportunities for United States persons that rely upon intellectual property protection,

(4) to take an active role in the development of the intellectual property regime under the World Trade Organization to ensure that it is consistent with other United States objectives, and

(5) to take an active role in the World Intellectual Property Organization (WIPO) to develop a cooperative and mutually supportive relationship between the World Trade Organization and WIPO.

SEC. 316. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), this subtitle and the amendments made by this subtitle take effect on the date on which the WTO Agreement enters into force with respect to the United States.

(b) SECTION 314(f).—The amendment made by section 314(f) takes effect on the date of the enactment of this Act.

Subtitle C—Unfair Practices in Import Trade

SEC. 321. UNFAIR PRACTICES IN IMPORT TRADE.

(a) AMENDMENTS TO SECTION 337 OF THE TARIFF ACT OF 1930.—Section 337 of the Tariff Act of 1930 (19 U.S.C. 1337) is amended as follows:

(1) INVESTIGATION.—Subsection (b) is amended—

(A) by striking "; TIME LIMITS" in the heading;

(B) in paragraph (1) by striking all that follows the second sentence and inserting the following: "The Commission shall conclude any such investigation and make its determination under this section at the earliest practicable time after the date of publication of notice of such investigation. To promote expeditious adjudication, the Commission shall, within 45 days after an investigation is initiated, establish a target date for its final determination."; and

(C) in paragraph (3)—

(i) in the first sentence—

(I) by striking "the Tariff Act of 1930" and inserting "this Act"; and

(II) by striking "such Act" and inserting "such subtitle"; and

(ii) by striking the fifth sentence.

(2) DETERMINATION; REVIEW.—Subsection (c) is amended—

(A) in the first sentence by striking "a settlement agreement" and inserting "an agreement between the private parties to the investigation, including an agreement to present the matter for arbitration";

(B) by inserting the following after the third sentence: "A respondent may raise any counterclaim in a manner prescribed by the Commission. Immediately after a counterclaim is received by the Commission, the respondent raising such counterclaim shall file a notice of removal with a United States district court in which venue for any of the counterclaims raised by the party would exist under section 1391 of title 28, United States Code. Any counterclaim raised pursuant to this section shall relate back to the date of the original complaint in the proceeding before the Commission. Action on such counterclaim shall not delay or affect the proceeding under this section, including the legal and equitable defenses that may be raised under this subsection."; and

(C) by adding at the end the following: "Determinations by the Commission under subsections (e), (f), and (j) with respect to forfeiture of bonds and under subsection (h) with respect to the imposition of sanctions for abuse of discovery or abuse of process shall also be reviewable in accordance with section 706 of title 5, United States Code.".

(3) ENTRY UNDER BOND.—Subsection (e) is amended—

(A) in the last sentence of paragraph (1) by striking "determined by the Commission" and all that follows through the end of the sentence and inserting "prescribed by the Secretary in an amount determined by the Commission to be sufficient to protect the complainant from any injury. If the Commission later determines that the respondent has violated the provisions of this section, the bond may be forfeited to the complainant.";

(B) by adding at the end of paragraph (2) the following: "If the Commission later determines that the respondent has not violated the provisions of this section, the bond may be forfeited to the respondent."; and

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

"(4) The Commission shall prescribe the terms and conditions under which bonds may be forfeited under paragraphs (1) and (2).".

(4) CEASE AND DESIST ORDERS.—Subsection (f)(1) is amended by adding at the end the following: "If a temporary cease and desist order is issued in addition to, or in lieu of, an exclusion order under subsection (e), the Commission may require the complainant to post a bond, in an amount determined by the Commission to be sufficient to protect the respondent from any injury, as a prerequisite to the issuance of an order under this subsection. If the Commission later determines that the respondent has not violated the provisions of this section, the bond may be forfeited to the respondent. The Commission shall prescribe the terms and conditions under which the bonds may be forfeited under this paragraph.".

(5) CONDITIONS APPLICABLE FOR GENERAL EXCLUSION ORDERS.—(A) Subsection (d) is amended—

(i) by inserting "(1)" before "If";

(ii) in the first sentence by striking "there is violation" and inserting "there is a violation"; and

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

"(2) The authority of the Commission to order an exclusion from entry of articles shall be limited to persons determined by the Commission to be violating this section unless the Commission determines that—

"(A) a general exclusion from entry of articles is necessary to prevent circumvention of an exclusion order limited to products of named persons; or

"(B) there is a pattern of violation of this section and it is difficult to identify the source of infringing products.".

(B) Subsection (g)(2) is amended—

(i) by striking "and" at the end of subparagraph (A);

(ii) by striking the period at the end of subparagraph (B) and inserting ", and"; and

(iii) by adding after subparagraph (B) the following:

"(C) the requirements of subsection (d)(2) are met.".

(6) ENTRY UNDER BOND AFTER REFERRAL TO THE PRESIDENT.—Subsection (j)(3) is amended by striking "shall be entitled to entry under bond" and all that follows through the end of the sentence and inserting "shall, until such determination becomes final, be entitled to entry under bond prescribed by the Secretary in an amount determined by the Commission to be sufficient to protect the complainant from any injury. If the determination becomes final, the bond may be forfeited to the complainant. The Commission shall prescribe the terms and conditions under which bonds may be forfeited under this paragraph.".

(7) ACCESS TO CONFIDENTIAL INFORMATION.—Subsection (n)(2) is amended—

(A) by amending subparagraph (A) to read as follows:

"(A) an officer or employee of the Commission who is directly concerned with—

"(i) carrying out the investigation or related proceeding in connection with which the information is submitted,

"(ii) the administration of a bond posted pursuant to subsection (e), (f), or (j),

"(iii) the administration or enforcement of an exclusion order issued pursuant to subsection (d), (e), or (g), a cease and desist order issued pursuant to subsection (f), or a consent order issued pursuant to subsection (c),

"(iv) proceedings for the modification or rescission of a temporary or permanent order issued under subsection (d), (e), (f), (g), or (i), or a consent order issued under this section, or

"(v) maintaining the administrative record of the investigation or related proceeding,"; and

(B) by amending subparagraph (C) to read as follows:

"(C) an officer or employee of the United States Customs Service who is directly involved in administering an exclusion from entry under subsection (d), (e), or (g) resulting from the investigation or related proceeding in connection with which the information is submitted.".

(8) TECHNICAL AMENDMENT.—Subsection (l) is amended by striking "Claims Court" and inserting "Court of Federal Claims".

(b) AMENDMENTS TO TITLE 28, UNITED STATES CODE.—

(1) STAY OF ACTIONS.—

(A) IN GENERAL.—Chapter 111 of title 28, United States Code, is amended by adding at the end the following new section:

"§ 1659. Stay of certain actions pending disposition of related proceedings before the United States International Trade Commission

"(a) STAY.—In a civil action involving parties that are also parties to a proceeding before the United States International Trade Commission under section 337 of the Tariff Act of 1930, at the request of a party to the civil action that is also a respondent in the

proceeding before the Commission, the district court shall stay, until the determination of the Commission becomes final, proceedings in the civil action with respect to any claim that involves the same issues involved in the proceeding before the Commission, but only if such request is made within—

"(1) 30 days after the party is named as a respondent in the proceeding before the Commission, or

"(2) 30 days after the district court action is filed,

whichever is later.

"(b) USE OF COMMISSION RECORD.—Notwithstanding section 337(n)(1) of the Tariff Act of 1930, after dissolution of a stay under subsection (a), the record of the proceeding before the United States International Trade Commission shall be transmitted to the district court and shall be admissible in the civil action, subject to such protective order as the district court determines necessary, to the extent permitted under the Federal Rules of Evidence and the Federal Rules of Civil Procedure.".

(B) CLERICAL AMENDMENT.—The table of sections for chapter 111 of title 28, United States Code, is amended by adding at the end the following new item:

"1659. Stay of certain actions pending disposition of related proceedings before the United States International Trade Commission.".

(2) COUNTERCLAIMS.—Section 1446 of title 28, United States Code, is amended by adding at the end the following:

"(f) With respect to any counterclaim removed to a district court pursuant to section 337(c) of the Tariff Act of 1930, the district court shall resolve such counterclaim in the same manner as an original complaint under the Federal Rules of Civil Procedure, except that the payment of a filing fee shall not be required in such cases and the counterclaim shall relate back to the date of the original complaint in the proceeding before the International Trade Commission under section 337 of that Act.".

(3) JURISDICTION.—

(A) IN GENERAL.—Chapter 85 of title 28, United States Code, is amended by adding at the end the following:

"§ 1368. Counterclaims in unfair practices in international trade.

"The district courts shall have original jurisdiction of any civil action based on a counterclaim raised pursuant to section 337(c) of the Tariff Act of 1930, to the extent that it arises out of the transaction or occurrence that is the subject matter of the opposing party's claim in the proceeding under section 337(a) of that Act.".

(B) CLERICAL AMENDMENT.—The table of sections for chapter 85 of title 28, United States Code, is amended by adding at the end the following:

"1368. Counterclaims in unfair practices in international trade.".

SEC. 322. EFFECTIVE DATE.

The amendments made by this subtitle apply—

(1) with respect to complaints filed under section 337 of the Tariff Act of 1930 on or after the date on which the WTO Agreement enters into force with respect to the United States, or

(2) in cases under such section 337 in which no complaint is filed, with respect to investigations initiated under such section on or after such date.

Subtitle D—Textiles

SEC. 331. TEXTILE PRODUCT INTEGRATION.

Not later than 120 days after the date that the WTO Agreement, as defined in section 2(9) of the Uruguay Round Implementation Act, enters into force with respect to the United States, the Secretary of Commerce shall publish in the Federal Register a notice containing the list of products to be integrated in each stage set out in Article 2(8) of the Agreement on Textiles and Clothing referred to in section 101(d)(4). After publication of such list, the list may not be changed unless otherwise required by statute or the international obligations of the United States, to correct technical errors, or to reflect reclassifications. Within 30 days after the publication of such list, the Trade Representative shall notify the list to the Textiles Monitoring Body established under Article 8 of the Agreement on Textiles and Clothing.

SEC. 332. AMENDMENT TO SECTION 204 OF THE AGRICULTURAL ACT OF 1956.

Section 204 of the Agricultural Act of 1956 (7 U.S.C. 1854) is amended by amending the second sentence to read as follows: "In addition, if a multilateral agreement, including but not limited to the Agreement on Textiles and Clothing referred to in section 101(d)(4) of the Uruguay Round Implementation Act, has been or is concluded under the authority of this section among countries accounting for a significant part of world trade in the articles with respect to which the agreement was concluded, the President may also issue, in order to carry out such agreement, regulations governing the entry or withdrawal from warehouse of the same articles which are the products of countries not parties to the agreement, or countries to which the United States does not apply the agreement.".

SEC. 333. TEXTILE TRANSSHIPMENTS.

Part V of title IV of the Tariff Act of 1930 is amended by inserting after section 592 the following:

"SEC. 592A. SPECIAL PROVISIONS REGARDING CERTAIN VIOLATIONS.

"(a) PUBLICATION OF NAMES OF CERTAIN VIOLATORS.—

"(1) PUBLICATION.—The Secretary of the Treasury is authorized to publish in the Federal Register a list of the name of any producer, manufacturer, supplier, seller, exporter, or other person located outside the customs territory of the United States—

"(A) against whom the Customs Service has issued a penalty claim under section 592, and

"(B) if a petition with respect to that claim has been filed under section 618, against whom a final decision has been issued under such section after exhaustion of administrative remedies,

citing any of the violations of the customs laws referred to in paragraph (2). Such list shall be published not later than March 31 and September 30 of each year.

"(2) VIOLATIONS.—The violations of the customs laws referred to in paragraph (1) are the following:

"(A) Using documentation, or providing documentation subsequently used by the importer of record, which indicates a false or fraudulent country of origin or source of textile or apparel products.

"(B) Using counterfeit visas, licenses, permits, bills of lading, or similar documentation, or providing counterfeit visas, licenses, permits, bills of lading, or similar documentation that is subsequently used by the importer of record, with respect to the entry into the customs territory of the United States of textile or apparel products.

"(C) Manufacturing, producing, supplying, or selling textile or apparel products which are falsely or fraudulently labelled as to country of origin or source.

"(D) Engaging in practices which aid or abet the transshipment, through a country other than the country of origin, of textile or apparel products in a manner which conceals the true origin of the textile or apparel products or permits the evasion of quotas on, or voluntary restraint agreements with respect to, imports of textile or apparel products.

"(3) REMOVAL FROM LIST.—Any person whose name has been included in a list published under paragraph (1) may petition the Secretary to be removed from such list. If the Secretary finds that such person has not committed any violations described in paragraph (2) for a period of not less than 3 years after the date on which the person's name was so published, the Secretary shall remove such person from the list as of the next publication of the list under paragraph (2).

"(4) REASONABLE CARE REQUIRED FOR SUBSEQUENT IMPORTS.—

"(A) RESPONSIBILITY OF IMPORTERS AND OTHERS.—After the name of a person has been published under paragraph (1), the Secretary of the Treasury shall require any importer of record entering, introducing, or attempting to introduce into the commerce of the United States textile or apparel products that were either directly or indirectly produced, manufactured, supplied, sold, exported, or transported by such named person to show, to the satisfaction of the Secretary, that such importer has exercised reasonable care to ensure that the textile or apparel products are accompanied by documentation, packaging, and labelling that are accurate as to its origin. Such reasonable care shall not include reliance solely on a source of information which is the named person.

"(B) FAILURE TO EXERCISE REASONABLE CARE.—If the Customs Service determines that merchandise is not from the country claimed on the documentation accompanying the merchandise, the failure to exercise reasonable care described in subparagraph (A) shall be considered when the Customs Service determines whether the importer of record is in violation of section 484(a).

"(b) LIST OF HIGH RISK COUNTRIES.—

"(1) LIST.—The President or his designee, upon the advice of the Secretaries of Commerce and Treasury, and the heads of other appropriate departments and agencies, is authorized to publish a list of countries in which illegal activities have occurred involving transshipped textile or apparel products or activities designed to evade quotas of the United States on textile or apparel products, if those countries fail to demonstrate a good faith effort to cooperate with United States authorities in ceasing such activities. Such list shall be published in the Federal Register not later than March 31 of each year. Any country that is on the list and that subsequently demonstrates a good faith effort to cooperate with United States authorities in ceasing illegal activities described in the first sentence shall be removed from the list, and such removal shall be published in the Federal Register as soon as practicable.

"(2) REASONABLE CARE REQUIRED FOR SUBSEQUENT IMPORTS.—

"(A) RESPONSIBILITY OF IMPORTERS OF RECORD.—The Secretary of the Treasury shall require any importer of record entering, introducing, or attempting to introduce into the commerce of the United States textile or apparel products indicated, on the

documentation, packaging, or labelling accompanying such products, to be from any country on the list published under paragraph (1) to show, to the satisfaction of the Secretary, that such importer, consignee, or purchaser has exercised reasonable care to ascertain the true country of origin of the textile or apparel products.

"(B) FAILURE TO EXERCISE REASONABLE CARE.—If the Customs Service determines that merchandise is not from the country claimed on the documentation accompanying the merchandise, the failure to exercise reasonable care described in subparagraph (A) shall be considered when the Customs Service determines whether the importer of record is in violation of section 484(a).

"(3) DEFINITION.—For purposes of this subsection, the term 'country' means a foreign country or territory, including any overseas dependent territory or possession of a foreign country.".

SEC. 334. RULES OF ORIGIN FOR TEXTILE AND APPAREL PRODUCTS.

(a) REGULATORY AUTHORITY.—The Secretary of the Treasury shall prescribe rules implementing the principles contained in subsection (b) for determining the origin of textiles and apparel products. Such rules shall be promulgated in final form not later than July 1, 1995.

(b) PRINCIPLES.—

(1) IN GENERAL.—Except as otherwise provided for by statute, a textile or apparel product, for purposes of the customs laws and the administration of quantitative restrictions, originates in a country, territory, or insular possession, and is the growth, product, or manufacture of that country, territory, or insular possession, if—

(A) the product is wholly obtained or produced in that country, territory, or possession;

(B) the product is a yarn, thread, twine, cordage, rope, cable, or braiding and—

(i) the constituent staple fibers are spun in that country, territory, or possession, or

(ii) the continuous filament is extruded in that country, territory, or possession,

(C) the product is a fabric, including a fabric classified under chapter 59 of the HTS, and the constituent fibers, filaments, or yarns are woven, knitted, needled, tufted, felted, entangled, or transformed by any other fabric-making process in that country, territory, or possession; or

(D) the product is any other textile or apparel product that is wholly assembled in that country, territory, or possession from its component pieces.

(2) SPECIAL RULES.—Notwithstanding paragraph (1)(D)—

(A) the origin of a good that is classified under one of the following HTS headings or subheadings shall be determined under subparagraph (A), (B), or (C) of paragraph (1), as appropriate: 5609, 5807, 5811, 6209.20.50.40, 6213, 6214, 6301, 6302, 6303, 6304, 6305, 6306, 6307.10, 6307.90, 6308, or 9404.90; and

(B) a textile or apparel product which is knit to shape shall be considered to originate in, and be the growth, product, or manufacture of, the country, territory, or possession in which it is knit.

(3) MULTICOUNTRY RULE.—If the origin of a good cannot be determined under paragraph (1) or (2), then that good shall be considered to originate in, and be the growth, product, or manufacture of—

(A) the country, territory, or possession in which the most important assembly or manufacturing process occurs, or

(B) if the origin of the good cannot be determined under subparagraph (A), the last country, territory, or possession in which important assembly or manufacturing occurs.

(4) COMPONENTS CUT IN THE UNITED STATES.—(A) The value of a component that is cut to shape (but not to length, width, or both) in the United States from foreign fabric and exported to another country, territory, or insular possession for assembly into an article that is then returned to the United States—

(i) shall not be included in the dutiable value of such article, and

(ii) may be applied toward determining the percentage referred to in General Note 7(b)(i)(B) of the HTS, subject to the limitation provided in that note.

(B) No article (except a textile or apparel product) assembled in whole of components described in subparagraph (A), or of such components and components that are products of the United States, in a beneficiary country as defined in General Note 7(a) of the HTS shall be treated as a foreign article, or as subject to duty if—

(i) the components after exportation from the United States, and

(ii) the article itself before importation into the United States

do not enter into the commerce of any foreign country other than such a beneficiary country.

(5) EXCEPTION FOR UNITED STATES-ISRAEL FREE TRADE AGREEMENT.—This section shall not affect, for purposes of the customs laws and administration of quantitative restrictions, the status of goods that, under rulings and administrative practices in effect immediately before the enactment of this Act, would have originated in, or been the growth, product, or manufacture of, a country that is a party to an agreement with the United States establishing a free trade area, which entered into force before January 1, 1987. For such purposes, such rulings and administrative practices that were applied, immediately before the enactment of this Act, to determine the origin of textile and apparel products covered by such agreement shall continue to apply after the enactment of this Act, and on and after the effective date described in subsection (c), unless such rulings and practices are modified by the mutual consent of the parties to the agreement.

(c) EFFECTIVE DATE.—This section shall apply to goods entered, or withdrawn from warehouse, for consumption on or after July 1, 1996, except that this section shall not apply to goods if—

(1) the contract for the sale of such goods to the United States is entered into before July 20, 1994;

(2) all of the material terms of sale in such contract, including the price and quantity of the goods, are fixed and determinable before July 20, 1994;

(3) a copy of the contract is filed with the Commissioner of Customs within 60 days after the date of the enactment of this Act, together with a certification that the contract meets the requirements of paragraphs (1) and (2); and

(4) the goods are entered, or withdrawn from warehouse, for consumption on or before January 1, 1998.

The origin of goods to which this section does not apply shall be determined in accordance with the applicable rules in effect on July 20, 1994.

SEC. 335. EFFECTIVE DATE.

Except as provided in section 334, this subtitle and the amendments made by this subtitle take effect on the date on which the WTO Agreement enters into force with respect to the United States.

Subtitle E—Government Procurement

SEC. 341. MONITORING AND ENFORCEMENT OF THE AGREEMENT ON GOVERNMENT PROCUREMENT.

(a) IN GENERAL.—Section 305(f)(2) of the Trade Agreements Act of 1979 (19 U.S.C. 2515(f)(2)) is amended—

(1) in the matter preceding subparagraph (A), by striking "a year" and inserting "the 18 months",

(2) by striking "or" at the end of subparagraph (B),

(3) by redesignating subparagraph (C) as subparagraph (D), and

(4) by inserting after subparagraph (B), the following new subparagraph:

"(C) the procedures result in a determination providing a specific period of time for the other participant to bring its practices into compliance with the Agreement, or".

(b) SANCTIONS AFTER DISPUTE RESOLUTION FAILS.—

(1) SANCTIONS.—Paragraph (3) of section 305(f) of such Act (19 U.S.C. 2515(f)(3)) is amended to read as follows:

"(3) SANCTIONS AFTER DISPUTE RESOLUTION FAILS.—

"(A) FAILURES RESULTING IN SANCTIONS.—If—

"(i) within 18 months from the date dispute settlement procedures are initiated with a signatory country pursuant to this section—

"(I) such procedures are not concluded, or

"(II) the country has not met the requirements of subparagraph (A) or (B) of paragraph (2), or

"(ii) the period of time provided for pursuant to paragraph (2)(C) has expired and procedures for suspending concessions under the Agreement have been completed,

then the sanctions described in subparagraph (B) shall be imposed.

"(B) SANCTIONS.—

"(i) IN GENERAL.—If subparagraph (A) applies to any signatory country—

"(I) the signatory country shall be considered as a signatory not in good standing of the Agreement and the prohibition on procurement contained in section 4 of the Act of March 3, 1933 (41 U.S.C. 10b–1) shall apply to such country, and

"(II) the President shall revoke the waiver of discriminatory purchasing requirements granted to the signatory country pursuant to section 301(a).

"(ii) TIME SANCTIONS ARE IMPOSED.—Any sanction—

"(I) described in clause (i)(I) shall apply from the date that is the last day of the 18-month period described in subparagraph (A)(i) or, in the case of paragraph (2)(C), from the date procedures for suspending concessions under the Agreement have been completed, and

"(II) described in clause (i)(II) shall apply beginning on the day after the date described in subclause (I).".

(2) CONFORMING AMENDMENT.—Paragraph (4) of section 305(f) of such Act (19 U.S.C. 2515(f)(4)) is amended by striking "subparagraph (A) or (B) of paragraph (3)" and inserting "subclause (I) or (II) of paragraph (3)(B)(i)".

(c) REPORT TO CONGRESS.—

(1) Section 305(d)(2) of the Trade Agreements Act of 1979 (19 U.S.C. 2515(d)(2)) is amended by adding at the end the following new subparagraphs:

"(D)(i) are not signatories to the Agreement;

"(ii) fail to apply transparent and competitive procedures to its government procurement equivalent to those in the Agreement; and

"(iii) whose products or services are acquired in significant amounts by the United States Government; or

"(E)(i) are not signatories to the Agreement;

"(ii) fail to maintain and enforce effective prohibitions on bribery and other corrupt practices in connection with government procurement; and

"(iii) whose products or services are acquired in significant amounts by the United States Government.".

(2) Section 305(d)(3)(C) of the Trade Agreements Act of 1979 (19 U.S.C. 2515(d)(3)(C)) is amended by adding before the period at the end the following: ", including the failure to maintain and enforce effective prohibitions on bribery and other corrupt practices in connection with government procurement".

SEC. 342. CONFORMING AMENDMENTS.

(a) WAIVER OF DISCRIMINATORY PURCHASING REQUIREMENTS REGARDING PURCHASES OF CIVIL AIRCRAFT.—Section 303 of the Trade Agreements Act of 1979 (19 U.S.C. 2513) is amended by inserting "referred to in section 2(c) and approved under section 2(a)" after "Civil Aircraft".

(b) EXPANSION OF COVERAGE OF THE AGREEMENT.—Section 304 of the Trade Agreements Act of 1979 (19 U.S.C. 2514) is amended—

(1) in subsections (a) and (c) by striking "part IX, paragraph 6" and inserting "article XXIV(7);

(2) in subsection (c) by striking "part VI, paragraph 9" and inserting "article XIX(5)"; and

(2) in subsection (e) by striking "date of enactment of this Act" and inserting "date it enters into force with respect to the United States".

(c) ANNUAL REPORT ON FOREIGN DISCRIMINATION.—Section 305(d) of the Trade Agreements Act of 1979 (19 U.S.C. 2515(d)) is amended by striking out "April 30, 1990, and annually on April 30 thereafter," and inserting "April 30 of each year,".

(d) LABOR SURPLUS AREA STUDIES.—Section 306 of the Trade Agreements Act of 1979 (19 U.S.C. 2516), and the item relating to such section in the table of contents for such Act, are repealed.

(e) AVAILABILITY OF INFORMATION TO CONGRESSIONAL ADVISORS.—Section 307 of the Trade Agreements Act of 1979 (19 U.S.C. 2517) is amended by striking "part VI, paragraph 9," and inserting "article XIX(5)".

(f) DEFINITIONS.—Section 308 of the Trade Agreements Act of 1979 (19 U.S.C. 2518) is amended—

(1) in paragraph (1) by striking "section 2(c) of this Act" and inserting "section 101(d)(17) of the Uruguay Round Agreements Act"; and

(2) in paragraph (4)—

(A) in subparagraph (C) by striking "having a contract value" and all that follows through the end of the subparagraph and inserting "for which the United States is obligated to waive Buy National restrictions under—

"(i) the Agreement on the Establishment of a Free Trade Area between the Government of the United States of America and the Government of Israel, regardless of the thresholds provided for in the Agreement (as defined in paragraph (1)), or

"(ii) any subsequent agreement between the United States and Israel which lowers on a reciprocal basis the applicable threshold for entities covered by the Agreement."; and

(B) in subparagraph (D) by striking "GATT" the first place it appears and all that follows through the end of the subparagraph and inserting "the Agreement (as defined in paragraph (1)), but for the thresholds provided for in the Agreement.".

(g) CONFORMING AMENDMENTS.—Section 401 of the Rural Electrification Act of 1938 (7 U.S.C. 903 note) is amended—

(1) by striking ", Mexico, or Canada" each place that it appears and inserting "or in any eligible country"; and

(2) by adding at the end the following: "For purposes of this section, an 'eligible country' is any country that applies with respect to the United States an agreement ensuring reciprocal access for United States products and services and United States suppliers to the markets of that country, as determined by the United States Trade Representative.".

SEC. 343. RECIPROCAL COMPETITIVE PROCUREMENT PRACTICES.

(a) APPLICABILITY.—Section 302(a) of the Trade Agreements Act of 1979 (19 U.S.C. 2512(a)) is amended to read as follows:

"(a) AUTHORITY TO BAR PROCUREMENT FROM NON-DESIGNATED COUNTRIES.—

"(1) IN GENERAL.—Subject to paragraph (2), the President, in order to encourage additional countries to become parties to the Agreement and to provide appropriate reciprocal competitive government procurement opportunities to United States products and suppliers of such products—

"(A) shall, with respect to procurement covered by the Agreement, prohibit the procurement, after the date on which any waiver under section 301(a) first takes effect, of products—

"(i) which are products of a foreign country or instrumentality which is not designated pursuant to section 301(b), and

"(ii) which would otherwise be eligible products; and

"(B) may, with respect to procurement covered by the Agreement, take such other actions within the President's authority as the President deems necessary.

"(2) EXCEPTION.—Paragraph (1) shall not apply in the case of procurements for which—

"(A) there are no offers of products or services of the United States or of eligible products; or

"(B) the offers of products or services of the United States or of eligible products are insufficient to fulfill the requirements of the United States Government.".

(b) ADDITIONAL WAIVER AUTHORITY.—Section 302(b) of the Trade Agreements Act of 1979 (19 U.S.C. 2512(b)) is amended—

(1) by amending paragraph (1) to read as follows:

"(1) waive the prohibition required by subsection (a)(1) on procurement of products of a foreign country or instrumentality which has not yet become a party to the Agreement but—

"(A) has agreed to apply transparent and competitive procedures to its government procurement equivalent to those in the Agreement, and

"(B) maintains and enforces effective prohibitions on bribery and other corrupt practices in connection with its government procurement;"; and

(2) by adding after paragraph (3) the following:

"Before exercising the waiver authority under paragraph (1), the President shall consult with the appropriate private sector advisory committees established under section 135 of the Trade Act of 1974 and with the appropriate committees of the Congress.".

(c) CONFORMING AMENDMENT.—Section 305(g) of the Trade Agreements Act of 1979 (19 U.S.C. 2515(g)) is amended—

(1) in paragraph (1)—

(A) by striking "(B) or (C)" and inserting "(B), (C), (D), or (E)"; and

(B) by striking "their discriminatory procurement practices" and inserting "the practices regarding government procurement identified under subparagraph (B)(ii), (C)(ii), (D)(ii), or (E)(ii) (as the case may be)"; and

(2) in paragraph (3) by striking "discrimination identified pursuant to subsection (d)(2)(B) or (C)" and inserting "the practices regarding government procurement identified under subparagraph (B)(ii), (C)(ii), (D)(ii), or (E)(ii) (as the case may be)".

SEC. 344. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), the amendments made by this subtitle take effect on the date on which the Agreement on Government Procurement referred to in section 101(d)(17) enters into force with respect to the United States.

(b) SECTION 342(g).—The amendments made by section 342(g) take effect on the date on which the WTO Agreement enters into force with respect to the United States.

Subtitle F—Technical Barriers to Trade

SEC. 351. TECHNICAL BARRIERS TO TRADE.

(a) REFERENCES.—All references in this section are to title IV of the Trade Agreements Act of 1979 (19 U.S.C. 2531 et seq.) unless otherwise specified.

(b) SECTION 401.—Section 401 is amended—

(1) by striking "Nothing" and inserting "(b) UNNECESSARY OBSTACLES.—Nothing"; and

(2) by inserting after the section heading the following:

"(a) NO BAR TO ENGAGING IN STANDARDS ACTIVITY.—Nothing in this title may be construed—

"(1) to prohibit a Federal agency from engaging in activity related to standards-related measures, including any such measure relating to safety, the protection of human, animal, or plant life or health, the environment, or consumers; or

"(2) to limit the authority of a Federal agency to determine the level it considers appropriate of safety or of protection of human, animal, or plant life or health, the environment, or consumers.".

(c) SECTION 402.—Section 402(4) is amended—

(1) by striking "CERTIFICATION ACCESS" in the paragraph heading and inserting "ACCESS";

(2) by striking "certification system" and inserting "conformity assessment procedure"; and

(3) by striking "certification under that system" and inserting "an assessment of conformity and the mark of the system, if any".

(d) SECTION 414.—Section 414(b)(1) is amended—

(1) by inserting "(A)" after "relating to";

(2) by striking "certification systems" and inserting "technical regulations, conformity assessment procedures,";

(3) by striking "such standards, systems" and inserting "such standards, technical regulations, conformity assessment procedures,"; and

(4) after "local" by inserting "and (B) the membership and participation of Federal, State, or local government bodies or private bodies in the United States in international and regional standardizing bodies and conformity assessment systems, as well as in bilateral and multilateral arrangements concerning standards-related activities".

(e) DEFINITIONS.—Section 451 is amended—

(1) so that paragraph (1) reads as follows:

"(1) AGREEMENT.—The term 'Agreement' means the Agreement on Technical Barriers to Trade referred to in section 101(d)(5) of the Uruguay Round Agreements Act.";

(2) so that paragraph (2) reads as follows:

"(2) CONFORMITY ASSESSMENT PROCEDURE.—The term 'conformity assessment procedure' means any procedure used, directly or indirectly, to determine that relevant requirements in technical regulations or standards are fulfilled.";

(3) in paragraph (4), by striking "certification system" and inserting "conformity assessment procedure" each place it occurs;

(4) so that paragraph (6)(A) reads as follows:

"(A) the membership of which is open to representatives, whether public or private, of the United States and at least all Members.";

(5) in paragraph (7), by striking "certification system" and inserting "conformity assessment procedure";

(6) so that paragraph (8) reads as follows:

"(8) MEMBER.—The term 'Member' means a WTO member as defined in section 2(10) of the Uruguay Round Agreements Act.";

(7) so that paragraph (13) reads as follows:

"(13) STANDARD.—The term 'standard' means a document approved by a recognized body, that provides, for common and repeated use, rules, guidelines, or characteristics for products or related processes and production methods, with which compliance is not mandatory. Such term may also include or deal exclusively with terminology, symbols, packaging, marking, or labeling requirements as they apply to a product, process, or production method.";

(8) in paragraph (14), by striking "or any certification system" and inserting ", technical regulation, or conformity assessment procedure"; and

(9) by redesignating paragraph (17) as paragraph (18) and inserting after paragraph (16) the following:

"(17) TECHNICAL REGULATION.—The term 'technical regulation' means a document which lays down product characteristics or their related processes and production methods, including the applicable administrative provisions, with which compliance is mandatory. Such term may also include or deal exclusively with terminology, symbols, packaging, marking, or labeling requirements as they apply to a product, process, or production method.".

(f) REPORTS TO CONGRESS.—Section 453 is amended by inserting "through 2001" after "succeeding 3-year period".

(g) EFFECTIVE DATE.—Title IV of the Trade Agreements Act of 1979 (19 U.S.C. 2531 et seq.) is amended by striking section 454.

SEC. 352. EFFECTIVE DATE.

This subtitle and the amendments made by this subtitle take effect on the date on which the WTO Agreement enters into force with respect to the United States.

TITLE IV—AGRICULTURE-RELATED PROVISIONS

Subtitle A—Agriculture

PART I—MARKET ACCESS

SEC. 401. SECTION 22 AMENDMENTS.

(a) AMENDMENT TO SECTION 22.—

(1) GENERALLY.—Subsection (f) of section 22 of the Agricultural Adjustment Act (7 U.S.C. 624(f)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended to read as follows:

"(f) No quantitative limitation or fee shall be imposed under this section with respect to any article that is the product of a WTO member (as defined in section 2(10) of the Uruguay Round Agreements Act).".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on the date of entry into force of the WTO Agreement with respect to the United States, except that with respect to wheat, that amendment shall take effect on the later of such date or September 12, 1995.

(b) CONFORMING AMENDMENTS.—

(1) SECTION 202 OF THE AGRICULTURAL ACT OF 1956.—Section 202 of the Agricultural Act of 1956 (7 U.S.C. 1852) is amended—

(A) by striking subsection (a); and

(B) in subsection (b), by striking "(b)".

(2) COTTON IMPORT QUOTAS.—Section 103B of the Agricultural Act of 1949 (7 U.S.C. 1444–2) is amended—

(A) in subsection (a)(5)(F)(i)—

(i) by striking "this section" and inserting "the Uruguay Round Agreements Act"; and

(ii) by striking "limited global";

(B) in subsection (a)(5)(F)(iv), by striking "special quota period has" and inserting "quota period has";

(C) by adding at the end of subsection (a)(5)(F) the following:

"(v) PREFERENTIAL TARIFF TREATMENT.—The quantity under a special import quota shall be considered to be an in-quota quantity for purposes of section 213(d) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(d)), section 204 of the Andean Trade Preference Act (19 U.S.C. 3203), section 503(d) of the Trade Act of 1974 (19 U.S.C. 2463(d)), and General Note 3(a)(iv) to the HTS.

"(vi) DEFINITION.—As used in this subparagraph, the term 'special import quota' means a quantity of imports that is not subject to the over-quota tariff rate of a tariff-rate quota."; and

(D) in subsection (n)—

(i) in the subsection heading, by striking "SPECIAL";

(ii) in paragraph (1), by striking "this section" and inserting "the Uruguay Round Agreements Act";

(iii) in paragraph (1), by striking "special" each place it appears;

(iv) by redesignating paragraph (1)(C) as paragraph (1)(D);

(v) by inserting after subparagraph (B) of paragraph (1) the following:

"(C) PREFERENTIAL TARIFF TREATMENT.—The quantity under a limited global import quota shall be considered to be an in-quota quantity for purposes of section 213(d) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(d)), section 204 of the Andean Trade Preference Act (19 U.S.C. 3203), section 503(d) of the Trade Act of 1974 (19 U.S.C. 2463(d)), and General Note 3(a)(iv) to the HTS."; and

(vi) in paragraph (1)(D) (as redesignated by clause (iv)), by adding at the end the following:

"(iii) LIMITED GLOBAL IMPORT QUOTA.—As used in this subsection, the term 'limited global import quota' means a quantity of imports that is not subject to the over-quota tariff rate of a tariff-rate quota."; and

(vii) in paragraph (2), by striking "special quota period may" and inserting "quota period may".

SEC. 402. CHEESE AND CHOCOLATE CRUMB IMPORTS.

(a) REPEAL OF SECTIONS 701 AND 703.—Sections 701 and 703 of the Trade Agreements Act of 1979 (93 Stat. 268) are hereby repealed.

(b) PRESIDENTIAL ACTION.—Section 702(d)(1) (93 Stat. 268) of the Trade Agreements Act of 1979 is amended to read as follows:

"(1) IN GENERAL.—Not later than 7 days after receiving a report under subsection (c)(3) with respect to an article of cheese subject to an in-quota rate of duty (or not later than 3 days after receiving a report under paragraph (2) in any case in which such paragraph applies), the President shall proclaim the imposition of a fee on the importation of such article from the country involved in such amount (not to exceed the amount of the subsidy determined under subsection (b)(2)(B)) as may be necessary to ensure that the duty-paid wholesale price of such article will not be less than the domestic wholesale market price of similar articles produced in the United States, and shall direct the Commissioner of Customs to administer and enforce such fee. Any such fee imposed shall be in addition to any customs duty or other fee imposed by law.".

(c) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 702 of the Trade Agreements Act of 1979 is amended by striking "of quota cheese" each place it appears and inserting "of cheese subject to an in-quota rate of duty".

(2) Section 702(c)(2) of such Act is amended—

(A) by striking "the Special Representative for Trade Negotiations" and inserting "the United States Trade Representative", and

(B) by striking "The Special Representative" and inserting "The United States Trade Representative".

(3) Subsections (c)(3)(B) and (e) of section 702 of such Act are each amended by striking "or quantitative limitation".

(4) Section 702(f) of such Act is amended—

(A) by inserting "(as in effect on the day before the effective date of title II of the Uruguay Round Agreements Act)" after "Tariff Act of 1930", and

(B) by striking "under title I of this Act" and inserting "under title VII of the Tariff Act of 1930".

(5) Section 702(g)(2) of such Act is amended by striking "or quantitative limitations".

(6) Section 702(h) of such Act is amended by adding at the end the following new paragraphs:

"(4) CHEESE SUBJECT TO AN IN-QUOTA RATE OF DUTY.—The term 'cheese subject to an in-quota rate of duty' means the articles and the quantities of such articles provided for in the Additional U.S. Notes 14 through 23 of chapter 4 of Schedule XX (as defined in section 2(5) of the Uruguay Round Agreements Act).

"(5) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.".

SEC. 403. MEAT IMPORT ACT.

The Meat Import Act of 1979 (19 U.S.C. 2253 note) is repealed.

SEC. 404. ADMINISTRATION OF TARIFF-RATE QUOTAS.

(a) ORDERLY MARKETING.—In implementing the tariff-rate quotas set out in Schedule XX for the entry, or withdrawal from warehouse, for consumption of goods in the United States, the President shall take such action as may be necessary to ensure that imports of agricultural products do not disrupt the orderly marketing of commodities in the United States.

(b) INADEQUATE SUPPLY.—Where imports of an agricultural product are subject to a tariff-rate quota, and where the President determines and proclaims that the supply of the same or directly competitive or substitutable agricultural product will be inadequate, because of a natural disaster, disease, or major national market disruption,

to meet domestic demand at reasonable prices, the President may temporarily increase the quantity of imports of the agricultural product that is subject to the in-quota rate of duty established under the tariff-rate quota.

(c) MONITORING.—The Secretary of Agriculture shall monitor the domestic supply of agricultural products subject to a tariff-rate quota as the Secretary considers appropriate and shall advise the President when the domestic supply of the products and substitutable products combined with the estimated imports of the products under the tariff-rate quota may be inadequate to meet domestic demand at reasonable prices.

(d) COVERAGE OF TARIFF-RATE QUOTAS.—

(1) EXCLUSIONS.—The President may, subject to terms and conditions determined appropriate by the President, provide that the entry, or withdrawal from warehouse, for consumption in the United States of an agricultural product shall not be subject to the over-quota rate of duty established under a tariff-rate quota if the agricultural product—

(A) is imported by, or for the account of, any agency of the United States or of any foreign embassy;

(B) is imported as a sample for taking orders, for the personal use of the importer, or for the testing of equipment;

(C) is a commercial sample or is entered for exhibition, display, or sampling at a trade fair or for research; or

(D) is a blended syrup provided for in subheadings 1702.20.28, 1702.30.28, 1702.40.28, 1702.60.28, 1702.90.58, 1806.20.92, 1806.20.93, 1806.90.38, 1806.90.40, 2101.10.38, 2101.20.38, 2106.90.38, or 2106.90.67 of Schedule XX, if entered from a foreign trade zone by a foreign trade zone user whose facilities were in operation on June 1, 1990, to the extent that the annual quantity entered into the customs territory from such zone does not contain a quantity of sugar of nondomestic origin greater than the quantity authorized by the Foreign Trade Zones Board for processing in that zone during calendar year 1985.

(2) RECLASSIFICATION.—Subject to the consultation and layover requirements of section 115, the President may proclaim a modification to the coverage of a tariff-rate quota for any agricultural product if the President determines the modification is necessary or appropriate to conform the tariff-rate quota to Schedule XX as a result of a reclassification of any item by the Secretary of the Treasury.

(3) ALLOCATION.—The President may allocate the in-quota quantity of a tariff-rate quota for any agricultural product among supplying countries or customs areas and may modify any allocation as determined appropriate by the President.

(4) BILATERAL AGREEMENT.—The President may proclaim an increase in the tariff-rate quota for beef if the President determines that an increase is necessary to implement—

(A) the March 24, 1994, agreement between the United States and Argentina; or

(B) the March 9, 1994, agreement between the United States and Uruguay.

(5) CONTINUATION OF SUGAR HEADNOTE.—The President is authorized to proclaim additional United States note 3 to chapter 17 of the HTS, and to proclaim the modifications to the note, as determined appropriate by the President to reflect Schedule XX.

(e) CONFORMING AMENDMENTS.—

(1) SECTION 213 OF THE CARIBBEAN BASIN ECONOMIC RECOVERY ACT.—Section 213(d) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(d)) is amended to read as follows:

"(d) TARIFF-RATE QUOTAS.—No quantity of an agricultural product subject to a tariff-rate quota that exceeds the in-quota quantity shall be eligible for duty-free treatment under this title.".

(2) SECTION 204 OF THE ANDEAN TRADE PREFERENCE ACT.—Section 204 of the Andean Trade Preference Act (19 U.S.C. 3203) is amended by adding at the end the following new subsection:

"(g) TARIFF-RATE QUOTAS.—No quantity of an agricultural product subject to a tariff-rate quota that exceeds the in-quota quantity shall be eligible for duty-free treatment under this Act.".

(3) GSP.—Section 503 of the Trade Act of 1974 (19 U.S.C. 2463) is amended by adding at the end the following new subsection:

"(d) TARIFF-RATE QUOTAS.—No quantity of an agricultural product subject to a tariff-rate quota that exceeds the in-quota quantity shall be eligible for duty-free treatment under this title.".

(4) GENERAL NOTE 3(a) TO THE HTS.—General Note 3(a)(iv) to the HTS is amended by adding at the end the following:

"(F) No quantity of an agricultural product that is subject to a tariff-rate quota that exceeds the in-quota quantity shall be eligible for duty-free treatment under this paragraph.".

(5) DUTY DRAWBACK.—

(A) GENERALLY.—Section 313 of the Tariff Act of 1930 (19 U.S.C. 1313) is amended by adding at the end the following new subsection:

"(w) LIMITED APPLICABILITY FOR CERTAIN AGRICULTURAL PRODUCTS.—No drawback shall be available with respect to an agricultural product subject to the over-quota rate of duty established under a tariff-rate quota, except pursuant to subsection (j)(1).".

(B) EFFECTIVE DATE.—The amendment made by subparagraph (A) shall take effect on the earlier of the date of entry into force of the WTO Agreement with respect to the United States or January 1, 1995.

(6) RESTRICTIONS ON IMPORTED PEANUTS.—Paragraph (6) of section 358e(f) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a(f)(6)) is amended by inserting after "issues a proclamation" the following: "under section 404(b) of the Uruguay Round Agreements Act expanding the quantity of peanuts subject to the in-quota rate of duty under a tariff-rate quota, or".

SEC. 405. SPECIAL AGRICULTURAL SAFEGUARD AUTHORITY.

(a) DETERMINATION OF TRIGGER LEVELS.—Consistent with Article 5 as determined by the President, the President shall cause to be published in the Federal Register—

(1) the list of special safeguard agricultural goods not later than the date of entry into force of the WTO Agreement with respect to the United States; and

(2) for each special safeguard agricultural good—

(A) the trigger level specified in subparagraph 1(a) of Article 5, on an annual basis;

(B) the trigger price specified in subparagraph 1(b) of Article 5; and

(C) the relevant period.

(b) DETERMINATION OF SAFEGUARD.—If the President determines with respect to a special safeguard agricultural good that it is appropriate to impose—

(1) the price-based safeguard in accordance with subparagraph 1(a) of Article 5; or

(2) the volume-based safeguard in accordance with subparagraph 1(b) of Article 5,

the President shall, consistent with Article 5 as determined by the President, determine the amount of the duty to be imposed, the period such duty shall be in effect, and any other terms and conditions applicable to the duty.

(c) IMPOSITION OF SAFEGUARD.—The President shall direct the Secretary of the Treasury to impose a duty on a special safeguard agricultural good entered, or withdrawn from warehouse, for consumption in the United States in accordance with a determination made under subsection (b).

(d) NO SIMULTANEOUS SAFEGUARD.—A duty may not be in effect for a special safeguard agricultural good pursuant to this section during any period in which such good is the subject of any action proclaimed pursuant to section 202 or 203 of the Trade Act of 1974 (19 U.S.C. 2252 or 2253).

(e) EXCLUSION OF NAFTA COUNTRIES.—The President may exempt from any duty imposed under this section any good originating in a NAFTA country (as determined in accordance with section 202 of the North American Free Trade Agreement Implementation Act (19 U.S.C. 3332)).

(f) ADVICE OF SECRETARY OF AGRICULTURE.—The Secretary of Agriculture shall advise the President on the implementation of this section.

(g) TERMINATION DATE.—This section shall cease to be effective on the date, as determined by the President, that the special safeguard provisions of Article 5 are no longer in force with respect to the United States.

(h) DEFINITIONS.—For purposes of this section—

(1) the term "Article 5" means Article 5 of the Agreement on Agriculture described in section 101(d)(2);

(2) the term "relevant period" means the period determined by the President to be applicable to a special safeguard agricultural good for purposes of applying this section; and

(3) the term "special safeguard agricultural good" means an agricultural good on which an additional duty may be imposed pursuant to the special safeguard provisions of Article 5.

PART II—EXPORTS

SEC. 411. EXPORT PROGRAMS.

(a) EXPORT ENHANCEMENT PROGRAM.—

(1) SHORT TITLE.—This subsection may be cited as the "Export Enhancement Program Amendments of 1994".

(2) TITLE HEADING.—Title III of the Agricultural Trade Act of 1978 (7 U.S.C. 5651 et seq.) is amended by striking the title heading and inserting the following:

"TITLE III—EXPORT ENHANCEMENT PROGRAM".

(3) GENERAL AUTHORITY.—Subsection (a) of section 301 of such Act (7 U.S.C. 5651(a)) is amended to read as follows:

"(a) IN GENERAL.—The Commodity Credit Corporation shall carry out an export enhancement program in accordance with this section to encourage the commercial sale of United States agricultural commodities in world markets at competitive prices. The program shall be carried out in a market sensitive manner. Activities under the program shall not be limited to responses to unfair trade practices.".

(4) FUNDING.—Section 301 of such Act (7 U.S.C. 5651) is amended—

(A) in subsection (e), by striking "1995" and inserting "2001"; and

(B) by adding at the end the following:

"(g) CONSISTENCY WITH INTERNATIONAL OBLIGATIONS.—Notwithstanding any other provision of this section, the Commodity Credit Corporation shall administer and carry out the program authorized by this section in a

manner consistent, as determined by the President, with the obligations undertaken by the United States set forth in the Uruguay Round Agreements.".

(b) DAIRY EXPORT INCENTIVE PROGRAM.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a-14) is amended by striking "1995" and inserting "2001".

(c) EXPORT SALES OF DAIRY PRODUCTS.—Subsection (a) of section 1163 of the Food Security Act of 1985 (Public Law 99-198; 7 U.S.C. 1731 note) is amended to read as follows:

"(a) In each fiscal year, the Secretary of Agriculture may sell dairy products for export, at such prices as the Secretary determines appropriate, in a quantity and allocated as determined by the Secretary, consistent with the obligations undertaken by the United States set forth in the Uruguay Round Agreements, if the disposition of the commodities will not interfere with the usual marketings of the United States nor disrupt world prices of agricultural commodities and patterns of commercial trade.".

(d) MARKET PROMOTION PROGRAM.—(1) Section 203(c) of the Agricultural Trade Act of 1978 (7 U.S.C. 5623(c)) is amended—

(A) by striking paragraph (2);

(B) by striking "PARTICIPATION.—" and all that follows through "To" in paragraph (1) and inserting "PARTICIPATION.—To";

(C) by redesignating subparagraphs (A), (B), and (C) as paragraphs (1), (2), and (3), respectively; and

(D) by aligning the margins of paragraphs (1), (2), and (3) (as so redesignated) so as to align with the margin of paragraph (1) of subsection (d).

(2) Section 203(f)(2) of such Act (7 U.S.C. 5623(f)(2)) is amended—

(A) by striking subparagraph (D);

(B) by inserting "or" at the end of subparagraph (C); and

(C) by redesignating subparagraph (E) as subparagraph (D).

(e) FOOD AID.—

(1) POLICY.—In light of the Uruguay Round Agreement on Agriculture and the Ministerial Decision on Measures Concerning the Possible Negative Effects of the Reform Program on Least-Developed and Net-Food Importing Developing Countries, the United States reaffirms the commitment of the United States to providing food aid to developing countries.

(2) SENSE OF CONGRESS.—It is the sense of Congress that—

(A) the President should initiate consultations with other donor nations to consider appropriate levels of food aid commitments to meet the legitimate needs of developing countries; and

(B) the United States should increase its contribution of bona fide food assistance to developing countries consistent with the Agreement on Agriculture.

SEC. 412. OTHER CONFORMING AMENDMENTS.

(a) PUBLIC LAW 98-332.—Section 106 of Public Law 98-332 (98 Stat. 287), is repealed.

(b) AGRICULTURE, RURAL DEVELOPMENT, AND RELATED AGENCIES APPROPRIATIONS ACT, 1984.—Section 625(A) of the Agriculture, Rural Development, and Related Agencies Appropriations Act, 1984, as given the force of law by section 101(d) of Public Law 98-151 (97 Stat. 1853), is repealed.

(c) AGRICULTURAL ACT OF 1956.—Section 203 of the Agriculture Act of 1956 (7 U.S.C. 1853) is repealed.

PART III—OTHER PROVISIONS

SEC. 421. AUTHORITY FOR CERTAIN ACTIONS UNDER ARTICLE XXVIII.

(a) IN GENERAL.—In the application of section 125(c) of the Trade Act of 1974 (19 U.S.C. 2135) with respect to any item provided for in subheadings 2401.10.60, 2401.20.30, 2401.20.80, 2401.30.30, 2401.30.60, 2401.30.90, 2403.10.00, 2403.91.40, or 2403.99.00 of the HTS, "350" shall be substituted for "20" where it appears in such section.

(b) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act.

SEC. 422. TOBACCO IMPORTS.

(a) DOMESTIC MARKETING ASSESSMENT.—Section 320C of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314i) is amended by adding at the end the following new subsection:

"(g) EFFECTIVE DATE.—This section shall be effective only for calendar year 1994.".

(b) BUDGET DEFICIT ASSESSMENT.—

(1) IMPORTER ASSESSMENTS.—Section 106(g) of the Agricultural Act of 1949 (7 U.S.C. 1445(g)) is amended—

(A) by striking paragraph (1) and inserting the following new paragraph:

"(1) Effective only for each of the 1994 through 1998 crops of tobacco for which price support is made available under this Act, each producer and purchaser of such tobacco, and each importer of the same kind of tobacco, shall remit to the Commodity Credit Corporation a nonrefundable marketing assessment in an amount equal to—

"(A) in the case of a producer or purchaser of domestic tobacco, .5 percent of the national price support level for each such crop; and

"(B) in the case of an importer of tobacco, 1 percent of the national support price for the same kind of tobacco;

as provided for in this section."; and

(B) in paragraph (2), by striking "assessments and purchaser" and inserting ", purchaser, and importer".

(2) CONFORMING AMENDMENT.—Section 106 of such Act (7 U.S.C. 1445) is amended by striking subsection (h).

(c) WAIVER AUTHORITY.—The President may waive the application to imported tobacco of section 106(g), 106A, or 106B of the Agricultural Act of 1949 (7 U.S.C. 1445(g), 1445-1, or 1445-2) or the amendment made in subsection (c) of section 1106 of the Omnibus Budget Reconciliation Act of 1993 (Public Law 103-66; 107 Stat. 323) if the President determines that the waiver is necessary or appropriate pursuant to an international agreement entered into by the United States.

(d) DUTY DRAWBACK.—Section 313(w) of the Tariff Act of 1930 (19 U.S.C. 1313) (as added by section 404(d)(5)) is further amended—

(1) by striking "PRODUCTS.—No" and inserting "PRODUCTS.—

"(1) IN GENERAL.—No"; and

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

"(2) APPLICATION TO TOBACCO.—Notwithstanding paragraph (1), drawback shall also be available pursuant to subsection (a) with respect to any tobacco subject to the over-quota rate of duty established under a tariff-rate quota.".

(e) EFFECTIVE DATE.—This section and the amendments made by this section shall be effective beginning on the effective date of the Presidential proclamation, authorized under section 421, establishing a tariff-rate quota pursuant to Article XXVIII of the GATT 1947 or the GATT 1994 with respect to tobacco.

SEC. 423. TOBACCO PROCLAMATION AUTHORITY.

(a) IN GENERAL.—The President, after consultation with the Committee on Ways and Means of the House of Representatives and with the Committee on Finance of the Senate, may proclaim the reduction or elimination of any duty with respect to cigar binder and filler tobacco, wrapper tobacco, or oriental tobacco set forth in Schedule XX.

(b) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act.

SEC. 424. REPORT TO CONGRESS ON ACCESS TO CANADIAN DAIRY AND POULTRY MARKETS.

The President, not later than 6 months after the date of entry into force of the WTO Agreement with respect to the United States, shall submit a report to the Congress on the extent to which Canada is complying with its obligations under the Uruguay Round Agreements with respect to dairy and poultry products and with its related obligations under the North American Free Trade Agreement.

SEC. 425. STUDY OF MILK MARKETING ORDER SYSTEM.

The Secretary of Agriculture shall conduct a study to determine the effects of the Uruguay Round Agreements on the Federal milk marketing order system. Not later than 6 months after the date of entry into force of the WTO Agreement with respect to the United States, the Secretary of Agriculture shall report to the Congress on the results of the study.

SEC. 426. ADDITIONAL PROGRAM FUNDING.

(a) USE OF ADDITIONAL FUNDS.—Consistent, as determined by the President, with the obligations undertaken by the United States set forth in the Uruguay Round Agreements, the Commodity Credit Corporation shall use, in addition to any other funds appropriated or made available for such purposes, any funds made available under subsection (b) for authorized export promotion, foreign market development, export credit financing, and promoting the development, commercialization, and marketing of products resulting from alternative uses of agricultural commodities.

(b) AMOUNT OF ADDITIONAL FUNDS.—Amounts shall be credited to the Commodity Credit Corporation in fiscal year 1995 equal to the lesser of the dollar amount of—

(1) the fiscal year 1995 Pay-As-You-Go savings; and

(2) the 5-year Pay-As-You-Go savings;

under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985, resulting from the enactment of the Federal Crop Insurance Reform Act of 1994.

(c) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this section.

Subtitle B—Sanitary and Phytosanitary Measures

SEC. 431. SANITARY AND PHYTOSANITARY MEASURES.

(a) TRADE AGREEMENTS ACT OF 1979.—Section 414 of the Trade Agreements Act of 1979 (19 U.S.C. 2544) is amended by adding at the end the following:

"(c) SANITARY AND PHYTOSANITARY MEASURES.—

"(1) PUBLIC INFORMATION.—The standards information center shall, in addition to the functions specified under subsection (b), make available to the public relevant documents, at such reasonable fees as the Secretary of Commerce may prescribe, and information regarding—

"(A) any sanitary or phytosanitary measure of general application, including any inspection procedure or approval procedure proposed, adopted, or maintained by a Federal agency or agency of a State or local government;

"(B) the procedures of a Federal agency or an agency of a State or local government

for risk assessment and factors the agency considers in conducting the assessment;

"(C) the determination of the levels of protection that a Federal agency or an agency of a State or local government considers appropriate; and

"(D) the membership and participation of the Federal Government and State and local governments in international and regional sanitary and phytosanitary organizations and systems, and in bilateral and multilateral arrangements regarding sanitary and phytosanitary measures, and the provisions of those systems and arrangements.

"(2) DEFINITIONS.—The definitions in section 463 apply for purposes of this subsection.".

(b) RAILWAY CAR INSPECTION.—Subsection (a) of the Act of January 31, 1942 (56 Stat. 40, chapter 31; 7 U.S.C. 149), is amended by striking "from Mexico".

(c) FEDERAL PLANT PEST ACT.—The Federal Plant Pest Act (7 U.S.C. 150aa et seq.) is amended—

(1) so that section 103 (7 U.S.C. 150bb) reads as follows:

"SEC. 103. MOVEMENT OF PESTS PROHIBITED.

"(a) IN GENERAL.—No person shall import or enter any plant pest into the United States, or move any plant pest interstate, or accept delivery of any plant pest moving from any foreign country into or through the United States, or interstate, unless the movement is made in accordance with such regulations as the Secretary may promulgate to prevent the dissemination into the United States, or interstate, of plant pests.

"(b) REGULATIONS.—The regulations promulgated by the Secretary to implement subsection (a) may include regulations requiring that a plant pest moving into or through the United States, or interstate—

"(1) be accompanied by a permit issued by the Secretary prior to the movement of the plant pest; or

"(2) be accompanied by a certificate of inspection issued, in a manner and form required by the Secretary, by appropriate officials of the country or State from which the plant pest is to be moved."; and

(2) in section 104 (7 U.S.C. 150cc)—

(A) so that subsection (a) reads as follows:

"(a) Any letter, parcel, box, or other package containing any plant pest, whether sealed as letter-rate postal matter or not, is nonmailable, and shall not knowingly be conveyed in the mail or delivered from any post office or by any mail carrier, unless it is mailed in conformance with such regulations as the Secretary may promulgate to prevent the dissemination into the United States, or interstate, of plant pests.";

(B) by striking subsection (b); and

(C) by redesignating subsections (c) and (d) as subsections (b) and (c), respectively.

(d) PLANT QUARANTINE ACT.—The Act of August 20, 1912 (37 Stat. 315, chapter 308; 7 U.S.C. 151 et seq.) (commonly known as the "Plant Quarantine Act") is amended—

(1) so that the first section (7 U.S.C. 151) reads as follows:

"SECTION 1. IMPORTATION OF NURSERY STOCK.

"(a) IN GENERAL.—No person shall—

"(1) import or enter into the United States any nursery stock; or

"(2) accept delivery of any nursery stock moving from any foreign country into or through the United States;

unless the movement is made in accordance with such regulations as the Secretary of Agriculture may promulgate to prevent dissemination into the United States of plant pests, plant diseases, or insect pests.

"(b) REGULATIONS.—The regulations promulgated by the Secretary of Agriculture to implement subsection (a) may include regulations requiring that nursery stock moving into or though the United States—

"(1) be accompanied by a permit issued by the Secretary of Agriculture prior to the movement of the nursery stock;

"(2) be accompanied by a certificate of inspection issued, in a manner and form required by the Secretary of Agriculture, by appropriate officials of the country or State from which the nursery stock is to be moved;

"(3) be grown under postentry quarantine conditions by or under the supervision of the Secretary of Agriculture for the purposes of determining whether the nursery stock may be infested with plant pests or insect pests, or infected with plant diseases, not discernible by port-of-entry inspection; and

"(4) if the nursery stock is found to be infested with plant pests or insect pests or infected with plant diseases, be subject to remedial measures the Secretary of Agriculture determines to be necessary to prevent the spread of plant pests, insect pests, or plant diseases."; and

(2) so that the last sentence of section 2 (7 U.S.C. 156) reads as follows: "This section does not apply to nursery stock that is imported or entered from a country or a region of a country that the Secretary of Agriculture designates, pursuant to procedures set forth in such regulations as the Secretary may promulgate, as exempt from the requirements of this section.".

(e) HONEYBEE IMPORTATION.—The first section of the Act of August 31, 1922 (42 Stat. 833, chapter 301; 7 U.S.C. 281) (commonly known as the "Honeybee Act"), is amended to read as follows:

"SECTION 1. HONEYBEE IMPORTATION.

"(a) IN GENERAL.—The Secretary of Agriculture is authorized to prohibit or restrict the importation or entry of honeybees and honeybee semen into or through the United States in order to prevent the introduction and spread of diseases and parasites harmful to honeybees, the introduction of genetically undesirable germ plasm of honeybees, or the introduction and spread of undesirable species or subspecies of honeybees and the semen of honeybees.

"(b) REGULATIONS.—The Secretary of Agriculture and the Secretary of the Treasury are each authorized to prescribe such regulations as the respective Secretary determines necessary to carry out this section.

"(c) ENFORCEMENT.—Honeybees or honeybee semen offered for importation into, intercepted entering, or having entered the United States, other than in accordance with regulations promulgated by the Secretary of Agriculture and the Secretary of the Treasury, shall be destroyed or immediately exported.

"(d) DEFINITION.—As used in this Act, the term 'honeybee' means all life stages and the germ plasm of honeybees of the genus Apis, except honeybee semen.".

(f) FEDERAL NOXIOUS WEED ACT OF 1974.—Section 4 of the Federal Noxious Weed Act of 1974 (7 U.S.C. 2803) is amended so that subsections (a) through (b) read as follows:

"(a) No person shall import or enter any noxious weed identified in a regulation promulgated by the Secretary into or through the United States or move any noxious weed interstate, unless the movement is in accordance with such conditions as the Secretary may prescribe by regulation under this Act to prevent the dissemination into the United States, or interstate, of such noxious weeds.

"(b) The regulations prescribed by the Secretary to implement subsection (a) may include regulations requiring that any noxious weed imported or entered into the United States or moving interstate be accompanied by a permit issued by the Secretary prior to the movement of the noxious weed.".

(g) TARIFF ACT OF 1930.—Section 306(b) of the Tariff Act of 1930 (19 U.S.C. 1306(b)) is amended by inserting before the period at the end the following: ", or is, and is likely to remain, a region of low prevalence of rinderpest and foot-and-mouth disease".

(h) IMPORTATION OF ANIMALS.—Section 6 of the Act of August 30, 1890 (26 Stat. 416, chapter 839; 21 U.S.C. 104), is amended to read as follows:

"SEC. 6. IMPORTATION OF ANIMALS.

"(a) IN GENERAL.—The Secretary of Agriculture may by regulation prohibit or restrict the importation or entry of any cattle, sheep, or other ruminants, or swine, that are diseased or infected with any disease, or that have been exposed to an infection, into or through the United States to prevent the dissemination into the United States of a disease.

"(b) PENALTIES.—

"(1) CRIMINAL.—Any person who knowingly violates any regulation promulgated by the Secretary pursuant to this section, or any provision of sections 7 through 10 or any regulation promulgated by the Secretary pursuant to such sections, shall be fined under title 18, United States Code, or imprisoned not more than 1 year, or both.

"(2) CIVIL.—Any person who violates any such provision or any such regulation may be assessed a civil penalty by the Secretary of Agriculture not exceeding $1,000. The Secretary may issue an order assessing the civil penalty only after notice and an opportunity for an agency hearing on the record. The order shall be treated as a final order reviewable under chapter 158 of title 28, United States Code. The validity of the order may not be reviewed in an action to collect such civil penalty.".

(i) INSPECTION OF ANIMALS.—Section 10 of the Act of August 30, 1890 (26 Stat. 417, chapter 839; 21 U.S.C. 105), is amended—

(1) in subsection (a)—

(A) by striking "(a) IN GENERAL.—Except as provided in subsection (b), the" and inserting "The";

(B) in the first sentence, by striking "shall cause careful inspection to be made by a suitable officer of all" and inserting "may cause careful inspection of any"; and

(C) in the third sentence, by striking "they shall not be allowed to be placed" and inserting "the Secretary may prohibit or restrict their placement"; and

(2) by striking subsection (b).

(j) INTERNATIONAL ANIMAL QUARANTINE STATION.—The 6th sentence in the first section of Public Law 91-239 (21 U.S.C. 135) is amended—

(1) by striking "North American"; and

(2) by striking "within the United States".

(k) POULTRY PRODUCTS INSPECTION ACT.—Section 17(d) of the Poultry Products Inspection Act (21 U.S.C. 466) is amended—

(1) by amending paragraph (1) to read as follows:

"(1) Notwithstanding any other provision of law, all poultry, or parts or products of poultry, capable of use as human food offered for importation into the United States shall—

"(A) be subject to inspection, sanitary, quality, species verification, and residue standards that achieve a level of sanitary protection equivalent to that achieved under United States standards; and

"(B) have been processed in facilities and under conditions that achieve a level of sanitary protection equivalent to that achieved under United States standards."; and

(2) in paragraph (2)—

(A) by amending subparagraph (A) to read as follows:

"(A) The Secretary may treat as equivalent to a United States standard a standard of an exporting country described in paragraph (1) if the exporting country provides the Secretary with scientific evidence or other information, in accordance with risk assessment methodologies determined appropriate by the Secretary, to demonstrate that the standard of the exporting country achieves the level of sanitary protection achieved under the United States standard. For the purposes of this subsection, the term 'sanitary protection' means protection to safeguard public health.";

(B) by striking subparagraph (B); and

(C) by redesignating subparagraph (C) as subparagraph (B).

(1) FEDERAL MEAT INSPECTION ACT.—Section 20(e) of the Federal Meat Inspection Act (21 U.S.C. 620(e)) is amended—

(1) so that subparagraphs (A) through (B) of paragraph (1) read as follows:

"(A) A certification by the Secretary that foreign plants exporting carcasses or meat or meat products referred to in subsection (a) have complied with requirements that achieve a level of sanitary protection equivalent to that achieved under United States requirements with regard to all inspection, building construction standards, and all other provisions of this Act and regulations issued under this Act.

"(B) The Secretary may treat as equivalent to a United States requirement a requirement described in subparagraph (A) if the exporting country provides the Secretary with scientific evidence or other information, in accordance with risk assessment methodologies determined appropriate by the Secretary, to demonstrate that the requirement achieves the level of sanitary protection achieved under the United States requirement. For the purposes of this subsection, the term 'sanitary protection' means protection to safeguard public health.";

(2) by striking paragraph (2); and

(3) by redesignating paragraphs (3) through (7) as paragraphs (2) through (6), respectively.

SEC. 432. INTERNATIONAL STANDARD-SETTING ACTIVITIES.

Title IV of the Trade Agreements Act of 1979 (19 U.S.C. 2531 et seq.) is amended by adding at the end the following new subtitle:

"Subtitle F—International Standard-Setting Activities

"SEC. 491. NOTICE OF UNITED STATES PARTICIPATION IN INTERNATIONAL STANDARD-SETTING ACTIVITIES.

"(a) IN GENERAL.—The President shall designate an agency to be responsible for informing the public of the sanitary and phytosanitary standard-setting activities of each international standard-setting organization.

"(b) NOTIFICATION.—Not later than June 1 of each year, the agency designated under subsection (a) with respect to each international standard-setting organization shall publish notice in the Federal Register of the information specified in subsection (c) with respect to that organization. The notice shall cover the period ending on June 1 of the year in which the notice is published, and beginning on the date of the preceding notice under this subsection, except that the first such notice shall cover the 1-year period ending on the date of the notice.

"(c) REQUIRED INFORMATION.—The information to be provided in the notice under subsection (b) is—

"(1) the sanitary or phytosanitary standards under consideration or planned for consideration by that organization;

"(2) for each sanitary or phytosanitary standard specified in paragraph (1)—

"(A) a description of the consideration or planned consideration of the standard;

"(B) whether the United States is participating or plans to participate in the consideration of the standard;

"(C) the agenda for the United States participation, if any; and

"(D) the agency responsible for representing the United States with respect to the standard.

"(d) PUBLIC COMMENT.—The agency specified in subsection (c)(2)(D) shall provide an opportunity for public comment with respect to the standards for which the agency is responsible and shall take the comments into account in participating in the consideration of the standards and in proposing matters to be considered by the organization.

"SEC. 492. EQUIVALENCE DETERMINATIONS.

"(a) IN GENERAL.—An agency may not determine that a sanitary or phytosanitary measure of a foreign country is equivalent to a sanitary or phytosanitary measure established under the authority of Federal law unless the agency determines that the sanitary or phytosanitary measure of the foreign country provides at least the same level of sanitary or phytosanitary protection as the comparable sanitary or phytosanitary measure established under the authority of Federal law.

"(b) FDA DETERMINATION.—If the Commissioner proposes to issue a determination of the equivalency of a sanitary or phytosanitary measure of a foreign country to a measure that is required to be promulgated as a rule under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 301 et seq.) or other statute administered by the Food and Drug Administration, the Commissioner shall issue a proposed regulation to incorporate such determination and shall include in the notice of proposed rulemaking the basis for the determination that the sanitary or phytosanitary measure of a foreign country provides at least the same level of sanitary or phytosanitary protection as the comparable Federal sanitary or phytosanitary measure. The Commissioner shall provide opportunity for interested persons to comment on the proposed regulation. The Commissioner shall not issue a final regulation based on the proposal without taking into account the comments received.

"(c) NOTICE.—If the Commissioner proposes to issue a determination of the equivalency of a sanitary or phytosanitary measure of a foreign country to a sanitary or phystosanitary measure of the Food and Drug Administration that is not required to be promulgated as a rule under the Federal Food, Drug, and Cosmetic Act or other statute administered by the Food and Drug Administration, the Commissioner shall publish a notice in the Federal Register that identifies the basis for the determination that the measure provides at least the same level of sanitary or phytosanitary protection as the comparable Federal sanitary or phytosanitary measure. The Commissioner shall provide opportunity for interested persons to comment on the notice. The Commissioner shall not issue a final determination on the issue of equivalency without taking into account the comments received.

"SEC. 493. DEFINITIONS.

"(a) IN GENERAL.—As used in this subtitle:

"(1) AGENCY.—The term 'agency' means a Federal department or agency (or combination of Federal departments or agencies).

"(2) COMMISSIONER.—The term 'Commissioner' means the Commissioner of Food and Drugs.

"(3) INTERNATIONAL STANDARD-SETTING ORGANIZATION.—The term 'international standard-setting organization' means an organization consisting of representatives of 2 or more countries, the purpose of which is to negotiate, develop, promulgate, or amend an international standard.

"(4) SANITARY OR PHYTOSANITARY STANDARD.—The term 'sanitary or phytosanitary standard' means a standard intended to form a basis for a sanitary or phytosanitary measure.

"(5) INTERNATIONAL STANDARD.—The term 'international standard' means a standard, guideline, or recommendation—

"(A) regarding food safety, adopted by the Codex Alimentarius Commission, including a standard, guideline, or recommendation regarding decomposition elaborated by the Codex Committee on Fish and Fishery Products, food additives, contaminants, hygienic practice, and methods of analysis and sampling;

"(B) regarding animal health and zoonoses, developed under the auspices of the International Office of Epizootics;

"(C) regarding plant health, developed under the auspices of the Secretariat of the International Plant Protection Convention in cooperation with the North American Plant Protection Organization; or

"(D) established by or developed under any other international organization agreed to by the NAFTA countries (as defined in section 2(4) of the North American Free Trade Agreement Implementation Act) or by the WTO members (as defined in section 2(10) of the Uruguay Round Agreements Act).

"(b) OTHER DEFINITIONS.—The definitions set forth in section 463 apply for purposes of this subtitle except that in applying paragraph (7) of section 463 with respect to a sanitary or phytosanitary measure of a foreign country, any reference in such paragraph to the United States shall be deemed to be a reference to that foreign country.".

Subtitle C—Standards

SEC. 441. THE FEDERAL SEED ACT.

The Federal Seed Act (7 U.S.C. 1551 et seq.) is amended—

(1) in section 301(a) (7 U.S.C. 1581(a))—

(A) by striking "(a)";

(B) in paragraph (1), by striking ", or is required to be stained and is not so stained, under the terms of this title,";

(C) by striking paragraph (3); and

(D) by redesignating paragraphs (4) and (5) as paragraphs (3) and (4), respectively;

(2) in section 302 (7 U.S.C. 1582)—

(A) in subsection (a), by striking "staining," both places it appears; and

(B) by striking subsection (e);

(3) by striking section 303 (7 U.S.C. 1585) and inserting the following new section:

"SEC. 303. CERTAIN SEEDS NOT ADAPTED FOR GENERAL AGRICULTURAL USE.

"Whenever the Secretary of Agriculture, after a public hearing, determines that seed of alfalfa or red clover from any foreign country is not adapted for general agricultural use in the United States, the Secretary shall publish the determination and the reasons for the determination."; and

(4) in section 304 (7 U.S.C. 1586)—

(A) in subsection (a)—

(i) by inserting "or" at the end of paragraph (2);

(ii) by striking the semicolon at the end of paragraph (3) and inserting a period; and

(iii) by striking paragraphs (4) through (7);

(B) by striking subsection (b); and

(C) by redesignating subsection (c) as subsection (b).

Subtitle D—General Effective Date

SEC. 451. GENERAL EFFECTIVE DATE.

Except as otherwise provided in this title, this title, and the amendments made by this title, shall take effect on the date of entry into force of the WTO Agreement with respect to the United States.

TITLE V—INTELLECTUAL PROPERTY

SEC. 501. DEFINITION.

For purposes of this title—

(1) the term "WTO Agreement" has the meaning given that term in section 2(9) of the Uruguay Round Agreements Act; and

(2) the term "WTO member country" has the meaning given that term in section 2(10) of the Uruguay Round Agreements Act.

Subtitle A—Copyright Provisions

SEC. 511. RENTAL RIGHTS IN COMPUTER PROGRAMS.

Section 804(c) of the Computer Software Rental Amendments Act of 1990 (17 U.S.C. 109 note; 104 Stat. 5136) is amended by striking the first sentence.

SEC. 512. CIVIL PENALTIES FOR UNAUTHORIZED FIXATION OF AND TRAFFICKING IN SOUND RECORDINGS AND MUSIC VIDEOS OF LIVE MUSICAL PERFORMANCES.

(a) IN GENERAL.—Title 17, United States Code, is amended by adding at the end the following new chapter:

"CHAPTER 11—SOUND RECORDINGS AND MUSIC VIDEOS

"Sec.

"1101. Unauthorized fixation and trafficking in sound recordings and music videos.

"§ 1101. Unauthorized fixation and trafficking in sound recordings and music videos

"(a) UNAUTHORIZED ACTS.—Anyone who, without the consent of the performer or performers involved—

"(1) fixes the sounds or sounds and images of a live musical performance in a copy or phonorecord, or reproduces copies or phonorecords of such a performance from an unauthorized fixation,

"(2) transmits or otherwise communicates to the public the sounds or sounds and images of a live musical performance, or

"(3) distributes or offers to distribute, sells or offers to sell, rents or offers to rent, or traffics in any copy or phonorecord fixed as described in paragraph (1), regardless of whether the fixations occurred in the United States,

shall be subject to the remedies provided in sections 502 through 505, to the same extent as an infringer of copyright.

"(b) DEFINITION.—As used in this section, the term 'traffic in' means transport, transfer, or otherwise dispose of, to another, as consideration for anything of value, or make or obtain control of with intent to transport, transfer, or dispose of.

"(c) APPLICABILITY.—This section shall apply to any act or acts that occur on or after the date of the enactment of the Uruguay Round Agreements Act.

"(d) STATE LAW NOT PREEMPTED.—Nothing in this section may be construed to annul or limit any rights or remedies under the common law or statutes of any State.".

(b) CONFORMING AMENDMENT.—The table of chapters for title 17, United States Code, is amended by adding at the end the following:

"11. Sound Recordings and Music Videos ..... 1101".

SEC. 513. CRIMINAL PENALTIES FOR UNAUTHORIZED FIXATION OF AND TRAFFICKING IN SOUND RECORDINGS AND MUSIC VIDEOS OR LIVE MUSICAL PERFORMANCES.

(a) IN GENERAL.—Chapter 113 of title 18, United States Code, is amended by inserting after section 2319 the following:

"§ 2319A. Unauthorized fixation of and trafficking in sound recordings and music videos of live musical performances

"(a) OFFENSE.—Whoever, without the consent of the performer or performers involved, knowingly and for purposes of commercial advantage or private financial gain—

"(1) fixes the sounds or sounds and images of a live musical performance in a copy or phonorecord, or reproduces copies or phonorecords of such a performance from an unauthorized fixation;

"(2) transmits or otherwise communicates to the public the sounds or sounds and images of a live musical performance; or

"(3) distributes or offers to distribute, sells or offers to sell, rents or offers to rent, or traffics in any copy or phonorecord fixed as described in paragraph (1), regardless of whether the fixations occurred in the United States;

shall be imprisoned for not more than 5 years or fined in the amount set forth in this title, or both, or if the offense is a second or subsequent offense, shall be imprisoned for not more than 10 years or fined in the amount set forth in this title, or both.

"(b) FORFEITURE AND DESTRUCTION.—When a person is convicted of a violation of subsection (a), the court shall order the forfeiture and destruction of any copies or phonorecords created in violation thereof, as well as any plates, molds, matrices, masters, tapes, and film negatives by means of which such copies or phonorecords may be made. The court may also, in its discretion, order the forfeiture and destruction of any other equipment by means of which such copies or phonorecords may be reproduced, taking into account the nature, scope, and proportionality of the use of the equipment in the offense.

"(c) SEIZURE AND FORFEITURE.—If copies or phonorecords of sounds or sounds and images of a live musical performance are fixed outside of the United States without the consent of the performer or performers involved, such copies or phonorecords are subject to seizure and forfeiture in the United States in the same manner as property imported in violation of the customs laws. The Secretary of the Treasury shall, not later than 60 days after the date of the enactment of the Uruguay Round Agreements Act, issue regulations to carry out this subsection, including regulations by which any performer may, upon payment of a specified fee, be entitled to notification by the United States Customs Service of the importation of copies or phonorecords that appear to consist of unauthorized fixations of the sounds or sounds and images of a live musical performance.

"(d) DEFINITIONS.—As used in this section—

"(1) the terms 'copy', 'fixed', 'musical work', 'phonorecord', 'reproduce', 'sound recordings', and 'transmit' mean those terms within the meaning of title 17; and

"(2) the term 'traffic in' means transport, transfer, or otherwise dispose of, to another, as consideration for anything of value, or make or obtain control of with intent to transport, transfer, or dispose of.

"(e) APPLICABILITY.—This section shall apply to any Act or Acts that occur on or after the date of the enactment of the Uruguay Round Agreements Act.".

(b) CONFORMING AMENDMENT.—The table of sections for chapter 113 of title 18, United States Code, is amended by inserting after the item relating to section 2319 the following:

"2319A. Unauthorized fixation of and trafficking in sound recordings and music videos of live musical performances.".

SEC. 514. RESTORED WORKS.

(a) IN GENERAL.—Section 104A of title 17, United States Code, is amended to read as follows:

"§ 104A. Copyright in restored works

"(a) AUTOMATIC PROTECTION AND TERM.—

"(1) TERM.—

"(A) Copyright subsists, in accordance with this section, in restored works, and vests automatically on the date of restoration.

"(B) Any work in which copyright is restored under this section shall subsist for the remainder of the term of copyright that the work would have otherwise been granted in the United States if the work never entered the public domain in the United States.

"(2) EXCEPTION.—Any work in which the copyright was ever owned or administered by the Alien Property Custodian and in which the restored copyright would be owned by a government or instrumentality thereof, is not a restored work.

"(b) OWNERSHIP OF RESTORED COPYRIGHT.—A restored work vests initially in the author or initial rightholder of the work as determined by the law of the source country of the work.

"(c) FILING OF NOTICE OF INTENT TO ENFORCE RESTORED COPYRIGHT AGAINST RELIANCE PARTIES.—On or after the date of restoration, any person who owns a copyright in a restored work or an exclusive right therein may file with the Copyright Office a notice of intent to enforce that person's copyright or exclusive right or may serve such a notice directly on a reliance party. Acceptance of a notice by the Copyright Office is effective as to any reliance parties but shall not create a presumption of the validity of any of the facts stated therein. Service on a reliance party is effective as to that reliance party and any other reliance parties with actual knowledge of such service and of the contents of that notice.

"(d) REMEDIES FOR INFRINGEMENT OF RESTORED COPYRIGHTS.—

"(1) ENFORCEMENT OF COPYRIGHT IN RESTORED WORKS IN THE ABSENCE OF A RELIANCE PARTY.—As against any party who is not a reliance party, the remedies provided in chapter 5 of this title shall be available on or after the date of restoration of a restored copyright with respect to an act of infringement of the restored copyright that is commenced on or after the date of restoration.

"(2) ENFORCEMENT OF COPYRIGHT IN RESTORED WORKS AS AGAINST RELIANCE PARTIES.—As against a reliance party, except to the extent provided in paragraphs (3) and (4), the remedies provided in chapter 5 of this title shall be available, with respect to an act of infringement of a restored copyright, on or after the date of restoration of the restored copyright if the requirements of either of the following subparagraphs are met:

"(A)(i) The owner of the restored copyright (or such owner's agent) or the owner of an exclusive right therein (or such owner's agent) files with the Copyright Office, during

the 24-month period beginning on the date of restoration, a notice of intent to enforce the restored copyright; and

"(ii)(I) the act of infringement commenced after the end of the 12-month period beginning on the date of publication of the notice in the Federal Register;

"(II) the act of infringement commenced before the end of the 12-month period described in subclause (I) and continued after the end of that 12-month period, in which case remedies shall be available only for infringement occurring after the end of that 12-month period; or

"(III) copies or phonorecords of a work in which copyright has been restored under this section are made after publication of the notice of intent in the Federal Register.

"(B)(i) The owner of the restored copyright (or such owner's agent) or the owner of an exclusive right therein (or such owner's agent) serves upon a reliance party a notice of intent to enforce a restored copyright; and

"(ii)(I) the act of infringement commenced after the end of the 12-month period beginning on the date the notice of intent is received;

"(II) the act of infringement commenced before the end of the 12-month period described in subclause (I) and continued after the end of that 12-month period, in which case remedies shall be available only for the infringement occurring after the end of that 12-month period; or

"(III) copies or phonorecords of a work in which copyright has been restored under this section are made after receipt of the notice of intent.

In the event that notice is provided under both subparagraphs (A) and (B), the 12-month period referred to in such subparagraphs shall run from the earlier of publication or service of notice.

"(3) EXISTING DERIVATIVE WORKS.—(A) In the case of a derivative work that is based upon a restored work and is created--

"(i) before the date of the enactment of the Uruguay Round Agreements Act, if the source country of the derivative work is an eligible country on such date, or

"(ii) before the date of adherence or proclamation, if the source country of the derivative work is not an eligible country on such date of enactment,

a reliance party may continue to exploit that work for the duration of the restored copyright if the reliance party pays to the owner of the restored copyright reasonable compensation for conduct which would be subject to a remedy for infringement but for the provisions of this paragraph.

"(B) In the absence of an agreement between the parties, the amount of such compensation shall be determined by an action in United States district court, and shall reflect any harm to the actual or potential market for or value of the restored work from the reliance party's continued exploitation of the work, as well as compensation for the relative contributions of expression of the author of the restored work and the reliance party to the derivative work.

"(4) COMMENCEMENT OF INFRINGEMENT FOR RELIANCE PARTIES.—For purposes of section 412, in the case of reliance parties, infringement shall be deemed to have commenced before registration when acts which would have constituted infringement had the restored work been subject to copyright were commenced before the date of restoration.

"(e) NOTICES OF INTENT TO ENFORCE A RESTORED COPYRIGHT.—

"(1) NOTICES OF INTENT FILED WITH THE COPYRIGHT OFFICE.—(A)(i) A notice of intent filed with the Copyright Office to enforce a restored copyright shall be signed by the owner of the restored copyright or the owner of an exclusive right therein, who files the notice under subsection (d)(2)(A)(i) (hereafter in this paragraph referred to as the 'owner'), or by the owner's agent, shall identify the title of the restored work, and shall include an English translation of the title and any other alternative titles known to the owner by which the restored work may be identified, and an address and telephone number at which the owner may be contacted. If the notice is signed by an agent, the agency relationship must have been constituted in a writing signed by the owner before the filing of the notice. The Copyright Office may specifically require in regulations other information to be included in the notice, but failure to provide such other information shall not invalidate the notice or be a basis for refusal to list the restored work in the Federal Register.

"(ii) If a work in which copyright is restored has no formal title, it shall be described in the notice of intent in detail sufficient to identify it.

"(iii) Minor errors or omissions may be corrected by further notice at any time after the notice of intent is filed. Notices of corrections for such minor errors or omissions shall be accepted after the period established in subsection (d)(2)(A)(i). Notices shall be published in the Federal Register pursuant to subparagraph (B).

"(B)(i) The Register of Copyrights shall publish in the Federal Register, commencing not later than 4 months after the date of restoration for a particular nation and every 4 months thereafter for a period of 2 years, lists identifying restored works and the ownership thereof if a notice of intent to enforce a restored copyright has been filed.

"(ii) Not less than 1 list containing all notices of intent to enforce shall be maintained in the Public Information Office of the Copyright Office and shall be available for public inspection and copying during regular business hours pursuant to sections 705 and 708. Such list shall also be published in the Federal Register on an annual basis for the first 2 years after the applicable date of restoration.

"(C) The Register of Copyrights is authorized to fix reasonable fees based on the costs of receipt, processing, recording, and publication of notices of intent to enforce a restored copyright and corrections thereto.

"(D)(i) Not later than 90 days before the date the Agreement on Trade-Related Aspects of Intellectual Property referred to in section 101(d)(15) of the Uruguay Round Agreements Act enters into force with respect to the United States, the Copyright Office shall issue and publish in the Federal Register regulations governing the filing under this subsection of notices of intent to enforce a restored copyright.

"(ii) Such regulations shall permit owners of restored copyrights to file simultaneously for registration of the restored copyright.

"(2) NOTICES OF INTENT SERVED ON A RELIANCE PARTY.—(A) Notices of intent to enforce a restored copyright may be served on a reliance party at any time after the date of restoration of the restored copyright.

"(B) Notices of intent to enforce a restored copyright served on a reliance party shall be signed by the owner or the owner's agent, shall identify the restored work and the work in which the restored work is used, if any, in detail sufficient to identify them, and shall include an English translation of the title, any other alternative titles known to the owner by which the work may be identified, the use or uses to which the owner objects, and an address and telephone number at which the reliance party may contact the owner. If the notice is signed by an agent, the agency relationship must have been constituted in writing and signed by the owner before service of the notice.

"(3) EFFECT OF MATERIAL FALSE STATEMENTS.—Any material false statement knowingly made with respect to any restored copyright identified in any notice of intent shall make void all claims and assertions made with respect to such restored copyright.

"(f) IMMUNITY FROM WARRANTY AND RELATED LIABILITY.—

"(1) IN GENERAL.—Any person who warrants, promises, or guarantees that a work does not violate an exclusive right granted in section 106 shall not be liable for legal, equitable, arbitral, or administrative relief if the warranty, promise, or guarantee is breached by virtue of the restoration of copyright under this section, if such warranty, promise, or guarantee is made before January 1, 1995.

"(2) PERFORMANCES.—No person shall be required to perform any act if such performance is made infringing by virtue of the restoration of copyright under the provisions of this section, if the obligation to perform was undertaken before January 1, 1995.

"(g) PROCLAMATION OF COPYRIGHT RESTORATION.—Whenever the President finds that a particular foreign nation extends, to works by authors who are nationals or domiciliaries of the United States, restored copyright protection on substantially the same basis as provided under this section, the President may by proclamation extend restored protection provided under this section to any work—

"(1) of which one or more of the authors is, on the date of first publication, a national, domiciliary, or sovereign authority of that nation; or

"(2) which was first published in that nation.

The President may revise, suspend, or revoke any such proclamation or impose any conditions or limitations on protection under such a proclamation.

"(h) DEFINITIONS.—For purposes of this section and section 109(a):

"(1) The term 'date of adherence or proclamation' means the earlier of the date on which a foreign nation which, as of the date the WTO Agreement enters into force with respect to the United States, is not a nation adhering to the Berne Convention or a WTO member country, becomes—

"(A) a nation adhering to the Berne Convention or a WTO member country; or

"(B) subject to a Presidential proclamation under subsection (g).

"(2) The 'date of restoration' of a restored copyright is the later of—

"(A) the date on which the Agreement on Trade-Related Aspects of Intellectual Property referred to in section 101(d)(15) of the Uruguay Round Agreements Act enters into force with respect to the United States, if the source country of the restored work is a nation adhering to the Berne Convention or a WTO member country on such date; or

"(B) the date of adherence or proclamation, in the case of any other source country of the restored work.

"(3) The term 'eligible country' means a nation, other than the United States, that is a WTO member country, adheres to the Berne Convention, or is subject to a proclamation under section 104A(g).

"(4) The term 'reliance party' means any person who—

"(A) with respect to a particular work, engages in acts, before the source country of that work becomes an eligible country, which would have violated section 106 if the restored work had been subject to copyright protection, and who, after the source country becomes an eligible country, continues to engage in such acts;

"(B) before the source country of a particular work becomes an eligible country, makes or acquires 1 or more copies or phonorecords of that work; or

"(C) as the result of the sale or other disposition of a derivative work covered under subsection (d)(3), or significant assets of a person described in subparagraph (A) or (B), is a successor, assignee, or licensee of that person.

"(5) The term 'restored copyright' means copyright in a restored work under this section.

"(6) The term 'restored work' means an original work of authorship that—

"(A) is protected under subsection (a);

"(B) is not in the public domain in its source country through expiration of term of protection;

"(C) is in the public domain in the United States due to—

"(i) noncompliance with formalities imposed at any time by United States copyright law, including failure of renewal, lack of proper notice, or failure to comply with any manufacturing requirements;

"(ii) lack of subject matter protection in the case of sound recordings fixed before February 15, 1972; or

"(iii) lack of national eligibility; and

"(D) has at least one author or rightholder who was, at the time the work was created, a national or domiciliary of an eligible country, and if published, was first published in an eligible country and not published in the United States during the 30-day period following publication in such eligible country.

"(7) The term 'rightholder' means the person—

"(A) who, with respect to a sound recording, first fixes a sound recording with authorization, or

"(B) who has acquired rights from the person described in subparagraph (A) by means of any conveyance or by operation of law.

"(8) The 'source country' of a restored work is—

"(A) a nation other than the United States;

"(B) in the case of an unpublished work—

"(i) the eligible country in which the author or rightholder is a national or domiciliary, or, if a restored work has more than 1 author or rightholder, the majority of foreign authors or rightholders are nationals or domiciliaries of eligible countries; or

"(ii) if the majority of authors or rightholders are not foreign, the nation other than the United States which has the most significant contacts with the work; and

"(C) in the case of a published work—

"(i) the eligible country in which the work is first published, or

"(ii) if the restored work is published on the same day in 2 or more eligible countries, the eligible country which has the most significant contacts with the work.

"(9) The terms 'WTO Agreement' and 'WTO member country' have the meanings given those terms in paragraphs (9) and (10), respectively, of section 2 of the Uruguay Round Agreements Act.".

(b) LIMITATION.—Section 109(a) of title 17, United States Code, is amended by adding at the end the following: "Notwithstanding the preceding sentence, copies or phonorecords of works subject to restored copyright under section 104A that are manufactured before the date of restoration of copyright or, with respect to reliance parties, before publication or service of notice under section 104A(e), may be sold or otherwise disposed of without the authorization of the owner of the restored copyright for purposes of direct or indirect commercial advantage only during the 12-month period beginning on—

"(1) the date of the publication in the Federal Register of the notice of intent filed with the Copyright Office under section 104A(d)(2)(A), or

"(2) the date of the receipt of actual notice served under section 104A(d)(2)(B),

whichever occurs first.".

(c) CONFORMING AMENDMENT.—The item relating to section 104A in the table of sections for chapter 1 of title 17, United States Code, is amended to read as follows:

"104A. Copyright in restored works.".

Subtitle B—Trademark Provisions

SEC. 521. DEFINITION OF "ABANDONED".

Section 45 of the Act entitled "An Act to provide for the registration and protection of trade-marks used in commerce, to carry out the provisions of certain international conventions, and for other purposes", approved July 5, 1946 (15 U.S.C. 1127) (hereafter in this title referred to as the "Trademark Act of 1946"), is amended by amending the paragraph defining "abandoned" to read as follows:

"A mark shall be deemed to be 'abandoned' if either of the following occurs:

"(1) When its use has been discontinued with intent not to resume such use. Intent not to resume may be inferred from circumstances. Nonuse for 3 consecutive years shall be prima facie evidence of abandonment. 'Use' of a mark means the bona fide use of such mark made in the ordinary course of trade, and not made merely to reserve a right in a mark.

"(2) When any course of conduct of the owner, including acts of omission as well as commission, causes the mark to become the generic name for the goods or services on or in connection with which it is used or otherwise to lose its significance as a mark. Purchaser motivation shall not be a test for determining abandonment under this paragraph.".

SEC. 522. NONREGISTRABILITY OF MISLEADING GEOGRAPHIC INDICATIONS FOR WINES AND SPIRITS.

Subsection (a) of section 2 of the Trademark Act of 1946 (15 U.S.C. 1052(a)) is amended to read as follows:

"(a) Consists of or comprises immoral, deceptive, or scandalous matter; or matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute; or a geographical indication which, when used on or in connection with wines or spirits, identifies a place other than the origin of the goods and is first used on or in connection with wines or spirits by the applicant on or after one year after the date on which the WTO Agreement (as defined in section 2(9) of the Uruguay Round Agreements Act) enters into force with respect to the United States.".

SEC. 523. EFFECTIVE DATE.

The amendments made by this subtitle take effect one year after the date on which the WTO Agreement enters into force with respect to the United States.

Subtitle C—Patent Provisions

SEC. 531. TREATMENT OF INVENTIVE ACTIVITY.

(a) IN GENERAL.—Section 104 of title 35, United States Code, is amended to read as follows:

"§ 104. Invention made abroad

"(a) IN GENERAL.—

"(1) PROCEEDINGS.—In proceedings in the Patent and Trademark Office, in the courts, and before any other competent authority, an applicant for a patent, or a patentee, may not establish a date of invention by reference to knowledge or use thereof, or other activity with respect thereto, in a foreign country other than a NAFTA country or a WTO member country, except as provided in sections 119 and 365 of this title.

"(2) RIGHTS.—If an invention was made by a person, civil or military—

"(A) while domiciled in the United States, and serving in any other country in connection with operations by or on behalf of the United States,

"(B) while domiciled in a NAFTA country and serving in another country in connection with operations by or on behalf of that NAFTA country, or

"(C) while domiciled in a WTO member country and serving in another country in connection with operations by or on behalf of that WTO member country,

that person shall be entitled to the same rights of priority in the United States with respect to such invention as if such invention had been made in the United States, that NAFTA country, or that WTO member country, as the case may be.

"(3) USE OF INFORMATION.—To the extent that any information in a NAFTA country or a WTO member country concerning knowledge, use, or other activity relevant to proving or disproving a date of invention has not been made available for use in a proceeding in the Patent and Trademark Office, a court, or any other competent authority to the same extent as such information could be made available in the United States, the Commissioner, court, or such other authority shall draw appropriate inferences, or take other action permitted by statute, rule, or regulation, in favor of the party that requested the information in the proceeding.

"(b) DEFINITIONS.—As used in this section—

"(1) the term 'NAFTA country' has the meaning given that term in section 2(4) of the North American Free Trade Agreement Implementation Act; and

"(2) the term 'WTO member country' has the meaning given that term in section 2(10) of the Uruguay Round Agreements Act.".

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendment made by this section shall apply to all patent applications that are filed on or after the date that is 12 months after the date of entry into force of the WTO Agreement with respect to the United States.

(2) ESTABLISHMENT OF DATE.—An applicant for a patent, or a patentee, may not establish a date of invention for purposes of title 35, United States Code, that is earlier than 12 months after the date of entry into force of the WTO Agreement with respect to the United States by reference to knowledge or use, or other activity, in a WTO member country, except as provided in sections 119 and 365 of such title.

SEC. 532. PATENT TERM AND INTERNAL PRIORITY.

(a) PATENT RIGHTS.—

(1) CONTENTS AND TERM OF PATENT.—Section 154 of title 35, United States Code, is amended to read as follows:

"§ 154. Contents and term of patent

"(a) IN GENERAL.—

"(1) CONTENTS.—Every patent shall contain a short title of the invention and a grant to the patentee, his heirs or assigns, of the right to exclude others from making, using, offering for sale, or selling the invention throughout the United States or importing the invention into the United States, and, if the invention is a process, of the right to exclude others from using, offering for sale or selling throughout the United States, or importing into the United States, products made by that process, referring to the specification for the particulars thereof.

"(2) TERM.—Subject to the payment of fees under this title, such grant shall be for a term beginning on the date on which the patent issues and ending 20 years from the date on which the application for the patent was filed in the United States or, if the application contains a specific reference to an earlier filed application or applications under section 120, 121, or 365(c) of this title, from the date on which the earliest such application was filed.

"(3) PRIORITY.—Priority under section 119, 365(a), or 365(b) of this title shall not be taken into account in determining the term of a patent.

"(4) SPECIFICATION AND DRAWING.—A copy of the specification and drawing shall be annexed to the patent and be a part of such patent.

"(b) TERM EXTENSION.—

"(1) INTERFERENCE DELAY OR SECRECY ORDERS.—If the issue of an original patent is delayed due to a proceeding under section 135(a) of this title, or because the application for patent is placed under an order pursuant to section 181 of this title, the term of the patent shall be extended for the period of delay, but in no case more than 5 years.

"(2) EXTENSION FOR APPELLATE REVIEW.—If the issue of a patent is delayed due to appellate review by the Board of Patent Appeals and Interferences or by a Federal court and the patent is issued pursuant to a decision in the review reversing an adverse determination of patentability, the term of the patent shall be extended for a period of time but in no case more than 5 years. A patent shall not be eligible for extension under this paragraph if it is subject to a terminal disclaimer due to the issue of another patent claiming subject matter that is not patentably distinct from that under appellate review.

"(3) LIMITATIONS.—The period of extension referred to in paragraph (2)—

"(A) shall include any period beginning on the date on which an appeal is filed under section 134 or 141 of this title, or on which an action is commenced under section 145 of this title, and ending on the date of a final decision in favor of the applicant;

"(B) shall be reduced by any time attributable to appellate review before the expiration of 3 years from the filing date of the application for patent; and

"(C) shall be reduced for the period of time during which the applicant for patent did not act with due diligence, as determined by the Commissioner.

"(4) LENGTH OF EXTENSION.—The total duration of all extensions of a patent under this subsection shall not exceed 5 years.

"(c) CONTINUATION.—

"(1) DETERMINATION.—The term of a patent that is in force on or that results from an application filed before the date that is 6 months after the date of the enactment of the Uruguay Round Agreements Act shall be the greater of the 20-year term as provided in subsection (a), or 17 years from grant, subject to any terminal disclaimers.

"(2) REMEDIES.—The remedies of sections 283, 284, and 285 of this title shall not apply to Acts which—

"(A) were commenced or for which substantial investment was made before the date that is 6 months after the date of the enactment of the Uruguay Round Agreements Act; and

"(B) became infringing by reason of paragraph (1).

"(3) REMUNERATION.—The acts referred to in paragraph (2) may be continued only upon the payment of an equitable remuneration to the patentee that is determined in an action brought under chapter 28 and chapter 29 (other than those provisions excluded by paragraph (2)) of this title.".

(2) PROVISION OF FURTHER LIMITED REEXAMINATION AND CONDITIONS OF RESTRICTION REQUIREMENTS.—(A) The Commissioner of Patents and Trademarks shall prescribe regulations to provide for further limited reexamination of applications that have been pending for 2 years or longer as of the effective date of section 154(a)(2) of title 35, United States Code, as added by paragraph (1) of this subsection, taking into account any reference made in such application to any earlier filed application under section 120, 121, or 365(c) of such title. The Commissioner may establish appropriate fees for such further limited reexamination.

(B) The Commissioner of Patents and Trademarks shall prescribe regulations to provide for the examination of more than 1 independent and distinct invention in an application that has been pending for 3 years or longer as of the effective date of section 154(a)(2) of title 35, United States Code, as added by paragraph (1) of this subsection, taking into account any reference made in such application to any earlier filed application under section 120, 121, or 365(c) of such title. The Commissioner may establish appropriate fees for such examination.

(b) ESTABLISHMENT OF A DOMESTIC PRIORITY SYSTEM.—

(1) IN GENERAL.—Section 119 of title 35, United States Code, is amended—

(A) by amending the section caption to read as follows:

"§ 119. Benefit of earlier filing date; right of priority";

(B) by designating the undesignated paragraphs as subsections (a), (b), (c), and (d), respectively; and

(C) by adding at the end the following:

"(e)(1) An application for patent filed under section 111(a) or section 363 of this title for an invention disclosed in the manner provided by the first paragraph of section 112 of this title in a provisional application filed under section 111(b) of this title, by an inventor or inventors named in the provisional application, shall have the same effect, as to such invention, as though filed on the date of the provisional application filed under section 111(b) of this title, if the application for patent filed under section 111(a) or section 363 of this title is filed not later than 12 months after the date on which the provisional application was filed and if it contains or is amended to contain a specific reference to the provisional application.

"(2) A provisional application filed under section 111(b) of this title may not be relied upon in any proceeding in the Patent and Trademark Office unless the fee set forth in subparagraph (A) or (C) of section 41(a)(1) of this title has been paid and the provisional application was pending on the filing date of the application for patent under section 111(a) or section 363 of this title.".

(2) FEES.—Section 41(a)(1) of title 35, United States Code, is amended by adding at the end the following:

"(C) On filing each provisional application for an original patent, $150.".

(3) APPLICATIONS.—Section 111 of title 35, United States Code, is amended to read as follows:

"§ 111. Application

"(a) IN GENERAL.—

"(1) WRITTEN APPLICATION.—An application for patent shall be made, or authorized to be made, by the inventor, except as otherwise provided in this title, in writing to the Commissioner.

"(2) CONTENTS.—Such application shall include—

"(A) a specification as prescribed by section 112 of this title;

"(B) a drawing as prescribed by section 113 of this title; and

"(C) an oath by the applicant as prescribed by section 115 of this title.

"(3) FEE AND OATH.—The application must be accompanied by the fee required by law. The fee and oath may be submitted after the specification and any required drawing are submitted, within such period and under such conditions, including the payment of a surcharge, as may be prescribed by the Commissioner.

"(4) FAILURE TO SUBMIT.—Upon failure to submit the fee and oath within such prescribed period, the application shall be regarded as abandoned, unless it is shown to the satisfaction of the Commissioner that the delay in submitting the fee and oath was unavoidable or unintentional. The filing date of an application shall be the date on which the specification and any required drawing are received in the Patent and Trademark Office.

"(b) PROVISIONAL APPLICATION.—

"(1) AUTHORIZATION.—A provisional application for patent shall be made or authorized to be made by the inventor, except as otherwise provided in this title, in writing to the Commissioner. Such application shall include—

"(A) a specification as prescribed by the first paragraph of section 112 of this title; and

"(B) a drawing as prescribed by section 113 of this title.

"(2) CLAIM.—A claim, as required by the second through fifth paragraphs of section 112, shall not be required in a provisional application.

"(3) FEE.—(A) The application must be accompanied by the fee required by law.

"(B) The fee may be submitted after the specification and any required drawing are submitted, within such period and under such conditions, including the payment of a surcharge, as may be prescribed by the Commissioner.

"(C) Upon failure to submit the fee within such prescribed period, the application shall be regarded as abandoned, unless it is shown to the satisfaction of the Commissioner that the delay in submitting the fee was unavoidable or unintentional.

"(4) FILING DATE.—The filing date of a provisional application shall be the date on which the specification and any required drawing are received in the Patent and Trademark Office.

"(5) ABANDONMENT.—The provisional application shall be regarded as abandoned 12 months after the filing date of such application and shall not be subject to revival thereafter.

"(6) OTHER BASIS FOR PROVISIONAL APPLICATION.—Subject to all the conditions in this

subsection and section 119(e) of this title, and as prescribed by the Commissioner, an application for patent filed under subsection (a) may be treated as a provisional application for patent.

"(7) NO RIGHT OF PRIORITY OR BENEFIT OF EARLIEST FILING DATE.—A provisional application shall not be entitled to the right of priority of any other application under section 119 or 365(a) of this title or to the benefit of an earlier filing date in the United States under section 120, 121, or 365(c) of this title.

"(8) APPLICABLE PROVISIONS.—The provisions of this title relating to applications for patent shall apply to provisional applications for patent, except as otherwise provided, and except that provisional applications for patent shall not be subject to sections 115, 131, 135, and 157 of this title.".

(c) CONFORMING CHANGES.—

(1) Section 156(a)(2) of title 35, United States Code, is amended by inserting "under subsection (e)(1) of this section" after "extended".

(2) Section 172 of title 35, United States Code, is amended—

(A) by striking "section 119" and inserting "subsections (a) through (d) of section 119"; and

(B) by inserting at the end the following new sentence:

"The right of priority provided for by section 119(e) of this title shall not apply to designs.".

(3) Section 173 of title 35, United States Code, is amended by inserting "from the date of grant" after "years".

(4) Section 365 of title 35, United States Code, is amended—

(A) in subsection (a), by striking "section 119" and inserting "subsections (a) through (d) of section 119"; and

(B) in subsection (b), by striking "the first paragraph of section 119" and inserting "section 119(a)".

(5) Section 373 of title 35, United States Code, is amended by striking "section 119" and inserting "subsections (a) through (d) of section 119".

(6) The table of sections for chapter 11 of title 35, United States Code, is amended—

(A) by striking the item relating to section 111 and inserting the following:

"111. Application.";

and

(B) by striking the item relating to section 119 and inserting the following:

"119. Benefit of earlier filing date; right of priority.".

SEC. 533. PATENT RIGHTS.

(a) DEFINITION OF INFRINGEMENT.—Section 271 of title 35, United States Code, is amended—

(1) in subsection (a)—

(A) by inserting ", offers to sell," after "uses"; and

(B) by inserting "or imports into the United States any patented invention" after "the United States";

(2) in subsection (c), by striking "sells" and inserting "offers to sell or sells within the United States or imports into the United States";

(3) in subsection (e)—

(A) in paragraph (1), by striking "or sell" and inserting "offer to sell, or sell within the United States or import into the United States";

(B) in paragraph (3), by striking "or selling" and inserting "offering to sell, or selling within the United States or importing into the United States";

(C) in paragraph (4)(B), by striking "or sale" and inserting "offer to sell, or sale within the United States or importation into the United States"; and

(D) in paragraph (4)(C), by striking "or sale" and inserting "offer to sell, or sale within the United States or importation into the United States";

(4) in subsection (g)—

(A) by striking "sells" and inserting "offers to sell, sells,";

(B) by striking "importation, sale," and inserting "importation, offer to sell, sale,"; and

(C) by striking "other use or" and inserting "other use, offer to sell, or"; and

(5) by adding at the end the following:

"(i) As used in this section, an 'offer for sale' or an 'offer to sell' by a person other than the patentee, or any designee of the patentee, is that in which the sale will occur before the expiration of the term of the patent.".

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 41(c) of title 35, United States Code, is amended to read as follows:

"(2) A patent, the term of which has been maintained as a result of the acceptance of a payment of a maintenance fee under this subsection, shall not abridge or affect the right of any person or that person's successors in business who made, purchased, offered to sell, or used anything protected by the patent within the United States, or imported anything protected by the patent into the United States after the 6-month grace period but prior to the acceptance of a maintenance fee under this subsection, to continue the use of, to offer for sale, or to sell to others to be used, offered for sale, or sold, the specific thing so made, purchased, offered for sale, used, or imported. The court before which such matter is in question may provide for the continued manufacture, use, offer for sale, or sale of the thing made, purchased, offered for sale, or used within the United States, or imported into the United States, as specified, or for the manufacture, use, offer for sale, or sale in the United States of which substantial preparation was made after the 6-month grace period but before the acceptance of a maintenance fee under this subsection, and the court may also provide for the continued practice of any process that is practiced, or for the practice of which substantial preparation was made, after the 6-month grace period but before the acceptance of a maintenance fee under this subsection, to the extent and under such terms as the court deems equitable for the protection of investments made or business commenced after the 6-month grace period but before the acceptance of a maintenance fee under this subsection.".

(2) The second undesignated paragraph of section 252 of title 35, United States Code, is amended to read as follows:

"A reissued patent shall not abridge or affect the right of any person or that person's successors in business who, prior to the grant of a reissue, made, purchased, offered to sell, or used within the United States, or imported into the United States, anything patented by the reissued patent, to continue the use of, to offer to sell, or to sell to others to be used, offered for sale, or sold, the specific thing so made, purchased, offered for sale, used, or imported unless the making, using, offering for sale, or selling of such thing infringes a valid claim of the reissued patent which was in the original patent. The court before which such matter is in question may provide for the continued manufacture, use, offer for sale, or sale of the thing made, purchased, offered for sale, used, or imported as specified, or for the manufacture, use, offer for sale, or sale in the United States of which substantial preparation was made before the grant of the reissue, and the court may also provide for the continued practice of any process patented by the reissue that is practiced, or for the practice of which substantial preparation was made, before the grant of the reissue, to the extent and under such terms as the court deems equitable for the protection of investments made or business commenced before the grant of the reissue.".

(3) Section 262 of title 35, United States Code, is amended—

(A) by striking "use or sell" and inserting "use, offer to sell, or sell"; and

(B) by inserting "within the United States, or import the patented invention into the United States," after "invention".

(4) Section 272 of title 35, United States Code, is amended by striking "not sold" and inserting "not offered for sale or sold".

(5) Section 287 of title 35, United States Code, is amended—

(A) in subsection (a)—

(i) by striking "making or selling" and inserting "making, offering for sale, or selling within the United States"; and

(ii) by inserting "or importing any patented article into the United States," after "under them,"; and

(B) in subsection (b)—

(i) in paragraph (1)(C), by striking "use, or sale" and inserting "use, offer for sale, or sale";

(ii) in paragraph (4)(A), by striking "sold or" and inserting "sold, offered for sale, or" in the matter preceding clause (i);

(iii) in paragraph (4)(A)(ii), by striking "use, or sale" and inserting "use, offer for sale, or sale";

(iv) in paragraph (4)(C), by striking "have been sold" and inserting "have been offered for sale or sold"; and

(v) in paragraph (4)(C), by striking "United States before" and inserting "United States, or imported by the person into the United States, before".

(6) Section 292(a) of title 35, United States Code, is amended—

(A) by striking "used, or sold by him" and inserting "used, offered for sale, or sold by such person within the United States, or imported by the person into the United States"; and

(B) by striking "made or sold" and inserting "made, offered for sale, sold, or imported into the United States".

(7) Section 295 of title 35, United States Code, is amended by striking "sale, or use" and inserting "sale, offer for sale, or use".

(8) Section 307(b) of title 35, United States Code, is amended by striking "used anything" and inserting "used within the United States, or imported into the United States, anything".

SEC. 534. EFFECTIVE DATES AND APPLICATION.

(a) IN GENERAL.—Subject to subsection (b), the amendments made by this subtitle take effect on the date that is one year after the date on which the WTO Agreement enters into force with respect to the United States.

(b) PATENT APPLICATIONS.—

(1) IN GENERAL.—Subject to paragraph (2), the amendments made by section 532 take effect on the date that is 6 months after the date of the enactment of this Act and shall apply to all patent applications filed in the United States on or after the effective date.

(2) SECTION 154(a)(1).—Section 154(a)(1) of title 35, United States Code, as amended by

section 532(a)(1) of this Act, shall take effect on the effective date described in subsection (a).

(3) EARLIEST FILING.—The term of a patent granted on an application that is filed on or after the effective date described in subsection (a) and that contains a specific reference to an earlier application filed under the provisions of section 120, 121, or 365(c) of title 35, United States Code, shall be measured from the filing date of the earliest filed application.

TITLE VI—RELATED PROVISIONS

Subtitle A—Expiring Provisions

SEC. 601. GENERALIZED SYSTEM OF PREFERENCES.

(a) EXTENSION OF DUTY-FREE TREATMENT UNDER SYSTEM.—Section 505(a) of the Trade Act of 1974 (19 U.S.C. 2465(a)) is amended by striking "September 30, 1994" and inserting "July 31, 1995".

(b) RETROACTIVE APPLICATION FOR CERTAIN LIQUIDATIONS AND RELIQUIDATIONS.—

(1) IN GENERAL.—Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law and subject to paragraph (2), the entry—

(A) of any article to which duty-free treatment under title V of the Trade Act of 1974 would have applied if the entry had been made on September 30, 1994, and

(B) that was made after September 30, 1994, and before such date of enactment,

shall be liquidated or reliquidated as free of duty, and the Secretary of the Treasury shall refund any duty paid with respect to such entry. As used in this subsection, the term "entry" includes a withdrawal from warehouse for consumption.

(2) REQUESTS.—Liquidation or reliquidation may be made under paragraph (1) with respect to an entry only if a request therefor is filed with the Customs Service, within 180 days after the date of the enactment of this Act, that contains sufficient information to enable the Customs Service—

(A) to locate the entry; or

(B) to reconstruct the entry if it cannot be located.

SEC. 602. U.S. INSULAR POSSESSIONS.

(a) EXTENSION OF VERIFICATION AND CERTIFICATE ISSUANCE PROVISIONS.—Additional U.S. Note 5(h)(i) to chapter 91 of the HTS is amended by striking "and before January 1, 1995," and inserting "and before January 1, 2007,".

(b) EXTENSION OF CERTIFICATE NUMBER PIC-EV-89.—Notwithstanding any other provision of law, the production incentive certificate, number PIC-EV-89, issued jointly by the Secretary of Commerce and the Secretary of the Interior, pursuant to paragraph (h)(i)(B) of Additional U.S. Note 5 to chapter 91 of the HTS (formerly paragraph (h)(i)(II) of headnote 6 of schedule 7, part 2, subpart E of the Tariff Schedules of the United States), shall be deemed to have been reissued on the date of the enactment of this Act in the amount of the balance remaining on such certificate, and shall expire on the date that is 1 year after such date of enactment.

Subtitle B—Certain Customs Provisions

SEC. 611. REIMBURSEMENTS FROM CUSTOMS USER FEE ACCOUNT.

(a) IN GENERAL.—Subclause (II) of section 13031(f)(3)(A)(i) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(f)(3)(A)(i)(II)) is amended to read as follows:

"(II) paying premium pay under section 5(b) of the Act of February 13, 1911, but the amount for which reimbursement may be made under this subclause may not, for any fiscal year, exceed the difference between the total cost of all the premium pay for such year calculated under section 5(b) and the cost of the night and holiday premium pay that the Customs Service would have incurred for the same inspectional work on the day before the effective date of section 13813 of the Omnibus Budget Reconciliation Act of 1993,".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to customs inspectional services performed on or after January 1, 1994.

SEC. 612. MERCHANDISE PROCESSING FEES.

(a) IN GENERAL.—Section 13031 of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c) is amended—

(1) in subsection (a)(9)—

(A) in subparagraph (A), by striking "0.17" and inserting "0.21",

(B) in subparagraph (B)(i), by striking "(but not to a rate of more than 0.19 percent nor less than 0.15 percent) that would" and inserting "(but not to a rate of more than 0.21 percent nor less than 0.15 percent) and the amounts specified in subsection (b)(8)(A)(i) (but not to more than $485 nor less than $21) to rates and amounts which would", and

(C) in subparagraph (B)(ii), by striking "section 613A of the Tariff Act of 1930" and inserting "subsection (f)"

(2) in subsection (a)(10)—

(A) in subparagraph (C), by striking "entry or release." and inserting "entry or release.",

(B) in clause (ii), by striking "$5" and inserting "$6", and

(C) in clause (iii), by striking "$8" and inserting "$9", and

(3) in subsection (b)(8)(A)(i), by striking "$400 or be less than $21", and inserting "$485 or be less than $25, unless adjusted pursuant to subsection (a)(9)(B)".

(b) EFFECTIVE DATE.—The amendments made by this section apply to articles entered, or withdrawn from warehouse for consumption, on or after January 1, 1995.

Subtitle C—Conforming Amendments

SEC. 621. CONFORMING AMENDMENTS.

(a) TRADE LAWS.—

(1) Section 1317(a)(1) of the Omnibus Trade and Competitiveness Act of 1988 (19 U.S.C. 1677k(a)(1)) is amended—

(A) by inserting "(A)" after "(1)";

(B) by striking "General Agreement on Tariffs and Trade" and inserting "GATT 1994"; and

(C) by adding at the end the following:

"(B) The term 'GATT 1994' has the meaning given that term in section 2(1)(B) of the Uruguay Round Agreements Act.".

(2) Section 212(c)(4) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702(c)(4)) is amended by striking "General" and all that follows through "1979" and inserting "WTO Agreement and the multilateral trade agreements (as such terms are defined in paragraphs (9) and (4), respectively, of section 2 of the Uruguay Round Agreements Act)".

(3) Section 203(d)(4) of the Andean Trade Preference Act (19 U.S.C. 3202(d)(4)) is amended by striking "General" and all that follows through "1979" and inserting "WTO Agreement and the multilateral trade agreements (as such terms are defined in paragraphs (9) and (4), respectively, of section 2 of the Uruguay Round Agreements Act)".

(4) Section 1106 of the Omnibus Trade and Competitiveness Act of 1988 (19 U.S.C. 2905) is amended—

(A) in subsection (a), by striking "the GATT" and inserting "the GATT 1947, or to the WTO Agreement,";

(B) in subsections (b) and (c), by inserting after "the GATT" each place it appears "1947 or the WTO Agreement";

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

"(e) DEFINITIONS.—For purposes of this section—

"(1) The term 'GATT 1947' has the meaning given that term in section 2(1)(A) of the Uruguay Round Agreements Act.

"(2) The term 'WTO Agreement' means the Agreement Establishing the World Trade Organization entered into on April 15, 1994 and the multilateral trade agreements (as such term is defined in section 2(4) of the Uruguay Round Agreements Act).."; and

(D) by inserting after "GENERAL AGREEMENT ON TARIFFS AND TRADE" in the heading "FOR THE WTO".

(5) Section 1107(a)(3) of the Omnibus Trade and Competitiveness Act of 1988 (19 U.S.C. 2906(3)) is amended by striking "the General Agreement on Tariffs and Trade" and inserting "the GATT 1947 (as defined in section 2(1)(A) of the Uruguay Round Agreements Act)".

(6) Section 1378(2) of the Omnibus Trade and Competitiveness Act of 1988 (19 U.S.C. 3107(2)) is amended by striking "the General Agreement on Tariffs and Trade" and inserting "the WTO Agreement and the multilateral trade agreements (as such terms are defined in paragraphs (8) and (4), respectively, of section 2 of the Uruguay Round Agreements Act)".

(7) Section 1382 of the Omnibus Trade and Competitiveness Act of 1988 (19 U.S.C. 3111) is amended by striking "the General Agreement on Tariffs and Trade" and inserting "the WTO Agreement and the multilateral trade agreements (as such terms are defined in paragraphs (9) and (4), respectively, of section 2 of the Uruguay Round Agreements Act)".

(8) Section 141(c)(1) of the Trade Act of 1974 (19 U.S.C. 2171(c)(1)) is amended—

(A) in subparagraph (C) by inserting "all negotiations on any matter considered under the auspices of the World Trade Organization," after "including"; and

(B) in subparagraph (D) by inserting ", including any matter considered under the auspices of the World Trade Organization," after "functions".

(9) Section 301(a)(2)(A) of the Trade Act of 1974 (19 U.S.C. 2411(a)(2)(A)) is amended by striking "the Contracting Parties" and all that follows through "Parties," and inserting "the Dispute Settlement Body (as defined in section 121(5) of the Uruguay Round Agreements Act) has adopted a report,".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date on which the WTO Agreement enters into force with respect to the United States.

TITLE VII—REVENUE PROVISIONS

SEC. 700. AMENDMENT OF 1986 CODE AND TABLE OF CONTENTS.

(a) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(b) TABLE OF CONTENTS.—

TITLE VII—REVENUE PROVISIONS

Sec. 700. Amendment of 1986 Code and table of contents.

Subtitle A—Withholding Tax Provisions
Sec. 701. Withholding on distributions of Indian casino profits to tribal members.
Sec. 702. Voluntary withholding on certain Federal payments and on unemployment compensation.
Subtitle B—Provisions Relating to Estimated Taxes and Payments and Deposits of Taxes
Sec. 711. Treatment of subpart F and section 936 income of taxpayers using annualized method for estimated tax.
Sec. 712. Time for payments and deposits of certain taxes.
Sec. 713. Reduction in rate of interest paid on certain corporate overpayments.
Subtitle C—Earned Income Tax Credit
Sec. 721. Extension of earned income tax credit to military personnel stationed outside the United States.
Sec. 722. Certain nonresident aliens ineligible for earned income tax credit.
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Subtitle D—Provisions Relating To Retirement Benefits
Sec. 731. Treatment of excess pension assets used for retiree health benefits.
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Sec. 733. Increase in inclusion of social security benefits paid to nonresidents.
Subtitle E—Other Provisions
Sec. 741. Partnership distributions of marketable securities.
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PART I—PENSION PLAN FUNDING
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Sec. 751. Minimum funding requirements.
Sec. 752. Limitation on changes in current liability assumptions.
Sec. 753. Anticipation of bargained benefit increases.
Sec. 754. Modification of quarterly contribution requirement.
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SUBPART B—AMENDMENTS TO THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974
Sec. 761. Minimum funding requirements.
Sec. 762. Limitation on changes in current liability assumptions.
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SUBPART C—OTHER FUNDING PROVISIONS
Sec. 766. Prohibition on benefit increases where plan sponsor is in bankruptcy.
Sec. 767. Single sum distributions.
Sec. 768. Adjustments to lien for missed minimum funding contributions.
Sec. 769. Special funding rules for certain plans.
PART II—AMENDMENTS RELATED TO TITLE IV OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974
Sec. 771. Reportable events.
Sec. 772. Certain information required to be furnished to PBGC.
Sec. 773. Enforcement of minimum funding requirements.
Sec. 774. Computation of additional PBGC premium.
Sec. 775. Disclosure to participants.
Sec. 776. Missing participants.
Sec. 777. Modification of maximum guarantee for disability benefits.
Sec. 778. Procedures to facilitate distribution of termination benefits.
PART III—EFFECTIVE DATES
Sec. 781. Effective dates.

Subtitle A—Withholding Tax Provisions

SEC. 701. WITHHOLDING ON DISTRIBUTIONS OF INDIAN CASINO PROFITS TO TRIBAL MEMBERS.

(a) IN GENERAL.—Section 3402 (relating to income tax collected at source) is amended by inserting after subsection (q) the following new subsection:

"(r) EXTENSION OF WITHHOLDING TO CERTAIN TAXABLE PAYMENTS OF INDIAN CASINO PROFITS.—

"(1) IN GENERAL.—Every person, including an Indian tribe, making a payment to a member of an Indian tribe from the net revenues of any class II or class III gaming activity conducted or licensed by such tribe shall deduct and withhold from such payment a tax in an amount equal to such payment's proportionate share of the annualized tax.

"(2) EXCEPTION.—The tax imposed by paragraph (1) shall not apply to any payment to the extent that the payment, when annualized, does not exceed an amount equal to the sum of—

"(A) the basic standard deduction (as defined in section 63(c)) for an individual to whom section 63(c)(2)(C) applies, and

"(B) the exemption amount (as defined in section 151(d)).

"(3) ANNUALIZED TAX.—For purposes of paragraph (1), the term 'annualized tax' means, with respect to any payment, the amount of tax which would be imposed by section 1(c) (determined without regard to any rate of tax in excess of 31 percent) on an amount of taxable income equal to the excess of—

"(A) the annualized amount of such payment, over

"(B) the amount determined under paragraph (2).

"(4) CLASSES OF GAMING ACTIVITIES, ETC.—For purposes of this subsection, terms used in paragraph (1) which are defined in section 4 of the Indian Gaming Regulatory Act (25 U.S.C. 2701 et seq.), as in effect on the date of the enactment of this subsection, shall have the respective meanings given such terms by such section.

"(5) ANNUALIZATION.—Payments shall be placed on an annualized basis under regulations prescribed by the Secretary.

"(6) ALTERNATE WITHHOLDING PROCEDURES.—At the election of an Indian tribe, the tax imposed by this subsection on any payment made by such tribe shall be determined in accordance with such tables or computational procedures as may be specified in regulations prescribed by the Secretary (in lieu of in accordance with paragraphs (2) and (3)).

"(7) COORDINATION WITH OTHER SECTIONS.—For purposes of this chapter and so much of subtitle F as relates to this chapter, payments to any person which are subject to withholding under this subsection shall be treated as if they were wages paid by an employer to an employee."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to payments made after December 31, 1994.

SEC. 702. VOLUNTARY WITHHOLDING ON CERTAIN FEDERAL PAYMENTS AND ON UNEMPLOYMENT COMPENSATION.

(a) IN GENERAL.—Subsection (p) of section 3402 (relating to voluntary withholding agreements) is amended to read as follows:

"(p) VOLUNTARY WITHHOLDING AGREEMENTS.—

"(1) CERTAIN FEDERAL PAYMENTS.—

"(A) IN GENERAL.—If, at the time a specified Federal payment is made to any person, a request by such person is in effect that such payment be subject to withholding under this chapter, then for purposes of this chapter and so much of subtitle F as relates to this chapter, such payment shall be treated as if it were a payment of wages by an employer to an employee.

"(B) AMOUNT WITHHELD.—The amount to be deducted and withheld under this chapter from any payment to which any request under subparagraph (A) applies shall be an amount equal to the percentage of such payment specified in such request. Such a request shall apply to any payment only if the percentage specified is 7, 15, 28, or 31 percent or such other percentage as is permitted under regulations prescribed by the Secretary.

"(C) SPECIFIED FEDERAL PAYMENTS.—For purposes of this paragraph, the term 'specified Federal payment' means—

"(i) any payment of a social security benefit (as defined in section 86(d)),

"(ii) any payment referred to in the second sentence of section 451(d) which is treated as insurance proceeds,

"(iii) any amount which is includible in gross income under section 77(a), and

"(iv) any other payment made pursuant to Federal law which is specified by the Secretary for purposes of this paragraph.

"(D) REQUESTS FOR WITHHOLDING.—Rules similar to the rules that apply to annuities under subsection (o)(4) shall apply to requests under this paragraph and paragraph (2).

"(2) VOLUNTARY WITHHOLDING ON UNEMPLOYMENT BENEFITS.—If, at the time a payment of unemployment compensation (as defined in section 85(b)) is made to any person, a request by such person is in effect that such payment be subject to withholding under this chapter, then for purposes of this chapter and so much of subtitle F as relates to this chapter, such payment shall be treated as if it were a payment of wages by an employer to an employee. The amount to be deducted and withheld under this chapter from any payment to which any request under this paragraph applies shall be an amount equal to 15 percent of such payment.

"(3) AUTHORITY FOR OTHER VOLUNTARY WITHHOLDING.—The Secretary is authorized by regulations to provide for withholding—

"(A) from remuneration for services performed by an employee for the employee's employer which (without regard to this paragraph) does not constitute wages, and

"(B) from any other type of payment with respect to which the Secretary finds that withholding would be appropriate under the provisions of this chapter,

if the employer and employee, or the person making and the person receiving such other type of payment, agree to such withholding. Such agreement shall be in such form and manner as the Secretary may by regulations prescribe. For purposes of this chapter (and so much of subtitle F as relates to this chapter), remuneration or other payments with respect to which such agreement is made shall be treated as if they were wages paid by an employer to an employee to the extent that such remuneration is paid or other payments are made during the period for which the agreement is in effect."

(b) STATE LAW MUST PERMIT VOLUNTARY WITHHOLDING OF FEDERAL INCOME TAX FROM UNEMPLOYMENT COMPENSATION.—Section 3304(a) is amended by striking "and" at the end of paragraph (17), by redesignating paragraph (18) as paragraph (19), and by inserting after paragraph (17) the following new paragraph:

"(18) Federal individual income tax from unemployment compensation is to be deducted and withheld if an individual receiving such compensation voluntarily requests such deduction and withholding; and".

(c) WITHHOLDING FROM UNEMPLOYMENT COMPENSATION OF FEDERAL, STATE, AND LOCAL INCOME TAXES PERMITTED.—

(1) Subparagraph (C) of section 3304(a)(4) is amended by inserting after "health insurance" the following: ", or the withholding of Federal, State, or local individual income tax,".

(2) Subsection (f) of section 3306 is amended by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively, and by inserting after paragraph (2) the following new paragraph:

"(3) nothing in this subsection shall be construed to prohibit deducting any amount from unemployment compensation otherwise payable to an individual and using the amount so deducted to pay for health insurance, or the withholding of Federal, State, or local individual income tax, if the individual elected to have such deduction made and such deduction was made under a program approved by the Secretary of Labor;".

(3) Paragraph (5) of section 303(a) of the Social Security Act is amended by inserting after "health insurance" the following: ", or the withholding of Federal, State, or local individual income tax,".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to payments made after December 31, 1996.

Subtitle B—Provisions Relating to Estimated Taxes and Payments and Deposits of Taxes

SEC. 711. TREATMENT OF SUBPART F AND SECTION 936 INCOME OF TAXPAYERS USING ANNUALIZED METHOD FOR ESTIMATED TAX.

(a) CORPORATIONS.—Section 6655(e) (relating to lower required installment where annualized income installment is less) is amended by adding at the end the following new paragraph:

"(4) TREATMENT OF SUBPART F AND SECTION 936 INCOME.—

"(A) IN GENERAL.—Any amounts required to be included in gross income under section 936(h) or 951(a) (and credits properly allocable thereto) shall be taken into account in computing any annualized income installment under paragraph (2) in a manner similar to the manner under which partnership income inclusions (and credits properly allocable thereto) are taken into account.

"(B) PRIOR YEAR SAFE HARBOR.—

"(i) IN GENERAL.—If a taxpayer elects to have this subparagraph apply for any taxable year—

"(I) subparagraph (A) shall not apply, and

"(II) for purposes of computing any annualized income installment for such taxable year, the taxpayer shall be treated as having received ratably during such taxable year items of income and credit described in subparagraph (A) in an amount equal to 115 percent of the amount of such items shown on the return of the taxpayer for the preceding taxable year (the second preceding taxable year in the case of the first and second required installments for such taxable year).

"(ii) SPECIAL RULE FOR NONCONTROLLING SHAREHOLDER.—

"(I) IN GENERAL.—If a taxpayer making the election under clause (i) is a noncontrolling shareholder of a corporation, clause (i)(II) shall be applied with respect to items of such corporation by substituting '100 percent' for '115 percent'.

"(II) NONCONTROLLING SHAREHOLDER.—For purposes of subclause (I), the term 'noncontrolling shareholder' means, with respect to any corporation, a shareholder which (as of the beginning of the taxable year for which the installment is being made) does not own (within the meaning of section 958(a)), and is not treated as owning (within the meaning of section 958(b)), more than 50 percent (by vote or value) of the stock in the corporation."

(b) INDIVIDUALS.—Section 6654(d)(2) (relating to lower required installment where annualized income installment is less) is amended by adding at the end the following new subparagraph:

"(D) TREATMENT OF SUBPART F AND SECTION 936 INCOME.—

"(i) IN GENERAL.—Any amounts required to be included in gross income under section 936(h) or 951(a) (and credits properly allocable thereto) shall be taken into account in computing any annualized income installment under subparagraph (B) in a manner similar to the manner under which partnership income inclusions (and credits properly allocable thereto) are taken into account.

"(ii) PRIOR YEAR SAFE HARBOR.—If a taxpayer elects to have this clause apply to any taxable year—

"(I) clause (i) shall not apply, and

"(II) for purposes of computing any annualized income installment for such taxable year, the taxpayer shall be treated as having received ratably during such taxable year items of income and credit described in clause (i) in an amount equal to the amount of such items shown on the return of the taxpayer for the preceding taxable year (the second preceding taxable year in the case of the first and second required installments for such taxable year)."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply for purposes of determining underpayments of estimated tax for taxable years beginning after December 31, 1994.

SEC. 712. TIME FOR PAYMENTS AND DEPOSITS OF CERTAIN TAXES.

(a) DEPOSITS REQUIRED FOR SEMIMONTHLY PERIODS.—Subsection (f) of section 6302 (relating to collection authority) is amended to read as follows:

"(f) TIME FOR DEPOSIT OF CERTAIN EXCISE TAXES.—

"(1) GENERAL RULE.—Except as otherwise provided in this subsection and subsection (e), if any person is required under regulations to make deposits of taxes under subtitle D with respect to semimonthly periods, such person shall make deposits of such taxes for the period beginning on September 16 and ending on September 26 not later than September 29. In the case of taxes imposed by sections 4261 and 4271, this paragraph shall not apply to periods before January 1, 1997.

"(2) TAXES ON OZONE DEPLETING CHEMICALS.—If any person is required under regulations to make deposits of taxes under subchapter D of chapter 38 with respect to semimonthly periods, in lieu of paragraph (1), such person shall make deposits of such taxes for—

"(A) the second semimonthly period in August, and

"(B) the period beginning on September 1 and ending on September 11,

not later than September 29.

"(3) TAXPAYERS NOT REQUIRED TO USE ELECTRONIC FUNDS TRANSFER.—In the case of deposits not required to be made by electronic funds transfer, paragraphs (1) and (2) shall be applied by substituting 'September 25' for 'September 26', 'September 10' for 'September 11', and 'September 28' for 'September 29'.

"(4) SPECIAL RULE WHERE DUE DATE ON SATURDAY OR SUNDAY.—If, but for this paragraph, the due date under paragraph (1), (2), or (3) would fall on a Saturday or Sunday, such due date shall be deemed to be—

"(A) in the case of Saturday, the preceding day, and

"(B) in the case of Sunday, the following day."

(b) TAXES ON DISTILLED SPIRITS, WINES, AND BEER.—

(1) Subsection (d) of section 5061 is amended by redesignating paragraph (4) as paragraph (5) and by inserting after paragraph (3) the following new paragraph:

"(4) SPECIAL RULE FOR TAX DUE IN SEPTEMBER.—

"(A) IN GENERAL.—Notwithstanding the preceding provisions of this subsection, the taxes on distilled spirits, wines, and beer for the period beginning on September 16 and ending on September 26 shall be paid not later than September 29.

"(B) SAFE HARBOR.—The requirement of subparagraph (A) shall be treated as met if the amount paid not later than September 29 is not less than 11/15 of the taxes on distilled spirits, wines, and beer for the period beginning on September 1 and ending on September 15.

"(C) TAXPAYERS NOT REQUIRED TO USE ELECTRONIC FUNDS TRANSFER.—In the case of payments not required to be made by electronic funds transfer, subparagraphs (A) and (B) shall be applied by substituting 'September 25' for 'September 26', 'September 28' for 'September 29', and '2/3' for '11/15'."

(2) Section 5061(d)(5), as redesignated by paragraph (1), is amended—

(A) by inserting "(or the immediately following day where the due date described in paragraph (4) falls on a Sunday)" before the period at the end, and

(B) by striking "14TH DAY" in the heading and inserting "DUE DATE".

(c) TOBACCO PRODUCTS AND CIGARETTE PAPERS AND TUBES.—

(1) Paragraph (2) of section 5703(b) is amended by redesignating subparagraph (D) as subparagraph (E) and by inserting after subparagraph (C) the following new subparagraph:

"(D) SPECIAL RULE FOR TAX DUE IN SEPTEMBER.—

"(i) IN GENERAL.—Notwithstanding the preceding provisions of this paragraph, the taxes on tobacco products and cigarette papers and tubes for the period beginning on September 16 and ending on September 26 shall be paid not later than September 29.

"(ii) SAFE HARBOR.—The requirement of clause (i) shall be treated as met if the

amount paid not later than September 29 is not less than 11/15 of the taxes on tobacco products and cigarette papers and tubes for the period beginning on September 1 and ending on September 15.

"(iii) TAXPAYERS NOT REQUIRED TO USE ELECTRONIC FUNDS TRANSFER.—In the case of payments not required to be made by electronic funds transfer, clauses (i) and (ii) shall be applied by substituting 'September 25' for 'September 26', 'September 28' for 'September 29', and '2/3' for '11/15'."

(2) Section 5703(b)(2)(E), as redesignated by paragraph (1), is amended—

(A) by inserting "(or the immediately following day where the due date described in subparagraph (D) falls on a Sunday)" before the period at the end, and

(B) by striking "14TH DAY" in the heading and inserting "DUE DATE".

(d) COMMUNICATION SERVICES AND AIRLINE TICKETS.—Subsection (e) of section 6302 is amended to read as follows:

"(e) TIME FOR DEPOSIT OF TAXES ON COMMUNICATIONS SERVICES AND AIRLINE TICKETS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), if, under regulations prescribed by the Secretary, a person is required to make deposits of any tax imposed by section 4251 or subsection (a) or (b) of section 4261 with respect to amounts considered collected by such person during any semimonthly period, such deposit shall be made not later than the 3rd day (not including Saturdays, Sundays, or legal holidays) after the close of the 1st week of the 2nd semimonthly period following the period to which such amounts relate.

"(2) SPECIAL RULE FOR TAX DUE IN SEPTEMBER.—

"(A) AMOUNTS CONSIDERED COLLECTED.—In the case of a person required to make deposits of the tax imposed by—

"(i) section 4251, or

"(ii) effective on January 1, 1997, section 4261 or 4271,

with respect to amounts considered collected by such person during any semimonthly period, the amount of such tax included in bills rendered or tickets sold during the period beginning on September 1 and ending on September 11 shall be deposited not later than September 29.

"(B) SPECIAL RULE WHERE SEPTEMBER 29 IS ON SATURDAY OR SUNDAY.—If September 29 falls on a Saturday or Sunday, the due date under subparagraph (A) shall be—

"(i) in the case of Saturday, the preceding day, and

"(ii) in the case of Sunday, the following day.

"(C) TAXPAYERS NOT REQUIRED TO USE ELECTRONIC FUNDS TRANSFER.—In the case of deposits not required to be made by electronic funds transfer, subparagraphs (A) and (B) shall be applied by substituting 'September 10' for 'September 11' and 'September 28' for 'September 29'.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1995.

SEC. 713. REDUCTION IN RATE OF INTEREST PAID ON CERTAIN CORPORATE OVERPAYMENTS.

(a) IN GENERAL.—Paragraph (1) of section 6621(a) (defining overpayment rate) is amended by adding at the end the following new flush sentence:

"To the extent that an overpayment of tax by a corporation for any taxable period (as defined in subsection (c)(3)) exceeds $10,000, subparagraph (B) shall be applied by substituting '0.5 percentage point' for '2 percentage points'."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply for purposes of determining interest for periods after December 31, 1994.

Subtitle C—Earned Income Tax Credit

SEC. 721. EXTENSION OF EARNED INCOME TAX CREDIT TO MILITARY PERSONNEL STATIONED OUTSIDE THE UNITED STATES.

(a) IN GENERAL.—Subsection (c) of section 32 (relating to earned income credit) is amended by adding at the end the following new paragraph:

"(4) TREATMENT OF MILITARY PERSONNEL STATIONED OUTSIDE THE UNITED STATES.—For purposes of paragraphs (1)(A)(ii)(I) and (3)(E), the principal place of abode of a member of the Armed Forces of the United States shall be treated as in the United States during any period during which such member is stationed outside the United States while serving on extended active duty (as defined in section 1034(h)(3)) with the Armed Forces of the United States."

(b) REPORTING OF MILITARY EARNED INCOME.—Subsection (a) of section 6051 (relating to receipts for employees) is amended by striking "and" at the end of paragraph (8), by striking the period at the end of paragraph (9) and by inserting ", and", and by inserting after paragraph (9) the following new paragraph:

"(10) in the case of an employee who is a member of the Armed Forces of the United States, such employee's earned income as determined for purposes of section 32 (relating to earned income credit)."

(c) ADVANCE PAYMENT OF EARNED INCOME CREDIT BASED ON MILITARY EARNED INCOME.—Paragraph (1) of section 3507(c) (defining earned income advance amount) is amended by adding at the end the following new sentence:

"In the case of an employee who is a member of the Armed Forces of the United States, the earned income advance amount shall be determined by taking into account such employee's earned income as determined for purposes of section 32."

(d) EFFECTIVE DATES.—

(1) SUBSECTION (a).—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1994.

(2) SUBSECTIONS (b) AND (c).—The amendments made by subsections (b) and (c) shall apply to remuneration paid after December 31, 1994.

SEC. 722. CERTAIN NONRESIDENT ALIENS INELIGIBLE FOR EARNED INCOME TAX CREDIT.

(a) IN GENERAL.—Paragraph (1) of section 32(c) (defining eligible individual) is amended by adding at the end the following new subparagraph:

"(E) LIMITATION ON ELIGIBILITY OF NONRESIDENT ALIENS.—The term 'eligible individual' shall not include any individual who is a nonresident alien individual for any portion of the taxable year unless such individual is treated for such taxable year as a resident of the United States for purposes of this chapter by reason of an election under subsection (g) or (h) of section 6013."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1994.

SEC. 723. INCOME OF PRISONERS DISREGARDED IN DETERMINING EARNED INCOME TAX CREDIT.

(a) IN GENERAL.—Subparagraph (B) of section 32(c)(2) (defining earned income) is amended by striking "and" at the end of clause (ii), by striking the period at the end of clause (iii) and inserting ", and", and by adding at the end the following new clause:

"(iv) no amount received for services provided by an individual while the individual is an inmate at a penal institution shall be taken into account."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1993.

Subtitle D—Provisions Relating To Retirement Benefits

SEC. 731. TREATMENT OF EXCESS PENSION ASSETS USED FOR RETIREE HEALTH BENEFITS.

(a) 5-YEAR EXTENSION.—Paragraph (5) of section 420(b) (defining qualified transfer) is amended by striking "1995" and inserting "2000".

(b) MINIMUM BENEFIT REQUIREMENTS.—Paragraph (3) of section 420(c) (relating to requirements of plans transferring assets) is amended to read as follows:

"(3) MAINTENANCE OF BENEFIT REQUIREMENTS.—

"(A) IN GENERAL.—The requirements of this paragraph are met if each group health plan or arrangement under which applicable health benefits are provided provides that the applicable health benefits provided by the employer during each taxable year during the benefit maintenance period are substantially the same as the applicable health benefits provided by the employer during the taxable year immediately preceding the taxable year of the qualified transfer.

"(B) ELECTION TO APPLY SEPARATELY.—An employer may elect to have this paragraph applied separately with respect to individuals eligible for benefits under title XVIII of the Social Security Act at any time during the taxable year and with respect to individuals not so eligible.

"(C) BENEFIT MAINTENANCE PERIOD.—For purposes of this paragraph, the term 'benefit maintenance period' means the period of 5 taxable years beginning with the taxable year in which the qualified transfer occurs. If a taxable year is in 2 or more benefit maintenance periods, this paragraph shall be applied by taking into account the highest level of benefits required to be provided under subparagraph (A) for such taxable year."

(c) CONFORMING AMENDMENTS.—

(1) Clause (iii) of section 420(b)(1)(C) is amended by striking "cost" and inserting "benefits".

(2) Subparagraph (B) of section 420(e)(1) is amended to read as follows:

"(B) REDUCTIONS FOR AMOUNTS PREVIOUSLY SET ASIDE.—The amount determined under subparagraph (A) shall be reduced by the amount which bears the same ratio to such amount as—

"(i) the value (as of the close of the plan year preceding the year of the qualified transfer) of the assets in all health benefits accounts or welfare benefit funds (as defined in section 419(e)(1)) set aside to pay for the qualified current retiree health liability, bears to

"(ii) the present value of the qualified current retiree health liabilities for all plan years (determined without regard to this subparagraph)."

(3) Subparagraph (D) of section 420(e)(1) is amended by striking "or in calculating applicable employer cost under subsection (c)(3)(B)" and inserting "and shall not be subject to the minimum benefit requirements of subsection (c)(3)".

(4)(A) Section 101(e)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1021(e)(3)) is amended by striking "1991" and inserting "1995".

(B) Section 403(c)(1) of such Act (29 U.S.C. 1103(c)(1)) is amended by striking "1991" and inserting "1995".

(C) Paragraph (13) of section 408(b) of such Act (29 U.S.C. 1108(b)(13)) is amended—

(i) by striking "1996" and inserting "2001", and

(ii) by striking "1991" and inserting "1995".

(d) EFFECTIVE DATES.—

(1) EXTENSION.—The amendments made by subsections (a) and (c)(3) shall apply to taxable years beginning after December 31, 1995.

(2) BENEFITS.—The amendments made by subsections (b) and (c)(1) and (2) shall apply to qualified transfers occurring after the date of the enactment of this Act.

SEC. 732. ROUNDING RULES FOR COST-OF-LIVING ADJUSTMENTS.

(a) COST-OF-LIVING ADJUSTMENT FOR COMPENSATION LIMIT.—Section 401(a)(17)(B) is amended to read as follows:

"(B) COST-OF-LIVING ADJUSTMENT.—The Secretary shall adjust annually the $150,000 amount in subparagraph (A) for increases in the cost-of-living at the same time and in the same manner as adjustments under section 415(d); except that the base period shall be the calendar quarter beginning October 1, 1993, and any increase which is not a multiple of $10,000 shall be rounded to the next lowest multiple of $10,000."

(b) COST-OF-LIVING ADJUSTMENT FOR MAXIMUM DEFINED BENEFIT AMOUNT AND MAXIMUM ANNUAL ADDITION.—

(1) IN GENERAL.—Section 415(d) is amended to read as follows:

"(d) COST-OF-LIVING ADJUSTMENTS.—

"(1) IN GENERAL.—The Secretary shall adjust annually—

"(A) the $90,000 amount in subsection (b)(1)(A),

"(B) in the case of a participant who separated from service, the amount taken into account under subsection (b)(1)(B), and

"(C) the $30,000 amount in subsection (c)(1)(A),

for increases in the cost-of-living in accordance with regulations prescribed by the Secretary.

"(2) METHOD.—The regulations prescribed under paragraph (1) shall provide for—

"(A) an adjustment with respect to any calendar year based on the increase in the applicable index for the calendar quarter ending September 30 of the preceding calendar year over such index for the base period, and

"(B) adjustment procedures which are similar to the procedures used to adjust benefit amounts under section 215(1)(2)(A) of the Social Security Act.

"(3) BASE PERIOD.—For purposes of paragraph (2)—

"(A) $90,000 AMOUNT.—The base period taken into account for purposes of paragraph (1)(A) is the calendar quarter beginning October 1, 1986.

"(B) SEPARATIONS AFTER DECEMBER 31, 1994.—The base period taken into account for purposes of paragraph (1)(B) with respect to individuals separating from service with the employer after December 31, 1994, is the calendar quarter beginning July 1 of the calendar year preceding the calendar year in which such separation occurs.

"(C) SEPARATIONS BEFORE JANUARY 1, 1995.—The base period taken into account for purposes of paragraph (1)(B) with respect to individuals separating from service with the employer before January 1, 1995, is the calendar quarter beginning October 1 of the calendar year preceding the calendar year in which such separation occurs.

"(D) $30,000 AMOUNT.—The base period taken into account for purposes of paragraph (1)(C) is the calendar quarter beginning October 1, 1993."

"(4) ROUNDING.—Any increase under subparagraph (A) or (C) of paragraph (1) which is not a multiple of $5,000 shall be rounded to the next lowest multiple of $5,000."

(2) CONFORMING AMENDMENT.—Section 415(c)(1)(A) is amended by striking "(or, if greater, ¼ of the dollar limitation in effect under subsection (b)(1)(A))".

(c) COST-OF-LIVING ADJUSTMENT FOR MAXIMUM SALARY DEFERRAL.—Section 402(g)(5) is amended by inserting before the period "; except that any increase under this paragraph which is not a multiple of $500 shall be rounded to the next lowest multiple of $500".

(d) COST-OF-LIVING ADJUSTMENT FOR ELIGIBILITY FOR SIMPLIFIED EMPLOYEE PENSIONS.—Section 408(k)(8) is amended by inserting before the period "; except that any increase in the $300 amount which is not a multiple of $50 shall be rounded to the next lowest multiple of $50".

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to years beginning after December 31, 1994.

(2) ROUNDING NOT TO RESULT IN DECREASES.—The amendments made by this section providing for the rounding of indexed amounts shall not apply to any year to the extent the rounding would require the indexed amount to be reduced below the amount in effect for years beginning in 1994.

SEC. 733. INCREASE IN INCLUSION OF SOCIAL SECURITY BENEFITS PAID TO NONRESIDENTS.

(a) IN GENERAL.—Subparagraph (A) of section 871(a)(3) (relating to taxation of Social Security benefits) is amended by striking "one-half" and inserting "85 percent".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to benefits paid after December 31, 1994, in taxable years ending after such date.

Subtitle E—Other Provisions

SEC. 741. PARTNERSHIP DISTRIBUTIONS OF MARKETABLE SECURITIES.

(a) IN GENERAL.—Section 731 (relating to extent of recognition of gain or loss on distribution) is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c) TREATMENT OF MARKETABLE SECURITIES.—

"(1) IN GENERAL.—For purposes of subsection (a)(1) and section 737—

"(A) the term 'money' includes marketable securities, and

"(B) such securities shall be taken into account at their fair market value as of the date of the distribution.

"(2) MARKETABLE SECURITIES.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'marketable securities' means financial instruments and foreign currencies which are, as of the date of the distribution, actively traded (within the meaning of section 1092(d)(1)).

"(B) OTHER PROPERTY.—Such term includes—

"(i) any interest in—

"(I) a common trust fund, or

"(II) a regulated investment company which is offering for sale or has outstanding any redeemable security (as defined in section 2(a)(32) of the Investment Company Act of 1940) of which it is the issuer,

"(ii) any financial instrument which, pursuant to its terms or any other arrangement, is readily convertible into, or exchangeable for, money or marketable securities,

"(iii) any financial instrument the value of which is determined substantially by reference to marketable securities,

"(iv) except to the extent provided in regulations prescribed by the Secretary, any interest in a precious metal which, as of the date of the distribution, is actively traded (within the meaning of section 1092(d)(1)) unless such metal was produced, used, or held in the active conduct of a trade or business by the partnership,

"(v) except as otherwise provided in regulations prescribed by the Secretary, interests in any entity if substantially all of the assets of such entity consist (directly or indirectly) of marketable securities, money, or both, and

"(vi) to the extent provided in regulations prescribed by the Secretary, any interest in an entity not described in clause (v) but only to the extent of the value of such interest which is attributable to marketable securities, money, or both.

"(C) FINANCIAL INSTRUMENT.—The term 'financial instrument' includes stocks and other equity interests, evidences of indebtedness, options, forward or futures contracts, notional principal contracts, and derivatives.

"(3) EXCEPTIONS.—

"(A) IN GENERAL.—Paragraph (1) shall not apply to the distribution from a partnership of a marketable security to a partner if—

"(i) the security was contributed to the partnership by such partner, except to the extent that the value of the distributed security is attributable to marketable securities or money contributed (directly or indirectly) to the entity to which the distributed security relates,

"(ii) to the extent provided in regulations prescribed by the Secretary, the property was not a marketable security when acquired by such partnership, or

"(iii) such partnership is an investment partnership and such partner is an eligible partner thereof.

"(B) LIMITATION ON GAIN RECOGNIZED.—In the case of a distribution of marketable securities to a partner, the amount taken into account under paragraph (1) shall be reduced (but not below zero) by the excess (if any) of—

"(i) such partner's distributive share of the net gain which would be recognized if all of the marketable securities of the same class and issuer as the distributed securities held by the partnership were sold (immediately before the transaction to which the distribution relates) by the partnership for fair market value, over

"(ii) such partner's distributive share of the net gain which is attributable to the marketable securities of the same class and issuer as the distributed securities held by the partnership immediately after the transaction, determined by using the same fair market value as used under clause (i).

Under regulations prescribed by the Secretary, all marketable securities held by the partnership may be treated as marketable securities of the same class and issuer as the distributed securities.

"(C) DEFINITIONS RELATING TO INVESTMENT PARTNERSHIPS.—For purposes of subparagraph (A)(iii)—

"(i) INVESTMENT PARTNERSHIP.—The term 'investment partnership' means any partnership which has never been engaged in a trade or business and substantially all of the assets (by value) of which have always consisted of—

"(I) money,

"(II) stock in a corporation,

"(III) notes, bonds, debentures, or other evidences of indebtedness,

"(IV) interest rate, currency, or equity notional principal contracts,

"(V) foreign currencies,

"(VI) interests in or derivative financial instruments (including options, forward or futures contracts, short positions, and similar financial instruments) in any asset described in any other subclause of this clause or in any commodity traded on or subject to the rules of a board of trade or commodity exchange,

"(VII) other assets specified in regulations prescribed by the Secretary, or

"(VIII) any combination of the foregoing.

"(ii) EXCEPTION FOR CERTAIN ACTIVITIES.—A partnership shall not be treated as engaged in a trade or business by reason of—

"(I) any activity undertaken as an investor, trader, or dealer in any asset described in clause (i), or

"(II) any other activity specified in regulations prescribed by the Secretary.

"(iii) ELIGIBLE PARTNER.—

"(I) IN GENERAL.—The term 'eligible partner' means any partner who, before the date of the distribution, did not contribute to the partnership any property other than assets described in clause (i).

"(II) EXCEPTION FOR CERTAIN NONRECOGNITION TRANSACTIONS.—The term 'eligible partner' shall not include the transferor or transferee in a nonrecognition transaction involving a transfer of any portion of an interest in a partnership with respect to which the transferor was not an eligible partner.

"(iv) LOOK-THRU OF PARTNERSHIP TIERS.—Except as otherwise provided in regulations prescribed by the Secretary—

"(I) a partnership shall be treated as engaged in any trade or business engaged in by, and as holding (instead of a partnership interest) a proportionate share of the assets of, any other partnership in which the partnership holds a partnership interest, and

"(II) a partner who contributes to a partnership an interest in another partnership shall be treated as contributing a proportionate share of the assets of the other partnership.

If the preceding sentence does not apply under such regulations with respect to any interest held by a partnership in another partnership, the interest in such other partnership shall be treated as if it were specified in a subclause of clause (i).

"(4) BASIS OF SECURITIES DISTRIBUTED.—

"(A) IN GENERAL.—The basis of marketable securities with respect to which gain is recognized by reason of this subsection shall be—

"(i) their basis determined under section 732, increased by

"(ii) the amount of such gain.

"(B) ALLOCATION OF BASIS INCREASE.—Any increase in basis attributable to the gain described in subparagraph (A)(ii) shall be allocated to marketable securities in proportion to their respective amounts of unrealized appreciation before such increase.

"(5) SUBSECTION DISREGARDED IN DETERMINING BASIS OF PARTNER'S INTEREST IN PARTNERSHIP AND OF BASIS OF PARTNERSHIP PROPERTY.—Sections 733 and 734 shall be applied as if no gain were recognized, and no adjustment were made to the basis of property, under this subsection.

"(6) CHARACTER OF GAIN RECOGNIZED.—In the case of a distribution of a marketable security which is an unrealized receivable (as defined in section 751(c)) or an inventory item (as defined in section 751(d)(2)), any gain recognized under this subsection shall be treated as ordinary income to the extent of any increase in the basis of such security attributable to the gain described in paragraph (4)(A)(ii).

"(7) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection, including regulations to prevent the avoidance of such purposes."

(b) CONFORMING AMENDMENTS.—

(1) The last sentence of section 737(c)(1) is amended to read as follows: "For purposes of determining the basis of the distributed property (other than money), such increase shall be treated as occurring immediately before the distribution."

(2) Section 737 is amended by adding at the end the following new subsection:

"(e) MARKETABLE SECURITIES TREATED AS MONEY.—

"For treatment of marketable securities as money for purposes of this section, see section 731(c)."

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to distributions after the date of the enactment of this Act.

(2) CERTAIN DISTRIBUTIONS BEFORE JANUARY 1, 1995.—The amendments made by this section shall not apply to any marketable security distributed before January 1, 1995, by the partnership which held such security on July 27, 1994.

(3) DISTRIBUTIONS IN LIQUIDATION OF PARTNER'S INTEREST.—The amendments made by this section shall not apply to the distribution of a marketable security in liquidation of a partner's interest in a partnership if—

(A) such liquidation is pursuant to a written contract which was binding on July 15, 1994, and at all times thereafter before the distribution, and

(B) such contract provides for the purchase of such interest not later than a date certain for—

(i) a fixed value of marketable securities that are specified in the contract, or

(ii) other property.

The preceding sentence shall not apply if the partner has the right to elect that such distribution be made other than in marketable securities.

(4) DISTRIBUTIONS IN COMPLETE LIQUIDATION OF PUBLICLY TRADED PARTNERSHIPS.—

(A) IN GENERAL.—The amendments made by this section shall not apply to the distribution of a marketable security in a qualified partnership liquidation if—

(i) the marketable securities were received by the partnership in a nonrecognition transaction in exchange for substantially all of the assets of the partnership,

(ii) the marketable securities are distributed by the partnership within 90 days after their receipt by the partnership, and

(iii) the partnership is liquidated before the beginning of the 1st taxable year of the partnership beginning after December 31, 1997.

(B) QUALIFIED PARTNERSHIP LIQUIDATION.—For purposes of subparagraph (A), the term "qualified partnership liquidation" means—

(i) a complete liquidation of a publicly traded partnership (as defined in section 7704(b) of the Internal Revenue Code of 1986) which is an existing partnership (as defined in section 10211(c)(2) of the Revenue Act of 1987), and

(ii) a complete liquidation of a partnership which is related to a partnership described in clause (i) if such liquidation is related to a complete liquidation of the partnership described in clause (i).

(5) MARKETABLE SECURITIES.—For purposes of this subsection, the term "marketable securities" has the meaning given such term by section 731(c) of the Internal Revenue Code of 1986, as added by this section.

SEC. 742. TAXPAYER IDENTIFICATION NUMBERS REQUIRED AT BIRTH.

(a) EARNED INCOME CREDIT.—Clause (i) of section 32(c)(3)(D) is amended to read as follows:

"(i) IN GENERAL.—The requirements of this subparagraph are met if the taxpayer includes the name, age, and TIN of each qualifying child (without regard to this subparagraph) on the return of tax for the taxable year."

(b) DEPENDENCY EXEMPTION.—Subsection (e) of section 6109 is amended to read as follows:

"(e) FURNISHING NUMBER FOR DEPENDENTS.—Any taxpayer who claims an exemption under section 151 for any dependent on a return for any taxable year shall include on such return the identifying number (for purposes of this title) of such dependent."

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to returns for taxable years beginning after December 31, 1994.

(2) EXCEPTION.—The amendments made by this section shall not apply to—

(A) returns for taxable years beginning in 1995 with respect to individuals who are born after October 31, 1995, and

(B) returns for taxable years beginning in 1996 with respect to individuals who are born after November 30, 1996.

SEC. 743. EXTENSION OF INTERNAL REVENUE SERVICE USER FEES.

Subsection (c) of section 10511 of the Revenue Act of 1987 (relating to fees for requests for ruling, determination, and similar letters) is amended by striking "October 1, 1995" and inserting "October 1, 2000".

SEC. 744. MODIFICATION OF SUBSTANTIAL UNDERSTATEMENT PENALTY FOR CORPORATIONS PARTICIPATING IN TAX SHELTERS.

(a) IN GENERAL.—Subparagraph (C) of section 6662(d)(2) (relating to special rules in cases involving tax shelters) is amended by redesignating clause (ii) as clause (iii) and by inserting after clause (i) the following new clause:

"(ii) SUBPARAGRAPH (B) NOT TO APPLY TO CORPORATIONS.—Subparagraph (B) shall not apply to any item of a corporation which is attributable to a tax shelter."

(b) TECHNICAL AMENDMENTS.—

(1) Clause (i) of section 6662(d)(2)(C) is amended by striking "In the case of any item" and inserting "In the case of any item of a taxpayer other than a corporation which is".

(2) Clause (iii) of section 6662(d)(2)(C), as redesignated by subsection (a), is amended by striking "clause (i)" and inserting "this subparagraph".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to items related to transactions occurring after the date of the enactment of this Act.

SEC. 745. MODIFICATION OF AUTHORITY TO SET TERMS AND CONDITIONS FOR SAVINGS BONDS.

(a) IN GENERAL.—Subsection (b) of section 3105 of title 31, United States Code, is amended to read as follows:

"(b)(1) The Secretary may—

"(A) fix the investment yield for savings bonds; and

"(B) change the investment yield on an outstanding savings bond, except that the yield on a bond for the period held may not be decreased below the minimum yield for the period guaranteed on the date of issue.

"(2) The Secretary may prescribe regulations providing that—

"(A) owners of savings bonds may keep the bonds after maturity or after a period beyond maturity during which the bonds have earned interest and continue to earn interest at rates consistent with paragraph (1) of this subsection; and

"(B) savings bonds earning a different rate of interest before the regulations are prescribed shall earn a rate of interest consistent with paragraph (1)."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to bonds issued after October 31, 1994.

Subtitle F—Pension Plan Funding and Premiums

SEC. 750. SHORT TITLE.

This subtitle may be cited as the "Retirement Protection Act of 1994".

PART I—PENSION PLAN FUNDING

Subpart A—Amendments to the Internal Revenue Code of 1986

SEC. 751. MINIMUM FUNDING REQUIREMENTS.

(a) AMENDMENTS TO ADDITIONAL FUNDING REQUIREMENTS FOR SINGLE-EMPLOYER PLANS.—

(1) LIMITATIONS ON ADDITIONAL FUNDING REQUIREMENT FOR CERTAIN PLANS.—

(A) IN GENERAL.—Paragraph (1) of section 412(l) (relating to additional funding requirements for plans which are not multiemployer plans) is amended by striking "which has an unfunded current liability" and inserting "to which this subsection applies under paragraph (9)".

(B) PLANS TO WHICH REQUIREMENT APPLIES.—Section 412(l) is amended by adding at the end the following new paragraph:

"(9) APPLICABILITY OF SUBSECTION.—

"(A) IN GENERAL.—Except as provided in paragraph (6)(A), this subsection shall apply to a plan for any plan year if its funded current liability percentage for such year is less than 90 percent.

"(B) EXCEPTION FOR CERTAIN PLANS AT LEAST 80 PERCENT FUNDED.—Subparagraph (A) shall not apply to a plan for a plan year if—

"(i) the funded current liability percentage for the plan year is at least 80 percent, and

"(ii) such percentage for each of the 2 immediately preceding plan years (or each of the 2d and 3d immediately preceding plan years) is at least 90 percent.

"(C) FUNDED CURRENT LIABILITY PERCENTAGE.—For purposes of subparagraphs (A) and (B), the term 'funded current liability percentage' has the meaning given such term by paragraph (8)(B), except that such percentage shall be determined for any plan year—

"(i) without regard to paragraph (8)(E), and

"(ii) by using the rate of interest which is the highest rate allowable for the plan year under paragraph (7)(C).

"(D) TRANSITION RULES.—For purposes of this paragraph—

"(i) FUNDED PERCENTAGE FOR YEARS BEFORE 1995.—The funded current liability percentage for any plan year beginning before January 1, 1995, shall be treated as not less than 90 percent only if for such plan year the plan met one of the following requirements (as in effect for such year):

"(I) The full-funding limitation under subsection (c)(7) for the plan was zero.

"(II) The plan had no additional funding requirement under this subsection (or would have had no such requirement if its funded current liability percentage had been determined under subparagraph (C)).

"(III) The plan's additional funding requirement under this subsection did not exceed the lesser of 0.5 percent of current liability or $5,000,000.

"(ii) SPECIAL RULE FOR 1995 AND 1996.—For purposes of determining whether subparagraph (B) applies to any plan year beginning in 1995 or 1996, a plan shall be treated as meeting the requirements of subparagraph (B)(ii) if the plan met the requirements of clause (i) of this subparagraph for any two of the plan years beginning in 1992, 1993, and 1994 (whether or not consecutive)."

(2) RELATIONSHIP OF ADDITIONAL FUNDING REQUIREMENT TO FUNDING STANDARD ACCOUNT CHARGES AND CREDITS.—

(A) Clause (ii) of section 412(l)(1)(A) is amended to read as follows:

"(ii) the sum of the charges for such plan year under subsection (b)(2), reduced by the sum of the credits for such plan year under subparagraph (B) of subsection (b)(3), plus".

(B) The last sentence in section 412(l)(1) of such Code is amended to read as follows:

"Such increase shall not exceed the amount which, after taking into account charges (other than the additional charge under this subsection) and credits under subsection (b), is necessary to increase the funded current liability percentage (taking into account the expected increase in current liability due to benefits accruing during the plan year) to 100 percent."

(3) AMENDMENT TO DEFICIT REDUCTION CONTRIBUTION.—Paragraph (2) of section 412(l) is amended—

(A) by striking "plus" at the end of subparagraph (A);

(B) by striking the period at the end of subparagraph (B) and inserting ", plus"; and

(C) by adding at the end the following new subparagraph:

"(C) the expected increase in current liability due to benefits accruing during the plan year."

(4) INCREASE IN CURRENT LIABILITY DUE TO CHANGE IN REQUIRED ASSUMPTIONS.—

(A) Paragraph (3) of section 412(l) is amended by adding at the end the following new subparagraphs:

"(D) SPECIAL RULE FOR REQUIRED CHANGES IN ACTUARIAL ASSUMPTIONS.—

"(i) IN GENERAL.—The unfunded old liability amount with respect to any plan for any plan year shall be increased by the amount necessary to amortize the amount of additional unfunded old liability under the plan in equal annual installments over a period of 12 plan years (beginning with the first plan year beginning after December 31, 1994).

"(ii) ADDITIONAL UNFUNDED OLD LIABILITY.—For purposes of clause (i), the term 'additional unfunded old liability' means the amount (if any) by which—

"(I) the current liability of the plan as of the beginning of the first plan year beginning after December 31, 1994, valued using the assumptions required by paragraph (7)(C) as in effect for plan years beginning after December 31, 1994, exceeds

"(II) the current liability of the plan as of the beginning of such first plan year, valued using the same assumptions used under subclause (I) (other than the assumptions required by paragraph (7)(C)), using the prior interest rate, and using such mortality assumptions as were used to determine current liability for the first plan year beginning after December 31, 1992.

"(iii) PRIOR INTEREST RATE.—For purposes of clause (ii), the term 'prior interest rate' means the rate of interest that is the same percentage of the weighted average under subsection (b)(5)(B)(ii)(I) for the first plan year beginning after December 31, 1994, as the rate of interest used by the plan to determine current liability for the first plan year beginning after December 31, 1992, is of the weighted average under subsection (b)(5)(B)(ii)(I) for such first plan year beginning after December 31, 1992.

"(E) OPTIONAL RULE FOR ADDITIONAL UNFUNDED OLD LIABILITY.—

"(i) IN GENERAL.—If an employer makes an election under clause (ii), the additional unfunded old liability for purposes of subparagraph (D) shall be the amount (if any) by which—

"(I) the unfunded current liability of the plan as of the beginning of the first plan year beginning after December 31, 1994, valued using the assumptions required by paragraph (7)(C) as in effect for plan years beginning after December 31, 1994, exceeds

"(II) the unamortized portion of the unfunded old liability under the plan as of the beginning of the first plan year beginning after December 31, 1994.

"(ii) ELECTION.—

"(I) An employer may irrevocably elect to apply the provisions of this subparagraph as of the beginning of the first plan year beginning after December 31, 1994.

"(II) If an election is made under this clause, the increase under paragraph (1) for any plan year beginning after December 31, 1994, and before January 1, 2002, to which this subsection applies (without regard to this subclause) shall not be less than the increase that would be required under paragraph (1) if the provisions of this title as in effect for the last plan year beginning before January 1, 1995, had remained in effect."

(B) Clause (i) of section 412(l)(4)(B) is amended by inserting ", the unamortized portion of the additional unfunded old liability," after "old liability".

(5) APPLICABLE PERCENTAGE FOR DETERMINING UNFUNDED NEW LIABILITY AMOUNT.—Subparagraph (C) of section 412(l)(4) is amended—

(A) by striking ".25" and inserting ".40", and

(B) by striking "35" and inserting "60".

(6) UNPREDICTABLE CONTINGENT EVENT AMOUNT.—

(A) Subparagraph (A) of section 412(l)(5) is amended—

(i) by striking "greater of" and inserting "greatest of" before clause (i);

(ii) by striking "or" at the end of clause (i);

(iii) by striking the period at the end of clause (ii) and inserting ", or"; and

(iv) by adding after clause (ii) the following new clause:

"(iii) the additional amount that would be determined under paragraph (4)(A) if the unpredictable contingent event benefit liabilities were included in unfunded new liability notwithstanding paragraph (4)(B)(ii)."

(B) Paragraph (5) of section 412(l) is amended by adding at the end the following new subparagraph:

"(E) LIMITATION.—The present value of the amounts described in subparagraph (A) with respect to any one event shall not exceed the unpredictable contingent event benefit liabilities attributable to that event."

(C) Clause (ii) of section 412(m)(4)(D) is amended—

(i) by striking "greater of" and inserting "greatest of" before subclause (I);

(ii) by striking "or" at the end of subclause (I);

(iii) by striking the period at the end of subclause (II) and inserting ", or"; and

(iv) by adding after subclause (II) the following new clause:

"(III) 25 percent of the amount determined under subsection (l)(5)(A)(iii) for the plan year."

(7) REQUIRED INTEREST RATE AND MORTALITY ASSUMPTIONS FOR DETERMINING CURRENT LIABILITY.—

(A) IN GENERAL.—Subparagraph (C) of section 412(l)(7) is amended to read as follows:

"(C) INTEREST RATE AND MORTALITY ASSUMPTIONS USED.—Effective for plan years beginning after December 31, 1994—

"(i) INTEREST RATE.—

"(I) IN GENERAL.—The rate of interest used to determine current liability under this subsection shall be the rate of interest used under subsection (b)(5), except that the highest rate in the permissible range under subparagraph (B)(ii) thereof shall not exceed the specified percentage under subclause (II) of the weighted average referred to in such subparagraph.

"(II) SPECIFIED PERCENTAGE.—For purposes of subclause (I), the specified percentage shall be determined as follows:

"In the case of plan years beginning in calendar year:	The specified percentage is:
1995	109
1996	108
1997	107
1998	106
1999 and thereafter	105.

"(ii) MORTALITY TABLES.—

"(I) COMMISSIONERS' STANDARD TABLE.—In the case of plan years beginning before the first plan year to which the first tables prescribed under subclause (II) apply, the mortality table used in determining current liability under this subsection shall be the table prescribed by the Secretary which is based on the prevailing commissioners' standard table (described in section 807(d)(5)(A)) used to determine reserves for group annuity contracts issued on January 1, 1993.

"(II) SECRETARIAL AUTHORITY.—The Secretary may by regulation prescribe for plan years beginning after December 31, 1999, mortality tables to be used in determining current liability under this subsection. Such tables shall be based upon the actual experience of pension plans and projected trends in such experience. In prescribing such tables, the Secretary shall take into account results of available independent studies of mortality of individuals covered by pension plans.

"(III) PERIODIC REVIEW.—The Secretary shall periodically (at least every 5 years) review any tables in effect under this subsection and shall, to the extent the Secretary determines necessary, by regulation update the tables to reflect the actual experience of pension plans and projected trends in such experience.

"(iii) SEPARATE MORTALITY TABLES FOR THE DISABLED.—Notwithstanding clause (ii)—

"(I) IN GENERAL.—In the case of plan years beginning after December 31, 1995, the Secretary shall establish mortality tables which may be used (in lieu of the tables under clause (ii)) to determine current liability under this subsection for individuals who are entitled to benefits under the plan on account of disability. The Secretary shall establish separate tables for individuals whose disabilities occur in plan years beginning before January 1, 1995, and for individuals whose disabilities occur in plan years beginning on or after such date.

"(II) SPECIAL RULE FOR DISABILITIES OCCURRING AFTER 1994.—In the case of disabilities occurring in plan years beginning after December 31, 1994, the tables under subclause (I) shall apply only with respect to individuals described in such subclause who are disabled within the meaning of title II of the Social Security Act and the regulations thereunder.

"(III) PLAN YEARS BEGINNING IN 1995.—In the case of any plan year beginning in 1995, a plan may use its own mortality assumptions for individuals who are entitled to benefits under the plan on account of disability."

(B) AMORTIZATION OF UNFUNDED MORTALITY INCREASE AMOUNT.—

(i) IN GENERAL.—Paragraph (2) of section 412(l), as amended by paragraph (3), is amended by striking "plus" at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting ", and", and by adding at the end the following new subparagraph:

"(D) the aggregate of the unfunded mortality increase amounts."

(ii) UNFUNDED MORTALITY INCREASE AMOUNT.—Section 412(l), as amended by paragraph (1), is amended by adding at the end the following new paragraph:

"(10) UNFUNDED MORTALITY INCREASE AMOUNT.—

"(A) IN GENERAL.—The unfunded mortality increase amount with respect to each unfunded mortality increase is the amount necessary to amortize such increase in equal annual installments over a period of 10 plan years (beginning with the first plan year for which a plan uses any new mortality table issued under paragraph (7)(C)(ii)(II) or (III)).

"(B) UNFUNDED MORTALITY INCREASE.—For purposes of subparagraph (A), the term 'unfunded mortality increase' means an amount equal to the excess of—

"(i) the current liability of the plan for the first plan year for which a plan uses any new mortality table issued under paragraph (7)(C)(ii)(II) or (III), over

"(ii) the current liability of the plan for such plan year which would have been determined if the mortality table in effect for the preceding plan year had been used."

(iii) CONFORMING AMENDMENT.—Clause (i) of section 412(l)(4)(B), as amended by paragraph (4)(B), is amended by inserting "the unamortized portion of each unfunded mortality increase," after "additional unfunded old liability,".

(8) TRANSITION RULE.—Section 412(l), as amended by paragraph (7), is amended by adding at the end the following new paragraph:

"(11) PHASE-IN OF INCREASES IN FUNDING REQUIRED BY RETIREMENT PROTECTION ACT OF 1994.—

"(A) IN GENERAL.—For any applicable plan year, at the election of the employer, the increase under paragraph (1) shall not exceed the greater of—

"(i) the increase that would be required under paragraph (1) if the provisions of this title as in effect for plan years beginning before January 1, 1995, had remained in effect, or

"(ii) the amount which, after taking into account charges (other than the additional charge under this subsection) and credits under subsection (b), is necessary to increase the funded current liability percentage (taking into account the expected increase in current liability due to benefits accruing during the plan year) for the applicable plan year to a percentage equal to the sum of the initial funded current liability percentage of the plan plus the applicable number of percentage points for such applicable plan year.

"(B) APPLICABLE NUMBER OF PERCENTAGE POINTS.—

"(i) INITIAL FUNDED CURRENT LIABILITY PERCENTAGE OF 75 PERCENT OR LESS.—Except as provided in clause (ii), for plans with an initial funded current liability percentage of 75 percent or less, the applicable number of percentage points for the applicable plan year is:

"In the case of applicable plan years beginning in:	The applicable number of percentage points is:
1995	3
1996	6
1997	9
1998	12
1999	15
2000	19
2001	24.

"(ii) OTHER CASES.—In the case of a plan to which this clause applies, the applicable number of percentage points for any such applicable plan year is the sum of—

"(I) 2 percentage points;

"(II) the applicable number of percentage points (if any) under this clause for the preceding applicable plan year;

"(III) the product of .10 multiplied by the excess (if any) of (a) 85 percentage points over (b) the sum of the initial funded current liability percentage and the number determined under subclause (II);

"(IV) for applicable plan years beginning in 2000, 1 percentage point; and

"(V) for applicable plan years beginning in 2001, 2 percentage points.

"(iii) PLANS TO WHICH CLAUSE (ii) APPLIES.—

"(I) IN GENERAL.—Clause (ii) shall apply to a plan for an applicable plan year if the initial funded current liability percentage of such plan is more than 75 percent.

"(II) PLANS INITIALLY UNDER CLAUSE (i).—In the case of a plan which (but for this subclause) has an initial funded current liability percentage of 75 percent or less, clause (ii) (and not clause (i)) shall apply to such plan with respect to applicable plan years beginning after the first applicable plan year for which the sum of the initial funded current liability percentage and the applicable number of percentage points (determined under clause (i)) exceeds 75 percent. For purposes of applying clause (ii) to such a plan, the initial funded current liability percentage of such plan shall be treated as being the sum referred to in the preceding sentence.

"(C) DEFINITIONS.—For purposes of this paragraph—

"(i) The term 'applicable plan year' means a plan year beginning after December 31, 1994, and before January 1, 2002.

"(ii) The term 'initial funded current liability percentage' means the funded current liability percentage as of the first day of the first plan year beginning after December 31, 1994."

(9) LIQUIDITY REQUIREMENT.—

(A) IN GENERAL.—Section 412(m) is amended by redesignating paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

"(5) LIQUIDITY REQUIREMENT.—

"(A) IN GENERAL.—A plan to which this paragraph applies shall be treated as failing to pay the full amount of any required installment to the extent that the value of the liquid assets paid in such installment is less than the liquidity shortfall (whether or not such liquidity shortfall exceeds the amount of such installment required to be paid but for this paragraph).

"(B) PLANS TO WHICH PARAGRAPH APPLIES.—This paragraph shall apply to a defined benefit plan (other than a multiemployer plan or a plan described in subsection (l)(6)(A)) which—

"(i) is required to pay installments under this subsection for a plan year, and

"(ii) has a liquidity shortfall for any quarter during such plan year.

"(C) PERIOD OF UNDERPAYMENT.—For purposes of paragraph (1), any portion of an installment that is treated as not paid under subparagraph (A) shall continue to be treated as unpaid until the close of the quarter in which the due date for such installment occurs.

"(D) LIMITATION ON INCREASE.—If the amount of any required installment is increased by reason of subparagraph (A), in no event shall such increase exceed the amount which, when added to prior installments for the plan year, is necessary to increase the funded current liability percentage (taking into account the expected increase in current liability due to benefits accruing during the plan year) to 100 percent.

"(E) DEFINITIONS.—For purposes of this paragraph—

"(i) LIQUIDITY SHORTFALL.—The term 'liquidity shortfall' means, with respect to any required installment, an amount equal to the excess (as of the last day of the quarter for which such installment is made) of the base amount with respect to such quarter over the value (as of such last day) of the plan's liquid assets.

"(ii) BASE AMOUNT.—

"(I) IN GENERAL.—The term 'base amount' means, with respect to any quarter, an amount equal to 3 times the sum of the adjusted disbursements from the plan for the 12 months ending on the last day of such quarter.

"(II) SPECIAL RULE.—If the amount determined under clause (i) exceeds an amount equal to 2 times the sum of the adjusted disbursements from the plan for the 36 months ending on the last day of the quarter and an enrolled actuary certifies to the satisfaction of the Secretary that such excess is the result of nonrecurring circumstances, the base amount with respect to such quarter shall be determined without regard to amounts related to those nonrecurring circumstances.

"(iii) DISBURSEMENTS FROM THE PLAN.—The term 'disbursements from the plan' means all disbursements from the trust, including purchases of annuities, payments of single sums and other benefits, and administrative expenses.

"(iv) ADJUSTED DISBURSEMENTS.—The term 'adjusted disbursements' means disbursements from the plan reduced by the product of—

"(I) the plan's funded current liability percentage (as defined in subsection (l)(8)) for the plan year, and

"(II) the sum of the purchases of annuities, payments of single sums, and such other disbursements as the Secretary shall provide in regulations.

"(v) LIQUID ASSETS.—The term 'liquid assets' means cash, marketable securities and such other assets as specified by the Secretary in regulations.

"(vi) QUARTER.—The term 'quarter' means, with respect to any required installment, the 3-month period preceding the month in which the due date for such installment occurs.

"(F) REGULATIONS.—The Secretary may prescribe such regulations as are necessary to carry out this paragraph."

(B) EXCISE TAX ON UNPAID LIQUIDITY SHORTFALL.—

(i) Subsection (e) of section 4971 is amended by striking "(a) or (b)" wherever it appears and inserting "(a), (b), or (f)".

(ii) Section 4971 is amended by redesignating subsection (f) as subsection (g) and adding a new subsection (f) to read as follows:

"(f) FAILURE TO PAY LIQUIDITY SHORTFALL.—

"(1) IN GENERAL.—In the case of a plan to which section 412(m)(5) applies, there is hereby imposed a tax of 10 percent of the excess (if any) of—

"(A) the amount of the liquidity shortfall for any quarter, over

"(B) the amount of such shortfall which is paid by the required installment under section 412(m) for such quarter (but only if such installment is paid on or before the due date for such installment).

"(2) ADDITIONAL TAX.—If the plan has a liquidity shortfall as of the close of any quarter and as of the close of each of the following 4 quarters, there is hereby imposed a tax equal to 100 percent of the amount on which tax was imposed by paragraph (1) for such first quarter.

"(3) DEFINITIONS AND SPECIAL RULE.—

"(A) LIQUIDITY SHORTFALL; QUARTER.—For purposes of this subsection, the terms 'liquidity shortfall' and 'quarter' have the respective meanings given such terms by section 412(m)(5).

"(B) SPECIAL RULE.—If the tax imposed by paragraph (2) is paid with respect to any liquidity shortfall for any quarter, no further tax shall be imposed by this subsection on such shortfall for such quarter."

(C) TREATMENT OF FAILURE TO MAKE CERTAIN PAYMENTS IF PLAN HAS LIQUIDITY SHORTFALL.—Section 401(a) is amended by adding at the end the following new paragraph:

"(32) TREATMENT OF FAILURE TO MAKE CERTAIN PAYMENTS IF PLAN HAS LIQUIDITY SHORTFALL.—

"(A) IN GENERAL.—A trust forming part of a pension plan to which section 412(m)(5) applies shall not be treated as failing to constitute a qualified trust under this section merely because such plan ceases to make any payment described in subparagraph (B) during any period that such plan has a liquidity shortfall (as defined in section 412(m)(5)).

"(B) PAYMENTS DESCRIBED.—A payment is described in this subparagraph if such payment is—

"(i) any payment, in excess of the monthly amount paid under a single life annuity (plus any social security supplements described in the last sentence of section 411(a)(9)), to a participant or beneficiary whose annuity starting date (as defined in section 417(f)(2)) occurs during the period referred to in subparagraph (A),

"(ii) any payment for the purchase of an irrevocable commitment from an insurer to pay benefits, and

"(iii) any other payment specified by the Secretary by regulations.

"(C) PERIOD OF SHORTFALL.—For purposes of this paragraph, a plan has a liquidity shortfall during the period that there is an underpayment of an installment under section 412(m) by reason of paragraph (5)(A) thereof."

(10) AMENDMENT TO DEFINITION OF FULL-FUNDING LIMITATION.—

(A) Subparagraph (A) of section 412(c)(7) is amended by inserting "(including the expected increase in current liability due to benefits accruing during the plan year)" after "current liability" in clause (i).

(B) Section 412(c)(7) is amended by adding at the end the following new subparagraph:

"(E) MINIMUM AMOUNT.—

"(i) IN GENERAL.—In no event shall the full-funding limitation determined under subparagraph (A) be less than the excess (if any) of—

"(I) 90 percent of the current liability of the plan (including the expected increase in current liability due to benefits accruing during the plan year), over

"(II) the value of the plan's assets determined under paragraph (2).

"(ii) CURRENT LIABILITY; ASSETS.—For purposes of clause (i)—

"(I) the term 'current liability' has the meaning given such term by subsection (l)(7) (without regard to subparagraph (D) thereof), and

"(II) assets shall not be reduced by any credit balance in the funding standard account."

(C) Subparagraph (B) of section 412(c)(7) is amended to read as follows:

"(B) CURRENT LIABILITY.—For purposes of subparagraph (D) and subclause (I) of subparagraph (A)(i), the term 'current liability' has the meaning given such term by subsection (l)(7) (without regard to subparagraphs (C) and (D) thereof) and using the rate of interest used under subsection (b)(5)(B)."

(11) REFERENCE TO ACT.—Section 404(g)(4) is amended by striking "the Single-Employer Pension Plan Amendments Act of 1986" and inserting "the Retirement Protection Act of 1994".

(b) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to plan years beginning after December 31, 1994.

(2) REFERENCE.—The amendment made by subsection (a)(11) shall take effect on the date of the enactment of this Act.

SEC. 752. LIMITATION ON CHANGES IN CURRENT LIABILITY ASSUMPTIONS.

(a) IN GENERAL.—Paragraph (5) of section 412(c) is amended—

(1) by striking "If the funding method" and inserting the following:

"(A) IN GENERAL.—If the funding method", and

(2) by adding at the end the following new subparagraph:

"(B) APPROVAL REQUIRED FOR CERTAIN CHANGES IN ASSUMPTIONS BY CERTAIN SINGLE-EMPLOYER PLANS SUBJECT TO ADDITIONAL FUNDING REQUIREMENT.—

"(i) IN GENERAL.—No actuarial assumption (other than the assumptions described in subsection (l)(7)(C)) used to determine the current liability for a plan to which this subparagraph applies may be changed without the approval of the Secretary.

"(ii) PLANS TO WHICH SUBPARAGRAPH APPLIES.—This subparagraph shall apply to a plan only if—

"(I) the plan is a defined benefit plan (other than a multiemployer plan) to which title IV of the Employee Retirement Income Security Act of 1974 applies;

"(II) the aggregate unfunded vested benefits as of the close of the preceding plan year (as determined under section 4006(a)(3)(E)(iii) of the Employee Retirement Income Security Act of 1974) of such plan and all other plans maintained by the contributing sponsors (as defined in section 4001(a)(13) of such Act) and members of such sponsors' controlled groups (as defined in section 4001(a)(14) of such Act) which are covered by title IV of such Act (disregarding plans with no unfunded vested benefits) exceed $50,000,000; and

"(III) the change in assumptions (determined after taking into account any changes in interest rate and mortality table) results in a decrease in the unfunded current liability of the plan for the current plan year that

exceeds $50,000,000, or that exceeds $5,000,000 and that is 5 percent or more of the current liability of the plan before such change."

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by this section shall apply to changes in assumptions for plan years beginning after October 28, 1993.

(2) CERTAIN CHANGES CEASE TO BE EFFECTIVE.—In the case of changes in assumptions for plan years beginning after December 31, 1992, and on or before October 28, 1993, such changes shall cease to be effective for plan years beginning after December 31, 1994, if—

(A) such change would have required the approval of the Secretary of the Treasury had such amendment applied to such change, and

(B) such change is not so approved.

SEC. 753. ANTICIPATION OF BARGAINED BENEFIT INCREASES.

(a) IN GENERAL.—Section 412(c) is amended by adding at the end the following new paragraph:

"(12) ANTICIPATION OF BENEFIT INCREASES EFFECTIVE IN THE FUTURE.—In determining projected benefits, the funding method of a collectively bargained plan described in section 413(a) (other than a multiemployer plan) shall anticipate benefit increases scheduled to take effect during the term of the collective bargaining agreement applicable to the plan."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to plan years beginning after December 31, 1994, with respect to collective bargaining agreements in effect on or after January 1, 1995.

SEC. 754. MODIFICATION OF QUARTERLY CONTRIBUTION REQUIREMENT.

(a) IN GENERAL.—Paragraph (1) of section 412(m) is amended—

(1) by inserting "which has a funded current liability percentage (as defined in subsection (l)(8)) for the preceding plan year of less than 100 percent" before "fails", and

(2) by striking "any plan year" and inserting "the plan year".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to plan years beginning after the date of enactment of this Act.

SEC. 755. EXCEPTIONS TO EXCISE TAX ON NONDEDUCTIBLE CONTRIBUTIONS.

(a) IN GENERAL.—Section 4972(c) is amended by adding at the end the following new paragraph:

"(6) EXCEPTIONS.—In determining the amount of nondeductible contributions for any taxable year, there shall not be taken into account—

"(A) contributions that would be deductible under section 404(a)(1)(D) if the plan had more than 100 participants if—

"(i) the plan is covered under section 4021 of the Employee Retirement Income Security Act of 1974, and

"(ii) the plan is terminated under section 4041(b) of such Act on or before the last day of the taxable year, and

"(B) contributions to 1 or more defined contribution plans which are not deductible when contributed solely because of section 404(a)(7), but only to the extent such contributions do not exceed 6 percent of compensation (within the meaning of section 404(a)) paid or accrued (during the taxable year for which the contributions were made) to beneficiaries under the plans.

If 1 or more defined benefit plans were taken into account in determining the amount allowable as a deduction under section 404 for contributions to any defined contribution plan, subparagraph (B) shall apply only if such defined benefit plans are described in section 404(a)(1)(D). For purposes of subparagraph (B), the deductible limits under section 404(a)(7) shall first be applied to amounts contributed to a defined benefit plan and then to amounts described in subparagraph (B)."

(b) EFFECTIVE DATE.—

(1) SECTION 4972(C)(6)(A).—Section 4972(c)(6)(A) of the Internal Revenue Code of 1986 (as added by this section) shall apply to taxable years ending on or after the date of enactment of this Act.

(2) SECTION 4972(C)(6)(B).—Section 4972(c)(6)(B) of such Code (as added by this section) shall apply to taxable years ending on or after December 31, 1992.

Subpart B—Amendments to the Employee Retirement Income Security Act of 1974

SEC. 761. MINIMUM FUNDING REQUIREMENTS.

(a) AMENDMENTS TO ADDITIONAL FUNDING REQUIREMENTS FOR SINGLE-EMPLOYER PLANS.—

(1) LIMITATIONS ON ADDITIONAL FUNDING REQUIREMENT FOR CERTAIN PLANS.—

(A) IN GENERAL.—Paragraph (1) of section 302(d) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1082(d)) is amended by striking "which has an unfunded current liability" and inserting "to which this subsection applies under paragraph (9)".

(B) PLANS TO WHICH REQUIREMENT APPLIES.—Section 302(d) of such Act is amended by adding at the end the following new paragraph:

"(9) APPLICABILITY OF SUBSECTION.—

"(A) IN GENERAL.—Except as provided in paragraph (6)(A), this subsection shall apply to a plan for any plan year if its funded current liability percentage for such year is less than 90 percent.

"(B) EXCEPTION FOR CERTAIN PLANS AT LEAST 80 PERCENT FUNDED.—Subparagraph (A) shall not apply to a plan for a plan year if—

"(i) the funded current liability percentage for the plan year is at least 80 percent, and

"(ii) such percentage for each of the 2 immediately preceding plan years (or each of the 2d and 3d immediately preceding plan years) is at least 90 percent.

"(C) FUNDED CURRENT LIABILITY PERCENTAGE.—For purposes of subparagraphs (A) and (B), the term 'funded current liability percentage' has the meaning given such term by paragraph (8)(B), except that such percentage shall be determined for any plan year—

"(i) without regard to paragraph (8)(E), and

"(ii) by using the rate of interest which is the highest rate allowable for the plan year under paragraph (7)(C).

"(D) TRANSITION RULES.—For purposes of this paragraph—

"(i) FUNDED PERCENTAGE FOR YEARS BEFORE 1995.—The funded current liability percentage for any plan year beginning before January 1, 1995, shall be treated as not less than 90 percent only if for such plan year the plan met one of the following requirements (as in effect for such year):

"(I) The full-funding limitation under subsection (c)(7) for the plan was zero.

"(II) The plan had no additional funding requirement under this subsection (or would have had no such requirement if its funded current liability percentage had been determined under subparagraph (C)).

"(III) The plan's additional funding requirement under this subsection did not exceed the lesser of 0.5 percent of current liability or $5,000,000.

"(ii) SPECIAL RULE FOR 1995 AND 1996.—For purposes of determining whether subparagraph (B) applies to any plan year beginning in 1995 or 1996, a plan shall be treated as meeting the requirements of subparagraph (B)(ii) if the plan met the requirements of clause (i) of this subparagraph for any two of the plan years beginning in 1992, 1993, and 1994 (whether or not consecutive)."

(2) RELATIONSHIP OF ADDITIONAL FUNDING REQUIREMENT TO FUNDING STANDARD ACCOUNT CHARGES AND CREDITS.—

(A) Clause (ii) of section 302(d)(1)(A) of such Act is amended to read as follows:

"(ii) the sum of the charges for such plan year under subsection (b)(2), reduced by the sum of the credits for such plan year under subparagraph (B) of subsection (b)(3), plus".

(B) The last sentence in section 302(d)(1) of such Act is amended to read as follows:

"Such increase shall not exceed the amount which, after taking into account charges (other than the additional charge under this subsection) and credits under subsection (b), is necessary to increase the funded current liability percentage (taking into account the expected increase in current liability due to benefits accruing during the plan year) to 100 percent."

(3) AMENDMENT TO DEFICIT REDUCTION CONTRIBUTION.—Paragraph (2) of section 302(d) of such Act is amended—

(A) by striking "plus" at the end of subparagraph (A);

(B) by striking the period at the end of subparagraph (B) and inserting ", plus"; and

(C) by adding at the end the following new subparagraph:

"(C) the expected increase in current liability due to benefits accruing during the plan year."

(4) INCREASE IN CURRENT LIABILITY DUE TO CHANGE IN REQUIRED ASSUMPTIONS.—

(A) Paragraph (3) of section 302(d) of such Act is amended by adding at the end the following new subparagraphs:

"(D) SPECIAL RULE FOR REQUIRED CHANGES IN ACTUARIAL ASSUMPTIONS.—

"(i) IN GENERAL.—The unfunded old liability amount with respect to any plan for any plan year shall be increased by the amount necessary to amortize the amount of additional unfunded old liability under the plan in equal annual installments over a period of 12 plan years (beginning with the first plan year beginning after December 31, 1994).

"(ii) ADDITIONAL UNFUNDED OLD LIABILITY.—For purposes of clause (i), the term 'additional unfunded old liability' means the amount (if any) by which—

"(I) the current liability of the plan as of the beginning of the first plan year beginning after December 31, 1994, valued using the assumptions required by paragraph (7)(C) as in effect for plan years beginning after December 31, 1994, exceeds

"(II) the current liability of the plan as of the beginning of such first plan year, valued using the same assumptions used under subclause (I) (other than the assumptions required by paragraph (7)(C)), using the prior interest rate, and using such mortality assumptions as were used to determine current liability for the first plan year beginning after December 31, 1992.

"(iii) PRIOR INTEREST RATE.—For purposes of clause (ii), the term 'prior interest rate' means the rate of interest that is the same percentage of the weighted average under subsection (b)(5)(B)(ii)(I) for the first plan year beginning after December 31, 1994, as the rate of interest used by the plan to determine current liability for the first plan year beginning after December 31, 1992, is of the weighted average under subsection (b)(5)(B)(ii)(I) for such first plan year beginning after December 31, 1992.

"(E) OPTIONAL RULE FOR ADDITIONAL UNFUNDED OLD LIABILITY.—

"(i) IN GENERAL.—If an employer makes an election under clause (ii), the additional unfunded old liability for purposes of subparagraph (D) shall be the amount (if any) by which—

"(I) the unfunded current liability of the plan as of the beginning of the first plan year beginning after December 31, 1994, valued using the assumptions required by paragraph (7)(C) as in effect for plan years beginning after December 31, 1994, exceeds

"(II) the unamortized portion of the unfunded old liability under the plan as of the beginning of the first plan year beginning after December 31, 1994.

"(ii) ELECTION.—

"(I) An employer may irrevocably elect to apply the provisions of this subparagraph as of the beginning of the first plan year beginning after December 31, 1994.

"(II) If an election is made under this clause, the increase under paragraph (1) for any plan year beginning after December 31, 1994, and before January 1, 2002, to which this subsection applies (without regard to this subclause) shall not be less than the increase that would be required under paragraph (1) if the provisions of this title as in effect for the last plan year beginning before January 1, 1995, had remained in effect."

(B) Clause (i) of section 302(d)(4)(B) of such Act is amended by inserting ", the unamortized portion of the additional unfunded old liability," after "old liability".

(5) APPLICABLE PERCENTAGE FOR DETERMINING UNFUNDED NEW LIABILITY AMOUNT.—Subparagraph (C) of section 302(d)(4) of such Act is amended—

(A) by striking ".25" and inserting ".40", and

(B) by striking "35" and inserting "60".

(6) UNPREDICTABLE CONTINGENT EVENT AMOUNT.—

(A) Subparagraph (A) of section 302(d)(5) of such Act is amended—

(i) by striking "greater of" and inserting "greatest of" before clause (i);

(ii) by striking "or" at the end of clause (i);

(iii) by striking the period at the end of clause (ii) and inserting ", or"; and

(iv) by adding after clause (ii) the following new clause:

"(iii) the additional amount that would be determined under paragraph (4)(A) if the unpredictable contingent event benefit liabilities were included in unfunded new liability notwithstanding paragraph (4)(B)(ii)."

(B) Paragraph (5) of section 302(d) of such Act is amended by adding at the end the following new subparagraph:

"(E) LIMITATION.—The present value of the amounts described in subparagraph (A) with respect to any one event shall not exceed the unpredictable contingent event benefit liabilities attributable to that event."

(C) Clause (ii) of section 302(e)(4)(D) of such Act is amended—

(i) by striking "greater of" and inserting "greatest of" before subclause (I);

(ii) by striking "or" at the end of subclause (I);

(iii) by striking the period at the end of subclause (II) and inserting ", or"; and

(iv) by adding after subclause (II) the following new clause:

"(III) 25 percent of the amount determined under subsection (d)(5)(A)(iii) for the plan year."

(7) REQUIRED INTEREST RATE AND MORTALITY ASSUMPTIONS FOR DETERMINING CURRENT LIABILITY.—

(A) IN GENERAL.—Subparagraph (C) of section 302(d)(7) of such Act is amended to read as follows:

"(C) INTEREST RATE AND MORTALITY ASSUMPTIONS USED.—Effective for plan years beginning after December 31, 1994—

"(i) INTEREST RATE.—

"(I) IN GENERAL.—The rate of interest used to determine current liability under this subsection shall be the rate of interest used under subsection (b)(5), except that the highest rate in the permissible range under subparagraph (B)(ii) thereof shall not exceed the specified percentage under subclause (II) of the weighted average referred to in such subparagraph.

"(II) SPECIFIED PERCENTAGE.—For purposes of subclause (I), the specified percentage shall be determined as follows:

"In the case of plan years beginning in calendar year:

	Percentage
1995	109
1996	108
1997	107
1998	106
1999 and thereafter	105.

"(ii) MORTALITY TABLES.—

"(I) COMMISSIONERS' STANDARD TABLE.—In the case of plan years beginning before the first plan year to which the first tables prescribed under subclause (II) apply, the mortality table used in determining current liability under this subsection shall be the table prescribed by the Secretary of the Treasury which is based on the prevailing commissioners' standard table (described in section 807(d)(5)(A) of the Internal Revenue Code of 1986) used to determine reserves for group annuity contracts issued on January 1, 1993.

"(II) SECRETARIAL AUTHORITY.—The Secretary of the Treasury may by regulation prescribe for plan years beginning after December 31, 1999, mortality tables to be used in determining current liability under this subsection. Such tables shall be based upon the actual experience of pension plans and projected trends in such experience. In prescribing such tables, the Secretary of the Treasury shall take into account results of available independent studies of mortality of individuals covered by pension plans.

"(III) PERIODIC REVIEW.—The Secretary of the Treasury shall periodically (at least every 5 years) review any tables in effect under this subsection and shall, to the extent the Secretary determines necessary, by regulation update the tables to reflect the actual experience of pension plans and projected trends in such experience.

"(iii) SEPARATE MORTALITY TABLES FOR THE DISABLED.—Notwithstanding clause (ii)—

"(I) IN GENERAL.—In the case of plan years beginning after December 31, 1995, the Secretary of the Treasury shall establish mortality tables which may be used (in lieu of the tables under clause (ii)) to determine current liability under this subsection for individuals who are entitled to benefits under the plan on account of disability. Such Secretary shall establish separate tables for individuals whose disabilities occur in plan years beginning before January 1, 1995, and for individuals whose disabilities occur in plan years beginning on or after such date.

"(II) SPECIAL RULE FOR DISABILITIES OCCURRING AFTER 1994.—In the case of disabilities occurring in plan years beginning after December 31, 1994, the tables under subclause (I) shall apply only with respect to individuals described in such subclause who are disabled within the meaning of title II of the Social Security Act and the regulations thereunder.

"(III) PLAN YEARS BEGINNING IN 1995.—In the case of any plan year beginning in 1995, a plan may use its own mortality assumptions for individuals who are entitled to benefits under the plan on account of disability."

(B) AMORTIZATION OF UNFUNDED MORTALITY INCREASE AMOUNT.—

(i) IN GENERAL.—Paragraph (2) of section 302(d) of such Act, as amended by paragraph (3), is amended by striking "plus" at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting ", and", and by adding at the end the following new subparagraph:

"(D) the aggregate of the unfunded mortality increase amounts."

(ii) UNFUNDED MORTALITY INCREASE AMOUNT.—Section 302(d) of such Act, as amended by paragraph (1), is amended by adding at the end the following new paragraph:

"(10) UNFUNDED MORTALITY INCREASE AMOUNT.—

"(A) IN GENERAL.—The unfunded mortality increase amount with respect to each unfunded mortality increase is the amount necessary to amortize such increase in equal annual installments over a period of 10 plan years (beginning with the first plan year for which a plan uses any new mortality table issued under paragraph (7)(C)(ii)(II) or (III)).

"(B) UNFUNDED MORTALITY INCREASE.—For purposes of subparagraph (A), the term 'unfunded mortality increase' means an amount equal to the excess of—

"(i) the current liability of the plan for the first plan year for which a plan uses any new mortality table issued under paragraph (7)(C)(ii)(II) or (III), over

"(ii) the current liability of the plan for such plan year which would have been determined if the mortality table in effect for the preceding plan year had been used."

(iii) CONFORMING AMENDMENT.—Clause (i) of section 302(d)(4)(B) of such Act, as amended by paragraph (4)(B), is amended by inserting "the unamortized portion of each unfunded mortality increase," after "additional unfunded old liability,".

(8) TRANSITION RULE.—Section 302(d) of such Act, as amended by paragraph (7), is amended by adding at the end the following new paragraph:

"(11) PHASE-IN OF INCREASES IN FUNDING REQUIRED BY RETIREMENT PROTECTION ACT OF 1994.—

"(A) IN GENERAL.—For any applicable plan year, at the election of the employer, the increase under paragraph (1) shall not exceed the greater of—

"(i) the increase that would be required under paragraph (1) if the provisions of this title as in effect for plan years beginning before January 1, 1995, had remained in effect, or

"(ii) the amount which, after taking into account charges (other than the additional charge under this subsection) and credits under subsection (b), is necessary to increase the funded current liability percentage (taking into account the expected increase in current liability due to benefits accruing during the plan year) for the applicable plan year to a percentage equal to the sum of the initial funded current liability percentage of the plan plus the applicable number of percentage points for such applicable plan year.

"(B) APPLICABLE NUMBER OF PERCENTAGE POINTS.—

"(i) INITIAL FUNDED CURRENT LIABILITY PERCENTAGE OF 75 PERCENT OR LESS.—Except as provided in clause (ii), for plans with an initial funded current liability percentage of 75

percent or less, the applicable number of percentage points for the applicable plan year is:

"In the case of applicable plan years beginning in:	The applicable number of percentage points is:
1995	3
1996	6
1997	9
1998	12
1999	15
2000	19
2001	24.

"(ii) OTHER CASES.—In the case of a plan to which this clause applies, the applicable number of percentage points for any such applicable plan year is the sum of—

"(I) 2 percentage points;

"(II) the applicable number of percentage points (if any) under this clause for the preceding applicable plan year;

"(III) the product of .10 multiplied by the excess (if any) of (a) 85 percentage points over (b) the sum of the initial funded current liability percentage and the number determined under subclause (II);

"(IV) for applicable plan years beginning in 2000, 1 percentage point; and

"(V) for applicable plan years beginning in 2001, 2 percentage points.

"(iii) PLANS TO WHICH CLAUSE (ii) APPLIES.—

"(I) IN GENERAL.—Clause (ii) shall apply to a plan for an applicable plan year if the initial funded current liability percentage of such plan is more than 75 percent.

"(II) PLANS INITIALLY UNDER CLAUSE (i).—In the case of a plan which (but for this subclause) has an initial funded current liability percentage of 75 percent or less, clause (ii) (and not clause (i)) shall apply to such plan with respect to applicable plan years beginning after the first applicable plan year for which the sum of the initial funded current liability percentage and the applicable number of percentage points (determined under clause (i)) exceeds 75 percent. For purposes of applying clause (ii) to such a plan, the initial funded current liability percentage of such plan shall be treated as being the sum referred to in the preceding sentence.

"(C) DEFINITIONS.—For purposes of this paragraph—

"(i) The term 'applicable plan year' means a plan year beginning after December 31, 1994, and before January 1, 2002.

"(ii) The term 'initial funded current liability percentage' means the funded current liability percentage as of the first day of the first plan year beginning after December 31, 1994."

(9) LIQUIDITY REQUIREMENT.—

(A) IN GENERAL.—Section 302(e) of such Act is amended by redesignating paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

"(5) LIQUIDITY REQUIREMENT.—

"(A) IN GENERAL.—A plan to which this paragraph applies shall be treated as failing to pay the full amount of any required installment to the extent that the value of the liquid assets paid in such installment is less than the liquidity shortfall (whether or not such liquidity shortfall exceeds the amount of such installment required to be paid but for this paragraph).

"(B) PLANS TO WHICH PARAGRAPH APPLIES.—This paragraph shall apply to a defined benefit plan (other than a multiemployer plan or a plan described in subsection (d)(6)(A)) which—

"(i) is required to pay installments under this subsection for a plan year, and

"(ii) has a liquidity shortfall for any quarter during such plan year.

"(C) PERIOD OF UNDERPAYMENT.—For purposes of paragraph (1), any portion of an installment that is treated as not paid under subparagraph (A) shall continue to be treated as unpaid until the close of the quarter in which the due date for such installment occurs.

"(D) LIMITATION ON INCREASE.—If the amount of any required installment is increased by reason of subparagraph (A), in no event shall such increase exceed the amount which, when added to prior installments for the plan year, is necessary to increase the funded current liability percentage (taking into account the expected increase in current liability due to benefits accruing during the plan year) to 100 percent.

"(E) DEFINITIONS.—For purposes of this paragraph—

"(i) LIQUIDITY SHORTFALL.—The term 'liquidity shortfall' means, with respect to any required installment, an amount equal to the excess (as of the last day of the quarter for which such installment is made) of the base amount with respect to such quarter over the value (as of such last day) of the plan's liquid assets.

"(ii) BASE AMOUNT.—

"(I) IN GENERAL.—The term 'base amount' means, with respect to any quarter, an amount equal to 3 times the sum of the adjusted disbursements from the plan for the 12 months ending on the last day of such quarter.

"(II) SPECIAL RULE.—If the amount determined under clause (i) exceeds an amount equal to 2 times the sum of the adjusted disbursements from the plan for the 36 months ending on the last day of the quarter and an enrolled actuary certifies to the satisfaction of the Secretary of the Treasury that such excess is the result of nonrecurring circumstances, the base amount with respect to such quarter shall be determined without regard to amounts related to those nonrecurring circumstances.

"(iii) DISBURSEMENTS FROM THE PLAN.—The term 'disbursements from the plan' means all disbursements from the trust, including purchases of annuities, payments of single sums and other benefits, and administrative expenses.

"(iv) ADJUSTED DISBURSEMENTS.—The term 'adjusted disbursements' means disbursements from the plan reduced by the product of—

"(I) the plan's funded current liability percentage (as defined in subsection (d)(8)) for the plan year, and

"(II) the sum of the purchases of annuities, payments of single sums, and such other disbursements as the Secretary of the Treasury shall provide in regulations.

"(v) LIQUID ASSETS.—The term 'liquid assets' means cash, marketable securities and such other assets as specified by the Secretary of the Treasury in regulations.

"(vi) QUARTER.—The term 'quarter' means, with respect to any required installment, the 3-month period preceding the month in which the due date for such installment occurs.

"(F) REGULATIONS.—The Secretary of the Treasury may prescribe such regulations as are necessary to carry out this paragraph."

(B) LIMITATION ON DISTRIBUTIONS OTHER THAN LIFE ANNUITIES PAID BY THE PLAN.—

(i) Section 206 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1056) is amended by adding at the end the following new subsection:

"(e) LIMITATION ON DISTRIBUTIONS OTHER THAN LIFE ANNUITIES PAID BY THE PLAN.—

"(1) IN GENERAL.—Notwithstanding any other provision of this part, the fiduciary of a pension plan that is subject to the additional funding requirements of section 302(d) shall not permit a prohibited payment to be made from a plan during a period in which such plan has a liquidity shortfall (as defined in section 302(e)(5)).

"(2) PROHIBITED PAYMENT.—For purposes of paragraph (1), the term 'prohibited payment' means—

"(A) any payment, in excess of the monthly amount paid under a single life annuity (plus any social security supplements described in the last sentence of section 204(b)(1)(G)), to a participant or beneficiary whose annuity starting date (as defined in section 205(h)(2)), that occurs during the period referred to in paragraph (1),

"(B) any payment for the purchase of an irrevocable commitment from an insurer to pay benefits, and

"(C) any other payment specified by the Secretary of the Treasury by regulations.

"(3) PERIOD OF SHORTFALL.—For purposes of this subsection, a plan has a liquidity shortfall during the period that there is an underpayment of an installment under section 302(e) by reason of paragraph (5)(A) thereof.

"(4) COORDINATION WITH OTHER PROVISIONS.—Compliance with this subsection shall not constitute a violation of any other provision of this Act."

(ii) Section 502 of such Act is amended by adding at the end a new subsection (m) to read as follows:

"(m) In the case of a distribution to a pension plan participant or beneficiary in violation of section 206(e) by a plan fiduciary, the Secretary shall assess a penalty against such fiduciary in an amount equal to the value of the distribution. Such penalty shall not exceed $10,000 for each such distribution."

(10) AMENDMENT TO DEFINITION OF FULL-FUNDING LIMITATION.—

(A) Subparagraph (A) of section 302(c)(7) of such Act is amended by inserting "(including the expected increase in current liability due to benefits accruing during the plan year)" after "current liability" in clause (i).

(B) Section 302(c)(7) of such Act is amended by adding at the end the following new subparagraph:

"(E) MINIMUM AMOUNT.—

"(i) IN GENERAL.—In no event shall the full-funding limitation determined under subparagraph (A) be less than the excess (if any) of—

"(I) 90 percent of the current liability of the plan (including the expected increase in current liability due to benefits accruing during the plan year), over

"(II) the value of the plan's assets determined under paragraph (2).

"(ii) CURRENT LIABILITY; ASSETS.—For purposes of clause (i)—

"(I) the term 'current liability' has the meaning given such term by subsection (d)(7) (without regard to subparagraph (D) thereof), and

"(II) assets shall not be reduced by any credit balance in the funding standard account."

(C) Subparagraph (B) of section 302(c)(7) of such Act is amended to read as follows:

"(B) CURRENT LIABILITY.—For purposes of subparagraph (D) and subclause (I) of subparagraph (A)(i), the term 'current liability' has the meaning given such term by subsection (d)(7) (without regard to subparagraphs (C) and (D) thereof) and using the rate of interest used under subsection (b)(5)(B)."

(11) DEFINITION OF CONTRIBUTING SPONSOR.—Paragraph (13) of section 4001(a) of such Act

(29 U.S.C. 1301(a)(13)) is amended by striking "means a person—" and all that follows and inserting "means a person described in section 302(c)(11)(A) of this Act (without regard to section 302(c)(11)(B) of this Act) or section 412(c)(11)(A) of the Internal Revenue Code of 1986 (without regard to section 412(c)(11)(B) of such Code)."

(b) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to plan years beginning after December 31, 1994.

(2) CONTRIBUTING SPONSOR.—The amendment made by subsection (a)(11) shall be effective as if included in the Pension Protection Act.

SEC. 762. LIMITATION ON CHANGES IN CURRENT LIABILITY ASSUMPTIONS.

(a) IN GENERAL.—Paragraph (5) of section 302(c) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1082(c)(5)) is amended—

(1) by striking "If the funding method" and inserting the following:

"(A) IN GENERAL.—If the funding method", and

(2) by adding at the end the following new subparagraph:

"(B) APPROVAL REQUIRED FOR CERTAIN CHANGES IN ASSUMPTIONS BY CERTAIN SINGLE-EMPLOYER PLANS SUBJECT TO ADDITIONAL FUNDING REQUIREMENT.—

"(i) IN GENERAL.—No actuarial assumption (other than the assumptions described in subsection (d)(7)(C)) used to determine the current liability for a plan to which this subparagraph applies may be changed without the approval of the Secretary of the Treasury.

"(ii) PLANS TO WHICH SUBPARAGRAPH APPLIES.—This subparagraph shall apply to a plan only if—

"(I) the plan is a defined benefit plan (other than a multiemployer plan) to which title IV applies;

"(II) the aggregate unfunded vested benefits as of the close of the preceding plan year (as determined under section 4006(a)(3)(E)(iii)) of such plan and all other plans maintained by the contributing sponsors (as defined in section 4001(a)(13)) and members of such sponsors' controlled groups (as defined in section 4001(a)(14)) which are covered by title IV (disregarding plans with no unfunded vested benefits) exceed $50,000,000; and

"(III) the change in assumptions (determined after taking into account any changes in interest rate and mortality table) results in a decrease in the unfunded current liability of the plan for the current plan year that exceeds $50,000,000, or that exceeds $5,000,000 and that is 5 percent or more of the current liability of the plan before such change."

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by this section shall apply to changes in assumptions for plan years beginning after October 28, 1993.

(2) CERTAIN CHANGES CEASE TO BE EFFECTIVE.—In the case of changes in assumptions for plan years beginning after December 31, 1992, and on or before October 28, 1993, such changes shall cease to be effective for plan years beginning after December 31, 1994, if—

(A) such change would have required the approval of the Secretary of the Treasury had such amendment applied to such change, and

(B) such change is not so approved.

SEC. 763. ANTICIPATION OF BARGAINED BENEFIT INCREASES.

(a) IN GENERAL.—Section 302(c) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1082(c)) is amended by adding at the end the following new paragraph:

"(12) ANTICIPATION OF BENEFIT INCREASES EFFECTIVE IN THE FUTURE.—In determining projected benefits, the funding method of a collectively bargained plan described in section 413(a) of the Internal Revenue Code of 1986 (other than a multiemployer plan) shall anticipate benefit increases scheduled to take effect during the term of the collective bargaining agreement applicable to the plan."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to plan years beginning after December 31, 1994 with respect to collective bargaining agreements in effect on or after January 1, 1995.

SEC. 764. MODIFICATION OF QUARTERLY CONTRIBUTION REQUIREMENT.

(a) IN GENERAL.—Paragraph (1) of section 302(e) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1082(e)) is amended—

(1) by inserting "which has a funded current liability percentage (as defined in subsection (d)(8)) for the preceding plan year of less than 100 percent" before "fails", and

(2) by striking "any plan year" and inserting "the plan year".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to plan years beginning after the date of enactment of this Act.

Subpart C—Other Funding Provisions

SEC. 766. PROHIBITION ON BENEFIT INCREASES WHERE PLAN SPONSOR IS IN BANKRUPTCY.

(a) AMENDMENT TO THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.—Section 204 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1054) is amended by redesignating subsection (i) as (j) and inserting after subsection (h) the following new subsection:

"(i)(1) In the case of a plan described in paragraph (3) which is maintained by an employer that is a debtor in a case under title 11, United States Code, or similar Federal or State law, no amendment of the plan which increases the liabilities of the plan by reason of—

"(A) any increase in benefits,

"(B) any change in the accrual of benefits, or

"(C) any change in the rate at which benefits become nonforfeitable under the plan,

with respect to employees of the debtor, shall be effective prior to the effective date of such employer's plan of reorganization.

"(2) Paragraph (1) shall not apply to any plan amendment that—

"(A) the Secretary of the Treasury determines to be reasonable and that provides for only de minimis increases in the liabilities of the plan with respect to employees of the debtor,

"(B) only repeals an amendment described in section 302(c)(8),

"(C) is required as a condition of qualification under part I of subchapter D of chapter 1 of the Internal Revenue Code of 1986, or

"(D) was adopted prior to, or pursuant to a collective bargaining agreement entered into prior to, the date on which the employer became a debtor in a case under title 11, United States Code, or similar Federal or State law.

"(3) This subsection shall apply only to plans (other than multiemployer plans) covered under section 4021 of this Act for which the funded current liability percentage (within the meaning of section 302(d)(8) of this Act) is less than 100 percent after taking into account the effect of the amendment.

"(4) For purposes of this subsection, the term 'employer' has the meaning set forth in section 302(c)(11)(A), without regard to section 302(c)(11)(B)."

(b) AMENDMENT TO INTERNAL REVENUE CODE OF 1986.—Section 401(a), as amended by section 751 of this Act, is further amended by adding at the end the following new paragraph:

"(33) PROHIBITION ON BENEFIT INCREASES WHILE SPONSOR IS IN BANKRUPTCY.—

"(A) IN GENERAL.—A trust which is part of a plan to which this paragraph applies shall not constitute a qualified trust under this section if an amendment to such plan is adopted while the employer is a debtor in a case under title 11, United States Code, or similar Federal or State law, if such amendment increases liabilities of the plan by reason of—

"(i) any increase in benefits,

"(ii) any change in the accrual of benefits, or

"(iii) any change in the rate at which benefits become nonforfeitable under the plan,

with respect to employees of the debtor, and such amendment is effective prior to the effective date of such employer's plan of reorganization.

"(B) EXCEPTIONS.—This paragraph shall not apply to any plan amendment if—

"(i) the plan, were such amendment to take effect, would have a funded current liability percentage (as defined in section 412(l)(8)) of 100 percent or more,

"(ii) the Secretary determines that such amendment is reasonable and provides for only de minimis increases in the liabilities of the plan with respect to employees of the debtor,

"(iii) such amendment only repeals an amendment described in subsection 412(c)(8), or

"(iv) such amendment is required as a condition of qualification under this part.

"(C) PLANS TO WHICH THIS PARAGRAPH APPLIES.—This paragraph shall apply only to plans (other than multiemployer plans) covered under section 4021 of the Employee Retirement Income Security Act of 1974.

"(D) EMPLOYER.—For purposes of this paragraph, the term 'employer' means the employer referred to in section 412(c)(11) (without regard to subparagraph (B) thereof)."

(c) EFFECTIVE DATE OF PLAN AMENDMENT.—Section 4022 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1322) is amended by inserting at the end the following new subsection:

"(f) For purposes of this section, the effective date of a plan amendment described in section 204(i)(1) shall be the effective date of the plan of reorganization of the employer described in section 204(i)(1) or, if later, the effective date stated in such amendment."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to plan amendments adopted on or after the date of enactment of this Act.

SEC. 767. SINGLE SUM DISTRIBUTIONS.

(a) AMENDMENTS TO INTERNAL REVENUE CODE OF 1986 RELATING TO MINIMUM BENEFITS.—

(1) DETERMINATION OF PRESENT VALUE FOR PURPOSES OF RESTRICTIONS ON MANDATORY DISTRIBUTIONS.—Subparagraph (B) of section 411(a)(11) is amended to read as follows:

"(B) DETERMINATION OF PRESENT VALUE.—For purposes of subparagraph (A), the present value shall be calculated in accordance with section 417(e)(3)."

(2) DETERMINATION OF PRESENT VALUE FOR PURPOSES OF RESTRICTIONS ON CASH-OUTS.—Paragraph (3) of section 417(e) is amended to read as follows:

"(3) DETERMINATION OF PRESENT VALUE.—

"(A) IN GENERAL.—

"(i) PRESENT VALUE.—Except as provided in subparagraph (B), for purposes of paragraphs (1) and (2), the present value shall not be less than the present value calculated by using the applicable mortality table and the applicable interest rate.

"(ii) DEFINITIONS.—For purposes of clause (i)—

"(I) APPLICABLE MORTALITY TABLE.—The term 'applicable mortality table' means the table prescribed by the Secretary. Such table shall be based on the prevailing commissioners' standard table (described in section 807(d)(5)(A)) used to determine reserves for group annuity contracts issued on the date as of which present value is being determined (without regard to any other subparagraph of section 807(d)(5)).

"(II) APPLICABLE INTEREST RATE.—The term 'applicable interest rate' means the annual rate of interest on 30-year Treasury securities for the month before the date of distribution or such other time as the Secretary may by regulations prescribe.

"(B) EXCEPTION.—In the case of a distribution from a plan that was adopted and in effect before the date of the enactment of the Retirement Protection Act of 1994, the present value of any distribution made before the earlier of—

"(i) the later of the date a plan amendment applying subparagraph (A) is adopted or made effective, or

"(ii) the first day of the first plan year beginning after December 31, 1999,

shall be calculated, for purposes of paragraphs (1) and (2), using the interest rate determined under the regulations of the Pension Benefit Guaranty Corporation for determining the present value of a lump sum distribution on plan termination that were in effect on September 1, 1993, and using the provisions of the plan as in effect on the day before such date of enactment; but only if such provisions of the plan met the requirements of section 417(e)(3) as in effect on the day before such date of enactment."

(b) AMENDMENTS TO INTERNAL REVENUE CODE OF 1986 RELATING TO MAXIMUM BENEFITS.—Subparagraph (E) of section 415(b)(2) is amended—

(1) by redesignating clauses (ii) and (iii) as clauses (iii) and (iv), respectively,

(2) by striking clause (i) and inserting the following new clauses:

"(i) Except as provided in clause (ii), for purposes of adjusting any benefit or limitation under subparagraph (B) or (C), the interest rate assumption shall not be less than the greater of 5 percent or the rate specified in the plan.

"(ii) For purposes of adjusting the benefit or limitation of any form of benefit subject to section 417(e)(3), the applicable interest rate (as defined in section 417(e)(3)) shall be substituted for '5 percent' in clause (i).", and

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

"(v) For purposes of adjusting any benefit or limitation under subparagraph (B), (C), or (D), the mortality table used shall be the table prescribed by the Secretary. Such table shall be based on the prevailing commissioners' standard table (described in section 807(d)(5)(A)) used to determine reserves for group annuity contracts issued on the date the adjustment is being made (without regard to any other subparagraph of section 807(d)(5)).".

(c) AMENDMENTS TO EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.—

(1) DETERMINATION OF PRESENT VALUE FOR PURPOSES OF RESTRICTIONS ON MANDATORY DISTRIBUTIONS.—Section 203(e)(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(e)(2)) is amended to read as follows:

"(2) For purposes of paragraph (1), the present value shall be calculated in accordance with section 205(g)(3)."

(2) DETERMINATION OF PRESENT VALUE FOR PURPOSES OF RESTRICTIONS ON CASH-OUTS.—Section 205(g)(3) of such Act (29 U.S.C. 1055(g)(3)) is amended to read as follows:

"(3) DETERMINATION OF PRESENT VALUE.—

"(A) IN GENERAL.—

"(i) PRESENT VALUE.—Except as provided in subparagraph (B), for purposes of paragraphs (1) and (2), the present value shall not be less than the present value calculated by using the applicable mortality table and the applicable interest rate.

"(ii) DEFINITIONS.—For purposes of clause (i)—

"(I) APPLICABLE MORTALITY TABLE.—The term 'applicable mortality table' means the table prescribed by the Secretary of the Treasury. Such table shall be based on the prevailing commissioners' standard table (described in section 807(d)(5)(A) of the Internal Revenue Code of 1986) used to determine reserves for group annuity contracts issued on the date as of which present value is being determined (without regard to any other subparagraph of section 807(d)(5) of such Code).

"(II) APPLICABLE INTEREST RATE.—The term 'applicable interest rate' means the annual rate of interest on 30-year Treasury securities for the month before the date of distribution or such other time as the Secretary of the Treasury may by regulations prescribe.

"(B) EXCEPTION.—In the case of a distribution from a plan that was adopted and in effect prior to the date of the enactment of the Retirement Protection Act of 1994, the present value of any distribution made before the earlier of—

"(i) the later of when a plan amendment applying subparagraph (A) is adopted or made effective, or

"(ii) the first day of the first plan year beginning after December 31, 1999,

shall be calculated, for purposes of paragraphs (1) and (2), using the interest rate determined under the regulations of the Pension Benefit Guaranty Corporation for determining the present value of a lump sum distribution on plan termination that were in effect on September 1, 1993, and using the provisions of the plan as in effect on the day before such date of enactment; but only if such provisions of the plan met the requirements of section 205(g)(3) as in effect on the day before such date of enactment."

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to plan years and limitation years beginning after December 31, 1994; except that an employer may elect to treat the amendments made by this section as being effective on or after the date of the enactment of this Act.

(2) NO REDUCTION IN ACCRUED BENEFITS.—A participant's accrued benefit shall not be considered to be reduced in violation of section 411(d)(6) of the Internal Revenue Code of 1986 or section 204(g) of the Employee Retirement Income Security Act of 1974 merely because (A) the benefit is determined in accordance with section 417(e)(3)(A) of such Code, as amended by this Act, or section 205(g)(3) of the Employee Retirement Income Security Act of 1974, as amended by this Act, or (B) the plan applies section 415(b)(2)(E) of such Code, as amended by this Act.

(3) SECTION 415.—

(A) NO REDUCTION REQUIRED.—An accrued benefit shall not be required to be reduced below the accrued benefit as of the last day of the last plan year beginning before January 1, 1995, merely because of the amendments made by subsection (b).

(B) TIMING OF PLAN AMENDMENT.—A plan that operates in accordance with the amendments made by subsection (b) shall not be treated as failing to satisfy section 401(a) of the Internal Revenue Code of 1986 or as not being operated in accordance with the provisions of the plan until such date as the Secretary of the Treasury provides merely because the plan has not been amended to include the amendments made by subsection (b).

SEC. 768. ADJUSTMENTS TO LIEN FOR MISSED MINIMUM FUNDING CONTRIBUTIONS.

(a) AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986.—

(1) CLARIFICATION OF APPLICABILITY OF PROVISION.—Paragraph (2) of section 412(n) is amended by adding at the end the following new sentence: "This subsection shall not apply to any plan to which section 4021 of the Employee Retirement Income Security Act of 1974 does not apply (as such section is in effect on the date of the enactment of the Retirement Protection Act of 1994).".

(2) REPEAL OF $1,000,000 OFFSET.—Paragraph (3) of section 412(n) is amended to read as follows:

"(3) AMOUNT OF LIEN.—For purposes of paragraph (1), the amount of the lien shall be equal to the aggregate unpaid balance of required installments and other payments required under this section (including interest)—

"(A) for plan years beginning after 1987, and

"(B) for which payment has not been made before the due date."

(3) REPEAL OF 60-DAY DELAY.—Section 412(n)(4)(B) is amended by striking "60th day following the".

(b) AMENDMENTS TO THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.—

(1) CLARIFICATION OF APPLICABILITY OF PROVISION.—Section 302(f)(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1082(f)(1)) is amended by striking "to which this section applies" and inserting "covered under section 4021 of this Act".

(2) REPEAL OF $1,000,000 OFFSET.—Paragraph (3) of section 302(f) of such Act is amended to read as follows:

"(3) AMOUNT OF LIEN.—For purposes of paragraph (1), the amount of the lien shall be equal to the aggregate unpaid balance of required installments and other payments required under this section (including interest)—

"(A) for plan years beginning after 1987, and

"(B) for which payment has not been made before the due date."

(3) REPEAL OF 60-DAY DELAY.—Section 302(f)(4)(B) of such Act is amended by striking "60th day following the".

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective for installments and other payments required under section 412 of the Internal Revenue Code of 1986 or under part 3 of subtitle B of the Employee Retirement Income Security Act of 1974 that become due on or after the date of enactment.

SEC. 769. SPECIAL FUNDING RULES FOR CERTAIN PLANS.

(a) FUNDING RULES NOT TO APPLY TO CERTAIN PLANS.—Any changes made by this Act

to section 412 of the Internal Revenue Code of 1986 or to part 3 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 shall not apply to—

(1) a plan which is, on the date of enactment of this Act, subject to a restoration payment schedule order issued by the Pension Benefit Guaranty Corporation that meets the requirements of section 1.412(c)(1)–3 of the Treasury Regulations, or

(2) a plan established by an affected air carrier (as defined under section 4001(a)(14)(C)(ii)(I) of such Act) and assumed by a new plan sponsor pursuant to the terms of a written agreement with the Pension Benefit Guaranty Corporation dated January 5, 1993, and approved by the United States Bankruptcy Court for the District of Delaware on December 30, 1992.

(b) CHANGE IN ACTUARIAL METHOD.—Any amortization installments for bases established under section 412(b) of the Internal Revenue Code of 1986 and section 302(b) of the Employee Retirement Income Security Act of 1974 for plan years beginning after December 31, 1987, and before January 1, 1993, by reason of nonelective changes under the frozen entry age actuarial cost method shall not be included in the calculation of offsets under section 412(l)(1)(A)(ii) of such Code and section 302(d)(1)(A)(ii) of such Act for the 1st 5 plan years beginning after December 31, 1994.

PART II—AMENDMENTS RELATED TO TITLE IV OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

SEC. 771. REPORTABLE EVENTS.

(a) RESPONSIBILITY FOR REPORTABLE EVENTS REPORTING.—Section 4043(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1343(a)) is amended—

(1) in the first sentence, by inserting "or the contributing sponsor" before "knows or has reason to know";

(2) in the first sentence, by inserting ", unless a notice otherwise required under this subsection has already been provided with respect to such event" before the period at the end; and

(3) by striking the last sentence.

(b) NOTIFICATION THAT EVENT IS ABOUT TO OCCUR.—Section 4043 of such Act is amended by redesignating subsections (b), (c), and (d) as (c), (d), and (e), respectively, and by inserting after subsection (a) the following new subsection:

"(b)(1) The requirements of this subsection shall be applicable to a contributing sponsor if, as of the close of the preceding plan year—

"(A) the aggregate unfunded vested benefits (as determined under section 4006(a)(3)(E)(iii)) of plans subject to this title which are maintained by such sponsor and members of such sponsor's controlled groups (disregarding plans with no unfunded vested benefits) exceed $50,000,000, and

"(B) the funded vested benefit percentage for such plans is less than 90 percent.

For purposes of subparagraph (B), the funded vested benefit percentage means the percentage which the aggregate value of the assets of such plans bears to the aggregate vested benefits of such plans (determined in accordance with section 4006(a)(3)(E)(iii)).

"(2) This subsection shall not apply to an event if the contributing sponsor, or the member of the contributing sponsor's controlled group to which the event relates, is—

"(A) a person subject to the reporting requirements of section 13 or 15(d) of the Securities Exchange Act of 1934, or

"(B) a subsidiary (as defined for purposes of such Act) of a person subject to such reporting requirements.

"(3) No later than 30 days prior to the effective date of an event described in paragraph (9), (10), (11), (12), or (13) of subsection (c), a contributing sponsor to which the requirements of this subsection apply shall notify the corporation that the event is about to occur.

"(4) The corporation may waive the requirement of this subsection with respect to any or all reportable events with respect to any contributing sponsor."

(c) NEW REPORTABLE EVENTS.—Subsection (c) of section 4043 of such Act (as redesignated by subsection (b)) is amended—

(1) by striking the "or" at the end of paragraph (8);

(2) by striking paragraph (9); and

(3) by inserting after paragraph (8) the following new paragraphs:

"(9) when, as a result of an event, a person ceases to be a member of the controlled group;

"(10) when a contributing sponsor or a member of a contributing sponsor's controlled group liquidates in a case under title 11, United States Code, or under any similar Federal law or law of a State or political subdivision of a State;

"(11) when a contributing sponsor or a member of a contributing sponsor's controlled group declares an extraordinary dividend (as defined in section 1059(c) of the Internal Revenue Code of 1986) or redeems, in any 12-month period, an aggregate of 10 percent or more of the total combined voting power of all classes of stock entitled to vote, or an aggregate of 10 percent of more of the total value of shares of all classes of stock, of a contributing sponsor and all members of its controlled group;

"(12) when, in any 12-month period, an aggregate of 3 percent or more of the benefit liabilities of a plan covered by this title and maintained by a contributing sponsor or a member of its controlled group are transferred to a person that is not a member of the controlled group or to a plan or plans maintained by a person or persons that are not such a contributing sponsor or a member of its controlled group; or

"(13) when any other event occurs that may be indicative of a need to terminate the plan and that is prescribed by the corporation in regulations."

(d) DISCLOSURE EXEMPTION.—Section 4043 of such Act is amended by adding at the end the following new subsection:

"(f) Any information or documentary material submitted to the corporation pursuant to this section shall be exempt from disclosure under section 552 of title 5, United States Code, and no such information or documentary material may be made public, except as may be relevant to any administrative or judicial action or proceeding. Nothing in this section is intended to prevent disclosure to either body of Congress or to any duly authorized committee or subcommittee of the Congress."

(e) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Subsection (a) of section 4043 of such Act, and subsections (d) and (e) of such section 4043 (as redesignated by subsection (b)), are each amended by striking "subsection (b)" each place it appears and inserting "subsection (c)".

(2) Section 4042(a)(3) of such Act is amended by striking "4043(b)(7)" and inserting "4043(c)(7)".

(f) EFFECTIVE DATE.—The amendments made by this section shall be effective for events occurring 60 days or more after the date of enactment of this Act.

SEC. 772. CERTAIN INFORMATION REQUIRED TO BE FURNISHED TO PBGC.

(a) GENERAL RULE.—Subtitle A of title IV of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1301 et seq.) is amended by adding at the end the following new section:

"SEC. 4010. AUTHORITY TO REQUIRE CERTAIN INFORMATION.

"(a) INFORMATION REQUIRED.—Each person described in subsection (b) shall provide the corporation annually, on or before a date specified by the corporation in regulations, with—

"(1) such records, documents, or other information that the corporation specifies in regulations as necessary to determine the liabilities and assets of plans covered by this title; and

"(2) copies of such person's audited (or, if unavailable, unaudited) financial statements, and such other financial information as the corporation may prescribe in regulations.

"(b) PERSONS REQUIRED TO PROVIDE INFORMATION.—The persons covered by subsection (a) are each contributing sponsor, and each member of a contributing sponsor's controlled group, of a single-employer plan covered by this title, if—

"(1) the aggregate unfunded vested benefits at the end of the preceding plan year (as determined under section 4006(a)(3)(E)(iii)) of plans maintained by the contributing sponsor and the members of its controlled group exceed $50,000,000 (disregarding plans with no unfunded vested benefits);

"(2) the conditions for imposition of a lien described in section 302(f)(1)(A) and (B) of this Act or section 412(n)(1)(A) and (B) of the Internal Revenue Code of 1986 have been met with respect to any plan maintained by the contributing sponsor or any member of its controlled group; or

"(3) minimum funding waivers in excess of $1,000,000 have been granted with respect to any plan maintained by the contributing sponsor or any member of its controlled group, and any portion thereof is still outstanding.

"(c) INFORMATION EXEMPT FROM DISCLOSURE REQUIREMENTS.—Any information or documentary material submitted to the corporation pursuant to this section shall be exempt from disclosure under section 552 of title 5, United States Code, and no such information or documentary material may be made public, except as may be relevant to any administrative or judicial action or proceeding. Nothing in this section is intended to prevent disclosure to either body of Congress or to any duly authorized committee or subcommittee of the Congress."

(b) CLERICAL AMENDMENT.—The table of contents contained in section 1 of such Act is amended by inserting after the item relating to section 4009 the following new item:

"Sec. 4010. Authority to require certain information."

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective on the date of enactment of this Act.

SEC. 773. ENFORCEMENT OF MINIMUM FUNDING REQUIREMENTS.

(a) IN GENERAL.—Paragraph (1) of section 4003(e) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1303(e)(1)) is amended—

(1) by inserting "(A)" after "enforce"; and

(2) by striking the period after "title" and inserting ", and (B) in the case of a plan which is covered under this title (other than a multiemployer plan) and for which the conditions for imposition of a lien described in

section 302(f)(1)(A) and (B) of this Act or section 412(n)(1)(A) and (B) of the Internal Revenue Code of 1986 have been met, section 302 of this Act and section 412 of such Code."

(b) EFFECTIVE DATE.—The amendments made by this section shall be effective for installments and other payments required under section 302 of the Employee Retirement Income Security Act of 1974 or section 412 of the Internal Revenue Code of 1986 that become due on or after the date of the enactment of this Act.

SEC. 774. COMPUTATION OF ADDITIONAL PBGC PREMIUM.

(a) PHASE-OUT OF VARIABLE RATE PREMIUM CAP.—

(1) IN GENERAL.—Subparagraph (E) of section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)(E)) is amended by striking clause (iv), and by redesignating clause (v) as clause (iv).

(2) EFFECTIVE DATE.—

(A) IN GENERAL.—The amendments made by this subsection shall be effective for plan years beginning on or after July 1, 1994.

(B) TRANSITION RULE.—In the case of plan years beginning on or after July 1, 1994, and before July 1, 1996, the additional premium payable with respect to any participant by reason of the amendments made by this section shall not exceed the sum of—

(i) $53, and

(ii) the product derived by multiplying—

(I) the excess (if any) of the amount determined under clause (i) of section 4006(a)(3)(E) of the Employee Retirement Income Security Act of 1974, over $53, by

(II) the applicable percentage.

For purposes of this subparagraph, the applicable percentage shall be the percentage specified in the following table:

For the plan year beginning:		The applicable percentage is:
on or after	but before	
July 1, 1994	July 1, 1995	20 percent
July 1, 1995	July 1, 1996	60 percent

(b) INTEREST RATE AND ASSET VALUATION.—

(1) INTEREST RATE.—Subclause (II) of section 4006(a)(3)(E)(iii) of the Employee Retirement Income Security Act of 1974 is amended—

(A) by striking "80 percent" and inserting "the applicable percentage", and

(B) by adding at the end the following new sentence: "For purposes of this subclause, the applicable percentage is 80 percent for plan years beginning before July 1, 1997, 85 percent for plan years beginning after June 30, 1997, and before the 1st plan year to which the first tables prescribed under section 302(d)(7)(C)(ii)(II) apply, and 100 percent for such 1st plan year and subsequent plan years."

(2) ASSET VALUATION.—Clause (iii) of section 4006(a)(3)(E) of such Act is amended—

(A) by inserting "or (III)" after "subclause (II)" in subclause (I), and

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

"(III) In the case of any plan year for which the applicable percentage under subclause (II) is 100 percent, the value of the plan's assets used in determining unfunded current liability under subclause (I) shall be their fair market value."

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to plan years beginning after the date of the enactment of this Act.

(c) TRANSITION RULE FOR CERTAIN REGULATED PUBLIC UTILITIES.—In the case of a regulated public utility described in section 7701(a)(33)(A)(i) of the Internal Revenue Code of 1986, the amendments made by this section shall not apply to plan years beginning before the earlier of—

(1) January 1, 1998, or

(2) the date the regulated public utility begins to collect from utility customers rates that reflect the costs incurred or projected to be incurred for additional premiums under section 4006(a)(3)(E) of the Employee Retirement Income Security Act of 1974 pursuant to final and nonappealable determinations by all public utility commissions (or other authorities having jurisdiction over the rates and terms of service by the regulated public utility) that the costs are just and reasonable and recoverable from customers of the regulated public utility.

SEC. 775. DISCLOSURE TO PARTICIPANTS.

(a) PARTICIPANT NOTICE REQUIREMENT.—Subtitle A of title IV of the Employee Retirement Income Security Act of 1974 (as amended by section 772 of this Act) is further amended by adding at the end the following new section:

"SEC. 4011. NOTICE TO PARTICIPANTS.

"(a) IN GENERAL.—The plan administrator of a plan subject to the additional premium under section 4006(a)(3)(E) shall provide, in a form and manner and at such time as prescribed in regulations of the corporation, notice to plan participants and beneficiaries of the plan's funding status and the limits on the corporation's guaranty should the plan terminate while underfunded. Such notice shall be written in a manner so as to be understood by the average plan participant.

"(b) EXCEPTION.—Subsection (a) shall not apply to any plan to which section 302(d) does not apply for the plan year by reason of paragraph (9) thereof."

(b) CLERICAL AMENDMENT.—The table of contents contained in section 1 of such Act is amended by inserting after the item relating to section 4010 (as added by section 772 of this Act) the following new item:

"Sec. 4011. Notice to participants."

(c) EFFECTIVE DATE.—The amendment made by this section shall be effective for plan years beginning after the date of enactment of this Act.

SEC. 776. MISSING PARTICIPANTS.

(a) IN GENERAL.—Subtitle C of title IV of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1341 et seq.) is amended by adding at the end the following new section:

"SEC. 4050. MISSING PARTICIPANTS.

"(a) GENERAL RULE.—

"(1) PAYMENT TO THE CORPORATION.—A plan administrator satisfies section 4041(b)(3)(A) in the case of a missing participant only if the plan administrator—

"(A) transfers the participant's designated benefit to the corporation or purchases an irrevocable commitment from an insurer in accordance with clause (i) of section 4041(b)(3)(A), and

"(B) provides the corporation such information and certifications with respect to such designated benefits or irrevocable commitments as the corporation shall specify.

"(2) TREATMENT OF TRANSFERRED ASSETS.—A transfer to the corporation under this section shall be treated as a transfer of assets from a terminated plan to the corporation as trustee, and shall be held with assets of terminated plans for which the corporation is trustee under section 4042, subject to the rules set forth in that section.

"(3) PAYMENT BY THE CORPORATION.—After a missing participant whose designated benefit was transferred to the corporation is located—

"(A) in any case in which the plan could have distributed the benefit of the missing participant in a single sum without participant or spousal consent under section 205(g), the corporation shall pay the participant or beneficiary a single sum benefit equal to the designated benefit paid the corporation plus interest as specified by the corporation, and

"(B) in any other case, the corporation shall pay a benefit based on the designated benefit and the assumptions prescribed by the corporation at the time that the corporation received the designated benefit.

The corporation shall make payments under subparagraph (B) available in the same forms and at the same times as a guaranteed benefit under section 4022 would be available to be paid, except that the corporation may make a benefit available in the form of a single sum if the plan provided a single sum benefit (other than a single sum described in subsection (b)(2)(A)).

"(b) DEFINITIONS.—For purposes of this section—

"(1) MISSING PARTICIPANT.—The term 'missing participant' means a participant or beneficiary under a terminating plan whom the plan administrator cannot locate after a diligent search.

"(2) DESIGNATED BENEFIT.—The term 'designated benefit' means the single sum benefit the participant would receive—

"(A) under the plan's assumptions, in the case of a distribution that can be made without participant or spousal consent under section 205(g);

"(B) under the assumptions of the corporation in effect on the date that the designated benefit is transferred to the corporation, in the case of a plan that does not pay any single sums other than those described in subparagraph (A); or

"(C) under the assumptions of the corporation or of the plan, whichever provides the higher single sum, in the case of a plan that pays a single sum other than those described in subparagraph (A).

"(c) REGULATORY AUTHORITY.—The corporation shall prescribe such regulations as are necessary to carry out the purposes of this section, including rules relating to what will be considered a diligent search, the amount payable to the corporation, and the amount to be paid by the corporation."

(b) CONFORMING TITLE IV AMENDMENTS.—

(1) AMENDMENT TO SECTION 4003.—Section 4003(a) of such Act (29 U.S.C. 1303(a)) is amended in the second sentence by inserting before the period the following: "and whether section 4050(a) has been satisfied".

(2) AMENDMENT TO SECTION 4005.—Section 4005(b)(2)(A) of such Act (29 U.S.C. 1305(b)(2)(A)) is amended by inserting "or benefits payable under section 4050" after "section 4022A".

(3) AMENDMENT TO SECTION 4041.—Section 4041(b)(3)(A)(ii) of such Act (29 U.S.C. 1341(b)(3)(A)(ii)) is amended by adding at the end the following new sentence: "A transfer of assets to the corporation in accordance with section 4050 on behalf of a missing participant shall satisfy this subparagraph with respect to such participant."

(c) CONFORMING ERISA AMENDMENTS.—

(1) The table of contents contained in section 1 of the Employee Retirement Income Security Act of 1974 is amended by inserting after the item related to section 4049 the following new item:

"Sec. 4050. Missing participants."

(2) Section 206 of such Act (29 U.S.C. 1056) is amended by adding at the end the following new subsection:

"(f) MISSING PARTICIPANTS IN TERMINATED PLANS.—In the case of a plan covered by title IV, the plan shall provide that, upon termination of the plan, benefits of missing participants shall be treated in accordance with section 4050."

(d) CONFORMING INTERNAL REVENUE CODE AMENDMENTS.—Section 401(a), as amended by section 766 of this Act, is further amended by inserting after paragraph (33) the following new paragraph:

"(34) BENEFITS OF MISSING PARTICIPANTS ON PLAN TERMINATION.—In the case of a plan covered by title IV of the Employee Retirement Income Security Act of 1974, a trust forming part of such plan shall not be treated as failing to constitute a qualified trust under this section merely because the pension plan of which such trust is a part, upon its termination, transfers benefits of missing participants to the Pension Benefit Guaranty Corporation in accordance with section 4050 of such Act."

(e) EFFECTIVE DATE.—The provisions of this section shall be effective with respect to distributions that occur in plan years commencing after final regulations implementing these provisions are prescribed by the Pension Benefit Guaranty Corporation.

SEC. 777. MODIFICATION OF MAXIMUM GUARANTEE FOR DISABILITY BENEFITS.

(a) IN GENERAL.—Section 4022(b)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1322(b)(3)) is amended by adding at the end the following new sentences: "The maximum guaranteed monthly benefit shall not be reduced solely on account of the age of a participant in the case of a benefit payable by reason of disability that occurred on or before the termination date, if the participant demonstrates to the satisfaction of the corporation that the Social Security Administration has determined that the participant satisfies the definition of disability under title II or XVI of the Social Security Act, and the regulations thereunder. If a benefit payable by reason of disability is converted to an early or normal retirement benefit for reasons other than a change in the health of the participant, such early or normal retirement benefit shall be treated as a continuation of the benefit payable by reason of disability and this subparagraph shall continue to apply."

(b) EFFECTIVE DATE.—The amendment made by this section shall be effective for plan terminations under section 4041(c) of the Employee Retirement Income Security Act of 1974 with respect to which notices of intent to terminate are provided under section 4041(a)(2) of such Act, or under section 4042 of such Act with respect to which proceedings are instituted by the corporation, on or after the date of enactment of this Act.

SEC. 778. PROCEDURES TO FACILITATE DISTRIBUTION OF TERMINATION BENEFITS.

(a) REMEDIES FOR NONCOMPLIANCE WITH REQUIREMENTS FOR STANDARD TERMINATION.—

(1) NOTICE OF NONCOMPLIANCE.—Section 4041(b)(2)(C)(i) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1341(b)(2)(C)(i)) is amended—

(A) by striking subclause (I) and inserting the following new subclause:

"(I) it determines, based on the notice sent under paragraph (2)(A) of subsection (b), that there is reason to believe that the plan is not sufficient for benefit liabilities,";

(B) by striking the period at the end of subclause (II) and inserting ", or"; and

(C) by adding at the end the following new subclause:

"(III) it determines that any other requirement of subparagraph (A) or (B) of this paragraph or of subsection (a)(2) has not been met, unless it further determines that the issuance of such notice would be inconsistent with the interests of participants and beneficiaries."

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to any plan termination under section 4041(b) of the Employee Retirement Income Security Act of 1974 with respect to which the Pension Benefit Guaranty Corporation has not, as of the date of enactment of this Act, issued a notice of noncompliance that has become final, or otherwise issued a final determination that the plan termination is nullified.

(b) DISTRESS TERMINATION CRITERIA FOR BANKING INSTITUTIONS.—

(1) CLARIFICATION OF DISTRESS CRITERION.—Subclause (I) of section 4041(c)(2)(B)(i) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1341(c)(2)(B)(i)) is amended by inserting after "under any similar" the following: "Federal law or".

(2) EFFECTIVE DATE.—The amendment made by this subsection shall be effective as if included in the Single-Employer Pension Plan Amendments Act of 1986.

PART III—EFFECTIVE DATES

SEC. 781. EFFECTIVE DATES.

Except as otherwise provided in this subtitle, the amendments made by this subtitle shall be effective on the date of enactment of this Act.

TITLE VIII—PIONEER PREFERENCES

SEC. 801. PIONEER PREFERENCES.

Section 309(j) of the Communications Act of 1934 (47 U.S.C. 309(j)) is amended by adding at the end the following new paragraph:

"(13) RECOVERY OF VALUE OF PUBLIC SPECTRUM IN CONNECTION WITH PIONEER PREFERENCES.—

"(A) IN GENERAL.—Notwithstanding paragraph (6)(G), the Commission shall not award licenses pursuant to a preferential treatment accorded by the Commission to persons who make significant contributions to the development of a new telecommunications service or technology, except in accordance with the requirements of this paragraph.

"(B) RECOVERY OF VALUE.—The Commission shall recover for the public a portion of the value of the public spectrum resource made available to such person by requiring such person, as a condition for receipt of the license, to agree to pay a sum determined by—

"(i) identifying the winning bids for the licenses that the Commission determines are most reasonably comparable in terms of bandwidth, scope of service area, usage restrictions, and other technical characteristics to the license awarded to such person, and excluding licenses that the Commission determines are subject to bidding anomalies due to the award of preferential treatment;

"(ii) dividing each such winning bid by the population of its service area (hereinafter referred to as the per capita bid amount);

"(iii) computing the average of the per capita bid amounts for the licenses identified under clause (i);

"(iv) reducing such average amount by 15 percent; and

"(v) multiplying the amount determined under clause (iv) by the population of the service area of the license obtained by such person.

"(C) INSTALLMENTS PERMITTED.—The Commission shall require such person to pay the sum required by subparagraph (B) in a lump sum or in guaranteed installment payments, with or without royalty payments, over a period of not more than 5 years.

"(D) RULEMAKING ON PIONEER PREFERENCES.—Except with respect to pending applications described in clause (iv) of this subparagraph, the Commission shall prescribe regulations specifying the procedures and criteria by which the Commission will evaluate applications for preferential treatment in its licensing processes (by precluding the filing of mutually exclusive applications) for persons who make significant contributions to the development of a new service or to the development of new technologies that substantially enhance an existing service. Such regulations shall—

"(i) specify the procedures and criteria by which the significance of such contributions will be determined, after an opportunity for review and verification by experts in the radio sciences drawn from among persons who are not employees of the Commission or by any applicant for such preferential treatment;

"(ii) include such other procedures as may be necessary to prevent unjust enrichment by ensuring that the value of any such contribution justifies any reduction in the amounts paid for comparable licenses under this subsection;

"(iii) be prescribed not later than 6 months after the date of enactment of this paragraph;

"(iv) not apply to applications that have been accepted for filing on or before September 1, 1994; and

"(v) cease to be effective on the date of the expiration of the Commission's authority under subparagraph (F).

"(E) IMPLEMENTATION WITH RESPECT TO PENDING APPLICATIONS.—In applying this paragraph to any broadband licenses in the personal communications service awarded pursuant to the preferential treatment accorded by the Federal Communications Commission in the Third Report and Order in General Docket 90-314 (FCC 93-550, released February 3, 1994)—

"(i) the Commission shall not reconsider the award of preferences in such Third Report and Order, and the Commission shall not delay the grant of licenses based on such awards more than 15 days following the date of enactment of this paragraph, and the award of such preferences and licenses shall not be subject to administrative or judicial review;

"(ii) the Commission shall not alter the bandwidth or service areas designated for such licenses in such Third Report and Order;

"(iii) except as provided in clause (v), the Commission shall use, as the most reasonably comparable licenses for purposes of subparagraph (B)(i), the broadband licenses in the personal communications service for blocks A and B for the 20 largest markets (ranked by population) in which no applicant has obtained preferential treatment;

"(iv) for purposes of subparagraph (C), the Commission shall permit guaranteed installment payments over a period of 5 years, subject to—

"(I) the payment only of interest on unpaid balances during the first 2 years, commencing not later than 30 days after the award of the license (including any preferential treatment used in making such award) is final and no longer subject to administrative or judicial review, except that no such payment shall be required prior to the date of completion of the auction of the comparable licenses described in clause (iii); and

"(II) payment of the unpaid balance and interest thereon after the end of such 2 years in accordance with the regulations prescribed by the Commission; and

"(v) the Commission shall recover with respect to broadband licenses in the personal communications service an amount under this paragraph that is equal to not less than $400,000,000, and if such amount is less than $400,000,000, the Commission shall recover an amount equal to $400,000,000 by allocating such amount among the holders of such licenses based on the population of the license areas held by each licensee.

The Commission shall not include in any amounts required to be collected under clause (v) the interest on unpaid balances required to be collected under clause (iv).

"(F) EXPIRATION.—The authority of the Commission to provide preferential treatment in licensing procedures (by precluding the filing of mutually exclusive applications) to persons who make significant contributions to the development of a new service or to the development of new technologies that substantially enhance an existing service shall expire on September 30, 1998.

"(G) EFFECTIVE DATE.—This paragraph shall be effective on the date of its enactment and apply to any licenses issued on or after August 1, 1994, by the Federal Communications Commission pursuant to any licensing procedure that provides preferential treatment (by precluding the filing of mutually exclusive applications) to persons who make significant contributions to the development of a new service or to the development of new technologies that substantially enhance an existing service.".

By Mr. FORD:

S. 2469. A bill to amend title XI of the Energy Policy Act of 1992 to provide for the economic and environmentally acceptable disposal of low-level radioactive waste and mixed waste resulting from the operation of gaseous diffusion plants at Paducah, KY, and Piketown, OH and for other purposes; to the Committee on Energy and Natural Resources.

DISPOSAL OF WASTE FROM GASEOUS DIFFUSION PLANTS

Mr. FORD. Mr. President, I am introducing a bill to provide for the economic and environmentally acceptable disposal of low-level and mixed radioactive wastes resulting from the operations of the gaseous diffusion plants at Paducah, KY, and Piketon, OH. If enacted, the measure will help the States of Illinois and Kentucky to fulfill their respective responsibilities under the Central Midwest Interstate Low-Level Radioactive Waste Compact in an orderly and productive manner. This will be accomplished by clarifying the intent of Congress in amendments to the Atomic Energy Act of 1954 as contained in the Energy Policy Act of 1992.

I should also point out that the bill will have the same affect on the efforts of Ohio, Indiana, Iowa, Minnesota, Missouri and Wisconsin who are members of the Midwest interstate compact.

The need for the clarification and the concern on the part of the affected compact States stems from a recent interpretation by Department of Energy officials that disposal of low-level radioactive wastes resulting from operations of the Paducah, KY, and Piketon, OH, gaseous diffusion plants, which are owned by the Department of Energy and leased to the U.S. Enrichment Corporation, is the responsibility of the compact States.

As my colleagues will recall, Congress created the U.S. Enrichment Corporation in the Energy Policy Act of 1992. Under the act, the Corporation is charged with operating the gaseous diffusion plants, which enrich uranium for use as fuel in civilian nuclear power plants, as a business enterprise on a profitable and efficient basis. However, the act may not be clear as to the disposition of low-level radioactive wastes and mixed wastes from the two gaseous diffusion plants while being operated by the Corporation. Hence, the interpretation by the Department of Energy that the States must accept the waste.

This interpretation could be devastating to compact States' efforts to address low-level and mixed waste problems, as it was never anticipated that wastes from the diffusion plants would be the responsibility of the compact regions. This amendment clarifies that low-level and mixed wastes resulting from the operation of the two plants would be eligible for disposal by the Department of Energy. I would stress at this point that DOE disposal would be an option on the part of the U.S. Enrichment Corporation which, under the bill, has the authority to select the least expensive environmentally acceptable method of disposal.

In a related matter, the Energy Policy Act is clear that the Department of Energy is responsible for the eventual costs of decontaminating and decommissioning the facilities leased from the Department of Energy and operated by the Corporation; but the act is not clear regarding the costs for disposing of low-level radioactive and mixed wastes generated by the Corporation as a result of the Corporation's operation of the facilities. This bill makes it unequivocal that the costs for the disposal of wastes generated by the Corporation are to be solely the responsibility of the Corporation.

Mr. President, this bill is important to the compact States. It provides a degree of responsible flexibility for the disposal of wastes at the two gaseous diffusion plants, it also identifies who pays for the disposal, and finally, it gives good direction to the Department of Energy in interpreting the Energy Policy Act of 1992.

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

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

S. 2469

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Title XI of the Energy Policy Act of 1992, is amended by adding after section 1103 the following new section:

SEC. 1104. LOW-LEVEL RADIOACTIVE WASTE AND MIXED WASTE.

Title II of the Atomic Energy Act of 1954, as added by title IX of this Act, is further amended as follows:

(a) in section 1201 by inserting the following new paragraphs and renumbering existing paragraphs accordingly:

"(10) The term "low-level radioactive waste" has the meaning given such term in Section 102(9) of the Low-Level Radioactive Waste Policy Amendments Act of 1985 (42 U.S.C. 2021b(9)).

(11) The term "mixed waste" has the meaning given such term in Section 1004(41) of the Solid Waste Disposal Act (42 U.S.C. 6903(41))." and (b) in section 1403 by adding at the end thereof the following new subsection:

"(h) DOE RESPONSIBILITY TO ACCEPT LOW-LEVEL RADIOACTIVE WASTE AND MIXED WASTE.—At the request of the Corporation, the Department shall accept for treatment and disposal the low-level radioactive waste and mixed waste generated as a result of the operation of the facilities and related property leased by the Corporation pursuant to subsection (a). The increase in costs of treatment and disposal actually incurred by the Department which are solely attributable to and result from the treatment and disposal of such wastes received from the Corporation shall be reimbursed to the Department by the Corporation. At its sole discretion, the Corporation may, but is not required to, arrange for the treatment or disposal of such wastes or any portion thereof at any other facility otherwise authorized by applicable laws and regulations to treat or dispose of such wastes. The costs of treatment and disposal of such wastes at any other facility shall be borne solely by the Corporation."

By Mr. LAUTENBERG:

S.J. Res. 222. A joint resolution to designate October 19, 1994, as "Mercy Otis Warren Day," and for other purposes; to the Committee on the Judiciary.

MERCY OTIS WARREN DAY

• Mr. LAUTENBERG. Mr. President, today I rise to introduce a resolution designating October 19, 1994 as "Mercy Warren Otis Day."

Born in Barnstable, MA on September 14, 1728, Mercy Otis Warren lived an active political life until her death on October 19, 1814. Although unknown to the majority of Americans, Mercy Otis Warren played an important role in American history.

Recognized as a poet, patriot, and historian of the American Revolution, Mercy Otis Warren's writings are credited with providing insightful views on the leading political figures of the American Revolution and the political viewpoints of the day. One of her major literary works, "The History of the Rise, Progress and Termination of the American Revolution" is respected primarily for its spirited personal observation about the people and events she had know firsthand.

Over time, Mercy Otis Warren became a prominent political commentator who was well respected by her contemporaries for her understanding of political issues. Her advice and opinions were sought by such notables as John and Samuel Adams and Thomas Jefferson. Mrs. Warren wrote 19-page pamphlet published in 1788 entitled, "Observations On The New Constitution," which may not be her best known work, but was perhaps her most significant. Mrs. Warren's vigorous defense of personal liberties contributed to the political movement which culminated in the adoption of the Bill of Rights.

What is most remarkable about Mercy Otis Warren is that she received no formal education because of the social norms in the early 1700's which placed women in domestic roles. As a young woman, Mercy Otis satisfied her thirst for knowledge by sitting in on her brothers tutoring sessions. As the daughter of a county judge who was also a colonel in the militia, Mercy Otis listened to frequent political discussions in her home and developed an ardent interest in politics and public affairs. A forerunner of the modern feminist movement, Mrs. Warren was very interested in the role of women in society and was determined that women should not be restricted to domestic interests.

The life of Mercy Otis Warren is one that should be told to all Americans. Recognition is long overdue. I hope my colleagues will join me in honoring this great American for her courage, her wisdom and her contribution to early American political thought which gave birth to the democratic values we all cherish.

I ask unanimous consent that a copy of the joint resolution be printed in the RECORD. I urge my colleagues to support this joint resolution which designates October 19, 1994 as "Mercy Otis Warren Day."

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

S.J. RES. 222

Whereas Mercy Otis Warren was born on September 14, 1728, in Barnstable, Massachusetts, was 1 of 13 children, and was without a formal education, yet her thirst for knowledge and ardent interest in politics transformed her into one of the prominent political thinkers and commentators of her day;

Whereas Mercy Otis Warren maintained throughout her life an aggressive concern for public affairs and the role of women in society, and was determined that women should not be restricted to domestic interests;

Whereas Mercy Otis Warren wrote numerous published works providing commentary on the leading political figures of the American Revolution and on the political viewpoints of her day, including a major literary work, the 3-volume "History of the Rise, Progress, and Termination of the American Revolution", completed in 1805;

Whereas Mercy Otis Warren was so well respected by her contemporaries for her understanding of political issues that her advice was sought by such notables as John Adams, Samuel Adams, and Thomas Jefferson;

Whereas Mercy Otis Warren wrote a 19-page pamphlet, published in 1788, entitled "Observations on the New Constitution", that contributed to the political movement that provided a foundation for the Bill of Rights; and

Whereas Mercy Otis Warren is recognized by American historians as a poet, a patriot, and a historian of the American Revolution: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That October 19, 1994, is designated as "Mercy Otis Warren Day". The President is authorized and requested to issue a proclamation calling on the people of the United States to observe this day with appropriate ceremonies and activities.•

By Mr. KENNEDY (for himself, Mr. HATCH, Mr. SIMON, Mr. MACK, Mr. BAUCUS, Mr. LEAHY, Mr. D'AMATO, Mr. COCHRAN, Mr. DECONCINI, Mr. BRADLEY, Mr. MOYNIHAN, Mr. GLENN, Mr. WOFFORD, Mr. BIDEN, Mr. CHAFEE, Mr. DODD, Mr. LAUTENBERG, Mr. INOUYE, Mr. KERRY, Mr. ROTH, Mr. THURMOND, Mr. PELL, Mr. WARNER, Mr. DURENBERGER, Mrs. BOXER, Mr. SARBANES, Mr. JOHNSTON, Mr. DORGAN, Mr. JEFFORDS, Mr. METZENBAUM, Mr. RIEGLE, Mr. HEFLIN, Mr. MITCHELL, Mr. PACKWOOD, Mr. GRASSLEY, Mr. SPECTER, Mr. DOLE, Mr. LOTT, Mr. MURKOWSKI, Mr. COHEN, Mr. BENNETT, Mr. BOND, Mr. STEVENS, Mr. HELMS, Mr. MCCAIN, Mr. SASSER, Ms. MIKULSKI, Mr. LIEBERMAN, Mr. LEVIN, Mr. AKAKA, Mr. FORD, and Mr. WELLSTONE):

S.J. Res. 223. A joint resolution to designate March 1995 and March 1996 as "Irish-American Heritage Month"; to the Committee on the Judiciary.

IRISH-AMERICAN HERITAGE MONTH

Mr. KENNEDY. Mr. President, on behalf of myself and 51 of my colleagues, I am proud to introduce a Senate joint resolution designating March 1995 and March 1996 as "Irish American Heritage Month." An identical resolution has been introduced by Representative THOMAS J. MANTON in the House.

This joint resolution pays tribute to the numerous contributions the Irish have made to America.

The year 1995 will be particularly significant for Irish-Americans, because it marks the 150th anniversary of the beginning of the Great Famine in Ireland. Between then and 1910, more than 3 million Irish immigrants came to our shores, and their contributions to the development of our country are immense.

Today, more than 44 million Americans are of Irish descent and it is a privilege to introduce this joint resolution recognizing their contributions and the contributions of their ancestors. I ask unanimous consent that the text of the joint resolution may be printed in the RECORD.

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

S.J. RES. 223

Whereas 150 years ago, the blight that struck Ireland's potato crop ("the single root that changed the history of the world"), known as the Great Famine, caused 2,000,000 of Ireland's population to emigrate, mostly to America's shores;

Whereas in 1847 alone, 25,000 Irish immigrants arrived in Boston;

Whereas by 1851, the end of the famine exodus, 1,712 emigrant ships had sailed up the Narrows into New York harbor;

Whereas during the "Great Hunger" (1845–1851) more people left Ireland than had emigrated in the previous 250 years;

Whereas within a few years of arriving in the United States, the Irish immigrants took jobs as laborers, built railroads, canals, and schools, dedicated themselves to help build this nation, and this same legacy today remains a part of American mainstream;

Whereas James Smith, George Taylor, Matthew Thornton, and Charles Thomson, 4 of the individuals who signed the Declaration of Independence, were Irish born and 9 other signers were of Irish ancestry;

Whereas Irish-born James Hoban designed and supervised the building of the White House and its restoration after it was burned in 1814;

Whereas more than 200 Irish-Americans have been awarded the Congressional Medal of Honor;

Whereas 19 Presidents of the United States proudly claim Irish heritage, included among them, the first President, George Washington;

Whereas John W. O'Beirne, Founder of the American Foundation for Irish Heritage, first requested in 1990 that Congress designate March as "Irish-American Heritage Month"; and

Whereas the 44,000,000 Americans of Irish ancestry, like their forebears, continue to enrich all aspects of life in the United States, in science, education, art, agriculture, business, industry, literature, music, athletics, military, and governmental service: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the months of March 1995 and March 1996 are designated as "Irish-American Heritage Month". The President is authorized and requested to issue a proclamation calling on the people of the United States to observe each month with appropriate ceremonies and activities.

By Mr. SIMON (for himself, Mr. SARBANES, Mr. PELL, Mr. REID, Mr. WOFFORD, Mr. MATHEWS, Mr. BINGAMAN, and Mr. KENNEDY):

S.J. Res. 224. A joint resolution designating November 1, 1994, as "National Family Literacy Day"; to the Committee on the Judiciary.

NATIONAL FAMILY LITERACY DAY

• Mr. SIMON. Mr. President, I am pleased to introduce a joint resolution to designate November 1, 1994, as "National Family Literacy Day." Senators KENNEDY, PELL, SARBANES, REID, WOFFORD, MATHEWS, and BINGAMAN are

original cosponsors of this joint resolution.

Millions of American families are trapped in a cycle of poverty, dependency, and undereducation. One of the most promising methods for breaking this cycle is the family literacy approach, where parents and their children attend school together. As parents identify their strengths and develop their literacy skills, essential messages about the importance of education are successfully passed on to their children.

Research shows that the most important factor in determining the life chances of a child is the level of educational attainment of her or his parents. Adults participating in family literacy programs are more likely to remain in the program than participants in adult-focused programs and 90 percent of the children who have participated in family literacy programs are successful in school. In addition, family literacy programs lead to more educationally supportive home environments.

Family literacy is a ladder that extends down into hopelessness and empowers families to work together in reaching new levels of achievement, self-sufficiency, self-esteem, and strength as a family. National Family Literacy Day will send a message about the importance of family education throughout the land.●

ADDITIONAL COSPONSORS

S. 1288

At the request of Mr. AKAKA, the names of the Senator from Virginia [Mr. WARNER] and the Senator from North Carolina [Mr. HELMS] were added as cosponsors of S. 1288, a bill to provide for the coordination and implementation of a national aquaculture policy for the private sector by the Secretary of Agriculture, to establish an aquaculture commercialization research program, and for other purposes.

S. 1329

At the request of Mr. D'AMATO, the names of the Senator from Nebraska [Mr. EXON] and the Senator from Kentucky [Mr. FORD] were added as cosponsors of 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.

S. 2051

At the request of Mr. WARNER, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 2051, a bill to amend the Fair Labor Standards Act of 1938 to exclude from the definition of employee firefighters and rescue squad workers who perform volunteer services and to prevent employers from requiring employees who are firefighters or rescue squad workers to perform volunteer services, and to allow an employer not to pay overtime compensation to a firefighter or rescue squad worker who performs volunteer services for the employer, and for other purposes.

S. 2257

At the request of Mr. WOFFORD, his name was added as a cosponsor of S. 2257, a bill to amend the Public Works and Economic Development Act of 1965 to reauthorize economic development programs, and for other purposes.

S. 2283

At the request of Mr. SHELBY, the name of the Senator from Washington [Mrs. MURRAY] was added as a cosponsor of S. 2283, a bill to amend title XVIII of the Social Security Act to provide for coverage of prostate cancer screening and certain drug treatment services under part B of the Medicare Program, to amend chapter 17 of title 38, United States Code, to provide for coverage of such screening and services under the programs of the Department of Veterans Affairs, and to expand research and education programs of the National Institutes of Health and the Public Health Service relating to prostate cancer.

S. 2285

At the request of Mrs. BOXER, the name of the Senator from New Jersey [Mr. BRADLEY] was added as a cosponsor of S. 2285, a bill to provide for the sound management and protection of redwood forest areas in Humboldt County, California, by adding certain lands and waters to the Six Rivers National Forest and by including a portion of such lands in the National Wilderness Preservation System, and for other purposes.

S. 2286

At the request of Mr. LUGAR, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 2286, a bill to amend title 23, United States Code, to provide for the use of certain highway funds for improvements to railway-highway crossings.

S. 2305

At the request of Mr. AKAKA, the name of the Senator from Alabama [Mr. HEFLIN] 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. 2312

At the request of Mr. DASCHLE, the name of the Senator from Washington [Mrs. MURRAY] was added as a cosponsor of S. 2312, a bill to maintain the ability of United States agriculture to remain viable and competitive in domestic and international markets, to meet the food and fiber needs of United States and international consumers, and for other purposes.

S. 2411

At the request of Mr. DOLE, the names of the Senator from Utah [Mr. HATCH] and the Senator from Kansas [Mrs. KASSEBAUM] were added as cosponsors of S. 2411, a bill to amend title 10, United States Code, to establish procedures for determining the status of certain missing members of the Armed Forces and certain civilians, and for other purposes.

S. 2445

At the request of Mr. DANFORTH, the name of the Senator from Minnesota [Mr. DURENBERGER] was added as a cosponsor of S. 2445, a bill to amend the Internal Revenue Code of 1986 to limit the applicability of the generation-skipping transfer tax.

S. 2457

At the request of Mr. DANFORTH, the name of the Senator from Missouri [Mr. BOND] was added as a cosponsor of S. 2457, a bill for the relief of Benchmark Rail Group, Inc.

SENATE JOINT RESOLUTION 90

At the request of Mr. ROBB, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of Senate Joint Resolution 90, a joint resolution to recognize the achievements of radio amateurs, and to establish support for such amateurs as national policy.

SENATE JOINT RESOLUTION 177

At the request of Mr. SIMON, the names of the Senator from Delaware [Mr. BIDEN], the Senator from New Jersey [Mr. BRADLEY], the Senator from Alaska [Mr. MURKOWSKI], the Senator from Ohio [Mr. GLENN], the Senator from Missouri [Mr. DANFORTH], the Senator from Michigan [Mr. RIEGLE], the Senator from Oregon [Mr. PACKWOOD], the Senator from Alabama [Mr. HEFLIN], the Senator from Hawaii [Mr. INOUYE], the Senator from Illinois [Ms. MOSELEY-BRAUN], the Senator from Rhode Island [Mr. PELL], the Senator from Maine [Mr. COHEN], the Senator from Tennessee [Mr. SASSER], and the Senator from North Dakota [Mr. DORGAN] were added as cosponsors of Senate Joint Resolution 177, a joint resolution to designate the period of October 2, 1994, through October 8, 1994, as "Mental Illness Awareness Week."

SENATE JOINT RESOLUTION 181

At the request of Mr. SIMON, the names of the Senator from Arizona [Mr. DECONCINI], the Senator from Missouri [Mr. DANFORTH], the Senator from Kansas [Mr. DOLE], the Senator from New Mexico [Mr. DOMENICI], and the Senator from Minnesota [Mr. DURENBERGER] were added as cosponsors of Senate Joint Resolution 181, a joint resolution to designate the week of May 8, 1994, through May 14, 1994, as "United Negro College Fund Week."

SENATE JOINT RESOLUTION 186

At the request of Mr. PACKWOOD, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of Senate Joint Resolution 186, a joint resolution to designate February 2, 1995, and February 1, 1996, as "National Women and Girls in Sports Day."

SENATE JOINT RESOLUTION 208

At the request of Mr. WOFFORD, the names of the Senator from California [Mrs. BOXER] and the Senator from South Dakota [Mr. PRESSLER] were added as cosponsors of Senate Joint Resolution 208, a joint resolution designating the week of November 6, 1994, through November 12, 1994, "National Health Information Management Week."

SENATE RESOLUTION 269—RELATIVE TO THE JACOB K. JAVITS SENATE FELLOWSHIP PROGRAM

Mr. MITCHELL (for himself and Mr. DOLE) submitted the following resolution; which was considered and agreed to:

S. RES. 269

Resolved, That Senate Resolution 75 (103d Congress, 1st Session), agreed to March 3, 1993, is amended—

(1) in section 2, by adding at the end thereof the following:

"(c) The Jacob K. Javits Foundation, Incorporated shall—

"(1) broadly publicize the availability of the fellowship program;

"(2) develop and administer an application process for Senate fellowships;

"(3) conduct a screening of applicants for the fellowship program; and

"(4) select participants without regard to race, color, religion, sex, National origin, age, or disability.";

(2) in section 3, by amending subsection (c) to read as follows:

"(c) The Secretary, after consultation with the Majority Leader and the Minority Leader of the Senate, shall assist with the placement of eligible participants in positions in the Senate that are, within practical considerations, supportive of the fellowship participants' academic programs. Fellows shall be considered as employees of the office or committee in which they are placed."; and

(3) in section 5, by inserting "the Minority Leader of" before "the Senate".

AMENDMENTS SUBMITTED

COAST GUARD AUTHORIZATION ACT OF 1994

GORTON AMENDMENT NO. 2590

(Ordered to lie on the table.)

Mr. GORTON submitted an amendment intended to be proposed by him to the bill (H.R. 4422) to authorize appropriations for fiscal year 1995 for the Coast Guard, and for other purposes; as follows:

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

TITLE—, U.S. CRUISE VESSEL DEVELOPMENT

SECTION 1. SHORT TITLE.

This Act may be cited as the "United States Cruise Vessel Development Act".

SEC. 2. PURPOSE.

The purpose of this Act is to promote construction and operation of United States flag cruise vessels in the United States.

SEC. 3. COASTWISE TRANSPORTATION OF PASSENGERS.

Section 8 of the Act entitled "An Act to abolish certain fees for official services to American vessels, and to amend the laws relating to shipping commissioners, seamen, and owners of vessels, and for other purposes", approved of June 19, 1886 (46 App. U.S.C. 289), is amended to read as follows:

"SEC. 8. COASTWISE TRANSPORTATION OF PASSENGERS.

"(a) IN GENERAL.—Except as otherwise provided by law, a vessel may transport passengers in coastwise trade only if—

"(1) the vessel is owned by a person that is—

"(A) an individual who is a citizen of the Untied States; or

"(B) a corporation, partnership, or association that is a citizen of the United States under section 2(a) of the Shipping Act, 1916;

"(2) the vessel meets the requirements of section 27 of the Merchant Marine Act, 1920; and

"(3) for a vessel that is at least 5 net tons, the vessel is issued a certificate of documentation under chapter 121 of title 46, United States Code, with a coastwise endorsement.

"(b) EXCEPTION FOR VESSEL UNDER DEMISE CHARTER.—

"(1) IN GENERAL.—Subsection (a)(1) does not apply to a cruise vessel operating under a demise charter that—

"(A) has a term of at least 18 months; and

"(B) is to a person described in subsection (a)(1).

"(2) EXTENSION OF PERIOD FOR OPERATION.—A cruise vessel authorized to operate in coastwise trade under paragraph (1) based on a demise charter described in paragraph (1) may operate in that coastwise trade during a period following the termination of the charter of not more than 6 months, if the operation—

"(A) is approved by the Secretary; and

"(B) in accordance with such terms as may be prescribed by the Secretary for that approval.

"(c) EXCEPTION FOR VESSEL TO BE REFLAGGED.—

"(1) EXCEPTION.—Subsection (a)(2) and section 12106(a)(2)(A) of title 46, United States Code, do not apply to a cruise vessel if—

"(A) the vessel—

"(i) is not documented under chapter 121 of title 46, United States Code, on the date of enactment of the United States Cruise Vessel Development Act; and

"(ii) is not less than 5 years old and not more than 15 years old on the first date that the vessel is documented under that chapter after that date of enactment; and

"(B) the owner or charterer of the vessel has entered into a contract for the construction in the United States of another cruise vessel that has a total berth or stateroom capacity that is at least 80 percent of the capacity of the cruise vessel.

"(2) TERMINATION OF AUTHORITY TO OPERATE.—Paragraph (1) does not apply to a vessel after the date that is 18 months after the date on which a certificate of documentation with a coastwise endorsement is first issued for the vessel after the date of enactment of the United States Cruise Vessel Development Act if, before the end of that 18-month period, the keel of another vessel has not been laid, or another vessel is not at a similar stage of construction, under a contract required for the vessel under paragraph (1)(B).

"(3) EXTENSION OF PERIOD BEFORE TERMINATION.—The Secretary of Transportation may extend the period under paragraph (2) for not more than 6 months for good cause shown.

"(d) LIMITATION ON OPERATIONS.—A person (including a related person with respect to that person) that owns or charters a cruise vessel operating in coastwise trade under subsection (b) or (c) under a coastwise endorsement may not operate any vessel between—

"(1) any 2 ports served by another cruise vessel that transports passengers in coastwise trade under subsection (a) on the date the Secretary issues the coastwise endorsement; or

"(2) the island of Hawaii.

"(e) PENALTIES.—

"(1) CIVIL PENALTY.—A person operating a vessel in violation of this section is liable to the United States Government for a civil penalty of $1,000 for each passenger transported in violation of this section.

"(2) FORFEITURE.—A vessel operated in knowing violation of this section, and its equipment, are liable to seizure by and forfeiture to the United States Government.

"(3) DISQUALIFICATION FROM COASTWISE TRADE.—A person that is required to enter into a construction contract under subsection (c)(1)(B) with respect to a cruise vessel (including any related person with respect to that person) may not own or operate any vessel in coastwise trade after the period applicable under subsection (c)(2) with respect to the cruise vessel, if before the end of that period a keel is not laid and a similar stage of construction is not reached under such a contract.

"(f) DEFINITIONS.—In this section—

"(1) the term 'coastwise trade' includes transportation of a passenger between points in the United States, either directly or by way of a foreign port;

"(2) the term 'cruise vessel' means a vessel that—

"(A) is at least 10,000 gross tons (as measured under chapter 143 of title 46, United States Code);

"(B) has berth or stateroom accommodations for at least 200 passengers; and

"(C) is not a ferry;

"(3) the term 'related person' means, with respect to a person—

"(A) a holding company, subsidiary, affiliate, or association of the person; and

"(B) an officer, director, or agent of the person or of an entity referred to in subparagraph (A).".

SEC. 4. CONSTRUCTION STANDARDS.

Section 3309 of title 46, United States Code, is amended by adding at the end the following:

"(d)(1) A vessel described in paragraph (3) is deemed to comply with parts B and C of this subtitle.

"(2) The Secretary shall issue a certificate of inspection under subsection (a) to a vessel described in paragraph (3).

"(8) A vessel is described in this paragraph if—

"(A) it meets the standards and conditions for the issuance of a control verification certificate to a foreign vessel embarking passengers in the United States;

"(B) a coastwise endorsement is issued for the vessel under section 12106 of this title after the date of enactment of the United States Cruise Vessel Development Act; and

"(C) the vessel is authorized to engage in coastwise trade by reason of section 8(c) of the Act entitled 'An Act to abolish certain fees for official services to American vessels, and to amend the laws relating to shipping commissioners, seamen, and owners of vessels, and for other purposes', approved of June 19, 1886.".

SEC. 5. CITIZENSHIP FOR PURPOSES OF DOCUMENTATION.

Section 2 of the Shipping Act, 1916 (46 App. U.S.C. 802), is amended—

(1) in subsection (a) by inserting "other than primarily in the transport of passengers," after "the coastwise trade"; and

(2) by adding at the end the following:

"(e) For purposes of determining citizenship under subsection (a) with respect to operation of a vessel primarily in the transport of passengers in coastwise trade, the controlling interest in a partnership or association that owns the vessel shall not be deemed to be owned by citizens of the United States unless a majority interest in the partnership or association is owned by citizens of the United States free from any trust or fiduciary obligation in favor of any person that is not a citizen of the United States.".

SEC. 6. AMENDMENT TO TITLE XI OF THE MERCHANT MARINE ACT, 1936.

Section 1101(b) of the Merchant Marine Act, 1936 (46 App. U.S.C. 1271(b)) is amended by striking "passenger cargo" and inserting "passenger, cargo,".

SEC. 7. PERMITS FOR VESSELS ENTERING UNITS OF NATIONAL PARK SYSTEM.

(a) PRIORITY.—Notwithstanding any other provision of law, the Secretary of the Interior may not permit a person to operate a vessel in any unit of the National Park System except in accordance with the following priority:

(1) First, any person that—

(A) will operate a vessel that is documented under the laws of, and the home port of which is located in, the United States; or

(B) holds rights to provide visitors services under section 1307(a) of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3197(A)).

(2) Second, any person that will operate a vessel that—

(A) is documented under the laws of a foreign country, and

(B) on the date of the enactment of this Act is permitted to be operated by the person in the unit.

(3) Third, any person that will operate a vessel other than a vessel described in paragraph (1) or (2).

(b) REVOCATION OF PERMITS FOR FOREIGN DOCUMENTED VESSELS.—The Secretary of the Interior shall revoke or refuse to renew permission granted by the Secretary for the operation of a vessel documented under the laws of a foreign country in a unit of the National Park System, if—

(1) a person requests permission to operate a vessel documented under the laws of the United States in that unit; and

(2) the permission may not be granted because of a limit on the number of permits that may be issued for that operation.

(c) RESTRICTIONS ON REVOCATION OF PERMITS.—The Secretary of the Interior may not revoke or refuse to renew permission under subsection (b) for any person holding rights to provide visitor services under section 1307(a) of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3197(a)).

(d) RETURN OF PERMITS.—Any person whose permission to provide visitors services in a unit of the National Park System has been revoked or not renewed under subsection (b) shall have the right of first refusal to a permit to provide visitors services in that unit of the National Park System that becomes available when the conditions described in subsection (b) no longer apply. Such right shall be limited to the number of permits which are revoked or not renewed.

GORTON AMENDMENT NO. 2591

(Ordered to lie on the table.)

Mr. GORTON submitted an amendment intended to be proposed by him to the bill (S. 2373) to authorize appropriations for fiscal year 1995 for the U.S. Coast Guard, and for other purposes; as follows:

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

TITLE—, U.S. CRUISE VESSEL DEVELOPMENT

SECTION 1. SHORT TITLE.

This Act may be cited as the "United States Cruise Vessel Development Act".

SEC. 2. PURPOSE.

The purpose of this Act is to promote construction and operation of United States flag cruise vessels in the United States.

SEC. 3. COASTWISE TRANSPORTATION OF PASSENGERS.

Section 8 of the Act entitled "An Act to abolish certain fees for official services to American vessels, and to amend the laws relating to shipping commissioners, seamen, and owners of vessels, and for other purposes", approved of June 19, 1886 (46 App. U.S.C. 289), is amended to read as follows:

"SEC. 8. COASTWISE TRANSPORTATION OF PASSENGERS.

"(a) IN GENERAL.—Except as otherwise provided by law, a vessel may transport passengers in coastwise trade only if—

"(1) the vessel is owned by a person that is—

"(A) an individual who is a citizen of the Untied States; or

"(B) a corporation, partnership, or association that is a citizen of the United States under section 2(a) of the Shipping Act, 1916;

"(2) the vessel meets the requirements of section 27 of the Merchant Marine Act, 1920; and

"(3) for a vessel that is at least 5 net tons, the vessel is issued a certificate of documentation under chapter 121 of title 46, United States Code, with a coastwise endorsement.

"(b) EXCEPTION FOR VESSEL UNDER DEMISE CHARTER.—

"(1) IN GENERAL.—Subsection (a)(1) does not apply to a cruise vessel operating under a demise charter that—

"(A) has a term of at least 18 months; and

"(B) is to a person described in subsection (a)(1).

"(2) EXTENSION OF PERIOD FOR OPERATION.—A cruise vessel authorized to operate in coastwise trade under paragraph (1) based on a demise charter described in paragraph (1) may operate in that coastwise trade during a period following the termination of the charter of not more than 6 months, if the operation—

"(A) is approved by the Secretary; and

"(B) in accordance with such terms as may be prescribed by the Secretary for that approval.

"(c) EXCEPTION FOR VESSEL TO BE REFLAGGED.—

"(1) EXCEPTION.—Subsection (a)(2) and section 12106(a)(2)(A) of title 46, United States Code, do not apply to a cruise vessel if—

"(A) the vessel—

"(i) is not documented under chapter 121 of title 46, United States Code, on the date of enactment of the United States Cruise Vessel Development Act; and

"(ii) is not less than 5 years old and not more than 15 years old on the first date that the vessel is documented under that chapter after that date of enactment; and

"(B) the owner or charterer of the vessel has entered into a contract for the construction in the United States of another cruise vessel that has a total berth or stateroom capacity that is at least 80 percent of the capacity of the cruise vessel.

"(2) TERMINATION OF AUTHORITY TO OPERATE.—Paragraph (1) does not apply to a vessel after the date that is 18 months after the date on which a certificate of documentation with a coastwise endorsement is first issued for the vessel after the date of enactment of the United States Cruise Vessel Development Act if, before the end of that 18-month period, the keel of another vessel has not been laid, or another vessel is not at a similar stage of construction, under a contract required for the vessel under paragraph (1)(B).

"(3) EXTENSION OF PERIOD BEFORE TERMINATION.—The Secretary of Transportation may extend the period under paragraph (2) for not more than 6 months for good cause shown.

"(d) LIMITATION ON OPERATIONS.—A person (including a related person with respect to that person) that owns or charters a cruise vessel operating in coastwise trade under subsection (b) or (c) under a coastwise endorsement may not operate any vessel between—

"(1) any 2 ports served by another cruise vessel that transports passengers in coastwise trade under subsection (a) on the date the Secretary issues the coastwise endorsement; or

"(2) the island of Hawaii.

"(e) PENALTIES.—

"(1) CIVIL PENALTY.—A person operating a vessel in violation of this section is liable to the United States Government for a civil penalty of $1,000 for each passenger transported in violation of this section.

"(2) FORFEITURE.—A vessel operated in knowing violation of this section, and its equipment, are liable to seizure by and forfeiture to the United States Government.

"(3) DISQUALIFICATION FROM COASTWISE TRADE.—A person that is required to enter into a construction contract under subsection (c)(1)(B) with respect to a cruise vessel (including any related person with respect to that person) may not own or operate any vessel in coastwise trade after the period applicable under subsection (c)(2) with respect to the cruise vessel, if before the end of that period a keel is not laid and a similar stage of construction is not reached under such a contract.

"(f) DEFINITIONS.—In this section—

"(1) the term 'coastwise trade' includes transportation of a passenger between points in the United States, either directly or by way of a foreign port;

"(2) the term 'cruise vessel' means a vessel that—

"(A) is at least 10,000 gross tons (as measured under chapter 143 of title 46, United States Code);

"(B) has berth or stateroom accommodations for at least 200 passengers; and

"(C) is not a ferry;

"(3) the term 'related person' means, with respect to a person—

"(A) a holding company, subsidiary, affiliate, or association of the person; and

"(B) an officer, director, or agent of the person or of an entity referred to in subparagraph (A).".

SEC. 4. CONSTRUCTION STANDARDS.

Section 3309 of title 46, United States Code, is amended by adding at the end the following:

"(d)(1) A vessel described in paragraph (3) is deemed to comply with parts B and C of this subtitle.

"(2) The Secretary shall issue a certificate of inspection under subsection (a) to a vessel described in paragraph (3).

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"(8) A vessel is described in this paragraph if—

"(A) it meets the standards and conditions for the issuance of a control verification certificate to a foreign vessel embarking passengers in the United States;

"(B) a coastwise endorsement is issued for the vessel under section 12106 of this title after the date of enactment of the United States Cruise Vessel Development Act; and

"(C) the vessel is authorized to engage in coastwise trade by reason of section 8(c) of the Act entitled 'An Act to abolish certain fees for official services to American vessels, and to amend the laws relating to shipping commissioners, seamen, and owners of vessels, and for other purposes', approved of June 19, 1886.".

SEC. 5. CITIZENSHIP FOR PURPOSES OF DOCUMENTATION.

Section 2 of the Shipping Act, 1916 (46 App. U.S.C. 802), is amended—

(1) in subsection (a) by inserting "other than primarily in the transport of passengers," after "the coastwise trade"; and

(2) by adding at the end the following:

"(e) For purposes of determining citizenship under subsection (a) with respect to operation of a vessel primarily in the transport of passengers in coastwise trade, the controlling interest in a partnership or association that owns the vessel shall not be deemed to be owned by citizens of the United States unless a majority interest in the partnership or association is owned by citizens of the United States free from any trust or fiduciary obligation in favor of any person that is not a citizen of the United States.".

SEC. 6. AMENDMENT TO TITLE XI OF THE MERCHANT MARINE ACT, 1936.

Section 1101(b) of the Merchant Marine Act, 1936 (46 App. U.S.C. 1271(b)) is amended by striking "passenger cargo" and inserting "passenger, cargo,".

SEC. 7. PERMITS FOR VESSELS ENTERING UNITS OF NATIONAL PARK SYSTEM.

(a) PRIORITY.—Notwithstanding any other provision of law, the Secretary of the Interior may not permit a person to operate a vessel in any unit of the National Park System except in accordance with the following priority:

(1) First, any person that—

(A) will operate a vessel that is documented under the laws of, and the home port of which is located in, the United States; or

(B) holds rights to provide visitors services under section 1307(a) of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3197(A)).

(2) Second, any person that will operate a vessel that—

(A) is documented under the laws of a foreign country, and

(B) on the date of the enactment of this Act is permitted to be operated by the person in the unit.

(3) Third, any person that will operate a vessel other than a vessel described in paragraph (1) or (2).

(b) REVOCATION OF PERMITS FOR FOREIGN DOCUMENTED VESSELS.—The Secretary of the Interior shall revoke or refuse to renew permission granted by the Secretary for the operation of a vessel documented under the laws of a foreign country in a unit of the National Park System, if—

(1) a person requests permission to operate a vessel documented under the laws of the United States in that unit; and

(2) the permission may not be granted because of a limit on the number of permits that may be issued for that operation.

(c) RESTRICTIONS ON REVOCATION OF PERMITS.—The Secretary of the Interior may not revoke or refuse to renew permission under subsection (b) for any person holding rights to provide visitor services under section 1307(a) of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3197(a)).

(d) RETURN OF PERMITS.—Any person whose permission to provide visitors services in a unit of the National Park System has been revoked or not renewed under subsection (b) shall have the right of first refusal to a permit to provide visitors services in that unit of the National Park System that becomes available when the conditions described in subsection (b) no longer apply. Such right shall be limited to the number of permits which are revoked or not renewed.

COMPREHENSIVE ONE-CALL NOTIFICATION ACT OF 1994

GORTON AMENDMENT NO. 2592

(Ordered referred to the Committee on Commerce, Science, and Transportation.)

Mr. GORTON submitted an amendment intended to be proposed by him to the bill (S. 2101) to provide for the establishment of mandatory state-operated comprehensive one-call systems to protect all underground facilities from being damaged by any excavations, and for other purposes; as follows:

At the appropriate place in the bill insert the following new section:

SEC. . RESIDENTIAL CURBSIDE RECYCLING.

Section 11501(h)(2) of title 49, United States Code, is amended as follows:

(1) Insert a semi-colon, and the word "and" at the end of the subparagraph (B).

(2) Insert the following new subparagraph after subparagraph (b):

"(C) does not apply to the transportation for collection of recyclable materials that are a part of a residential curbside recycling program."

DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES APPROPRIATIONS ACT, FISCAL YEAR 1995

COHEN AMENDMENT NO. 2593

Mr. COHEN proposed an amendment to the bill (H.R. 4606) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1995, and for other purposes; as follows:

At the appropriate place, insert the following new subtitle:

Subtitle ___—Enhanced Penalties for Health Care Fraud

PART 1—ALL-PAYER FRAUD AND ABUSE CONTROL PROGRAM

SEC. ___01. ALL-PAYER FRAUD AND ABUSE CONTROL PROGRAM.

(a) ESTABLISHMENT OF PROGRAM.—

(1) IN GENERAL.—Not later than January 1, 1995, the Secretary of Health and Human Services (in this subtitle referred to as the "Secretary"), acting through the Office of the Inspector General of the Department of Health and Human Services, and the Attorney General shall establish a program—

(A) to coordinate Federal, State, and local law enforcement programs to control fraud and abuse with respect to the delivery of and payment for health care in the United States,

(B) to conduct investigations, audits, evaluations, and inspections relating to the delivery of and payment for health care in the United States,

(C) to facilitate the enforcement of the provisions of sections 1128, 1128A, and 1128B of the Social Security Act and other statutes applicable to health care fraud and abuse, and

(D) to provide for the modification and establishment of safe harbors and to issue interpretative rulings and special fraud alerts pursuant to section ___03.

(2) COORDINATION WITH HEALTH PLANS.—In carrying out the program established under paragraph (1), the Secretary and the Attorney General shall consult with, and arrange for the sharing of data with representatives of health plans.

(3) REGULATIONS.—

(A) IN GENERAL.—The Secretary and the Attorney General shall by regulation establish standards to carry out the program under paragraph (1).

(B) INFORMATION STANDARDS.—

(i) IN GENERAL.—Such standards shall include standards relating to the furnishing of information by health plans, providers, and others to enable the Secretary and the Attorney General to carry out the program (including coordination with health plans under paragraph (2)).

(ii) CONFIDENTIALITY.—Such standards shall include procedures to assure that such information is provided and utilized in a manner that appropriately protects the confidentiality of the information and the privacy of individuals receiving health care services and items.

(iii) QUALIFIED IMMUNITY FOR PROVIDING INFORMATION.—The provisions of section 1157(a) of the Social Security Act (relating to limitation on liability) shall apply to a person providing information to the Secretary or the Attorney General in conjunction with their performance of duties under this section, in the same manner as such section applies to information provided to organizations with a contract under subtitle B of title V of this Act, with respect to the performance of such a contract.

(C) DISCLOSURE OF OWNERSHIP INFORMATION.—

(i) IN GENERAL.—Such standards shall include standards relating to the disclosure of ownership information described in clause (ii) by any entity providing health care services and items.

(ii) OWNERSHIP INFORMATION DESCRIBED.—The ownership information described in this clause includes—

(I) a description of such items and services provided by such entity;

(II) the names and unique physician identification numbers of all physicians with a financial relationship (as defined in section 1877(a)(2) of the Social Security Act) with such entity;

(III) the names of all other individuals with such an ownership or investment interest in such entity; and

(IV) any other ownership and related information required to be disclosed by such entity under section 1124 or section 1124A of the Social Security Act, except that the Secretary shall establish procedures under which the information required to be submitted under this subclause will be reduced with

respect to health care provider entities that the Secretary determines will be unduly burdened if such entities are required to comply fully with this subclause.

(4) AUTHORIZATION OF APPROPRIATIONS FOR INVESTIGATORS AND OTHER PERSONNEL.—In addition to any other amounts authorized to be appropriated to the Secretary and the Attorney General for health care anti-fraud and abuse activities for a fiscal year, there are authorized to be appropriated additional amounts as may be necessary to enable the Secretary and the Attorney General to conduct investigations and audits of allegations of health care fraud and abuse and otherwise carry out the program established under paragraph (1) in a fiscal year.

(5) ENSURING ACCESS TO DOCUMENTATION.—The Inspector General of the Department of Health and Human Services is authorized to exercise the authority described in paragraphs (4) and (5) of section 6 of the Inspector General Act of 1978 (relating to subpoenas and administration of oaths) with respect to the activities under the all-payer fraud and abuse control program established under this subsection to the same extent as such Inspector General may exercise such authorities to perform the functions assigned by such Act.

(6) AUTHORITY OF INSPECTOR GENERAL.—Nothing in this Act shall be construed to diminish the authority of any Inspector General, including such authority as provided in the Inspector General Act of 1978.

(7) HEALTH PLAN DEFINED.—For the purposes of this subsection, the term "health plan" shall have the meaning given such term in section 1128(i) of the Social Security Act.

(b) HEALTH CARE FRAUD AND ABUSE CONTROL ACCOUNT.—

(1) ESTABLISHMENT.—

(A) IN GENERAL.—There is hereby established an account to be known as the "Health Care Fraud and Abuse Control Account" (in this section referred to as the "Anti-Fraud Account"). The Anti-Fraud Account shall consist of—

(i) such gifts and bequests as may be made as provided in subparagraph (B);

(ii) such amounts as may be deposited in the Anti-Fraud Account as provided in subsection (a)(4), sections ___41(b) and ___42(b), and title XI of the Social Security Act; and

(iii) such amounts as are transferred to the Anti-Fraud Account under subparagraph (C).

(B) AUTHORIZATION TO ACCEPT GIFTS.—The Anti-Fraud Account is authorized to accept on behalf of the United States money gifts and bequests made unconditionally to the Anti-Fraud Account, for the benefit of the Anti-Fraud Account or any activity financed through the Anti-Fraud Account.

(C) TRANSFER OF AMOUNTS.—

(i) IN GENERAL.—The Secretary of the Treasury shall transfer to the Anti-Fraud Account an amount equal to the sum of the following:

(I) Criminal fines imposed in cases involving a Federal health care offense (as defined in section 982(a)(6)(B) of title 18, United States Code).

(ii) Administrative penalties and assessments imposed under titles XI, XVIII, and XIX of the Social Security Act (except as otherwise provided by law).

(iii) Amounts resulting from the forfeiture of property by reason of a Federal health care offense.

(iv) Penalties and damages imposed under the False Claims Act (31 U.S.C. 3729 et seq.), in cases involving claims related to the provision of health care items and services (other than funds awarded to a relator or for restitution).

(2) USE OF FUNDS.—

(A) IN GENERAL.—Amounts in the Anti-Fraud Account shall be available without appropriation and until expended as determined jointly by the Secretary and the Attorney General of the United States in carrying out the health care fraud and abuse control program established under subsection (a) (including the administration of the program), and may be used to cover costs incurred in operating the program, including costs (including equipment, salaries and benefits, and travel and training) of—

(i) prosecuting health care matters (through criminal, civil, and administrative proceedings);

(ii) investigations;

(iii) financial and performance audits of health care programs and operations;

(iv) inspections and other evaluations; and

(v) provider and consumer education regarding compliance with the provisions of this subtitle.

(B) FUNDS USED TO SUPPLEMENT AGENCY APPROPRIATIONS.—It is intended that disbursements made from the Anti-Fraud Account to any Federal agency be used to increase and not supplant the recipient agency's appropriated operating budget.

(3) ANNUAL REPORT.—The Secretary and the Attorney General shall submit jointly an annual report to Congress on the amount of revenue which is generated and disbursed by the Anti-Fraud Account in each fiscal year.

(4) USE OF FUNDS BY INSPECTOR GENERAL.—

(A) REIMBURSEMENTS FOR INVESTIGATIONS.—The Inspector General is authorized to receive and retain for current use reimbursement for the costs of conducting investigations, when such restitution is ordered by a court, voluntarily agreed to by the payer, or otherwise.

(B) CREDITING.—Funds received by the Inspector General as reimbursement for costs of conducting investigations shall be deposited to the credit of the appropriation from which initially paid, or to appropriations for similar purposes currently available at the time of deposit, and shall remain available for obligation for 1 year from the date of their deposit.

SEC. ___02. APPLICATION OF FEDERAL HEALTH ANTI-FRAUD AND ABUSE SANCTIONS TO ALL FRAUD AND ABUSE AGAINST ANY HEALTH PLAN.

(a) CRIMES.—

(1) SOCIAL SECURITY ACT.—Section 1128B of the Social Security Act (42 U.S.C. 1320a-7b) is amended as follows:

(A) In the heading, by adding at the end the following: "OR HEALTH PLANS".

(B) In subsection (a)(1)—

(i) by striking "title XVIII or" and inserting "title XVIII,", and

(ii) by adding at the end the following: "or a health plan (as defined in section 1128(i)),".

(C) In subsection (a)(5), by striking "title XVIII or a State health care program" and inserting "title XVIII, a State health care program, or a health plan".

(D) In the second sentence of subsection (a)—

(i) by inserting after "title XIX" the following: "or a health plan", and

(ii) by inserting after "the State" the following: "or the plan".

(E) In subsection (b)(1), by striking "title XVIII or a State health care program" each place it appears and inserting "title XVIII, a State health care program, or a health plan".

(F) In subsection (b)(2), by striking "title XVIII or a State health care program" each place it appears and inserting "title XVIII, a State health care program, or a health plan".

(G) In subsection (b)(3), by striking "title XVIII or a State health care program" each place it appears in subparagraphs (A) and (C) and inserting "title XVIII, a State health care program, or a health plan".

(H) In subsection (d)(2)—

(i) by striking "title XIX," and inserting "title XIX or under a health plan,", and

(ii) by striking "State plan," and inserting "State plan or the health plan,".

(2) IDENTIFICATION OF COMMUNITY SERVICE OPPORTUNITIES.—Section 1128B of such Act (42 U.S.C. 1320a-7b) is further amended by adding at the end the following new subsection:

"(f) The Secretary may—

"(1) in consultation with State and local health care officials, identify opportunities for the satisfaction of community service obligations that a court may impose upon the conviction of an offense under this section, and

"(2) make information concerning such opportunities available to Federal and State law enforcement officers and State and local health care officials.".

(b) HEALTH PLAN DEFINED.—Section 1128 of the Social Security Act (42 U.S.C. 1320a-7) is amended by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

"(i) HEALTH PLAN DEFINED.—For purposes of sections 1128A and 1128B, the term 'health plan' means a public or private program for the delivery of or payment for health care items or services.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1995.

SEC. ___03. HEALTH CARE FRAUD AND ABUSE GUIDANCE.

(a) SOLICITATION AND PUBLICATION OF MODIFICATIONS TO EXISTING SAFE HARBORS AND NEW SAFE HARBORS.—

(1) IN GENERAL.—

(A) SOLICITATION OF PROPOSALS FOR SAFE HARBORS.—Not later than January 1, 1995, and not less than annually thereafter, the Secretary shall publish a notice in the Federal Register soliciting proposals, which will be accepted during a 60-day period, for—

(i) modifications to existing safe harbors issued pursuant to section 14(a) of the Medicare and Medicaid Patient and Program Protection Act of 1987 (42 U.S.C. 1320a-7b note);

(ii) additional safe harbors specifying payment practices that shall not be treated as a criminal offense under section 1128B(b) of the Social Security Act the (42 U.S.C. 1320a-7b(b)) and shall not serve as the basis for an exclusion under section 1128(b)(7) of such Act (42 U.S.C. 1320a-7(b)(7));

(iii) interpretive rulings to be issued pursuant to subsection (b); and

(iv) special fraud alerts to be issued pursuant to subsection (c).

(B) PUBLICATION OF PROPOSED MODIFICATIONS AND PROPOSED ADDITIONAL STATE HARBORS.—After considering the proposals described in clauses (i) and (ii) of subparagraph (A), the Secretary, in consultation with the Attorney General, shall publish in the Federal Register proposed modifications to existing safe harbors and proposed additional safe harbors, if appropriate, with a 60-day comment period. After considering any public comments received during this period, the Secretary shall issue final rules modifying the existing safe harbors and establishing new safe harbors, as appropriate.

(C) REPORT.—The Inspector General of the Department of Health and Human Services

(hereafter in this section referred to as the "Inspector General") shall, in an annual report to Congress or as part of the year-end semiannual report required by section 5 of the Inspector General Act of 1978 (5 U.S.C. App.), describe the proposals received under clauses (i) and (ii) of subparagraph (A) and explain which proposals were included in the publication described in subparagraph (B), which proposals were not included in that publication, and the reasons for the rejection of the proposals that were not included.

(2) CRITERIA FOR MODIFYING AND ESTABLISHING SAFE HARBORS.—In modifying and establishing safe harbors under paragraph (1)(B), the Secretary may consider the extent to which providing a safe harbor for the specified payment practice may result in any of the following:

(A) An increase or decrease in access to health care services.

(B) An increase or decrease in the quality of health care services.

(C) An increase or decrease in patient freedom of choice among health care providers.

(D) An increase or decrease in competition among health care providers.

(E) An increase or decrease in the ability of health care facilities to provide services in medically underserved areas or to medically underserved populations.

(F) An increase or decrease in the cost to Government health care programs.

(G) An increase or decrease in the potential overutilization of health care services.

(H) The existence or nonexistence of any potential financial benefit to a health care professional or provider which may vary based on their decisions of—

(i) whether to order a health care item or service; or

(ii) whether to arrange for a referral of health care items or services to a particular practitioner or provider.

(I) Any other factors the Secretary deems appropriate in the interest of preventing fraud and abuse in Government health care programs.

(b) INTERPRETIVE RULINGS.—

(1) IN GENERAL.—

(A) REQUEST FOR INTERPRETIVE RULING.—Any person may present, at any time, a request to the Inspector General for a statement of the Inspector General's current interpretation of the meaning of a specific aspect of the application of sections 1128A and 1128B of the Social Security Act (hereafter in this section referred to as an "interpretive ruling").

(B) ISSUANCE AND EFFECT OF INTERPRETIVE RULING.—

(i) IN GENERAL.—If appropriate, the Inspector General shall in consultation with the Attorney General, issue an interpretive ruling in response to a request described in subparagraph (A). Interpretive rulings shall not have the force of law and shall be treated as an interpretive rule within the meaning of section 553(b) of title 5, United States Code. All interpretive rulings issued pursuant to this provision shall be published in the Federal Register or otherwise made available for public inspection.

(ii) REASONS FOR DENIAL.—If the Inspector General does not issue an interpretive ruling in response to a request described in subparagraph (A), the Inspector General shall notify the requesting party of such decision and shall identify the reasons for such decision.

(2) CRITERIA FOR INTERPRETIVE RULINGS.—

(A) IN GENERAL.—In determining whether to issue an interpretive ruling under paragraph (1)(B), the Inspector General may consider—

(i) whether and to what extent the request identifies an ambiguity within the language of the statute, the existing safe harbors, or previous interpretive rulings; and

(ii) whether the subject of the requested interpretive ruling can be adequately addressed by interpretation of the language of the statute, the existing safe harbor rules, or previous interpretive rulings, or whether the request would require a substantive ruling not authorized under this subsection.

(B) NO RULINGS ON FACTUAL ISSUES.—The Inspector General shall not give an interpretive ruling on any factual issue, including the intent of the parties or the fair market value of particular leased space or equipment.

(c) SPECIAL FRAUD ALERTS.—

(1) IN GENERAL.—

(A) REQUEST FOR SPECIAL FRAUD ALERTS.—Any person may present, at any time, a request to the Inspector General for a notice which informs the public of practices which the Inspector General considers to be suspect or of particular concern under section 1128B(b) of the Social Security Act (42 U.S.C. 1320a–7b(b)) (hereafter in this subsection referred to as a "special fraud alert").

(B) ISSUANCE AND PUBLICATION OF SPECIAL FRAUD ALERTS.—Upon receipt of a request described in subparagraph (A), the Inspector General shall investigate the subject matter of the request to determine whether a special fraud alert should be issued. If appropriate, the Inspector General shall in consultation with the Attorney General, issue a special fraud alert in response to the request. All special fraud alerts issued pursuant to this subparagraph shall be published in the Federal Register.

(2) CRITERIA FOR SPECIAL FRAUD ALERTS.—In determining whether to issue a special fraud alert upon a request described in paragraph (1), the Inspector General may consider—

(A) whether and to what extent the practices that would be identified in the special fraud alert may result in any of the consequences described in subsection (a)(2); and

(B) the volume and frequency of the conduct that would be identified in the special fraud alert.

SEC. ___04. REPORTING OF FRAUDULENT ACTIONS UNDER MEDICARE.

Not later than 1 year after the date of the enactment of this Act, the Secretary shall establish a program through which individuals entitled to benefits under the medicare program may report to the Secretary on a confidential basis (at the individual's request) instances of suspected fraudulent actions arising under the program by providers of items and services under the program.

PART 2—REVISIONS TO CURRENT SANCTIONS FOR FRAUD AND ABUSE

SEC. ___11. MANDATORY EXCLUSION FROM PARTICIPATION IN MEDICARE AND STATE HEALTH CARE PROGRAMS.

(a) INDIVIDUAL CONVICTED OF FELONY RELATING TO FRAUD.—

(1) IN GENERAL.—Section 1128(a) of the Social Security Act (42 U.S.C. 1320a–7(a)) is amended by adding at the end the following new paragraph:

"(3) FELONY CONVICTION RELATING TO FRAUD.—Any individual or entity that has been convicted after the date of the enactment of the Health Reform Act, under Federal or State law, in connection with the delivery of a health care item or service or with respect to any act or omission in a program (other than those specifically described in paragraph (1)) operated by or financed in whole or in part by any Federal, State, or local government agency, of a criminal offense consisting of a felony relating to fraud, theft, embezzlement, breach of fiduciary responsibility, or other financial misconduct.".

(2) CONFORMING AMENDMENT.—Section 1128(b)(1) of such Act (42 U.S.C. 1320a–7(b)(1)) is amended—

(A) in the heading, by striking "CONVICTION" and inserting "MISDEMEANOR CONVICTION"; and

(B) by striking "criminal offense" and inserting "criminal offense consisting of a misdemeanor".

(b) INDIVIDUAL CONVICTED OF FELONY RELATING TO CONTROLLED SUBSTANCE.—

(1) IN GENERAL.—Section 1128(a) of the Social Security Act (42 U.S.C. 1320a–7(a)), as amended by subsection (a), is amended by adding at the end the following new paragraph:

"(4) FELONY CONVICTION RELATING TO CONTROLLED SUBSTANCE.—Any individual or entity that has been convicted after the date of the enactment of the Health Reform Act, under Federal or State law, of a criminal offense consisting of a felony relating to the unlawful manufacture, distribution, prescription, or dispensing of a controlled substance.".

(2) CONFORMING AMENDMENT.—Section 1128(b)(3) of such Act (42 U.S.C. 1320a–7(b)(3)) is amended—

(A) in the heading, by striking "CONVICTION" and inserting "MISDEMEANOR CONVICTION"; and

(B) by striking "criminal offense" and inserting "criminal offense consisting of a misdemeanor".

SEC. ___12. ESTABLISHMENT OF MINIMUM PERIOD OF EXCLUSION FOR CERTAIN INDIVIDUALS AND ENTITIES SUBJECT TO PERMISSIVE EXCLUSION FROM MEDICARE AND STATE HEALTH CARE PROGRAMS.

Section 1128(c)(3) of the Social Security Act (42 U.S.C. 1320a–7(c)(3)) is amended by adding at the end the following new subparagraphs:

"(D) In the case of an exclusion of an individual or entity under paragraph (1), (2), or (3) of subsection (b), the period of the exclusion shall be 3 years, unless the Secretary determines in accordance with published regulations that a shorter period is appropriate because of mitigating circumstances or that a longer period is appropriate because of aggravating circumstances.

"(E) In the case of an exclusion of an individual or entity under subsection (b)(4) or (b)(5), the period of the exclusion shall not be less than the period during which the individual's or entity's license to provide health care is revoked, suspended, or surrendered, or the individual or the entity is excluded or suspended from a Federal or State health care program.

"(F) In the case of an exclusion of an individual or entity under subsection (b)(6)(B), the period of the exclusion shall be not less than 1 year.".

SEC. ___13. PERMISSIVE EXCLUSION OF INDIVIDUALS WITH OWNERSHIP OR CONTROL INTEREST IN SANCTIONED ENTITIES.

Section 1128(b) of the Social Security Act (42 U.S.C. 1320a–7(b)) is amended by adding at the end the following new paragraph:

"(15) INDIVIDUALS CONTROLLING A SANCTIONED ENTITY.—Any individual who has a direct or indirect ownership or control interest of 5 percent or more, or an ownership or control interest (as defined in section 1124(a)(3)) in, or who is an officer, director, agent, or managing employee (as defined in section 1126(b)) of, an entity—

"(A) that has been convicted of any offense described in subsection (a) or in paragraph (1), (2), or (3) of this subsection;

"(B) against which a civil monetary penalty has been assessed under section 1128A; or

"(C) that has been excluded from participation under a program under title XVIII or under a State health care program.".

SEC. __14. ACTIONS SUBJECT TO CRIMINAL PENALTIES.

(a) RESTRICTION ON APPLICATION OF EXCEPTION FOR AMOUNTS PAID TO EMPLOYEES.—Section 1128B(b)(3)(B) of the Social Security Act (42 U.S.C. 1320a-7b(b)(3)(B)) is amended by striking "services;" and inserting the following: "services, but only if the amount of remuneration under the arrangement is (i) consistent with fair market value; (ii) not determined in a manner that takes into account (directly or indirectly) the volume or value of any referrals of patients directly contacted by the employee to the employer for the furnishing (or arranging for the furnishing) of such items or services; and (iii) provided pursuant to an arrangement that would be commercially reasonable even if no such referrals were made;".

(b) NEW EXCEPTION FOR CAPITATED PAYMENTS.—Section 1128B(b)(3) of the Social Security Act (42 U.S.C. 1320a-7b(b)(3)) is amended—

(A) by striking "and" at the end of subparagraph (D);

(B) by striking the period at the end of subparagraph (E) and inserting a semicolon; and

(C) by adding at the end the following new subparagraphs:

"(F) any reduction in cost sharing or increased benefits given to an individual, any amounts paid to a provider for an item or service furnished to an individual, or any discount or reduction in price given by the provider for such an item or service, if the individual is enrolled with and such item or service is covered under any of the following:

"(i) A health plan which is furnishing items or services under a risk-sharing contract under section 1876 or section 1903(m).

"(ii) A health plan receiving payments on a prepaid basis, under a demonstration project under section 402(a) of the Social Security Amendments of 1967 or under section 222(a) of the Social Security Amendments of 1972;

"(G) any amounts paid to a provider for an item or service furnished to an individual or any discount or reduction in price given by the provider for such an item or service, if the individual is enrolled with and such item or service is covered under a health plan under which the provider furnishing the item or service is paid by the health plan for furnishing the item or service only on a capitated basis pursuant to a written arrangement between the plan and the provider in which the provider assumes financial risk for furnishing the item or service;

"(H) differentials in coinsurance and deductible amounts as part of a benefit plan design as long as the differentials have been disclosed in writing to all third party payors to whom claims are presented and as long as the differentials meet the standards as defined in regulations promulgated by the Secretary; and

"(I) remuneration given to individuals to promote the delivery of preventive care in compliance with regulations promulgated by the Secretary.".

SEC. __15. SANCTIONS AGAINST PRACTITIONERS AND PERSONS FOR FAILURE TO COMPLY WITH STATUTORY OBLIGATIONS.

(a) MINIMUM PERIOD OF EXCLUSION FOR PRACTITIONERS AND PERSONS FAILING TO MEET STATUTORY OBLIGATIONS.—

(1) IN GENERAL.—The second sentence of section 1156(b)(1) of the Social Security Act (42 U.S.C. 1320c-5(b)(1)) is amended by striking "may prescribe)" and inserting "may prescribe, except that such period may not be less than 1 year)".

(2) CONFORMING AMENDMENT.—Section 1156(b)(2) of such Act (42 U.S.C. 1320c-5(b)(2)) is amended by striking "shall remain" and inserting "shall (subject to the minimum period specified in the second sentence of paragraph (1)) remain".

(b) REPEAL OF "UNWILLING OR UNABLE" CONDITION FOR IMPOSITION OF SANCTION.—Section 1156(b)(1) of the Social Security Act (42 U.S.C. 1320c-5(b)(1)) is amended—

(1) in the second sentence, by striking "and determines" and all that follows through "such obligations,"; and

(2) by striking the third sentence.

SEC. __16. INTERMEDIATE SANCTIONS FOR MEDICARE HEALTH MAINTENANCE ORGANIZATIONS.

(a) APPLICATION OF INTERMEDIATE SANCTIONS FOR ANY PROGRAM VIOLATIONS.—

(1) IN GENERAL.—Section 1876(i)(1) of the Social Security Act (42 U.S.C. 1395mm(i)(1)) is amended by striking "the Secretary may terminate" and all that follows and inserting the following: "in accordance with procedures established under paragraph (9), the Secretary may at any time terminate any such contract or may impose the intermediate sanctions described in paragraph (6)(B) or (6)(C) (whichever is applicable) on the eligible organization if the Secretary determines that the organization—

"(A) has failed substantially to carry out the contract;

"(B) is carrying out the contract in a manner inconsistent with the efficient and effective administration of this section; or

"(C) no longer substantially meets the applicable conditions of subsections (b), (c), (e), and (f).".

(2) OTHER INTERMEDIATE SANCTIONS FOR MISCELLANEOUS PROGRAM VIOLATIONS.—Section 1876(i)(6) of such Act (42 U.S.C. 1395mm(i)(6)) is amended by adding at the end the following new subparagraph:

"(C) In the case of an eligible organization for which the Secretary makes a determination under paragraph (1) the basis of which is not described in subparagraph (A), the Secretary may apply the following intermediate sanctions:

"(i) Civil money penalties of not more than $25,000 for each determination under paragraph (1) if the deficiency that is the basis of the determination has directly adversely affected (or has the substantial likelihood of adversely affecting) an individual covered under the organization's contract.

"(ii) Civil money penalties of not more than $10,000 for each week beginning after the initiation of procedures by the Secretary under paragraph (9) during which the deficiency that is the basis of a determination under paragraph (1) exists.

"(iii) Suspension of enrollment of individuals under this section after the date the Secretary notifies the organization of a determination under paragraph (1) and until the Secretary is satisfied that the deficiency that is the basis for the determination has been corrected and is not likely to recur.".

(3) PROCEDURES FOR IMPOSING SANCTIONS.—Section 1876(i) of such Act (42 U.S.C. 1395mm(i)) is amended by adding at the end the following new paragraph:

"(9) The Secretary may terminate a contract with an eligible organization under this section or may impose the intermediate sanctions described in paragraph (6) on the organization in accordance with formal investigation and compliance procedures established by the Secretary under which—

"(A) the Secretary provides the organization with the opportunity to develop and implement a corrective action plan to correct the deficiencies that were the basis of the Secretary's determination under paragraph (1);

"(B) in deciding whether to impose sanctions, the Secretary considers aggravating factors such as whether an entity has a history of deficiencies or has not taken action to correct deficiencies the Secretary has brought to their attention;

"(C) there are no unreasonable or unnecessary delays between the finding of a deficiency and the imposition of sanctions; and

"(D) the Secretary provides the organization with reasonable notice and opportunity for hearing (including the right to appeal an initial decision) before imposing any sanction or terminating the contract.".

(4) CONFORMING AMENDMENTS.—Section 1876(i)(6)(B) of such Act (42 U.S.C. 1395mm(i)(6)(B)) is amended by striking the second sentence.

(b) AGREEMENTS WITH PEER REVIEW ORGANIZATIONS.—

(1) REQUIREMENT FOR WRITTEN AGREEMENT.—Section 1876(i)(7)(A) of the Social Security Act (42 U.S.C. 1395mm(i)(7)(A)) is amended by striking "an agreement" and inserting "a written agreement".

(2) DEVELOPMENT OF MODEL AGREEMENT.—Not later than July 1, 1995, the Secretary shall develop a model of the agreement that an eligible organization with a risk-sharing contract under section 1876 of the Social Security Act must enter into with an entity providing peer review services with respect to services provided by the organization under section 1876(i)(7)(A) of such Act.

(3) REPORT BY GAO.—

(A) STUDY.—The Comptroller General of the United States shall conduct a study of the costs incurred by eligible organizations with risk-sharing contracts under section 1876(b) of such Act of complying with the requirement of entering into a written agreement with an entity providing peer review services with respect to services provided by the organization, together with an analysis of how information generated by such entities is used by the Secretary to assess the quality of services provided by such eligible organizations.

(B) REPORT TO CONGRESS.—Not later than July 1, 1997, the Comptroller General shall submit a report to the Committee on Ways and Means and the Committee on Energy and Commerce of the House of Representatives and the Committee on Finance and the Special Committee on Aging of the Senate on the study conducted under subparagraph (A).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to contract years beginning on or after January 1, 1995.

SEC. __17. EFFECTIVE DATE.

The amendments made by this part shall take effect January 1, 1995.

PART 3—ADMINISTRATIVE AND MISCELLANEOUS PROVISIONS

SEC. ___21. ESTABLISHMENT OF THE HEALTH CARE FRAUD AND ABUSE DATA COLLECTION PROGRAM.

(a) GENERAL PURPOSE.—Not later than January 1, 1995, the Secretary shall establish a national health care fraud and abuse data collection program for the reporting of final adverse actions (not including settlements in which no findings of liability have been made) against health care providers, suppliers, or practitioners as required by subsection (b), with access as set forth in subsection (c).

(b) REPORTING OF INFORMATION.—

(1) IN GENERAL.—Each government agency and health plan shall report any final adverse action (not including settlements in which no findings of liability have been made) taken against a health care provider, supplier, or practitioner.

(2) INFORMATION TO BE REPORTED.—The information to be reported under paragraph (1) includes:

(A) The name of any health care provider, supplier, or practitioner who is the subject of a final adverse action.

(B) The name (if known) of any health care entity with which a health care provider, supplier, or practitioner is affiliated or associated.

(C) The nature of the final adverse action.

(D) A description of the acts or omissions and injuries upon which the final adverse action was based, and such other information as the Secretary determines by regulation is required for appropriate interpretation of information reported under this section.

(3) CONFIDENTIALITY.—In determining what information is required, the Secretary shall include procedures to assure that the privacy of individuals receiving health care services is appropriately protected.

(4) TIMING AND FORM OF REPORTING.—The information required to be reported under this subsection shall be reported regularly (but not less often than monthly) and in such form and manner as the Secretary prescribes. Such information shall first be required to be reported on a date specified by the Secretary.

(5) TO WHOM REPORTED.—The information required to be reported under this subsection shall be reported to the Secretary.

(c) DISCLOSURE AND CORRECTION OF INFORMATION.—

(1) DISCLOSURE.—With respect to the information about final adverse actions (not including settlements in which no findings of liability have been made) reported to the Secretary under this section respecting a health care provider, supplier, or practitioner, the Secretary shall, by regulation, provide for—

(A) disclosure of the information, upon request, to the health care provider, supplier, or licensed practitioner, and

(B) procedures in the case of disputed accuracy of the information.

(2) CORRECTIONS.—Each Government agency and health plan shall report corrections of information already reported about any final adverse action taken against a health care provider, supplier, or practitioner, in such form and manner that the Secretary prescribes by regulation.

(d) ACCESS TO REPORTED INFORMATION.—

(1) AVAILABILITY.—The information in this database shall be available to Federal and State government agencies and health plans pursuant to procedures that the Secretary shall provide by regulation.

(2) FEES FOR DISCLOSURE.—The Secretary may establish or approve reasonable fees for the disclosure of information in this database. The amount of such a fee may not exceed the costs of processing the requests for disclosure and of providing such information. Such fees shall be available to the Secretary or, in the Secretary's discretion to the agency designated under this section to cover such costs.

(e) PROTECTION FROM LIABILITY FOR REPORTING.—No person or entity, including the agency designated by the Secretary in subsection (b)(5) shall be held liable in any civil action with respect to any report made as required by this section, without knowledge of the falsity of the information contained in the report.

(f) DEFINITIONS AND SPECIAL RULES.—For purposes of this section:

(1) The term "final adverse action" includes:

(A) Civil judgments against a health care provider in Federal or State court related to the delivery of a health care item or service.

(B) Federal or State criminal convictions related to the delivery of a health care item or service.

(C) Actions by Federal or State agencies responsible for the licensing and certification of health care providers, suppliers, and licensed health care practitioners, including—

(i) formal or official actions, such as revocation or suspension of a license (and the length of any such suspension), reprimand, censure or probation,

(ii) any other loss of license of the provider, supplier, or practitioner, by operation of law, or

(iii) any other negative action or finding by such Federal or State agency that is publicly available information.

(D) Exclusion from participation in Federal or State health care programs.

(E) Any other adjudicated actions or decisions that the Secretary shall establish by regulation.

(2) The terms "licensed health care practitioner", "licensed practitioner", and "practitioner" mean, with respect to a State, an individual who is licensed or otherwise authorized by the State to provide health care services (or any individual who, without authority holds himself or herself out to be so licensed or authorized).

(3) The term "health care provider" means a provider of services as defined in section 1861(u) of the Social Security Act, and any entity, including a health maintenance organization, group medical practice, or any other entity listed by the Secretary in regulation, that provides health care services.

(4) The term "supplier" means a supplier of health care items and services described in section 1819(a) and (b), and section 1861 of the Social Security Act.

(5) The term "Government agency" shall include:

(A) The Department of Justice.

(B) The Department of Health and Human Services.

(C) Any other Federal agency that either administers or provides payment for the delivery of health care services, including, but not limited to the Department of Defense and the Veterans' Administration.

(D) State law enforcement agencies.

(E) State medicaid fraud and abuse units.

(F) Federal or State agencies responsible for the licensing and certification of health care providers and licensed health care practitioners.

(6) The term "health plan" has the meaning given to such term by section 1128(i) of the Social Security Act.

(7) For purposes of paragraph (2), the existence of a conviction shall be determined under paragraph (4) of section 1128(j) of the Social Security Act.

(g) CONFORMING AMENDMENT.—Section 1921(d) of the Social Security Act is amended by inserting "and section ___21 of subtitle ___ of the Labor, HHS, and Education Act of 1985" after "section 422 of the Health Care Quality Improvement Act of 1986".

PART 4—CIVIL MONETARY PENALTIES

SEC. ___31. CIVIL MONETARY PENALTIES.

(a) GENERAL CIVIL MONETARY PENALTIES.—Section 1128A of the Social Security Act (42 U.S.C. 1320a-7a) is amended as follows:

(1) In subsection (a)(1), by inserting "or of any health plan (as defined in section 1128(i)),' after "subsection (i)(1)),".

(2) In subsection (b)(1)(A), by inserting "or under a health plan" after "title XIX".

(3) In subsection (f)—

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

(B) by inserting after paragraph (2) the following new paragraphs:

"(3) With respect to amounts recovered arising out of a claim under a health plan, the portion of such amounts as is determined to have been paid by the plan shall be repaid to the plan, and the portion of such amounts attributable to the amounts recovered under this section by reason of the amendments made by Subtitle ___ of the Labor, HHS, and Education Act of 1985 (as estimated by the Secretary) shall be deposited into the Health Care Fraud and Abuse Control Account established under section ___01(b) of such Act.".

(4) In subsection (i)—

(A) in paragraph (2), by inserting "or under a health plan" before the period at the end, and

(B) in paragraph (5), by inserting "or under a health plan" after "or XX".

(b) PROHIBITION AGAINST OFFERING INDUCEMENTS TO INDIVIDUALS ENROLLED UNDER PROGRAMS OR PLANS.—

(1) OFFER OF REMUNERATION.—Section 1128A(a) of the Social Security Act (42 U.S.C. 1320a-7a(a)) is amended—

(A) by striking "or" at the end of paragraph (1)(D);

(B) by striking ", or" at the end of paragraph (2) and inserting a semicolon;

(C) by striking the semicolon at the end of paragraph (3) and inserting "; or"; and

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

"(4) offers to or transfers remuneration to any individual eligible for benefits under title XVIII of this Act, or under a State health care program (as defined in section 1128(h)) that such person knows or should know is likely to influence such individual to order or receive from a particular provider, practitioner, or supplier any item or service for which payment may be made, in whole or in part, under title XVIII, or a State health care program;".

(2) REMUNERATION DEFINED.—Section 1128A(i) of such Act (42 U.S.C. 1320a-7a(i)) is amended by adding the following new paragraph:

"(6) The term 'remuneration' includes the waiver of coinsurance and deductible amounts (or any part thereof), and transfers of items or services for free or for other than fair market value. The term 'remuneration' does not include—

"(A) the waiver of coinsurance and deductible amounts by a person, if—

"(i) the waiver is not offered as part of any advertisement or solicitation;

"(ii) the person does not routinely waive coinsurance or deductible amounts; and

"(iii) the person—

"(I) waives the coinsurance and deductible amounts after determining in good faith that the individual is in financial need;

"(II) fails to collect coinsurance or deductible amounts after making reasonable collection efforts; or

"(III) provides for any permissible waiver as specified in section 1128B(b)(3) or in regulations issued by the Secretary;

"(B) differentials in coinsurance and deductible amounts as part of a benefit plan design as long as the differentials have been disclosed in writing to all third party payors to whom claims are presented and as long as the differentials meet the standards as defined in regulations promulgated by the Secretary; or

"(C) incentives given to individuals to promote the delivery of preventive care as determined by the Secretary in regulations.".

(c) EXCLUDED INDIVIDUAL RETAINING OWNERSHIP OR CONTROL INTEREST IN PARTICIPATING ENTITY.—Section 1128A(a) of the Social Security Act (42 U.S.C. 1320a-7a(a)), as amended by subsection (b), is further amended—

(1) by striking "or" at the end of paragraph (3);

(2) by striking the semicolon at the end of paragraph (4) and inserting "; or"; and

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

"(5) in the case of a person who is not an organization, agency, or other entity, is excluded from participating in a program under title XVIII or a State health care program in accordance with this subsection or under section 1128 and who, at the time of a violation of this subsection, retains a direct or indirect ownership or control interest of 5 percent or more, or an ownership or control interest (as defined in section 1124(a)(3)) in, or who is an officer, director, agent, or managing employee (as defined in section 1126(b)) of, an entity that is participating in a program under title XVIII or a State health care program;".

(d) MODIFICATIONS OF AMOUNTS OF PENALTIES AND ASSESSMENTS.—Section 1128A(a) of the Social Security Act (42 U.S.C. 1320a-7a(a)), as amended by subsections (b) and (c), is amended in the matter following paragraph (6)—

(1) by striking "$2,000" and inserting "$10,000";

(2) by inserting "; in cases under paragraph (4), $10,000 for each such offer or transfer; in cases under paragraph (5), $10,000 for each day the prohibited relationship occurs; in cases under paragraph (6) or (7), $10,000 per violation" after "false or misleading information was given";

(3) by striking "twice the amount" and inserting "3 times the amount"; and

(4) by inserting "(or, in cases under paragraph (4), 3 times the amount of the illegal remuneration)" after "for each such item or service".

(e) CLAIM FOR ITEM OR SERVICE BASED ON INCORRECT CODING OR MEDICALLY UNNECESSARY SERVICES.—Section 1128A(a)(1) of the Social Security Act (42 U.S.C. 1320a-7a(a)(1)) is amended—

(1) in subparagraph (A) by striking "claimed," and inserting the following: "claimed, including any person who repeatedly presents or causes to be presented a claim for an item or service that is based on a code that the person knows or should know will result in a greater payment to the person than the code the person knows or should know is applicable to the item or service actually provided,";

(2) in subparagraph (C), by striking "or" at the end;

(3) in subparagraph (D), by striking "; or" and inserting ", or"; and

(4) by inserting after subparagraph (D) the following new subparagraph:

"(E) is for a medical or other item or service that a person repeatedly knows or should know is not medically necessary; or".

(f) PERMITTING SECRETARY TO IMPOSE CIVIL MONETARY PENALTY.—Section 1128A(b) of the Social Security Act (42 U.S.C. 1320a-7a(a)) is amended by adding the following new paragraph:

"(3) Any person (including any organization, agency, or other entity, but excluding a beneficiary as defined in subsection (i)(5)) who the Secretary determines has violated section 1128B(b) of this title shall be subject to a civil monetary penalty of not more than $10,000 for each such violation. In addition, such person shall be subject to an assessment of not more than twice the total amount of the remuneration offered, paid, solicited, or received in violation of section 1128B(b). The total amount of remuneration subject to an assessment shall be calculated without regard to whether some portion thereof also may have been intended to serve a purpose other than one proscribed by section 1128B(b).".

(g) SANCTIONS AGAINST PRACTITIONERS AND PERSONS FOR FAILURE TO COMPLY WITH STATUTORY OBLIGATIONS.—Section 1156(b)(3) of the Social Security Act (42 U.S.C. 1320c-5(b)(3)) is amended by striking "the actual or estimated cost" and inserting the following: "up to $10,000 for each instance".

(h) PROCEDURAL PROVISIONS.—Section 1876(i)(6) of such Act (42 U.S.C. 1395mm(i)(6)) is further amended by adding at the end the following new subparagraph:

"(D) The provisions of section 1128A (other than subsections (a) and (b)) shall apply to a civil money penalty under subparagraph (A) or (B) in the same manner as they apply to a civil money penalty or proceeding under section 1128A(a).".

(i) EFFECTIVE DATE.—The amendments made by this section shall take effect January 1, 1995.

PART 5—AMENDMENTS TO CRIMINAL LAW

SEC. ___41. HEALTH CARE FRAUD.

(a) IN GENERAL.—

(1) FINES AND IMPRISONMENT FOR HEALTH CARE FRAUD VIOLATIONS.—Chapter 63 of title 18, United States Code, is amended by adding at the end the following new section:

"§ 1347. Health care fraud

"(a) Whoever knowingly executes, or attempts to execute, a scheme or artifice—

"(1) to defraud any health plan or other person, in connection with the delivery of or payment for health care benefits, items, or services; or

"(2) to obtain, by means of false or fraudulent pretenses, representations, or promises, any of the money or property owned by, or under the custody or control of, any health plan, or person in connection with the delivery of or payment for health care benefits, items, or services;

shall be fined under this title or imprisoned not more than 10 years, or both. If the violation results in serious bodily injury (as defined in section 1365(g)(3) of this title), such person shall be imprisoned for any term of years.

"(b) For purposes of this section, the term 'health plan' has the same meaning given such term in section 1128(i) of the Social Security Act.".

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 63 of title 18, United States Code, is amended by adding at the end the following:

"1347. Health care fraud.".

(b) CRIMINAL FINES DEPOSITED IN THE HEALTH CARE FRAUD AND ABUSE CONTROL ACCOUNT.—The Secretary of the Treasury shall deposit into the Health Care Fraud and Abuse Control Account established under section ___01(b) an amount equal to the criminal fines imposed under section 1347 of title 18, United States Code (relating to health care fraud).

SEC. ___42. FORFEITURES FOR FEDERAL HEALTH CARE OFFENSES.

(a) IN GENERAL.—Section 982(a) of title 18, United States Code, is amended by adding after paragraph (5) the following new paragraph:

"(6)(A) The court, in imposing sentence on a person convicted of a Federal health care offense, shall order the person to forfeit property, real or personal, that—

"(i) is used in the commission of the offense if the offense results in a financial loss or gain of $50,000 or more; or

"(ii) constitutes or is derived from proceeds traceable to the commission of the offense.

"(B) For purposes of this paragraph, the term 'Federal health care offense' means a violation of, or a criminal conspiracy to violate—

"(i) section 1347 of this title;

"(ii) section 1128B of the Social Security Act;

"(iii) sections 287, 371, 664, 666, 1001, 1027, 1341, 1343, or 1954 of this title if the violation or conspiracy relates to health care fraud; and

"(iv) section 501 or 511 of the Employee Retirement Income Security Act of 1974, if the violation or conspiracy relates to health care fraud.".

(b) PROPERTY FORFEITED DEPOSITED IN HEALTH CARE FRAUD AND ABUSE CONTROL ACCOUNT.—The Secretary of the Treasury shall deposit into the Health Care Fraud and Abuse Control Account established under section ___01(b) an amount equal to amounts resulting from forfeiture of property by reason of a Federal health care offense pursuant to section 982(a)(6) of title 18, United States Code.

SEC. ___43. INJUNCTIVE RELIEF RELATING TO FEDERAL HEALTH CARE OFFENSES.

Section 1345(a)(1) of title 18, United States Code, is amended—

(1) by striking "or" at the end of subparagraph (A);

(2) by inserting "or" at the end of subparagraph (B); and

(3) by adding at the end the following:

"(C) committing or about to commit a Federal health care offense (as defined in section 982(a)(6)(B) of this title);".

PART 6—PAYMENTS FOR STATE HEALTH CARE FRAUD CONTROL UNITS

SEC. ___51. ESTABLISHMENT OF STATE FRAUD UNITS.

(a) ESTABLISHMENT OF HEALTH CARE FRAUD AND ABUSE CONTROL UNIT.—The Governor of each State shall, consistent with State law, establish and maintain in accordance with subsection (b) a State agency to act as a Health Care Fraud and Abuse Control Unit for purposes of this part.

(b) DEFINITION.—In this section, a "State Fraud Unit" means a Health Care Fraud and Abuse Control Unit designated under subsection (a) that the Secretary certifies meets the requirements of this part.

SEC. ___52. REQUIREMENTS FOR STATE FRAUD UNITS.

(a) IN GENERAL.—The State Fraud Unit must—

(1) be a single identifiable entity of the State government;

(2) be separate and distinct from any State agency with principal responsibility for the administration of any Federally-funded or mandated health care program;

(3) meet the other requirements of this section.

(b) SPECIFIC REQUIREMENTS DESCRIBED.—The State Fraud Unit shall—

(1) be a Unit of the office of the State Attorney General or of another department of State government which possesses statewide authority to prosecute individuals for criminal violations;

(2) if it is in a State the constitution of which does not provide for the criminal prosecution of individuals by a statewide authority and has formal procedures, (A) assure its referral of suspected criminal violations to the appropriate authority or authorities in the State for prosecution, and (B) assure its assistance of, and coordination with, such authority or authorities in such prosecutions; or

(3) have a formal working relationship with the office of the State Attorney General or the appropriate authority or authorities for prosecution and have formal procedures (including procedures for its referral of suspected criminal violations to such office) which provide effective coordination of activities between the Fraud Unit and such office with respect to the detection, investigation, and prosecution of suspected criminal violations relating to any Federally-funded or mandated health care programs.

(c) STAFFING REQUIREMENTS.—The State Fraud Unit shall—

(1) employ attorneys, auditors, investigators and other necessary personnel; and

(2) be organized in such a manner and provide sufficient resources as is necessary to promote the effective and efficient conduct of State Fraud Unit activities.

(d) COOPERATIVE AGREEMENTS; MEMORANDA OF UNDERSTANDING.—The State Fraud Unit shall have cooperative agreements with—

(1) Federally-funded or mandated health care programs;

(2) similar Fraud Units in other States, as exemplified through membership and participation in the National Association of Medicaid Fraud Control Units or its successor; and

(3) the Secretary.

(e) REPORTS.—The State Fraud Unit shall submit to the Secretary an application and an annual report containing such information as the Secretary determines to be necessary to determine whether the State Fraud Unit meets the requirements of this section.

(f) FUNDING SOURCE; PARTICIPATION IN ALL-PAYER PROGRAM.—In addition to those sums expended by a State under section ___54(a) for purposes of determining the amount of the Secretary's payments, a State Fraud Unit may receive funding for its activities from other sources, the identity of which shall be reported to the Secretary in its application or annual report. The State Fraud Unit shall participate in the all-payer fraud and abuse control program established under section ___01.

SEC. ___53. SCOPE AND PURPOSE.

The State Fraud Unit shall carry out the following activities:

(1) The State Fraud Unit shall conduct a statewide program for the investigation and prosecution (or referring for prosecution) of violations of all applicable state laws regarding any and all aspects of fraud in connection with any aspect of the administration and provision of health care services and activities of providers of such services under any Federally-funded or mandated health care programs;

(2) The State Fraud Unit shall have procedures for reviewing complaints of the abuse or neglect of patients of facilities (including patients in residential facilities and home health care programs) that receive payments under any Federally-funded or mandated health care programs, and, where appropriate, to investigate and prosecute such complaints under the criminal laws of the State or for referring the complaints to other State agencies for action.

(3) The State Fraud Unit shall provide for the collection, or referral for collection to the appropriate agency, of overpayments that are made under any Federally-funded or mandated health care program and that are discovered by the State Fraud Unit in carrying out its activities.

SEC. ___54. PAYMENTS TO STATES.

(a) MATCHING PAYMENTS TO STATES.—Subject to subsection (c), for each year for which a State has a State Fraud Unit approved under section ___52(b) in operation the Secretary shall provide for a payment to the State for each quarter in a fiscal year in an amount equal to the applicable percentage of the sums expended during the quarter by the State Fraud Unit.

(b) APPLICABLE PERCENTAGE DEFINED.—

(1) IN GENERAL.—In subsection (a), the "applicable percentage" with respect to a State for a fiscal year is—

(A) 90 percent, for quarters occurring during the first 3 years for which the State Fraud Unit is in operation; or

(B) 75 percent, for any other quarters.

(2) TREATMENT OF STATES WITH MEDICAID FRAUD CONTROL UNITS.—In the case of a State with a State medicaid fraud control in operation prior to or as of the date of the enactment of this Act, in determining the number of years for which the State Fraud Unit under this part has been in operation, there shall be included the number of years for which such State medicaid fraud control unit was in operation.

(c) LIMIT ON PAYMENT.—Notwithstanding subsection (a), the total amount of payments made to a State under this section for a fiscal year may not exceed the amounts as authorized pursuant to section 1903(b)(3) * * *

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet at 9:30 a.m. on Tuesday, September 27, 1994, in executive session, to consider certain pending military nominations.

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

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the full Committee on Environment and Public Works be authorized to meet during the session of the Senate on Tuesday, September 27, 1994, beginning at 9:30 a.m., to conduct a business meeting to consider various agenda items.

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

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the full Committee on Environment and Public Works be authorized to meet during the session of the Senate on Tuesday, September 27, 1994, beginning at 10 a.m., to hear:

Frederic J. Hansen, to be nominated by the President to be Deputy Administrator of the Environment Protection Agency;

Kenneth Burton, David Michael Rappoport, and Anne J. Udall, Nominated by the President to be members of the Board of Trustees of the Morris K. Udall Scholarship and Excellence in National Environmental Policy Foundation;

Paul L. Hill, nominated by the President to be Chairperson and Member of the Chemical Safety and Hazard Investigation Board; and

Devra Lee Davis and Gerald V. Poje, nominated by the President to be Members of the Chemical Safety and Hazard Investigation Board

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

COMMITTEE ON FOREIGN RELATIONS

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the Committee on Foreign Relations, be authorized to meet during the session of the Senate on Tuesday, September 27, 1994, at 9:30 a.m. to hold nomination hearings on the following Ambassadorial appointments:

Mr. Robert E. Service, of California, to be Ambassador to the Republic of Paraguay.

Mr. Peter Jon de Vos, of Florida, to be Ambassador to the Republic of Costa Rica.

Mr. Jerome G. Cooper, of Alabama, to be Ambassador to Jamaica.

Mr. Gabriel Guerra-Mondragon, of the District of Columbia, to be Ambassador to the Republic of Chile.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the Committee on Foreign Relations, be authorized to meet during the session of the Senate on Tuesday, September 27, at 10 a.m. to hold a hearing on the convention on the elimination of all forms of discrimination against women—EX. R, 96-2.

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. METZENBAUM. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee for authority to meet on Tuesday, September 27, at 9:30 a.m. for a nomination hearing on Alice Rivlin to be Director, Office of Management and Budget.

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

SUBCOMMITEE ON EAST ASIAN AND PACIFIC AFFAIRS

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the Subcommittee on East Asian and Pacific Affairs of the Committee on Foreign Relations, be authorized to meet during the session of the Senate on Tuesday, September 27, 1994, at 3 p.m. to hold a hearing on review of United States policy toward Taiwan.

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

ADDITIONAL STATEMENTS

NATIONAL HEAD INJURY FOUNDATION

• Mr. HARKIN. Mr. President, on June 24, 1994, my friend Tony Coelho, the Chair of the President's Committee on Employment of People With Disabilities, gave a powerful speech before the National Head Injury Foundation.

With respect to health care reform, Tony stated that six simple words sum up what is needed to achieve real health care reform: "no exceptions, no cancellations, and no conditions." I agree.

I also agree with Tony's position about the implementation of the Americans With Disabilities Act: "no excuses. Compliance is not optional. It is the law of the land and its observance is required."

I ask that Tony Coelho's speech be printed in the RECORD.

The statement follows:

SPEECH OF TONY COELHO, CHAIRMAN, PRESIDENT'S COMMITTEE ON EMPLOYMENT OF PEOPLE WITH DISABILITIES

Thanks for your generous introduction.

Like most speakers, I try before giving a talk to size up the audience and target my remarks to its interests. But sometimes it's hard to tell if you've succeeded.

After addressing one group recently, for example, a woman congratulated me by saying that my remarks were "truly superfluous."

She then urged me to have them published.

"Posthumously?" I asked. "The sooner the better!" She exclaimed with enthusiasm.

While I am no longer a Member of Congress I have not lost my enthusiasm for advocating on behalf of people with disabilities, and I am proud to be here as the new chairman of the President's Committee on Employment of People With Disabilities.

When the White House asked me how I could best serve the President and the administration I didn't have to give it a second thought.

I immediately responded that it would be as chairman of the President's committee—a position that would allow me to continue to fight for independence and equality for people with disabilities.

As a person with epilepsy—the result of a head injury—I have felt the sting of discrimination, I know what it is like to be patronized and ostracized. I didn't like it when it happened to me, and I don't want it to happen to anyone else, not ever again!

That's why this is more than just a job to me—it is the continuation of a calling that has become my personal ministry.

I didn't take the job to be a figurehead. I mean to get results and the President's committee offered the best vehicle for achieving what I want to see happen.

Thanks to Justin Dart, the committee has achieved a high level of visibility and respectability in the disability community. We are now ready to move to another level of accomplishment.

We are reviewing our programs, and reassessing our activities to assure that we produce measurable results and make real progress in halting discrimination against people with disabilities wherever it occurs.

In business we have a bottom line, and I intend as chairman to make the President's committee more accountable and more results oriented.

My agenda as chairman is based on the priorities identified by you and other disability leaders during "Operation People First"—the series of 60 statewide teleconferences conducted by the President's committee last year.

This dialog, as you know, resulted in a report to the President and Congress calling for a comprehensive national disability policy.

The issues of primary importance noted in the report are: Health care reform; ADA implementation; parity for mental health; employment; and long term care.

Before touching on some of these issues I want to say something about the power of advocacy from the perspective of someone who served 10 years in Congress and knows how the system works.

Advocacy is, above all, a personal matter, not something to be left to surrogates.

The most effective advocates are those who can "walk the walk and talk the talk." They have credibility and access and get attention and empathy for their cause because they tell it like it is. They've been there. They've lived it.

Their cause is not an abstraction, it is a passion.

Their personal experiences do more to help members visualize the problem than a bushel of statistics.

Not that statistics aren't needed to help size the scope of the problem. But numbers alone never tell the real story. National statistics are simply the accumulation of thousands of personal stories.

But people don't die and suffer by the thousands. They die and suffer one by one.

Personal anecdotes that touch the heart or prick the conscience are the ones that get the most action.

You can't buy the kind of commitment and dedication you get free from advocates.

Professional lobbyists can't provide it because they haven't walked in your shoes.

No lobbyist I've ever met—and I've known a few good ones—can make the case for insurance reform with the same dramatic impact of a distraught mother whose child has been refused coverage because the only treatment available is "experimental."

No lobbyist can express the rage and frustration of someone who has recovered from months in a coma only to find he cannot get the therapy he needs.

That's why it's so important that advocacy efforts be consumer driven and consumer directed, and that people with disabilities learn to speak for themselves.

There's an old Portuguese sailor's proverb that says: "In a storm, pray to God, but row to shore."

The message is clear: God helps those who help themselves. We can't rely on others to row the boat for us.

And we shouldn't ask others to represent us.

For the same reason that blacks run organizations representing African Americans and women run organizations dealing with women's issues, people with disabilities should run their own organizations.

We don't have to look outside ourselves for the talent and ability we need.

Forgive me for belaboring the point, but I think it's an important one and I feel the need to express it strong. The focus of your conference is not surprisingly, the issue of health care reform. I say not surprisingly because it clearly ranks as the most important priority of the disability community, and rightly so.

In terms of quality we have the world's best health care system. In terms of access, it may be the world's worst for people with disabilities, especially for people with head injuries who are so often denied coverage for the medical care and treatment needed to restore their skills, maximize their strengths, and compensate for weaknesses.

As you all know from news reports, President Clinton's health care reform plan is coming under heavy fire from special interests, and there is more and more talk in the air about "compromise". This is all the more reason to turn up our advocacy efforts another notch, to row as hard as we can, and, please, don't think you as an individual can't make a difference. You can!

Members of Congress pay close attention to what their constituents have to say. It doesn't take 700 letters or even 70 to get your representative's attention. Just seven healthfelt, handwritten letters on a subject from the folks back home is enough to get a Member to assign someone on staff to look into it and give him a report.

Health care reform is too complicated for me to deal with in much detail here, but what we want is not complicated at all. The message we need to deliver can be stated simply and directly without getting bogged down in details.

Six simple words sum up what is needed to achieve real reform: No exceptions; no cancellations; no conditions.

By definition, universal health care coverage must include everyone, and that includes parity for people with psychiatric problems. No legislation that leaves out 40 million Americans deserves to be called universal. We can't cut out nearly one sixth of the population and pretend to call it universal.

We can't ignore these 40 million Americans and we won't abandon them. If we allow them to be forgotten in the fight for health reform, we will have bought benefits for ourselves at the price of our pride and the sacrifice of our principles. We can't do that and we won't.

ADA implementation is our other top priority. Our position on this is even easier to summarize. It is: "No excuses." Compliance is not optional. It is the law of the land and it's observance is required.

I said "required," not requested." We won't back down and we won't debate. We rejected excuses in other civil rights struggles and we reject them now. Civil rights are not negotiable.

President Clinton is fully behind strict enforcement of ADA. He gave me his personal assurance of this when he asked me to chair the President's committee.

His support counts for a great deal in our fight for equality because our struggle has moved from the legislative arena to a new battleground—one where we hold the moral high ground.

Discrimination is an evil that has no place in America. It is morally unacceptable and personally reprehensible to most Americans. As chairman of the President's Committee on Employment of People with Disabilities, eliminating job discrimination is of special concern to me.

Millions of Americans with disabilities don't have a job and dim prospects for gainful employment. Although we represent nearly 20 percent of the population, we account for only 4.3 percent of the national workforce.

The overall unemployment rate for people with disabilities is nearly 24 percent, close to four times the national average. And it's worse, much worse, for people with severe disabilities. Nearly three-fourths are without jobs and unable to support themselves. We've got to fix that.

I personally believe that we can look forward to a big improvement in employment figures if we capitalize on the technological revolution.

I don't think we yet fully appreciate or understand the enormous influence the information superhighway will have on our everyday lives and what a great liberating factor it can be for all people with disabilities.

If we are ready to take advantage of new technology and put it to work for us, it will open doors and avenues to progress never before dreamed of by people with disabilities. If we don't, we'll be stuck on the road to nowhere and will have missed one of the greatest opportunities ever for increased independence.

One final thought I want to leave with you is this: Congress can pass laws till the cows come home, but what brings about real change is change in the mind and hearts of people. Legislation that captures the spirit of the times creates a tailwind that can bring about desired change faster than would otherwise be possible. It defines public policy, but it does not assure public acceptance.

We now have the law on our side. But to gain full compliance with ADA we need to get the public on our side and build broad-based support for the underlying principles of ADA. Not just because the law says so, but because it is the right thing to do.

Not just because you can be fined or sued for noncompliance, but because discrimination is not decent and it is un-American.

In its largest sense, our fight against discrimination is a plebiscite about who we are and what kind of a country we want to be.

It is more than a fight for the rights of people with disabilities. It is a struggle for the soul of America and the rights of all Americans. To energize America and remain true to our principles, we need to employ to the fullest the ability of all our citizens.

Finding work for those who want it, and providing care for those who need it, is a large agenda. But like our forefathers, we have a profound responsibility to turn a vision of equality and independence into reality for present and future generations of people with disabilities—a responsibility to make good on the American claim of liberty and justice for all.•

REPUBLIC OF CHINA

• Mr. KEMPTHORNE. Mr. President, on the eve of the Republic of China's National Day, I want to offer President Lee Teng-hui, Vice President Li Yuan-zu, Foreign Minister Frederick Chien, and the people of Taiwan, my congratulations and best wishes for the future. In addition, I want to wish the leaders of the Republic of China all of the best in their campaign to reenter the United Nations.

The exclusion of the Republic of China from the United Nations represents one of the anomalies of today's world. Although the Republic of China was a founding member of the United Nations, today it is denied membership in that world body. Throughout the 1950's and 1960's, the Republic of China on Taiwan adhered to all of the U.N. obligations and duties. Unfortunately, in 1971 the Republic of Taiwan was forced to withdraw from the United Nations and Communist China took the ROC's seat.

As a result of the United Nations' policy, the people of Taiwan are not represented at the United Nations. This is a clear violation of the United Nations principle of universal representation. It is a shame to keep the Republic of China out of the United Nations. The 21 million people of Taiwan are well educated, hard working, and prosperous. The Republic of China is ready to play an active and positive role at the United Nations but that help and support is rejected by the United Nations. That is a mistake and it is wrong.

Over the last 23 years, Mainland China has never had any jurisdiction over Taiwan. Indeed, Mainland China has never represented the 21 million people in the Republic of China on Taiwan.

Mr. President, I want to ask my colleagues to urge the administration to support the Republic of Taiwan's effort to reenter the United Nations and other international organizations. I know the people of Taiwan can contribute to these organizations and there is no justifiable reason to deny the Republic of Taiwan membership in these bodies.

And finally, I want to wish a fond farewell to the Republic of Taiwan's former representative to the United States, Ambassador Mou-Shih Ding. Ambassador Ding has just returned to Taipei to assume the new post of Secretary General of the ROC's National Security Council and I am sure he will do a fine job in his new position. In addition, I look forward to working with Ambassador Ding's replacement, Ambassador Benjamin Lu. I know Ambassador Lu will make a significant contribution to ties between Washington and Taipei and I very much look forward to working with him in support of this important relationship.•

VEGETABLE SOY INK PRINTING ACT OF 1994

• Mr. SIMON. Mr. President, I am an original cosponsor of S. 716, the Vegetable Ink Printing Act of 1994, introduced by Senator PAUL WELLSTONE here in the Senate. This bill is sound, practical policy, and is budget neutral. The Senate passed it earlier in the 103d Congress. The House made a few changes to the bill to provide Federal agencies administrative flexibility in complying with the law, but it is basically the same. I am hopeful that the Senate will do the right thing and pass S. 716 in the next few days.

I have long promoted the benefits of soy-based inks, and I was gratified to have been able to pioneer the use of soy-based ink in our Senate print shop. Soybean oil by now has proven itself a viable alternative to petroleum in the manufacture of printing inks. Soybean oil-based printing inks were developed by the American Newspaper Publishers Association after a second shortage of imported oil threatened many industries dependent on petroleum-based chemicals and refined oil products. Scientists at the National Center for Agricultural Utilization Research in Peoria, IL, have been working on new technologies in offset inks for now. Their effort has yielded a product that appeals to a larger share of the Nation's newspaper publishers.

Since 1987, soy ink has been successfully used by newspapers for both black and color printing. At the end of the first marketing year for soy ink, six newspapers were using it. One thousand newspapers had used it at the end

of its second year. On its third anniversary, soy ink was being used by one-third of the Nation's 9,100 newspapers, including one-half of the 1,700 U.S. daily newspapers. Usage has expanded because of the advantages soy ink has for agriculture, the environment, and for our economy.

This legislation follows the lead that several States have taken to promote the early growth of the market for soy inks. Along with Illinois, six States—Iowa, Minnesota, Missouri, Ohio, South Dakota, and Wisconsin—have legislation passed or pending that require use of soy ink on all printing jobs contracted by the State.

Soy ink is environmentally more benevolent because it is biodegradable. Soy ink also minimizes production of volatile organic compounds, which are being regulated in the workplace by the EPA and others. Petroleum ink violates these limits. This is one reason officials of the American Newspaper Publishers Association suggest that soy inks may be the solution to current and future environmental, health, and safety problems, associated with petroleum-based inks.

I commend my colleague from Minnesota for his leadership on this bill. And, I am hopeful that our colleagues in the Senate will support this measure.•

THE RETIREMENT OF CAROLE A. DiLODOVICO

• Mr. SARBANES. Mr. President, on September 30, Ms. Carole A. DiLodovico, an outstanding public servant will retire from the Federal Aviation Administration where she has served our Nation and State with distinction in all areas of the Office of Airports, headquarters, region, and Airports District Office. Currently, she is the supervisor of the Maryland and DC, section of the Washington Airports District Office.

Since becoming supervisor, Ms. DiLodovico has given tirelessly of herself and established a reputation as an expert in the application of the myriad of regulations, rules, procedures and guidance which govern and impact, or are impacted by airport aid legislation. Her expertise is often sought by people in the airline industry to help them troubleshoot or solve problems.

This expertise extends to dealing with people outside the aviation community. Carole has been successful in providing advice and counsel to airport neighbors, community groups and the general public on the goals and objectives of the airports.

Carole's success in dealing with her colleagues at the FAA and the community may partly be attributed to her belief in hands-on supervision. She has visited Maryland's publicly owned airports, as well as the privately owned ones in order to better relate to the needs of the aviation community.

Because of here exceptional talent and hard work, Carole has received many honors during the last several years. She was awarded the special achievement award from the FAA, Eastern Region, Airports Division and was recognized by the Virginia Department of Aviation for her contributions toward development of aviation in the State. Carole was also the first employee in the Eastern Region Airports Division to be selected to attend the Seminar for Prospective Women Managers.

Mr. President, I have had the opportunity to work with Carole on several occasions and I know, firsthand of her commitment to modernize and improve the airports of the region. I am pleased to have this opportunity to express my appreciation for her outstanding work at the FAA over the last 30 years and to wish her the very best in the years to come.•

TRIBUTE TO SAMUEL SNELLER

• Mr. DECONCINI. Mr. President, almost 50 years ago Theodore Roosevelt defined the word "success." "Real success," he said, "consists in doing one's duty well in the path where one's life is led." Sam Sneller lived Teddy Roosevelt's definition of success.

When he died last week at the age of 75, Sam had earned the reputation of a successful businessman. The small drapery company which he opened in my hometown of Tucson would grow from 1 to 32 employees under Sam's guidance and would spawn stores in five other cities. He also excelled as a developer, constructing retail centers and homes for over 450 Tucsonan families. His business acumen was lengendary—and so was his honesty. His business partner for over 17 years put it best:

> A handshake or his word was his bond. Once that was established, people who knew him, knew that what Sam Sneller said was what Sam Sneller was going to do.

But it was Sam's commitment to politics, and his genius in this avocation, for which he will be most remembered. Early in his life Sam made a decision which would impact the lives of countless others: A child of the Great Depression, Sam decided to become a Democrat. As he stated in a 1974 article, he believed it was the Government's role "to make sure everyone has a full belly and a place to sleep at night."

Sam was a master campaigner. Over three decades he raised millions of dollars for the Democratic Party and was a major player in electing Democrats to office in a State dominated by Republicans. Mr. President, I can attest to Sam's genius, because I was one of those Democrats. Sam was my fundraiser in my very first election as Pima County attorney. When I was first running for the U.S. Senate, back in 1977, no one else believed in me—except Sam and my family. He was a major player in my campaign and a major reason for my victory, unexpected by many.

Sam Sneller was generous, giving, with a keen sense of humor. He defined success by what he did and by the way he lived his life. He was a very close friend who will be sorely missed, not only by me but by all those whose lives he touched.•

ILLINOIS CONGRESSIONAL LEADERS

• Mr. SIMON. Mr. President, recently I had the chance to read an article on some former Illinois political leaders. The article was written by Philip Grant, Jr. It is a concise portrayal of eight members of the Illinois congressional delegation from 1945–1984.

The article highlights eight exceptional leaders. These men not only represented their districts and their State well, they were also well respected national leaders. They led the country through three major global conflicts, difficult domestic and foreign economic times and the civil rights movement. These Senators and Representatives helped to shape policies and programs during some very uncertain years. Each represented a large and diverse constituency and set new precedents through the policies and programs they authored. For this, their legacies will live on long after their terms expired. I urge my colleagues to read the article, "Illinois Congressional Leaders, 1945–1984," and I ask that it be printed in the RECORD.

The article follows:

[From the Illinois History, Apr. 1994]

ILLINOIS CONGRESSIONAL LEADERS, 1945–1984

(By Philip A. Grant, Jr.)

On January 3, 1945, the first session of the Seventy-Ninth Congress was called to order. Between the opening ceremonies on that date and the formal adjournment of the Ninety-Eighth Congress on October 12, 1984, the nation was destined to experience a substantial number and wide variety of serious domestic and international problems. It would be the responsibility of the House of Representatives and the United States Senate to propose solutions to many of the awesome challenges facing the United States during the eventful four decades from 1945 to 1984.

Among the hundreds of congressmen serving between 1945 and 1984 were the members of the Illinois delegation. Representing a populous and diverse state near the geographic center of the country, these ladies and gentlemen, like their colleagues from other parts of the nation, would address themselves to the disposition of numerous important bills, resolutions, and treaties.

Four veteran members of the House of Representatives from Illinois wielded considerable influence on Capitol Hill between 1945 and 1984. These individuals, spending an aggregate total of 145 years in Congress, were Republican Leo E. Allen of Galena and Democrats Adolph J. Sabath of Chicago, William L. Dawson of Chicago, and Melvin Price of East St. Louis.

Allen, representing a predominantly rural district wedged in the northwestern corner of Illinois, was elected by his constituents to fourteen consecutive terms in the House. A conservative Republican in every respect, Allen was a staunch isolationist on foreign policy questions and a vocal critic of the domestic initiatives of Democratic Presidents Franklin D. Roosevelt and Harry S Truman. Allen served as chairman of the powerful House Committee on Rules between 1947 and 1949, and again between 1953 and 1955. While presiding over the Rules Committee, Allen advocated legislation purposely designed to reverse or drastically curtail the New Deal and Fair Deal economic and social reforms of Roosevelt and Truman.

In sharp contrast to Allen, Sabath was the spokesman of one of the nation's most densely populated urban districts and compiled a well-documented record as an uncompromising liberal on every issue of consequence. Sabath's forty-six-year congressional career paralleled the administrations of eight presidents of the United States. Sabath strongly sympathized with the plight of immigrants, consistently championed the priorities of organized labor, and repeatedly urged passage of bills to promote racial equality and social justice. During twelve of his final fourteen years in the House, Sabath occupied the chairmanship of the Rules Committee. At the time of his death in 1952 Sabath had the distinction of being the senior member of Congress.

When he entered the house in 1943 Dawson was the only black member of Congress. Reelected by overwhelming margins to thirteen additional terms, Dawson steadfastly supported the policies of Democratic Presidents Roosevelt, Truman, John F. Kennedy, and Lyndon B. Johnson. From 1949 to 1953 and from 1955 to 1970, Dawson was chairman of the Committee on Government Operations, a panel having the explicit responsibility of overseeing the executive branch of the government. While heading the Government Operations Committee, Dawson was instrumental in the approval of the Reorganization Act of 1949, the establishment of a cabinet-level Department of Housing and Urban Development (HUD), and the creation of a mayor-council form of municipal government for the District of Columbia.

First elected to Congress while serving in the United States Army in 1944, Price altogether remained in the House for forty-four years. Price, as Chairman of the Committee on Standards of Official Conduct (Ethics) from 1967 to 1974, had the unpleasant task of conducting investigations into allegedly improper behavior of certain members of the House. Between 1975 and 1984 Price chaired the Committee on Armed Services, a unit having overall jurisdiction over the Pentagon. In the latter capacity Price guided to passage legislation terminating the American military presence in Vietnam and determining the extent of research and development of such weapons as the B-1 Bomber, the M-X Missile, and the Trident Submarine.

Also attaining genuine prominence in national affairs between 1945 and 1984 were four members of the United States from Illinois. They were Democrats Scott W. Lucas of Havana and Paul Douglas of Chicago and Republicans Charles H. Percy of Kenilworth and Everett M. Dirksen of Pekin.

Lucas, after completing two years as chairman of the Illinois Tax Commission, had initially been elected to the House of Representatives in 1934. Promoted to the Senate in 1938, Lucas was conspicuously involved in the legislative process during World War II and the early postwar period. Lucas was Assistant Majority Leader (Whip) from 1947 to 1949, and Majority Leader from 1949 to 1951. As floor leader, he assumed primary responsibility for the Democratic Party's legislative agenda, including bills affecting housing, social security, federal aid to education, and minimum wage; the authorization of a Fair Employment Practices Commission (FEPC); and the ratification of the North Atlantic Treaty (NATO).

Prior to his election to the first of three Senate terms in 1948, Douglas for more than a quarter of a century had been a professor of economics at the University of Chicago. Douglas was an issue-oriented liberal Democrat. As a longstanding member of the Committee on Banking and Currency, Douglas was closely identified with such key measures as the Housing Acts of 1961 and 1965, the Area Redevelopment (Depressed Areas) Act, and the Truth-in-Lending Bill. And, as chairman of the Joint Economic Committee, from 1955 to 1957, 1959 to 1961, and 1963 to 1965, Douglas engaged in sustained attempts to devise programs to stimulate economic growth.

Percy, who defeated Douglas in the 1966 Senate election, was regarded as a moderate Republican. While generally in accord with the positions of his party, Percy argued against the continuation of the Vietnam War, supported enactment of open housing legislation, and opposed the confirmations of two of Republican President Richard M. Nixon's Supreme Court nominees. Between 1981 and 1984 Percy was chairman of the prestigious Committee on Foreign Relations. During his tenure on the Foreign Relations Committee. Percy dealt with such major issues as the Panama Canal Treaty, the strategic arms limitation agreements (SALT), the nuclear freeze resolutions, and the role of the United States in resolving the complex difficulties plaguing the Middle East and Central America.

A member of the House of Representatives from 1933 to 1949, and the United States Senate from 1951 to 1969, Dirksen polled more popular votes than any other congressman in the history of the State of Illinois. Noted for his pragmatism and flexibility, Dirksen was an outstanding orator and a skilled legislative strategist. As Senate Republican Leader between 1959 and 1969, he loyally and effectively supported the policies of G.O.P. Presidents Dwight D. Eisenhower and Nixon. Furthermore, Dirksen, while serving on the Committee on the Judiciary, helped to shape three amendments to the Constitution, contributed to passage of five meaningful civil rights bills, and reviewed the qualifications of eleven appointees to the United States Supreme Court.

Both Democrats and Republicans were included within the ranks of the eight aforementioned congressman from Illinois. Obviously retaining the confidence of their constituents, these gentlemen emerged victorious in 104 of 107 races for seats in the House and Senate. Designated to hold positions of leadership in their respective political parties and chairing such organs as the Senate Foreign Relations Committee; the House Rules, Government Operations, and Armed Services Committees; and the Joint Economic Committee, the eight Illinois congressmen individually and collectively reflected great credit on their state and nation between 1945 and 1984.•

ORDERS FOR TOMORROW

Mr. METZENBAUM. Mr. President, on behalf of the majority leader, I ask unanimous consent that when the Senate completes its businesses today, it stand in recess until 10 a.m., Wednesday, September 28, that following the prayer, the Journal of proceedings be deemed approved to date and the time for the two leaders reserved for their use later in the day; that immediately thereafter the Senate proceed to the consideration of the conference report accompanying H.R. 4602, Department of Interior appropriations bill.

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

RECESS UNTIL TOMORROW AT 10 A.M.

Mr. METZENBAUM. Mr. President, if there is no further business to come before the Senate, and I see no other Senator seeking recognition, I now ask unanimous consent that the Senate stand in recess as previously ordered.

There being no objection, the Senate, at 8:21 p.m., recessed until Wednesday, September 28, 1994, at 10 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate September 27, 1994:

AMTRAK

THOMAS R. CARPER, OF DELAWARE, TO BE A MEMBER OF THE AMTRAK BOARD OF DIRECTORS FOR A TERM OF 4 YEARS.

CELESTE PINTO MCLAIN, OF CALIFORNIA, TO BE A MEMBER OF THE AMTRAK BOARD OF DIRECTORS FOR THE REMAINDER OF THE TERM EXPIRING MARCH 20, 1995.

CELESTE PINTO MCLAIN, OF CALIFORNIA, TO BE A MEMBER OF THE AMTRAK BOARD OF DIRECTORS FOR A TERM OF 4 YEARS.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

EXTENSIONS OF REMARKS

SENDING A MESSAGE OF FREE TRADE TO JAPAN

HON. MICHAEL A. ANDREWS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 27, 1994

Mr. ANDREWS of Texas. Mr. Speaker, I am very concerned about an issue of great importance to myself and many Members of Congress: the trade deficit with our trading partner, Japan.

This issue appears to be on-going and never-ending. Again, just last week, news of a 20-percent jump in the U.S. trade deficit sent the financial markets tumbling.

While our trade imbalance and the sometime anticompetitive practices exhibited by Japan seem endless, a consistent approach and the will to achieve our goals is needed. All too often in the past, United States negotiators have threatened to take unilateral action, and in response, the Japanese pledge to conduct a study or review procurement practices or reexamine its competition laws. Unfortunately, whatever the pledge, an agreement to take specific action evaluated by measurable criteria never materializes.

President Clinton and his trade negotiator, Ambassador Mickey Kantor, have worked diligently to break the cycle. The framework agreement reached last year insisted upon quantifiable criteria for measuring progress. Earlier this year, when the framework talks between the United States and Japan were not progressing, the President terminated the negotiations and Japan, threatened with sanctions in its cellular phone market, opened its closed market.

Mr. Speaker, we find ourselves at the very same crossroads. The President has set September 30, 1994, as a deadline for initiating Super 301 investigations against Japan. I believe that the U.S. negotiators should send the same strong message they sent earlier this year. The goals of U.S. trade policy will only be achieved through diplomatic, strong, consistent, and credible action.

Japan's closed flat-glass market provides the perfect case at this time for Super 301 action. Mr. Chairman, I have included an insightful editorial from the Washington Post which further explains the seriousness of a closed Japanese flat-glass market. Even though American flat-glass makers are globally competitive, with market shares approaching 25 percent in Europe and Latin America, the United States has less than 1 percent of Japan's $4.5 billion glass market. This minimal market share has continued to experience a year-to-year decline in absolute and percentage terms.

Unfortunately, a cartel of three Japanese companies has divided the market for two decades, maintaining steady market shares in a 5–3–2 ratio. Japan acknowledges the cartel, admitting in a Japan Fair Trade Commission report that there is a "state of monopoly by three makers, pricing by consensus, and creation of sales networks of distribution by each maker."

Most importantly, Japan promised in a 1992 action plan signed by President Bush and Prime Minister Miyazawa to "substantially increase market access for competitive foreign flat glass manufacturers." Regrettably, that promise has not been kept. Despite active bilateral negotiations, stretching over 2 years, Japan has failed to take meaningful action and remains in violation of our trade agreement.

Mr. Speaker, this is a crucial time and I believe that the time has come for the administration to seriously consider using Super 301 to open Japan's flat-glass industry. In a time when the General Agreement on Tariffs and Trade is on every country's agenda, it is vitally important that the United States emphasize the importance of honoring trade agreements.

Mr. Speaker, I urge the administration to send a clear message to the Japanese that unless they open their flat-glass market, the United States will initiate a Super 301 investigation.

COUNTDOWN WITH JAPAN

[Clyde V. Prestowitz Jr. and Alan Tonelson]

President Clinton has just moved to preserve his credibility in Haiti, but his resolve is being challenged on another front—continuing trade problems with Japan. At stake here, however, is not only the president's reputation but some of his best hopes for creating good jobs and sustaining economic growth.

The president has set a Sept. 30 deadline for deciding whether United States and Japanese negotiators have made adequate progress in opening up Japanese markets, or whether the United States will have to take action to ensure that U.S. companies are not disadvantaged in those markets.

Powerful voices in Tokyo, in the media, on Wall Street and even in his own administration want him to let the deadline pass. They would rely on forces such as exchange rates and Japanese reformers to solve the trade problems—whose importance they generally pooh-pooh or dismiss altogether. They portray any possible trade action—and indeed the president's original decision to seek measurable results in trade talks with Tokyo—as scapegoating Japan for our own home-grown economic problems and as thinly disguised protectionism. And they blame the administration's flirtation with "managed trade" for the dollar's recent problems.

But these arguments blame the victim, ignore the serious costs imposed on the U.S. and world economies by Japanese protectionism and forget the keys to successful negotiating. They should be ignored.

President Clinton instead needs to remember that he and all his recent predecessors here tried negotiating the reduction of Japanese trade barriers because for decades they have unjustifiably hurt not only American companies and workers but their Asian and European counterparts as well. They have limited job creation, depressed wages and prevented highly competitive non-Japanese businesses from realizing economies of scale and amortizing investments.

These costs are much higher than most economists recognize; a recent study by the Economic Strategy Institute shows that Japan's barriers are depressing U.S. exports by $50 billion annually, preventing the creation of as many as a million jobs and depressing world economic output by $400 billion a year.

The president needs to remember that the traditional approaches to Japanese trade issues have had no discernible effect on the trade balance. Not even the yen's dramatic rise since 1985 has helped. In fact, the currency markets' reaction to the latest monthly trade figures shows that the continuing deficits, and not the president's trade policy, are largely responsible for exchange rate volatility and the weakening of the dollar. How else can the markets react to the prospect of huge current account imbalances with no end in sight?

More sobering, American industry's remarkable across-the-board competitive comeback in recent years hasn't affected the trade balance either. American goods have never had bigger price advantage in Japan, and as all economists agree, their quality has not compared as well for many years. yet the bilateral deficit this year threatens to break $60 billion—a new record.

The president should remember that he has a strong case to make. Indeed, although autos and auto parts still account for most of the deficit, he can make many strong cases. Take the flat glass industry. The $4.5 billion Japanese market is the world's second largest. Japanese production costs in this capital-intensive industry are kept among the world's highest by traditionally high energy costs. And Japan has lagged in developing and using technologically advanced glass products like insulating glass, laminated safety glass, and high-performance glass coatings. U.S. and European firms dominate these product areas.

Yet, in 1993, glass imports accounted for just 3 percent of the Japanese market—a level much lower than in any industrialized country. The main reason: Japan's market is a cartel, divided among three major Japanese producers who have held virtually constant share for 20 years and have tightly controlled distribution channels.

The president also must remember that, whether in trade policy or private business, negotiating endlessly without specifying consequences for noncompliance and without following through usually leads nowhere and destroys credibility in the process. The rest of the world, moreover, is watching. If the United States simply accepts Japanese intransigence, how will it succeed in opening markets in China—whose surplus with America will approach $25 billion this year—or in other mercantilist countries?

Finally, the president should keep in mind that the Japanese themselves have agreed to seek trade solutions that can be measured in some way.

Of course, the president has many options for responding to Japanese barriers other than those afforded by the 301 or Title VII

sections of U.S. trade laws. He could emulate the French and force all Japanese products to enter the country through a single customs house. He could emulate the Japanese themselves and require their products to undergo the same Mickey Mouse inspections to which American products sold in Japan are subjected.

The stand-patters rightly argue that such practices are neither "legal" or "transparent" and thus patently unfair. But they object to the president's legal remedies as well. They should simply admit that they don't care about solving America's Japan trade problem.

The president, however, has to care. If negotiations do not succeed, he will have no choice but to use the remedies provided by U.S. trade laws. Far from representing protectionism, these measures seek to open foreign markets by dealing directly with barriers to access. He should focus on the most egregious problems—cartelized industries, controlled distribution systems and unfair government procurement practices. If the United States won't press such open-and-shut cases, what economic interests will we defend? How can we maintain the value of our currency and the stability of financial markets if we allow U.S. industry to compete under disadvantageous conditions? And what kind of message will we be sending to the rest of the world?

DEDICATION OF THE LESTER L. WOLFF FLIGHT FACILITY

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 27, 1994

Mr. GILMAN. Mr. Speaker, earlier today I had the distinct honor and privilege of participating in the dedication ceremony of the new Lester L. Wolff Flight Facility at Andrews Air Force Base. This facility will be the headquarters of the congressional squadron of the Civil Air Patrol, organized in 1967 by our former colleague from New York, Mr. Wolff.

Mr. Speaker, it is indeed fitting that this facility has been named in honor or our former colleague, for he has been the motivating force behind the organization of the squadron. He not only founded the congressional squadron, he virtually singlehandedly maintained the interest which this body has had in the squadron ever since.

The program marking the dedication of the facility was quite impressive. Highly appropriate remarks were delivered by: Lt. Col. Patrick Carpentier, the chief of staff of the congressional squadron; by Lt. Col. Alva R. Appel, the squadron chaplain; and by Bryan E. Sharratt, the Deputy Assistant Secretary of the U.S. Air Force for Reserve Affairs.

Perhaps the most gratifying portion of the program, however, was the fact that Mr. Wolff, as active and as involved as ever, was present to be with us for this long overdue recognition of his talents.

All too often, we neglect to afford proper recognition to those whose achievements were above and beyond the call of duty until they are no longer with us. Fortunately, this was not the case with Congressman Wolff, and he was on hand to appreciate just how much we have appreciated his work.

Mr. Speaker, since as vice commander of the Congressional squadron I was afforded the singular honor of announcing the actual dedication and unveiling the plaque, I ask that the remarks I delivered on this sterling occasion be inserted into the RECORD.

Mr. Speaker, I also ask that the inspirational speech delivered by our commander, the Senator from Iowa [Mr. HARKIN] be also inserted at this point in the RECORD:

SPEECH BY REP. BENJAMIN A. GILMAN

Ladies and Gentlemen: I cannot tell you what a special honor it is to be here today as we pay tribute to one of the most outstanding, legislators it has been my privilege to work with. For 18 years, Lester L. Wolff was one of the hardest working, dedicated, and committed members of Congress.

When I first came to Congress, in 1972, Lester Wolff was already here for 10 years, keeping my seat warm for me. In the mid 1970's, Lester and I worked together to found the House Select Committee on Narcotics Abuse and Control. We must remember: this was an era when few people were concerned about the impact drugs were making on our society, especially our youth. Our comedians used to tell jokes about drug use, and our movies portrayed the pusher as the good guy. Lester Wolff knew that this just wasn't right, and his determined leadership of that committee helped convince first the Congress, then the people, that drugs were a serious threat to our society, and were no laughing matter.

His enthusiasm in Congress carried over into the creation of the Congressional Squadron of the Civil Air Patrol. As a charter member of C.A.P., Lester knew the needs of C.A.P. and provided strong support for C.A.P. within Congress to insure that those needs were met.

He personally shepherded through Congress legislation enhancing the Civil Air Patrol. To broaden a better understanding of C.A.P. among his congressional colleagues, Lester personally recruited many Members of Congress into his squadron. There is no question that the wide acceptance and appreciation of the work of the Civil Air Patrol by the Congress today is due to the personal efforts of Lester Wolff.

This day is a very fitting tribute to Lester. His presence here to personally hear the tributes to him makes this day all the more significant to us. Too many times, people are taken from us before their contributions are recognized. We are fortunate that this was not the case with Lester Wolff, for he is here to hear us proclaim how much we appreciate him.

This facility can bear the name of only one person, whose contributions have been unique and tireless, Lester L. Wolff.

Will you please now unveil the plaque?

REMARKS BY SENATOR TOM HARKIN

I am very pleased to join you today in honoring Congressman Lester Wolff and in dedicating the Congressional squadron's new hangar. By naming this hangar the "Lester Wolff Flight Facility" we recognize his 53 years of dedicated Civil Air Patrol public service.

Lester Wolff has been in the Civil Air Patrol since its inception. In late 1941, as the Civil Air Patrol was being hastily created, he helped form one of the first operational units in New York. Later, when the U.S. military was unable to stop the deadly German U-Boat attacks off the Atlantic Coast, he was among the first to volunteer to fly anti-submarine missions in small civilian aircraft. His courageous efforts resulted in the possible sinking of at least one German submarine. After the war he worked with the CAP cadet program and was instrumental in establishing CAP's first International Air Cadet Exchange between the New York Wing and Canada.

His most important service to the Civil Air Patrol, however, came much later. In 1964, Lester was elected to the House of Representatives where he served with distinction for 16 years. He was Chairman of the prestigious Subcommittee on Asian and Pacific Affairs and Chairman of the Select Committee on Narcotics. In 1967, he formed the Congressional Squadron of the Civil Air Patrol. As a member of Congress he became instrumental in getting the Civil Air Patrol the national recognition and vital government assistance it was long overdue. Among other things, he worked closely with several Air Force Chiefs of Staff, including General David Jones, to gain Air Force support for the CAP.

He was the first to suggest and demonstrate, in 1978, that the CAP could play a useful role in the war against drugs. Today, that is one of the Civil Air Patrol's most important national missions.

He was directly responsible for the much needed 1980 CAP Supply Bill. His legislative initiatives in the 1970s also paved the way for greatly improved FECA benefits and, in 1985, CAP's first ever appropriation for new aircraft and other critically-needed equipment.

During his years in Congress Lester Wolff did much to help the Civil Air Patrol. Indeed, without his legislative assistance, it is likely that the Civil Air Patrol would not exist today. As Commander of the Congressional Squadron I am honored to be here today as we dedicate this hangar in Lester Wolff's honor. May this hangar always remind us, every time we use it, of what is great about the Civil Air Patrol. Thank you.

HONORING CHAIRMAN TIM VALENTINE

HON. TIM ROEMER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 27, 1994

Mr. ROEMER. Mr. Speaker, in the waning hours of the 103d Congress, it is appropriate to note that several departures from this body will leave the House without some of its heroes.

Today, I want to take just a moment to recognize one of my heroes, Congressman TIM VALENTINE. In my short career here in the House, I have had the good fortune to serve on the Technology, Environment and Aviation Subcommittee of the Science, Space, and Technology Committee, which Mr. VALENTINE chairs.

This panel has conducted an extraordinary amount of quality work, and it has been an honor to be a part of these efforts. Chairman VALENTINE has led us through a complicated and important agenda that features lasting developments in U.S. competitiveness, urgent investment in airline safety research, timely investment in environmentally friendly technology, and the ability of our Nation to commercialize cutting-edge technology.

Mr. Speaker, this is just a snapshot of the many efforts and accomplishments Chairman

VALENTINE has staked out for our panel. He is not one who comfortably basks in compliments, but I want the public to know that he is leaving a great hole in the fabric of congressional talent by his departure.

Chairman TIM VALENTINE is often heard to protest that he is just "a simple country lawyer," and that he may be. But he is also a shrewd and effective planner for the Nation's competitive future, and he has earnestly sought to guide judicious investments of our Nation's resources toward a productive and prosperous future.

He is probably as surprised as anyone to learn that he is one of Congress' leading environmentalists, a designation he deserves for laying the tracks for private investment in important, new green technologies. And we may not realize it yet, but the competitiveness bill that we have been working on for over 3 years, and which will become law in the foreseeable future, will be recognized years from now as one of the most landmark pieces of legislation produced by this Congress in recent memory.

Mr. Speaker, we are losing a great leader in the departure of Chairman VALENTINE. He deserves to go back to a simpler life and enjoy the company of his friends and family. He certainly leaves Congress the better for his having served here. But we will miss him, as friend, as colleague, and as mentor.

I am pleased to add these words today in tribute to TIM VALENTINE, and I know all my colleagues join me in wishing the very best to him and his family.

SALUTE TO THE PHILADELPHIA COMMISSION ON HUMAN RELATIONS AND THE HONORABLE WILLIAM H. GRAY III

HON. THOMAS M. FOGLIETTA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 27, 1994

Mr. FOGLIETTA. Mr. Speaker, I rise to salute the Philadelphia Commission on Human Relations [PCHR] as it celebrates the 350th anniversary of the birth of Philadelphia's founder, William Penn, and honors my former colleague, the Honorable William H. Gray III, at their 25th anniversary banquet on October 28.

The Philadelphia Commission on Human Relations strives daily to promote their vision of intergroup harmony and understanding amongst communities. In honoring the Reverend Bill Gray with the 1994 Clarence Farmer Service Award, the commission honors a man whose service to his city and country as an educator, world leader, statesman, and clergyman embodies everything that the commission stands for: peace, harmony, tolerance, and understanding of our fellow human beings.

I am proud of the accomplishments and contributions of the Philadelphia Commission on Human Rights, and I join with the Philadelphia community in congratulating the commission, Bill Gray, and all the individuals being honored by the commission on this important day.

THE POLISH WOMEN'S CLUB OF THREE RIVERS, MA, 70TH ANNIVERSARY

HON. RICHARD E. NEAL

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 27, 1994

Mr. NEAL of Massachusetts. Mr. Speaker, it is on the occasion on the 70th anniversary of the Polish Women's Club of Three Rivers, MA, that I enter into the RECORD today, the complete history of the Polish Women's Club of Three Rivers, MA.

Recognizing the need for assisting women of Polish ancestry to become citizens of this country, early in 1924 the Messrs. Stanley Zerdecki, Walter Dymon, Michael Boyko, and Joseph Les spearheaded an organizational drive toward this end.

Records show that on February 24, 1924, these four organizers were successful in getting together a group of women for this purpose. A club was formed and named the Polish American Women Citizens Political Club of Three Rivers and Thorndike. On March 30, 1924, Miss Anna Rusek became the first president of this group of 59 charter members.

The purpose of the club was three-fold:

1. To encourage women to become citizens and assist them in procuring citizenship papers by teaching English and related subjects.

2. To take active part in politics and get proper recognition and position on the local, state, and federal level.

3. To support businesses owned by people of Polish extraction.

With club members as volunteer teachers, and the financial backing of this club, numerous men and women came forth to lend their assistance in whatever manner necessary. Thus was set in motion and accomplished the dream of the organizers—seeing women of Polish extraction becoming American citizens.

This service and assistance continued for the next 20 years. The main purpose of the club was fulfilled.

The second objective with regards to participation in politics was also seriously undertaken in 1926 when we became affiliated with the United Polish American Citizens of Massachusetts on both county and state levels.

For the next 40 years delegates were present whenever possible at the annual conventions throughout the state to exchange ideas and get a better knowledge of the working of our government. Over the years we have sent innumerable letters and telegrams, made contact with our state and federal legislators on behalf of qualified individuals seeking jobs, or in connection with expressing our support or opposition of bills of proposed legislation. On a town level our support has been solicited and given to those we feel merit such support, be they Democrats, Republicans, or Independents. Almost every election brings requests from hopeful candidates asking to speak to the membership and soliciting our vote.

It is with pride that we note that at least one of our members, our first president, Anna Rusek, was named Postmaster of the Three Rivers Post Office in 1944 and served the community faithfully until her retirement in 1968. Miss Rusek died in 1982.

Through the years we have actively commemorated historical events. As early as 1926, the July 4 parade included our members as a unit; in 1932, note was made of the 200th anniversary of George Washington's birth; for many years the May 3 observance of Polish Constitution Day included a delegation from our club.

In 1933, it was decided to join the Massachusetts Federation of Polish Women's Club, Inc. Our affiliation with that group continues to the present. Much has been gained through this association particularly in fostering our Polish culture. Several daughters of our members and members have received scholarship grants from the Federation, thus enabling them to continue their education. In 1952, 1969, 1979, 1984, 1989, and 1994 the annual convention of the Federation has been held in Three Rivers. Delegates from the entire state of Massachusetts have high praise for the cordiality and hospitality not only of the members of this club, but of the entire citizenry of the Town of Palmer. Executive committee members and various committees have included the Three Rivers Polish Women's Club members. Two of our members have been president of the Federation; namely, Genevieve Janosz (1982–1983), and Mary Rusiecki (1990–1991). Marcia Topor, Vice-President of our club, is presently serving as the Federation's president. She is the daughter of Genevieve Janosz and the late John Janosz and has followed in her mother's footsteps. Annually, since 1961, the Federation sponsors an essay contest for 8th graders residing in Massachusetts and attending Massachusetts schools who are interested in Polish history, culture, traditions, and contributions many Poles have made to the world and to society.

Our activities within the framework of the Federation also include the Fifth District which compromises the Western Massachusetts area. Here our members continuously hold office and direct the activities of this unit. At present, Sophie Valtelhas is Vice-President, Mary Rusiecki is Recording Secretary, and Helen Grzywna is Treasurer. Our activities have included a fashion show for many years, a raffle, and work on the Essay Contest. Our club was responsible for the essay contest and the chairwomen were Helen Grzywna in 1969, Mary Rusiecki in 1984, Stephanie Putz in 1990, and Sophie Valtelhas in 1994.

Membership has also been held in the United Polish American Citizens of Massachusetts, Polish American Congress, John Paul II Polish-American Foundation, and the Kosciuszko Foundation in New York.

Locally our membership on the United Polish-American Organization Council in the Township of Palmer is felt and appreciated. Since its inception in March of 1955, our members have consistently and faithfully served in various offices and committees. We have been called upon to perform a variety of services at the functions sponsored by this group. We can truly boast that no other local club has contributed more towards the scholarships given annually to local Polish-American high school students. Our contributions to date stand unmatched, especially when considering the fact that up to January 1, 1956, our membership dues were 5 cents per month and since that time remain 10 cents per month. At age 65+ members are exempted from paying dues.

May 8, 1946, marked the official observance of our 25th anniversary. There was a Mass of Thanksgiving at SS Peter and Paul Church and a banquet was held at St. Stanislaus Hall in the evening. Local and state officials, as well as the clergy, participated in this affair. Messrs. Boyko, Kymon, and Les, three

of the original organizers were invited guests. Attorney Irene Dumas was our main speaker, with Miss Lucy Wisniewski of the State Civil Service Commission, Stanley Wondolowski of Worcester, and the Reverend Alfons Skoniecki also giving brief talks.

Active support of our parish during the past 70 years have been maintained. Since 1926 when a $25 contribution was made for the church renovation, we have bought church vestments, chimes, contributed for an organ, flowers for various occasions, ewer and bowl, and $200.00 to SS Peter and Paul Church's cemetery fund. Our services were and still are always available at bazaars, banquets, picnics, jubilee observances, anniversaries, etc. We have always worked harmoniously with the clergy, recognizing that our spiritual well-being is an integral part of our life which affects our club activities as well. We are graterful for being a part of the SS. Peter and Paul Parish.

During the period that the Franciscan Sisters were part of our community, staffing at our parochial school until its closing in June, 1973, we worked with them cooperatively and had only the highest regard and praise for their invaluable assistance. From September 1973 to January 1990, we had been working with the Little Servant Sisters of the Immaculate Conception until they had to leave us. From August 1990 to the present we are delighted to have the Sister Minor of Mary Immaculate (SMMI) working in our parish and teaching in our nursery school.

Children, locally and elsewhere, have been remembered by us. For many years annual contribution made to the SS. Peter and Paul School for their activities. Orphanages at Hyde Park, Brightside, The Blind Children in Poland, Youth Camp in Bondsville, Community Day Camp, and A Wish Come True, Inc, to mention a few, have also been aided by us.

World War II and its various activities brought requests for help with Bond Drives, Blood Banks, U.S.O., Air Raid Committees, National War Funds and Polish Relief. Clothes were sewn and sent to the needy, soldiers from Westover were entertained, money and services were generously donated to the various causes. Sons and daughters also served in the Korean and Vietnam conflicts and are remembered as serving their country well. When the Joint Declaration of War by nations of the United Nations against Iraq was made, our sons and daughters were right there to serve. Our club donated items to Operation Desert Storm to be sent through Westover to the military fighting in Iraq.

The post-war period (World War II) brought a renewal of activity among organizations. Each month brought invitations or requests for religious, civic, political and community groups for participation and donation.

Having outlived its original intent, in 1958 a committee was named to revise our constitution. On October 20, 1958, the name of our club was changed to "Polish Women's Club of Three Rivers." Fostering our ethnic culture, encouraging higher education, exchange of cultural ideals, replaced the original aim to help with citizenship papers. Integrating this culture with the cultures of other ethnic groups of our U.S.A. offers a new challenge. Much is being done to implement new ideals. We are constantly sponsoring, attending, or contributing toward attainment or these aims.

April 27, 1974, marked the official observance of our 50th Anniversary. A dinner was held at the St. Stanislaus Hall that evening. The welcome address was made Helen B. Grzywna, President, and Anna Kulig, Recording Secretary, served as toastmistress. Town of Palmer Selectman Chairman William J. Lemanski, U.S. Congressman Edward P. Boland, Massachusetts State Senator Frederick W. Schlosstein, Jr., and Massachusetts State Representative Alexander Lolas were among the honored guests who extended greetings to our organization. Greetings from the Massachusetts Federation of Polish Women's Clubs were given by Beatrice Melody, President, and Rose Corso, District V Vice president. The keynote speaker was Attorney Mary A. Socha. The invocation and benediction was given by Reverend Robert Ceckowski, Pastor SS Peter and Paul Church.

Besides our 25th and 50th anniversaries, our club also observed our 55th on October 27, 1979, and our 60th on October 27, 1984, our 65th on October 28, 1989, and our 70th on October 22, 1994.

A scroll signed by members of our club was included on November 13, 1976, in the time capsule buried at that time as part of the commemoration of the 200th anniversary of the Town of Palmer. The capsule will be reopened in the year 2076.

Noteworthy to mention is the Polish-American Night Benefit, Help for Poland, which was sponsored by the Polish Women's Club of Three Rivers and the Polish Women's Alliance Group $506 (member Alice Pilch—President) featuring the Villagers Chorus and the St. Cecilia Choir, SS Peter and Paul Church. The event was held at the SS Peter and Paul Community Center on June 18, 1982. Guest musician was Joe Lazarz, well-known violinist and orchestra leader. $500 was derived from this benefit and was donated to the Help for Poland Drive.

Monetary contributions have been made to numerous organizations. In 1983, a School Day Clock was presented to the Palmer Public Library Community Room to replace the clock that had been stolen. The Polish Women's Club also contributed money for a piano and bust of Chopin to the Community Room for the Library. The United Polish American Organizations Council in the Township of Palmer was in charge of obtaining the piano.

Records show that our first contribution to the Wing Memorial Hospital was made in 1928. Sizable donations have been made to their building fund, expansion fund, emergency room, X-ray camera, operating room, Cardiac Monitoring System, and Lab. Members served as volunteers in staffing the Wing Memorial Auxiliary Gift Shop and Cart. As early as 1930, a Community Chest donation had been made and this was continued until recently. The Red Cross has also been remembered over the years. Yearly donations continue to be made to the Wing Memorial Hospital. Yearly donations are made to the United Polish-American Organizations Council in the Township of Palmer. Other donations which have been made over the years include the Pope Paul II Guest House in Rome; SS Peter and Paul 75th Anniversary Program; AmVets Auxiliary Post #74 Jaws of Life (Juanita Gralinski, Member of our Club, was in charge of this drive); Support for Solidarity; SS Peter and Paul Lady of Czestochowa Icon; Kosciuszko Foundation Renovation Fund in New York; Statue of Liberty Renovation Fund; The Blind Children of Poland; Child's Wish Come True, Inc.; Palmer Ambulance Service; Palmer Public Library; Polish American Congress for the Polish Room; Museum of Immigration at Ellis Island; Pope John Paul II's Endowment Fund; SS Peter and Paul Church; Operation Desert Storm (Iraq conflict); CROP-Walk for Hunger; and the Literacy Volunteers of Palmer.

To keep our treasury healthy we hold one big raffle a year during the winter. Our members are to be commented for their wholehearted support to requests for contributions of items and selling of raffle tickets.

Our club started in 1924 with 59 members; today we have 134. Membership is open to all women of Polish-American extraction who have reached their 16th birthday and reside in the Palmer area. Dues are $1.20 a year and anyone age 65 and over is exempted from payment. Meetings are held from September to May (this will be changed for 1995 where we will follow a calendar with no meetings in June, July and August) on the fourth Wednesday of the month at 7:30 PM in the St. Stanislaus Polish Home, Three Rivers.

Our past presidents were Anna Rusek, Nellie Motyka, Stephanie Kolbusz, Mary Jajuga, Anna Kulig, Genevieve Janosz, Sophie Zerdecki, Julie Midura, and Edna Pytka. Helen Grzywna is our present president. Anna Rusek, Nellie Motyka, Stephanie Kolbusz, Mary Jajuga, Sophie Zerdecki, and Julie Midura are deceased.

A special thanks must be given to our president of 22 years—Helen Grzywna—who is a dynamic and selfless individual who gives her time, expertise and energy to her office as president and to the many tasks that she is either asked to do or volunteer to do. She is to be commended for all of her efforts. Through her leadership, our club is very much alive, working well for the good of helping in the religious, civic, political and community affairs.

Volunterrism is nothing new in our club—from its beginning, members have done volunteer work in various capacities. As of now, members are involved with the Senior Center of Palmer, Literacy Volunteers of Palmer who serve the Quaboag Valley, Wing Memorial Auxiliary, Food Share, Inc., CROP-Walk for Hunger, SS Peter and Paul Parish's Rosary Sodality and Guild, and others.

Much is being done to implement new ideas and we are constantly sponsoring, attending and contributing toward attainment of these aims. Examples are the Pops Concert, attendance at various plays, Krakowiak Dance Group, Kosciuszko Foundation Presentation Ball, Poznan Boys Choir, Liberace Concert, Kopernik Observance, exhibits, donations of books to schools and libraries dealing with the accomplishment of Poles, etc.

Our present officers are: Helen Grzywna, President; Marcia Topor, Vice-President; Edna Pytka, Treasurer; Sophie J. Valtelhas, Recording Secretary; Phyllis Misiaszek, Financial Secretary; Juantia Gralinski, Publicity; and Alice Pilch and Sophi Walulak, auditors.

The spirit that brought together in 1924 those fifty-nine women is still carried on today. Truly our success has been a team effort for the past 70 years, and each member's contribution is and was valued highly. We must, however, remember to include Josephine Roman, the first volunteer teacher; Nellie Motyka, who served as President for 24 years; Sophie Jorczak, our Secretary for 12 years, Bernice Tenczar, our Treasurer for 20 years; Frances Frydryk; Mary Jajuga; Frances Dymon; Anna Kulig—Historian for our 50th Anniversary and toastmistress for our anniversaries; Julie Midura, our decorator for our 50th, 55th, and 60th anniversaries, and last but not least, our President, Helen Grzywna, who for the past 22 years led us successfully and skillfully in the tasks set before us. Again, we must salute those 59 valiant women whose desire to become American citizens started us toward making possible our 70th anniversary.

LOOSENING THE GRIP OF LAWYERS ON AMERICA

HON. CARLOS J. MOORHEAD
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 27, 1994

Mr. MOORHEAD. Mr. Speaker, each day in America, hundreds of lawsuits are filed by lawyers against fellow citizens, businesses, civic institutions, government entities, and countless other targets. This seemingly endless series of legal attacks has practically numbed America to the fact that, as a nation, we have become the most litigious society on Earth and that an onsluaght of lawsuit abuse has had damaging and lasting effects on the standard of living of all Americans. We need to loosen the grip of lawyers on America.

While most legal actions brought in the United States seek legitimate redress for harm caused, unfortunately many are groundless, frivolous, and the result of lawyers who abuse the system and seek to claim lottery-sized dollar awards from both their adversary and their client. It is these types of abuses that bring discredit to the American legal system, damage the U.S. economy, and drain precious national resources into the black hole of endless litigation.

The current system creates fear among Americans that they will likely be the victim of an unjust lawsuit; it chills their desire to volunteer and participate in many aspects of ordinary life and it prevents the introduction of new and beneficial products and services for the American people.

There should be clear guidelines for determining who shall be responsible for harm caused in an accident. Today, standards of liability vary from State to State, and sometimes even from court to court within a State. Neither the injured individual, the product manufacturer, nor the seller has any idea what liability standard will be applied, and all are subjected to conflicting rules on their responsibility in the use, design, production, and sale of products. Uniformity is essential in a Federal bill in order to provide fairness and predictability to consumers, manufacturers, and sellers.

Increasingly, Americans are realizing that some commonsense reforms are in order to stem the tide of unnecessary, harmful lawsuits. While tort law is generally considered a matter for the States, it has been clear for quite some time that, due to the interstate nature of the sale of products, liability reform should be dealt with at the Federal level. I believe there is an urgent need to address these issues in the 104th Congress, and I intend to work toward that goal.

1. DISCOURAGING FRIVOLOUS LAWSUITS

In order to prevent the abuse of our legal system, sanctions should apply to those attorneys who are found to have brought lawsuits in bad faith for the purpose of harassment, or solely to cause delay and increase the cost of litigation.

The American public is getting fed-up with the abuse of the U.S. legal system. The fear of someone filing a groundless lawsuit is harbored by virtually all citizens, and reforms should seek to prevent frivolous and unwarranted lawsuits. The courts should be given the power to determine whether or not a lawsuit is frivolous at anytime during the course of litigation. If the court determines that a pleading is in fact frivolous, the objecting party should receive from the filing party all expenses incurred as a result of the filing of the frivolous lawsuit, including costs such as attorneys fees, witness fees, expert fees, and deposition expenses.

2. REQUIRING TRUTH IN ATTORNEY'S FEES

In the interest of full disclosure and competitive legal fees, attorneys for injured victims should be required to disclose to their clients the actual number of hours worked and the duties performed instead of simply taking a flat percentage from a recovery.

Most liability cases are undertaken by trial attorneys on a contingency-fee basis of between 25 to 40 percent. This percentage can result in any attorney collecting a share of an award that far exceeds the normal hourly fee charged, leaving the attorney overcompensated and his client undercompensated. Effective liability reform should require trial attorneys to disclose the actual hours worked for a client and the duties performed in detail. Such disclosure would help the consumer determine the true cost of counsel in each case and allow the consumer to make better decisions in their choice of counsel.

3. ENCOURAGING PRODUCT SAFETY

Product safety should be encouraged by a Federal law which prohibits the use of subsequent design changes or remedial measures to show that a manufacturer's early design of a product was unsafe.

In order to encourage manufacturers to continually improve their products and the safety of their products, courts should prohibit trial attorneys from using a manufacturer's product improvements as evidence that an earlier product design was unsafe. Not only is using evidence of such safety improvements irrelevant to the case against an earlier product and unfair to the manufacturer, who has since improved his product, but it is detrimental to consumers. Currently, a manufacturer may be reluctant to make a design change that might offer marginal improvement in the safety of his product due to fears that such an improvement may be used against him to prove that an earlier product design was defective. Our laws should encourage improvement in product safety not discourage them.

The public policy reason behind this suggested evidentiary rule change has been recognized by many courts, and Federal product liability reform should include such a limitation on the use of evidence of remedial measures.

4. PREVENTING ABUSE OF "EXPERT" OPINION

Expert, scientific, or medical opinions should not be considered sufficient evidence to establish any fact unless such opinion has support in peer-reviewed scientific or medical studies.

There clearly is a problem in our court system with the use of so-called expert testimony from expert witnesses. These experts can be found one day in an Atlanta courtroom testifying as an expert on aircraft components and the next day in New York or California testifying as an expert on machine punch presses. These experts seem to be able to testify on anything as long as there is a fee involved, and they do a real disservice to America's judicial system. Abuses by such expert witnesses should be curbed. This can be accomplished by stricter qualification of experts, and by limiting their testimony to theories and principles which have at least some support in the relevant scientific or medical community about which they testify.

5. A REASONABLE STATUTE OF REPOSE

A Federal statute of repose between 8 and 15 years—representing the shortest and longest statutes of repose currently in State law—should be enacted to provide an outer time-limit on the liability of a manufacturer for injuries allegedly caused by a product which is a capital good.

One of the most serious impediments to U.S. competition and the creation of new manufacturing jobs in America is the lack of a uniform statute of repose which sets an outer-limit on the number of years for which a product manufacturer may be held liable for his product. Suits in the United States have been brought against products built 40, 50, and 70 years ago. As most of our foreign competitors do not have products this old in use in the United States, such suits are brought almost exclusively against American companies. As these products have proved their value and use for decades prior to any accident having occurred, they are often good products made by the best American companies. The cost to U.S. companies of defending these lawsuits increases the price of domestic products and makes American products less competitive here and abroad. This "long-tail of liability" can only be ended by a clear, definite, and uniform Federal statute of repose.

Thirty States have enacted statutes of repose of between 8 and 15 years. A good Federal policy would adopt the average time period specified in the States' statutes as a uniform Federal standard. While such a time period would be longer than the 10-year statute of repose applied in the European Community, it would nevertheless provide a strong boost to domestic product manufacturers and would help increase U.S. competitiveness and domestic jobs.

6. RESTORING PERSONAL RESPONSIBILITY FOR ACCIDENTS INVOLVING INTOXICATING ALCOHOL OR DRUGS

Where an accident is caused by an individual who was under the influence of intoxicating alcohol or drugs, that individual should not be allowed to recover for his injuries by suing a product manufacturer or seller.

A claimant who causes, or is involved in, an accident in which their alcohol or drug use was the principal cause of injury, should not be allowed to shift liability from himself to someone else. Public policy should discourage the use of alcohol and drugs, which are dangerous not only to the abuser, but to all of society. It makes no sense to allow someone who voluntarily becomes intoxicated and causes his own injury to recover compensation for that injury from others. The determination of whether or not an individual is under the influence of alcohol or drugs should be made pursuant to applicable State law.

7. ELIMINATING UNFAIR SUITS AGAINST PRODUCT SELLERS

Product seller liability should be limited to the harm caused by the product seller's own negligence. Those who merely sell products

are often sued for injuries caused by the manufacturer of a product. Defending these suits imposes substantial costs on product sellers, but does nothing to provide incentives for product safety. Fair standards for the liability of a product seller should provide that the seller be liable only for injury caused by his own negligence or where an express warranty on the product has been made and the product has failed to conform to the warranty. A standard like this would eliminate needless litigation expense and help lower consumer prices for many products.

8. PREVENT ABUSE OF PUNITIVE DAMAGES

Punitive damages are quasi-criminal in nature and should be used sparingly.

Punitive damages go beyond mere compensation of a victim and are designed to punish and deter outrageous conduct. Since the imposition of punitive damages is similar to criminal sanctions, the burden of proof should be clear and convincing evidence, and should only be awarded in a situation where the harm caused was a result of a conscious, malicious, and flagrant indifference to the safety of product users.

Plaintiffs should be required to request punitive damages by motion and further required to establish, at a hearing, that there is a reasonable likelihood of proving facts to support a punitive damage award. Such a motion should not be filed with the original complaint but should be made after the close of discovery. Furthermore, the trail court should be authorized to determine whether a jury award for punitive damages is excessive and, if so, reduce it or require a rehearing on the motion. The court should also decide whether or not the plaintiff's attorney is to receive any portion of a punitive damage award, and, if so, to what extent.

9. RESTORING FAIRNESS IN DAMAGE AWARDS

Under this provision, each defendant would be liable only for that portion of damages determined to be its proportionate share of responsibility for the harm.

Responsibility for causing damage must be fairly apportioned among those responsible for the harm. Too often, individuals and businesses are left entirely responsible for an accident which they had very little to do with only because they are in a position to pay a claim since they have the deepest pockets. This is unfair and in every case, damages should be paid by the wrong-doers involved only to the extent of their responsibilities for those damages.

10. RESTORING PERSONAL RESPONSIBILITY FOR PRODUCT ALTERATION AND MISUSE

A productmaker should not be held responsible for accidents caused by a product that has been altered or misused.

It is unfair to allow a claimant in a lawsuit to recover damages from a product manufacturer or seller where the claimant's injuries were a result of the misuse or alternation of a product. If the use of a product is in violation of the manufacturer's express warnings or instructions, that manufacturer's liability should be reduced by the percentage of responsibility which was attributable to the alternation or misuses of the product. Further, if the misuse of the product or its alteration involved a risk of harm which should have been known by the ordinary person, damages assigned to the manufacturer should be reduced by the percentage of responsibility attributable to the misuse or alteration.

Mr. Speaker, enactment of the above 10 proposals will form the basis of strong and effective legal reform which will help loosen the grip of lawyers on America. These commonsense reforms are necessary to ensure that American consumers, manufacturers, product sellers, employers and employees alike receive fairness and justice under our civil justice system.

The time has come to end lawsuit abuse in America. I look forward to working with my colleagues on both sides of the aisle to ensure that these reforms are adopted as soon as possible.

INTRODUCTION OF A RESOLUTION TO PRINT A BOOK ON HISPANICS IN CONGRESS

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 27, 1994

Mr. SERRANO. Mr. Speaker, on behalf of the Congressional Hispanic Caucus, I proudly rise to introduce a concurrent resolution authorizing the printing of "Hispanic Americans in Congress."

The contributions of Hispanics to the culture, society, and economy of this Nation are as varied as they are numerous. From the Southwest to the Northeast and many points in between, Hispanics have performed and excelled in the major industries and pursuits that have helped to make America what it is today. In fact, Hispanics have earned more Congressional Medals of Honor, per capita, than any other race or ethnic group in U.S. history.

With the introduction of this resolution, members of the Congressional Hispanic Caucus hope to reveal to the Nation the little known history of Hispanic-Americans in Congress. Hispanics have a long and illustrious history of service in the U.S. Congress, dating back to the beginning of the 19th century. Hispanics have represented the congressional districts in the State of Florida, New Mexico, California, Louisiana, New York, New Jersey, Arizona, Illinois, and the territories of Puerto Rico, the Virgin Islands, and Guam. In addition, there have been three Hispanics, all from New Mexico, who have served in the U.S. Senate: Octaviano Larrazolo, Dennis Chavez, and Joseph Montoya.

"Hispanic Americans in Congress" would parallel two other books—one on African-Americans and the other on women—in scope and content. Taken together, these three books offer role models from yesterday and today that might inspire future Hispanics, African-Americans and women to run for service in the Nation's highest legislative body.

It is my hope and expectation that this important publication will chronicle the first of many chapters of Hispanic participation in the Congress. Indeed, according to the Bureau of the Census, Hispanics will be the largest minority in the United States early in the next century. Already, there are more Hispanic children, and future voters, than there are children of any other minority group. As long as the constitutionally guaranteed voting rights of Hispanics are protected, there will be more and more Hispanic Members of Congress, offering their first-hand knowledge of the needs and concerns of the Hispanic community.

One member of the Congressional Hispanic Caucus, in particular, must be thanked for his work in preparing "Hispanic Americans in Congress"; Congressman SOLOMON P. ORTIZ. His hard work deserves much praise.

Thus it is in the spirit of Hispanic Heritage Month, which runs through October 15, that I introduce this important concurrent resolution to authorize printing of the book, "Hispanic Americans in Congress." I urge my colleagues to support it.

TRIBUTE TO MRS. LOUISE BLAKE BROCK LEWIS

HON. CURT WELDON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 27, 1994

Mr. WELDON. Mr. Speaker, today is an important milestone for Louise Brock Lewis, a distinguished woman from Delaware County, PA. Her family and friends will gather this weekend for a special celebration of Louise's 100th birthday.

Louise Brock Lewis is an individual who has had the opportunity to watch our great Nation grow and change. She has also been a loyal and giving resident to Delaware County.

At an early age, Mrs. Lewis actively got involved with her community. As a member of the Pennsylvania Society of the Colonial Dames of America since 1923 she has served as vice president, president and honorary president.

During World War II, Mrs. Lewis served as an aid and vice-chair of volunteers for the American Red Cross, Pennsylvania Chapter. Her role in the Welcome Society, Pottstown Historical Society, and chair of the famous Devon Horse Show in 1938 and 1939 are just a few of her many contributions to our area.

Mother of 2, grandmother of 11, great-grandmother of 18, and great-great-grandmother of 3 children, Mrs. Lewis has certainly been an integral part of both her community and her family.

Mrs. Lewis' father was the president of a small silver and gold mine and a railroad company. She grew up in the West when the frontier was still being developed. At the age of 5, Mrs. Lewis remembers watching her brother shoot buffalo out of the family's private railroad car.

Louise Blake Brock Lewis is a rare individual who has lived through and been an active participant in many of our country's greatest historical achievements. I wish to commend her for her service and honor her today for her century of accomplishments.

TRIBUTE TO RURAL/METRO CORP.

HON. KARAN ENGLISH

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 27, 1994

Ms. ENGLISH of Arizona. Mr. Speaker, I rise today to recognize the Rural/Metro Corp. of Scottsdale, AZ, for being chosen as the 1994 recipient of the Scottsdale Chamber's Excellence in Business Award. This award recognizes and honors a larger Scottsdale business that has made significant contributions to the social and economic foundation of the community.

Having recently toured Rural/Metro, I can certainly see why the company has earned this recognition. Their responsiveness to the needs of the community was exemplified by their kind and courteous staff, which impressed me with their dedication to the betterment of their profession.

The Rural/Metro Corp. was selected from 15 other nominees this year based on the following outstanding accomplishments.

Rural/Metro has contributed to Scottsdale's economy by saving local residents millions of dollars annually through their innovative approaches to emergency services.

Rural/Metro has acted as a good neighbor by providing public education programs to teach residents how to prevent emergencies from occurring, and what to do in case an emergency does arise.

Rural/Metro's contributions to Scottsdale have brought the community national recognition, honor, and distinction.

Rural/Metro has established notable leadership and dedication in Scottsdale's social, civic, and cultural programs.

Rural/Metro has contributed significantly to Scottsdale's environment and infrastructure by being a sponsor of Valley Forward Earth Fest and providing a strong fire protection team and program for the residents.

I am proud of the Rural/Metro Corp. and its record for not only serving the community, but for going above and beyond the call of duty in helping Arizonans. This national company, which started and based its headquarters in Scottsdale, AZ, has brought the community great honor, satisfaction, and pride.

Congratulations to the Rural/Metro Corp. for their outstanding achievement.

FOR THE SAKE OF ALL FUTURE GENERATIONS

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 27, 1994

Mr. STARK. Mr. Speaker, after a year-long review, the Pentagon and administration have come to the conclusion that our nuclear forces must remain poised to fight an advancing Soviet army in Europe. The world has changed dramatically, and I had hoped for a bold policy change. We have instead courageously committed ourselves to stay the course, polish our missiles, and wrap up a few loose ends.

The opportunity to win the peace is at hand. We should be sitting down to negotiate the elimination of tactical nuclear weapons and a mutual reduction in strategic stockpiles to levels sufficient to guarantee security. Thousands of warheads could be dismantled and create a safer, more secure world.

How many times do we have to be able to destroy the world to save it?

The President should ask the reviewers to redo this sad, tired, and deadly old position. We have never had a greater opportunity for peace and for stepping back from the precipice of extinction. For the sake of all future generations, please, Mr. President, reconsider this position.

IN HONOR OF GRISSOM AIR FORCE BASE

HON. STEPHEN E. BUYER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 27, 1994

Mr. BUYER. Mr. Speaker, on October 1, 1994, Grissom Air Force Base, IN, will be realigned as an Air Force reserve base. As Grissom leaves active service, it is fitting that we honor this installation and the men and women who have served there in peace and war over the last 52 years.

Grissom Air Force Base, located in Peru, IN, was originally constructed as Bunker Hill Naval Air Station [NAS] in 1942. On July 1, 1943, the U.S. Navy opened Bunker Hill in the middle of Miami County cornfields in north central Indiana. During its 4 years of operation as a naval air station, Bunker Hill NAS trained thousands of Navy, Marine, and Coast Guard pilots. Many of these pilots won distinction in every theater of operations during World War II.

After the war, the Navy closed the base and it reverted to its former use as farmland, with many of the buildings being sold to local colleges. With the outbreak of the Korean war, the Air Force needed a base where it could conduct nationwide and global operations. Bunker Hill was a logical choice. The Air Force negotiated with the Navy to reopen the facility as Bunker Hill Air Force Base.

Bunker Hill Air Force Base officially reopened as a Tactical Air Command [TAC] base on June 22, 1954. That year, the 4433d Air Base Squadron and the 323d Fighter-Bomber Wing called Bunker Hill home. In 1955, the Air Defense Command's 319th Fighter Interceptor Squadron joined the base. The Stragegic Air Command [SAC] arrived on the base in the mid-fifties, and SAC's 8th Air Force assumed responsibility for the base on September 1, 1957, with the deactivation of the 323d. The 68th Air Refuelling Squadron arrived 2 days later to complete the formation of the 4041st Air Base Group.

In May 1959, Bunker Hill saw the arrival of the 305th Bomb Wing with its B–47 strategic bombers. Two months later, the 4021st was redesignated as the 305th combat support group. That same year, the first KC–135 "Stratotankers" were assigned to that unit. The KC–135's have been a permanent fixture at the base since that time.

Two years later saw Bunker Hill phasing in the B–58 "Hustler" to replace the B–47. The B–158's lasted until January 1, 1970, when the 305th Bomb Wing was redesignated and replaced by the 305th Air Refuelling Wing. This wing was composed of the 305th Refuelling Squadron, the 70th Refuelling Squadron, and the 3rd Airborne Command and Control Squadron. These units formed the basis of the "Can Do" Wing.

After 26 years of bearing the name of Bunker Hill, the base was renamed on May 12, 1968, for Lt. Col. Virgil I. "Gus" Grissom, a native of Mitchell, IN. An experienced fighter pilot, Grissom was a veteran of the Korean war and an experienced test pilot. In 1959, Colonel Grissom was chosen as one of the seven original *Mercury* astronauts. He flew the second manned *Mercury* spacecraft on July 22, 1961, which he named the *Liberty Bell*. In March 1965, Grissom teamed with Navy Comndr. John Young to fly the first of the *Gemini* spacecraft, *Gemini 3*. Tragically, Colonel Grissom was killed in a fire aboard his *Apollo 1* capsule while still on the launch pad at Cape Kennedy, FL, on January 27, 1967. The base continues to honor this Hoosier hero.

Throughout its history, the 305th flew missions in support of Operation Nickel Grass, supporting the resupply of Israel during the Middle East war, support missions in Southeast Asia, supported the B–1 test program, and provided refuelling support to Operation Just Cause, the United States invasion of Panama. The 305th also supported troops in the Persian Gulf during Operations Desert Shield, Desert Storm, Desert Calm, and Provide Comfort.

In 1991, the Secretary of Defense announced that the 305th was slated for inactivation. While the 305th Air Refuelling Wing will inactivate, the number and tradition of excellence will continue as it is redesignated the 305th Air Mobility Wing and relocates to McGuire Air Force Base, NJ.

In addition to active Air force units the base has also been the home to Air Force Reserve units. The 930th Operations Group and its predecessors have a long and proud heritage dating back to World War II. The 930th, originally known as the 434th Special Operations Group, flying A–37 Dragonfly fighter-bombers, was reactivated and moved to Grissom in 1971. In 1973, the unit became the 434th Tactical Fighter Wing. In 1981, the 434 Tactical Fighter Wing and its subordinate command, the 46th Tactical Fighter Squadron, received the A–10 "Warthongs." In 1987, the 434th Tactical Fighter Wing was reorganized as the 930th Tactical Fighter Group, and later shortened to the 930th Fighter Group.

On June 1, 1992, the 930th Fighter Group was reorganized as the 930th Operations Group, and joined forces with the 434th Air Refueling Wing to form the first Air Force Reserve composite unit—the 434th Wing. Due to the post-cold-war reductions, Secretary of the Air Force Sheila Windnall announced in February 1994 that the 930th would be inactivated in the fall of 1994. On September 24, 1994, Colonel Don Schell, commander of the 434th Wing, presided over the casing of the colors of the 930th Operations Group and its subordinate command, the 45th Fighter Squadron.

Grissom Air Force Base has seen many changes over the years, and has been home

to many units including bomber, fighter, special operations, and refueling units. As of October 1, 1994, Grissom Air Force Base will be transferred to the Air Force Reserve. As such, it will continue to serve as the home of the 434th Air Refueling Wing.

Grissom Air Force Base, like its namesake, Gus Grissom, and its thousands of airmen, has answered its Nation's call and served proudly and honorably. As its active duty mission comes to a close and the Air Force Reserve assumes control, I want to thank the men and women of Grissom Air Force Base and of Miami County and the city of Peru for their support to the defense and welfare of this great Nation.

TRIBUTE TO WILLIAM A. COOPER

HON. CARRIE P. MEEK

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 27, 1994

Mrs. MEEK of Florida. Mr. Speaker, I am proud to join with citizens from Coral Gables and all over Dade County in honoring William A. Cooper for a lifetime of service to the people of our community.

We hear a lot today about how fewer and fewer Americans continue to live as adults in the communities in which they were born. Such was not the case with William Cooper. He was born and raised in Carol Gables, Florida, the third son of 13 children, and he set down strong roots that persist to this very day.

William Cooper has been an activist and a leader all of his life. He was the first African-American member of the City of Coral Gables Code Enforcement Board, and he has served on the city's Citizen's Advisory Board. He is also a member of the Coral Gables Police Department's Crime Watch Advisory Board and is second vice president of the St. Alban's Day Nursery Board of Directors.

Mr. Cooper currently serves Coral Gables as President of the Lola B. Walker Homeowners Association, Inc., an organization of African-American homeowners.

The history of Coral Gables' African-American community has gained renewed prominence because of William Cooper. Under his leadership, the association played a key role in acquiring local historic designation of the McFarlane Homestead subdivision and securing its listing on the National Register of Historic Places. He has also played a key role in securing local historic designation for George Washington Carver Elementary and Middle Schools. Thanks in part to his efforts, Industrial Avenue in the McFarlane Homestead subdivision was renamed this past spring in honor of George Allen, one of its pioneer citizens.

Mr. Speaker, I wish to express congratulations and best wishes to William A. Cooper, his wife Leona, and his children and grandchildren. We share his pride in our community and thank him for keeping our history alive.

HONORING THE GERIATRIC DAY CENTER PROGRAM

HON. ELIOT L. ENGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 27, 1994

Mr. ENGEL. Mr. Speaker, on October 5, 1994, the Jewish Home and Hospital for Aged in my district will celebrate the 20th anniversary of its pioneering Geriatric Day Center program. This was the first medical model adult day care program in New York City, and has been so successful and cost effective that it became the model for similar programs elsewhere.

We have debated the merits of health care reform in this body, and we have much to learn from the successes we see in our home communities. The Geriatric Day Care program is one such success—a forward-looking plan that contains costs and maintains quality while offering an alternative to institutionalization.

The Jewish Home and Hospital for Aged is one of the oldest and largest nonprofit geriatric centers in the country, providing services in the Bronx, Westchester County, and Manhattan. Its broad range of services are provided by a staff of dedicated professionals, all of whom deserve thanks and recognition on this special occasion.

Just 20 years ago, the needs of the elderly could only be met within the walls of a nursing home. Today, programs like the Geriatric Day Center allows its participants to manage their own lives within the community. I congratulate the Jewish Home and Hospital for Aged for this great accomplishment.

TRIBUTE TO BEN ZOBRIST

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 27, 1994

Mr. SKELTON. Mr. Speaker, today I wish to honor Ben Zobrist, a man who has contributed a great deal to the State of Missouri. Zobrist, the director of the Harry S. Truman Library in Independence, MO, is retiring this fall.

Zobrist came to the Truman Library as an assistant director in 1969 and became the director in 1971. Since that time, Zobrist has been highly successful in expanding the programs and collections of the library. Events such as, Truman Week which commemorate Truman's birthday, the creation of a $10 million fundraising campaign to observe the 50th anniversary of Truman's Presidency, and the renovation of the library are all due to Zobrist.

Born in Moline, IL, on August 21, 1921, Zobrist spent the earlier part of his life in Illinois. He was educated in his undergraduate, masters, and Ph.D. at Augustana College, in Rock Island, IL. Prior to his job as director of the Truman Library, Zobrist held numerous positions at Augustana College ranging from a professor and chairman in the history department to the chairman to an associate dean and director of graduate studies. Since coming to Missouri, Zobrist has served as an adjunct professor of history at the University of Missouri-Kansas City and Ottawa University in Ottawa, KS.

The numerous academic honors and awards given to Zobrist, along with the organizations he belongs to, reflect his strong commitment to all in which he partakes. Missouri has been fortunate for the many years that Zobrist gave to the Truman Library. I urge my colleagues to join me in honoring Ben Zobrist for his 25 years of devoted work.

ESTABLISHMENT OF A MULTILATERAL EXPORT CONTROL REGIME

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 27, 1994

Mr. GILMAN. Mr. Speaker, today I am submitting a House resolution urging the President to achieve a clearly defined agreement which establishes a multilateral export control regime to stem the proliferation of militarily critical products and advanced strategic weapons to rogue regimes that jeopardize international peace and the national security of the United States.

In light of the ongoing summit with Russian President Boris Yeltsin, the consideration of this resolution is intended to emphasize that no country, including Russia, should qualify for membership in this new regime unless it clearly meets the criteria laid down by our State Department negotiators. These include the implementation of effective export controls, adherence to the control list and the guidelines of the existing multilateral regimes, and a firm commitment to stop providing advanced strategic weapons to Iran, Iraq, Libya, and North Korea.

This resolution supports the administration's own objectives in creating a replacement regime for the former CoCom for East-West technology into a global nonproliferation regime that would specifically target the four rogue regimes posing a threat to our national security interests.

I urge my colleagues to join with me in sponsoring this resolution, whose text follows:

H.R. 549

Expressing the sense of the House of Representatives that the President should work to achieve a clearly defined agreement which establishes a multilateral export control regime to stem the proliferation of militarily critical products, technology, and advanced strategic weapons to rogue regimes that jeopardize international peace and the national security of the United States.

Whereas the United States and its partners in the Coordinating Committee (hereinafter referred to as "CoCom"), the multinational body that controlled strategic exports to the former Soviet Union and other Communist States, agreed to disband the organization on March 31, 1994;

Whereas no successor has yet been established to replace CoCom;

Whereas multilateral controls are urgently needed to thwart efforts of Iran, Iraq, North Korea, Libya, and other rogue regimes to acquire advanced strategic weapons and militarily critical products and technology that could contribute to such nation's efforts to build threatening offensive weapons capabilities;

Whereas the United States should make a high-level effort to achieve an effective replacement control regime to CoCom;

Whereas the Administration has been trying for more than one year to negotiate such replacement regime that would merge the existing CoCom regime for East-West technology controls into a global nonproliferation regime and would specifically target rogue regimes such as Iran, Iraq, North Korea, and Libya;

Whereas support by such regimes for threatening activities, including acts of international terrorism, poses a national security threat to the United States and its allies;

Whereas the Administration is now giving active consideration to the inclusion in this replacement regime of Russia, other former Warsaw Pact States, and possibly China;

Whereas police in Germany have made 4 seizures this year of nuclear contraband from Russia where nuclear facilities are vulnerable to pilfering;

Whereas the plutonium in one such seizure was 87 percent of a highly enriched isotope used in nuclear weapons and is alleged to originate from a Russian nuclear weapons plant;

Whereas the Administration needs to ensure that Russia takes prompt and effective action to tighten export controls on nuclear weapons components;

Whereas Russia has sold destabilizing weapons to Iran and has not indicated that it is prepared to stop or curtail such sales in the future;

Whereas the Administration should oppose Russian membership in the CoCom successor regime until Russia unconditionally terminates the sale and transfer of all advanced conventional weapons to Iran and any other rogue regimes;

Whereas the Administration has failed to publicly identify Russia as a country that is transferring advanced conventional weapons to Iran pursuant to the provisions of the Iran-Iraq Arms Non-Proliferation Act of 1992; and

Whereas Russia and other countries should qualify for membership only to the extent that they are beginning to implement effective export controls, adhering to the control lists and the guidelines of the existing multilateral regimes (including the Nuclear Supplier's Group, the Missile Technology Control Regime and the Australia Group), adhering to the Treaty on the Non-Proliferation of Nuclear Weapons and the existing biological and chemical weapons conventions, and agreeing to stop providing destabilizing weapons to rogue regimes: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that—

(1) the President should work to achieve a clearly defined agreement which establishes a multilateral export control regime to stem the proliferation of militarily critical products and technology and advanced strategic weapons to rogue regimes that jeopardize international peace and the national security of the United States and its allies; and

(2) no country should qualify for membership unless it has begun to implement effective export controls, adheres to the control list and the guidelines of the existing multilateral regimes including the Nuclear Supplier's Group, the Missile Technology Control Regime, and the Australia Group, adheres to the Treaty on the Non-Proliferation of Nuclear Weapons and the existing biological and chemical weapons conventions, and has stopped providing advanced strategic weapons to Iran, Iraq, Libya, and North Korea.

HONORING CHAIRMAN MARILYN LLOYD

HON. TIM ROEMER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 27, 1994

Mr. ROEMER. Mr. Speaker, true leaders not only manage the events of the present, they also pay close attention to what the future may hold. At the Science, Space, and Technology Committee, I have had the good fortune to work with Chairman MARILYN LLOYD, who has provided exceptional leadership in managing our current resources as head of the Energy Subcommittee, and has also done outstanding work in preparing for future needs.

The future of United States and world development is closely linked with our energy supply. The dwindling global petroleum supply combined with ever-expanding energy needs creates a huge necessity for investing in other energy producing sources. MARILYN LLOYD has done an outstanding job in ensuring that this country address future needs today.

She has charted a course for badly needed and timely investment in renewable energy sources such as wind and solar powers, and in promising other technologies such as fusion. In order to reduce our dependence on foreign energy sources, Chairman LLOYD has sought better levels of investment in domestic energy production.

She has also conducted critical oversight in bringing our Federal energy labs into the next century. Once our Nation's weapons kitchens, these facilities found themselves badly in need of a mission. Chairman LLOYD has worked tirelessly to convert our Federal labs into technology kitchens, whose mission it will be to create new products and materials that American businesses can use to advance our global trading status.

This subject matter is complicated, but Chairman LLOYD has addressed it with vigor and given it the serious attention it deserves. She has served the Congress and the country well in these and other matters, and I am both pleased and honored to have had the great opportunity to serve with her as a member of the Energy Subcommittee.

Mr. Speaker, Chairman MARILYN LLOYD has served with class, grace, and distinction. I know she is going to do better things, and I know she will have great success, but I also know that she will be genuinely missed by her colleagues. We are losing a distinguished leader, but she will always be remembered for her dedication to her constituents, her committee, and the Congress.

SALUTE TO JOSEPH NEWTON

HON. THOMAS M. FOGLIETTA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 27, 1994

Mr. FOGLIETTA. Mr. Speaker, I rise to salute my constituent, Joseph Newton. Against all odds, Mr. Newton successfully formed Tri-Lucy Express. I am told that Tri-Lucy is the first African-American owned courier service to be licensed in Pennsylvania. The Interstate Commerce Commission has licensed Tri-Lucy to operate in the 48 contiguous States, and the company has agents in each one.

Mr. Newton's company will soon employ 13, currently unemployed, people from my district. His company is a model for small businesses in our hard-hit urban areas.

I applaud Mr. Newton for his perseverance and his foresight in forming this firm.

TRIBUTE TO GRAND COMMANDER FRANK SEAMANS

HON. RICHARD E. NEAL

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 27, 1994

Mr. NEAL of Massachusetts. Mr. Speaker, today I rise to salute a man whose service to country and community merits special attention. Mr. Frank Seamans, Massachusetts grand commander of the Veterans of Foreign Wars' Military Order of the Cootie, has compiled an incomparable record of dedication to others. I would like to take a moment to detail the accomplishments of my most distinguished constituent.

Mr. Seamans began his commitment to country in Asia where he served in military operations during the Korean war. He has continued his service through involvement in a variety of veterans' organizations.

Mr. Seamans joined the Veterans of Foreign Wars in 1981 and is a life member. He has served at a number of positions at the local, department and national level. He served as District 13 commander from 1989 to 1990. He has volunteered over 2,000 hours as a VFW VAVS representative for the Northampton, MA VA Medical Center. On the national level, he was a national deputy inspector from 1990–91 and a member of the national finance and internal organization committee from 1991–92. Mr. Seamans' most distinguished service has come as a member of the Military Order of the Cootie, where he has served in a number of offices, including his current office of grand commander.

Mr. Seamans has worked tirelessly to improve the lives of veterans in the State of Massachusetts. For this important commitment, I thank and salute Mr. Frank Seamans of Leeds, MA.

TRIBUTE TO THE ADMINISTRATION, TEACHERS, AND STUDENTS OF BRYANT RANCH ELEMENTARY SCHOOL

HON. JAY KIM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 27, 1994

Mr. KIM. Mr. Speaker, I would like to take this opportunity to acknowledge the scholastic excellence of the students, teachers, and administration of the Bryant Ranch Elementary

School, located in Yorba Linda and a part of the Placentia-Yorba Linda Unified School District, in its being recognized as a National Blue Ribbon Elementary School.

Mr. Speaker, when you take the time to examine the school's mission statement, motto, activities, and its outstanding relationship with the entire school district, it should be no surprise that this distinguished honor has been bestowed upon the Bryant Ranch Elementary School. The school's mission statement stresses the development of students with high esteem who celebrate learning as a lifelong experience and clearly defines to all personnel the importance of providing a positive and caring environment that promotes intellectual curiosity, encourages creativity, and establishes a tradition for achieving the student's personal best. Bryant Ranch Elementary School's motto is, "Reflect the past, explore the present, and invent the future."

Mr. Speaker, I also believe that the Bryant-Ranch Elementary School, and indeed the entire Placentia-Yorba Linda Unified School District, should be looked upon as a model of what American educational institutions, and their school districts strive to achieve in education.

Mr. Speaker, as you know, a solid education is one of the most valuable asset that we can provide our children. The example set by the Bryant-Ranch Elementary School is one of academic diligence and excellence. It gives me great pleasure to congratulate the Placentia-Yorba Linda Unified School District for nurturing a school of such high caliber, and of course to all of the fine students, teachers, parents and administration of the Bryant-Ranch Elementary School for a job well done.

NEW ERA IN IRELAND

HON. JACK REED

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 27, 1994

Mr. REED. Mr. Speaker, this past week, President Clinton welcomed John Hume to the United States. As a member of the British Parliament and leader of the Social Democratic and Labor Party of Northern Ireland, he played an active role in the achievement of the recent Irish Republican Army cease-fire.

John Hume has been a champion for peace in Northern Ireland. He has shown extraordinary courage and commitment to resist the violence that has consumed Northern Ireland. His example inspires men and women throughout the world who cherish peace and respect the dignity of all mankind.

The continuous bloodshed and human rights abuses that have characterized Northern Ireland are appalling and John's efforts to end this situation are of paramount importance.

This cease fire, while significant, is just the beginning of a long and complex process required to achieve lasting peace in Northern Ireland. I call to the attention of my colleagues an editorial written by the Honorable Mr. Hume, that appeared in the Friday September 23d Washington Post.

[From the Washington Post, Sept. 23, 1994]

NEW ERA IN IRELAND

(By John Hume)

With the announcement of a cessation of military activities by the IRA and the commitment of their political voice, Sinn Fein, to peaceful and democratic means to reach an agreement between the people of Ireland that can earn the allegiance of all our traditions, we are now at the beginning of a new era in Ireland. That was the clearly stated objective of my dialogue with Gerry Adams. Since five British governments and 20,000 troops failed to stop the violence, I took the view that if the killing of human beings on our streets could be ended by direct dialogue, then it was my duty to do so. I am naturally pleased that we have achieved this first major step toward lasting stability.

Now we must move on to our next major challenge—to reach agreement on how we share our piece of earth together. The challenge is to find common ground between two fundamentally different mind-sets, the unionist and the nationalist. The unionist mind-set, based largely in the Protestant population of Northern Ireland, is akin to that of the Afrikaner who believes that, surrounded by hostility that is real or apparent, the only way to protect his people is to concentrate power in their own hands to the exclusion of all others.

That approach is not only doomed to encourage widespread discrimination and conflict but is ultimately unsustainable. Nor does it do justice to the unionist tradition. The unionists of Northern Ireland are justly proud of their heritage and their contribution to the world. As many as 11 American presidents came of their stock. They number captains of industry and colonial governors among their great men. They see themselves as a pragmatic, hardheaded, straight-talking, skeptical, robust people and there is much in their history to justify their view.

However, the negative impact of their laager mentality has tended to dry up their creativity and paralyze their political talents. The time has come for them to believe in themselves as their own best guarantors in a future shared with the rest of the people of Ireland. They must realize that because of their geography and their numbers, the problem cannot be solved without them. Their true interest depends precisely on the exercise of their traditional gifts of self-confidence and self-reliance. Let them exercise those gifts now in the face of a historic opportunity by engaging in the political process of dialogue and consensus building.

The nationalist mind-set has traditionally relied less on the discipline of its people and more on its commitment to the territory of Ireland. "This is our land, and you unionists are a minority and you cannot stop us taking it over" can fairly well sum it up. But Irish nationalism has grown in its complexity, and it accepts that unity is not a territorial objective but one that involves people. It is people who have rights and not territory. A divided people can only be brought together by agreement. If coercion entrenches those divisions, only dialogue can bridge them.

In my whole approach to this process, I have been strongly inspired by both my European experience and my contact with the United States. The European Union is the greatest testament to the resolution of conflict. After one of the bloodiest conflicts in history, which left 35 million dead across our continent a mere 50 years ago, Europeans are engaged in a level of cooperation so intense it has blurred the traditional bounds of sovereignty. The political system of the United States commands the loyalty of citizens despite the diversity of their ethnic makeup and experiences. And each U.S. citizen carries in the small change in his or her pocket the maxim that holds the country together—*e pluribus unum*, from many we are one, the essence of unity is the acceptance of diversity.

We in Ireland are engaged in a process that seeks to give reality to this most profound truth. We must create by agreement, as was done in postwar Europe, institutions that respect our diversity but allow us also to work our substantial economic ground together—and by spilling our sweat and not our blood to begin our healing process. If that happens, a new Ireland will evolve, and the model that emerges may be very different from the traditional models of the past. It will be based on agreement and can earn the allegiance of people from all our traditions.

While we work for political agreement, we should also—in conjunction with the Irish abroad, particularly in the United States—work together to build our country economically, concentrating on areas of higher unemployment in the North so that the positive results of the peace process can be visible to our young people. We must give them hope and belief in the constitutional process. We must plan to give them the opportunity to earn a living in the land of their birth and to contribute to its development.

I have had major contacts in the U.S. political and business communities, where people of Irish extraction are prominent in both. I have learned that they would be keen to help in the development effort. Indeed, they are already doing so through the International Fund for Ireland, which has already created 20,000 jobs. Reconstruction goes hand in hand with reconciliation.

My hope, and it is a confident hope, is that the fast approaching 21st century will be the first century in our island history in which the evil genius of mistrust and violence will be finally laid to rest, and politics alone—in all its dynamism and vigor—will direct the affairs of all of the people of Ireland.

ATTORNEY RONALD J. JASKOLSKI NAMED POLISH AMERICAN OF THE YEAR BY POLISH NATIONAL ALLIANCE—MILWAUKEE SOCIETY

HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 27, 1994

Mr. KLECZKA. Mr. Speaker, I rise today congratulate my friend, Attorney Ronald J. Jaskolski on being named Polish American of the Year by the Polish National Alliance—Milwaukee Society.

The measure of a man's success can be taken in many ways. By any definition of the word, Ronald Jaskolski is clearly a success. As an attorney, Ronald Jaskolski has long earned the respect of his clients and his peers. He has maintained a successful practice in the Milwaukee area for nearly 30 years and has established himself as a respected authority on the practice of family law.

As a devoted husband, father, and grandfather, Ronald Jaskolski has helped to raise a family of whom he can be proud. He and his wife Jeanne are the loving parents of four children, and just recently celebrated the birth of their fourth grandchild.

As a concerned and involved citizen, Ronald Jaskolski has made a positive and lasting impact on his community. Through his involvement with organizations such as the St. Joseph's Foundation, the South Community Organization, and the Clinicare Corp., Attorney Jaskolski has worked hard to make life better for our community's young people and disadvantaged. Through his work with groups like the Polish National Alliance and Polish Festivals Inc., Attorney Jaskolski has done much to preserve and promote Milwaukee's rich Polish-American heritage.

Milwaukee's Polish-American community has long maintained a tradition of strong commitment to the values of hard work, family, and community involvement. Attorney Ronald Jaskolski has proudly maintained and carried on this commitment. By naming one member of Milwaukee's Polish-American community as Polish-American of the Year, the Polish National Alliance—Milwaukee Society seeks to honor those persons whose actions set an example for the entire community.

Mr. Speaker, I commend and congratulate Attorney Ronald J. Jaskolski on receiving this well deserved award.

TRIBUTE TO GERALD A. BAKER

HON. WALLY HERGER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 27, 1994

Mr. HERGER. Mr. Speaker, I would like to recognize a constituent of mine, Mr. Gerald A. Baker, who retires from Federal service after serving the United States faithfully for 35 years. From the beginning of his civil service career as an engineering aide, GS–04, to the chief, ordinance engineering division, at the Naval Ammunition Depot, Hawthorne, NV, to his present position as the civilian executive assistant, GS–15, Sierra Army Depot, CA, his extraordinary contributions have been invaluable.

Mr. Baker's strong leadership, exceptional managerial abilities, and his commendable personal qualities have positively affected both missions and people throughout his career. He has set the example for civil servants for more than three decades.

Mr. Baker's contributions were recognized by many awards during his career to include two Meritorious Civilian Service Awards, a Commander's Award for Civilian Service, and numerous Exceptional Performance Awards. As he ends his career, it is fitting to note the influence he had on varied aspects of Government during his years of service to the Nation.

HONORING BARBARA SHIPNUCK

HON. SAM FARR

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 27, 1994

Mr. FARR of California. Mr. Speaker, I am pleased to rise today to recognize the many contributions and achievements of Barbara Shipnuck. As a 16-year veteran of the Monterey County Board of Supervisors and the first woman to serve in that body, Barbara has had, by all accounts, and unparalleled career in public life. She is known by all who work with her as an extremely capable leader.

I personally have had the pleasure of working with Barbara on a good many occasions, dating back to the time I served as a supervisor. In the late 1970s', she and I led successful drives to help save Natividad Hospital and open the county's advisory committees to a new era of leadership. Later, as a State assemblyman, I worked with Barbara to help realign California's State and local social services to deliver greater benefit at lower cost. At that time, Barbara served as chair of the County Supervisors Association.

Now chairwoman of the Monterey County Board of Supervisors, Barbara is looking forward to life after government. Fortunately, we have much to remember her by. Aside from her work on the board of supervisors, Barbara currently serves on the board of directors of the National Association of Counties and is on the executive committee of the California State Association of Counties.

In addition, Barbara serves on both associations' health and human services committees and chairs the Children's Initiative Task Force for the National Association of Counties.

She is a graduate of Brandeis and Harvard Universities, the mother of two, and just a wonderful person.

In honor of her retirement from the Monterey County Board of Supervisors, I call upon my colleagues in this House to salute Barbara Shipnuck for all that she has done for the people she has so remarkably served.

TRIBUTE TO TYLER A. OFFENBAKER

HON. MICHAEL G. OXLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 27, 1994

Mr. OXLEY. Mr. Speaker, how rare a commodity heroism is. I rise today in tribute to my constituent, Tyler A. Offenbaker, from Roosevelt School in Lima, OH, who recently received the American Automobile Association [AAA] School Safety Patrol Lifesaving Medal Citation. Tyler is the son of James and Renee Offenbaker of Lima.

In January 1993, Tyler had just completed safety patrol duty at the corner of Glenwood Avenue and West Spring Street when he saw a younger boy being dragged on the snow-covered roadway by a car. Unaware that the student's bookbag had caught in the door as he got out, his grandmother drove off. Tyler frantically ran after the slow-moving car, shouting and waving his safety flag. After running approximately 140 feet, Tyler finally got the driver's attention, and she stopped. Thanks to Tyler's quick thinking, the student sustained only minor injuries.

Mr. Speaker, I ask my colleagues to join me in saluting Tyler A. Offenbaker for his quick thinking and bravery that prevented a tragedy.

CONGRATULATING BENJAMIN A. LEON GUERRERO ON HIS ELECTION AS PRESIDENT OF THE FBI NATIONAL ACADEMY ASSOCIATION, HAWAII CHAPTER

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 27, 1994

Mr. UNDERWOOD. Mr. Speaker, I would like to commend and congratulate Police Inspector Benjamin A. Leon Guerrero on his election as president of the FBI National Academy Association, Hawaii Chapter.

The Federal Bureau of Investigation's National Academy, Hawaii chapter, is composed of law enforcement officers who are FBI-trained from various Pacific island nations, in which the territory of Guam participates. A graduate of the FBI National Academy, Guam Police Inspector Benjamin A. Leon Guerrero is the chapter's first president elected outside the State of Hawaii, a milestone for the territory and the Guam Police Department.

Police Inspector Benjamin A. Guerrero has brought recognition upon himself, the island, and its people. As someone I personally know and worked with early in our careers, I would like to congratulate him on his latest achievement.

TRIBUTE TO MARILYN DONAHUE-DURKIN

HON. JAMES A. LEACH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 27, 1994

Mr. LEACH. Mr. Speaker, I rise today to pay tribute to Marilyn Donahue-Durkin, who is retiring after serving on the minority staff of the Committee on Banking, Finance and Urban Affairs for over two decades. Spanning an era covering Watergate to Whitewater, Marilyn has served effectively under four ranking Members, gaining the respect and appreciation of each. Her dedication, support, and friendship will be missed by many both within Congress and without. We bid Marilyn a fond farewell and wish her success in all future endeavors.

LOURDES SENIOR COMPANIONS—GREAT ASSETS TO SOUTHERN NEW JERSEY

HON. ROBERT E. ANDREWS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 27, 1994

Mr. ANDREWS of New Jersey. Mr. Speaker, on October 21, 1994, the Lourdes Senior Companion volunteers will be honored at a recognition luncheon given on their behalf. The Senior Companion Program was authorized in 1973 as part of the Domestic Volunteer Service Act and is now part of the Corporation for National Service. The program was established to provide individualized support and create part-time stipended volunteer community service opportunities for low-income persons aged 60 and over. Senior Companions

provide assistance to elderly adults experiencing difficulty with one or more activities of daily living. As part of a comprehensive care team, they help homebound persons living independently.

The program at our Lady of Lourdes began in 1989 in the city of Camden and now serves older residents of Camden and Burlington Counties. There are currently 92 active volunteers and 20 volunteer stations, serving over 250 clients. When we talk of unsung heroes or heroines, these Senior Companions come to mind. They provide invaluable person-to-person services.

Mr. Speaker, I would like to thank and congratulate these extraordinary individuals. They are William Addison, John Anderson, Hester Banks, Gertrude Booker, Mabel Boone, Willa Mae Braddy, Gladys Braxton, Mary Brockington, Frances Burch, Marie Carlson, James Carter, Annie Clayborne, Catherine Cook, Geneva Cox, Juanita Cruz, Rose D'Angelo, Nancy Darby, Anna DeLeonardia, Margaret DiNunzio, Josephine Doria, Guillermo Enriquez, Theresa Fahey, Gabriel Ferraro, Sr., Catherine Forgacs, Ophelia Fuller, Hester Funches, Mary Garner, Carmela Gentile, Ramona Gonzales, Doris Grant, Ora Green, Frances Hallman, Helen J. Hannum, Catherine Hansbury, Jean P. Harvey, Elizabeth Helmstead, Theresa I. Hussey, Alice Ingalls, Herbert Johnson, Majorie Johnson, Mildred R. Johnson, Esther H. Jones, Anita Kalick, Mary Katz, Martha Kersey, George King, Miriam Kyle, Carrie LaBoy, Mae Helen Lee, Gladys A. Lewis, Lena T. Lewis, Miriam Lott, Hannah E. Lovelock, Beauty Lovett, Gladys Mallon, Shahidah Matean, Margaret Menoken, Veronica Meyers, Aguatin Molina, Eula E. Moore, Else Mulvenna, Sara Y. Nathan, Clifford Nelson, Estella Pratt, Cecilia Read, Vivian Rhone, Isaac Rodriquez, Annie Rozier, Katie Scanes, Elizabeth Schilling, Sophie Schmidt, Carrie Solomon, Maceo Stewart, Azelda Stovall, Helen M. Thom, Willa Mae Thomas, Hattie Thompson, Madeline M. Thorne, Michael Threadgill, Rose Tragno, Violet Tresvant, Cecil Virgo, Marian Ward, Mary Watkins, Gladys M. Williams, Leslie Wilson, Christine Wing, and Clara M. Wittenberger.

Mr. Speaker, I would also like to congratulate and commend Catherine Virginia Jerecki and Anne Marie McAdams for their dedicated and caring service to our program and community.

SUPPORT THE QUINCY LIBRARY GROUP

HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 27, 1994

Mr. FAZIO. Mr. Speaker, over the past several months, I and several others of the California delegation have been working with the Forest Service to secure financial support for an innovative effort affecting the Plumas, Lassen, and Tahoe National Forests in northern California. In this area, a remarkable coalition of environmental, timber industry, labor, and community leaders that has come to be called the "Quincy Library Group" has developed a consensus proposal that provides an important model to resolve similar issues throughout the National Forest System. Their efforts have indeed been laudable, and the members of the California delegation have supported the concepts they are promoting to simultaneously achieve healthy forests and stable communities.

In an exchange of letters between our delegation and the Forest Service, which I will include for the RECORD, we have asked the agency to evaluate whether the Quincy Library Group proposal could be funded through the authorities provided to the Forest Service under its salvage sale fund. As you can see from the last letter of the series, the agency has answered favorably. We are encouraged by this response and are encouraged that the proposal can move forward with adequate financial support.

Additionally, I would note that in the conference report on the Interior appropriations bill, the managers emphasized the importance of sustaining the health of our forest ecosystems. They directed the Forest Service to move expeditiously to restore and rehabilitate burned-over areas, and reduce excessive fuel loads in areas highly susceptible to wildfire. The managers report contains specific direction to the agency to this end and commends the Department of Agriculture for establishing a task force to review the causes, effects, and severity of wildfires in the Western United States. In suggesting that they expect the Forest Service to move expeditiously to restore and rehabilitate burned-over areas and reduce excessive fuel loads, the managers spoke directly to our situation. The areas affected by the Quincy Library Group proposal are in just this sort of condition. In fact, one of the larger wildfires that has burned in our State is in the area included in the Quincy Library Group proposal.

Consequently, I am very enthusiastic about both the proposal and the Agency's ability to bring the proposal to fruition by using salvage sale funds. We will continue to work with the agency to secure these important outcomes, and to try to build on the unique consensus achieved by our local citizens in northern California.

CONGRESS OF THE UNITED STATES
Washington, DC, May 18, 1994.

Dr. JACK WARD THOMAS,
Chief, U.S. Forest Service, Auditor's Building, Washington, DC.

DEAR CHIEF THOMAS: In recent weeks, each of us has had conversations with members of the Quiney Library Group. We believe this coalition of environmental, timber industry, labor, and community leaders is a truly remarkable group that may provide an important model to resolve similar issues throughout the national forest system. Their efforts are indeed laudable, and we support the concepts they are promoting to simultaneously achieve healthy forests and stable communities. To that end, we wish to request your assistance in expeditiously obtaining specific information on the anticipated costs and associated outputs that would occur through implementation of this group's proposals.

Specifically, the Quincy Library Group has indicated to us that, after consultation with the agency, their proposal would involve treating approximately 50,000 acres for fuels in the first year (FY 1995) in order to begin reducing the current risk of catastrophic wildfire. In order to accurately evaluate the financial implications of this proposal, we need the answers to the following questions:

1. What would these treatments cost in FY 1995? Please break out the costs of the Quincy Library Group's proposal as it was presented to the Forest Service according to the budget categories displayed in the agency's FY 1995 budget request. What portion of the proposal's funding needs have been included in the Administration's FY 1995 budget request? What portion of these treatments could be funded through the Timber Salvage Sale Trust Fund? Will salvage sale funds be used to treat forest stands in imminent danger from insect or disease attack?

2. What are the Forest Service's best general estimates of the out-year (FY 1996–98) costs associated with the proposal?

3. Are there additional FTE or other personnel needs associated with the FY 1995 activity contemplated by the proposal? Do these differ in the out-years? Will the ongoing voluntary separation program affect implementation of the Quincy Library Group's proposal in FY 1995 or in out-years (FY 1996–98)?

4. What would the proposal produce in FY 1995 timber sale outputs in addition to the planned sales for these national forests? How about additional out-year (FY 1996–98) outputs?

5. What are the agency's best estimates of the additional gross revenues that the additional timber sale outputs would generate in FY 1995? Please provide estimates for the out-years (FY 1996–98) as well?

6. What is the agency's estimate of the total amount of FY 1995 down-payments and deposits that would be collected as a result of the additional FY 1995 timber sale outputs generated by the proposal? Please provide the same information for the out-years (FY 1996–98).

7. The Quincy Library Group proposal calls for a sustained timber sale program to meet the needs of the local mills. How much funding is required for advanced timber sale preparation work to ensure completed field work on 50 percent of the FY 1996 sale program at the opening of FY 1996?

8. In addition to timber sales resulting from fuels reduction work, the Quincy Library Group has stated that these national forests have numerous watershed restoration projects that are ready for implementation, but have not been funded. What is the extent of this work that could be successfully implemented in the upcoming fiscal year, and what would it cost? What level of funding in future years (FY 1996–98) will be required to completely eliminate this backlog?

9. Based on the funding in the Administration budget request, what programs and funding impacts would be felt on the other California national forests if full implementation of the first year of the Quincy Library Group program is required in FY 1995?

We would appreciate your response to these questions as soon as possible so that we may assist this group in their effort. Since we are not asking for an agency or Administration position on the proposal, we assume the agency can respond to our information request promptly. Please contact Kathy Lacey in Senator Feinstein's office at 224–9341 or Jeff Harris in Congressman Fazio's office at 225–5716 with any questions. We look forward to your detailed response to these inquiries.

Sincerely,

DIANNE FEINSTEIN,
U.S. Senator.

VIC FAZIO,
Member of Congress.

WALLY HERGER,
Member of Congress.

Hon. WALLY HERGER,
U.S. House of Representatives, Rayburn House Office Building, Washington, DC.

DEAR CONGRESSMAN HERGER: This is in response to your May 18, 1994, letter cosigned by Congressman Vic Fazio and Senator Dianne Feinstein, requesting detailed information regarding costs and associated outputs regarding the Quincy Library Group (QLG) proposals.

The following is the result of the compliation of that data and responds to your questions in the order asked:

1. What would these treatments cost in FY 1995?

Costs of the current FS program, which include a portion of the QLG proposals, are displayed in budget categories presented in the Agency's budget request (costs are shown in thousands of dollars):

Timber funding:	
NFSP	$1,358
NFHA	1,140
NFSE	344
SSSS	4,095
Totals	6,937
Timber support (ET113):	
NFWl	45
NFTE	147
NFAF	9
NFIF	57
NFCR	159
NFPM	22
NFSO	75
NFVM	0
NFMG	50
FFFP	175
Total	739
Other funding needs:	
CNTM	844
FFFP–PF2	377
BDBD	2,171
Total	3,392
Total	11,068

Within the forests included in the QLG's proposal, a level of funding, as displayed above, is needed to produce the "current planned outputs" in response number 4. To perform additional treatments as proposed by QLG and shown as feasible in our response to your question number 4, the following additional costs for fiscal year (FY) 1995 would be expected:

Timber funding:	
NFSP	$762
NFMA	600
NPSE	188
SSSS	4,230
Total	$5,780
Timber support (ET113):	
NFWL	50
NFTE	85
NFAF	0
NFIF	62
NFCR	95
NFRM	12
NFSO	43
NFVM	2
NFMG	27
FFFP	175
Total	468
Other funding needs:	
CNTM	433
FFFP–PF2	1,215
BDBD	192
Total	1,840
Total	8,088
Totals	9,178

Portion of the funding needs in the Administration's FY 1995 budget request:

Of the total need, including added needs for the QLG proposals, the budget request is about 50 percent of the total needed.

2. What are the Forest Service's best general estimates of the out-year costs associated with the proposal?

The following estimated annual out-year costs are projected (in thousands of dollars):

Regular program timber funding:	
NFSP	$1,290
NFHA	1,082
NFSE	318
SSSS	6,488
Totals	9,178
Timber support (ET113):	
NFWL	45
NFTE	140
NFAF	0
NFIF	57
NFCR	152
NFRM	22
NFSO	72
NFVM	0
NFMG	50
FFFP	172
Total	710
Other funding needs:	
CNTM	818
FFFP–PF2	377
BDBD	2,171
Total	3,366
Total	13,254
Additional QLG proposals costs:	
Timber funding:	
NFSP	$1,476
NFHA	1,191
NFSE	407
SSSS	2,961
Totals	$6,035
Timber support (ET113):	
NFWL	73
NFTE	159
NFAF	0
NFIF	126
NFCR	173
NFRM	26
NFSO	75
NFVM	1
NFMG	43
FFFP	162
Total	$838
Other funding needs:	
CNTM	705
FFFP–PF2	1,330
BDBD	117
Total	$2,152
Total	$9,025

Assuming that the funding and associated sales program for these forests remains relatively constant, as expressed above for current levels, the QLG proposal would increase costs in the out-years. The FY 1995 additional cost displayed in response number 1 is $8088M. Annual costs for the QLG additional proposal is $9025M.

3. Are there additional FTE or other personnel needs associated with the FY 1995 activity contemplated by this proposal? Do these differ in the out-years? Will the ongoing voluntary separation program affect implementation of the QLG's proposal in FY 1995 or in out-years (FY 1995–98)?

The Forest Service can partially meet the objectives in the QLG with existing staff and funds. However, to fully meet all the fuel treatment and watershed restoration needs will require additional personnel. Additional staffing needs beginning in FY 1995 would be approximately 80 employees, and this increased level would continue through FY 1998. The voluntary separation incentive (buyout) has reduced staffing in several key resource positions, and this impact will be felt in the planning and rates of implementation of the projects proposed. Training time and funding will be needed to increase the skills for new employees assigned to these activities.

4. What would the proposal produce in FY 1995 timber sale outputs in addition to the planned sales for these national forests? How about additional out-year outputs?

POTENTIAL OUTPUTS—FY 1995

[Millions of Board Feet—MMBF]

	Current planned outputs (FY 1995)	Additional QLG volume (FY 1995)
Green sawlogs	34	20
Salvage sawlogs	29	39
Subtotal sawlogs	63	59
Biomass	56	22
Total, current plan	119	81

The current sale plan for forests included in the QLG proposal is the offer of 63 MMBF of sawlogs (34 M green and 29 Million salvage) and 56 MMBF of biomass for a total of 119 MMBF. Sales included in the QLG proposal would provide an increase of 59 MMBF of sawlogs (20 M green and 39 M salvage) and 22 MMBF of biomass. The total program would be increased from sales of 119 MMBF to 200 MMBF.

POTENTIAL OUT-YEAR OUTPUTS

[Fiscal year 1996 through fiscal year 1998]

	Current planned outputs (annual)	Additional QLG volume (annual)
Green sawlogs	33	23
Salvage sawlogs	44	32
Subtotal sawlogs	77	55
Biomass	53	35
Total, current plan	130	90

For the out-year plan, the planned sales included in the QLG proposal is an annual program of 77 MMBF of sawlogs (33 M green and 44 M salvage) and 53 MMBF of biomass for a total of 130 MMBF. Sales included in the QLG proposal would provide an annual increase of 55 MMBF of sawlogs (23 M green and 32 M salvage) and 35 MMBF of biomass. The total annual program would be increased from 130 MMBF to 220 MMBF.

The volumes projected above assume that volume outputs under the California spotted owl environmental impact statement (EIS)

will be about the same as outputs that may be expected under the interim direction for the California spotted owl. The Record of Decision and final EIS are expected in less than a year. The volume outputs may increases or decrease, depending on the EIS alternative adopted.

The QLG has asked the forests to begin to amend their Forest and Land Management Plans (FLMP) to reflect their proposal. We do not agree that such an amendment is desirable at this time. Instead, we prefer to complete the NEPA process associated with the California spotted owl EIS. This process will fully analyze the impacts and outputs associated with several scientifically sound, ecologically based alternatives, including the QLG proposal. The Record of Decision will automatically revise the FLNPs for the three forests. This process will be completed long before the forests could amend their existing plans. Further, much of the information needed to determine impacts of the QLG proposal is being developed by the EIS Team.

5. What are the agency's best estimates of the additional gross revenues that the additional timber sale outputs would generate in FY 1995? Out-years?

With current funding levels, gross revenues from timber sales are estimated to be approximately $30 million from the FY 1995 program. With additional funding, gross revenues are estimated to increase to approximately $40 million for the FY 1995 program.

For the FY 1996–98 program, gross revenues are estimated at approximately $28 million annually at currently expected funding levels. With additional funding for the FY 1996–98 program, gross revenues could increase to approximately $45 million.

Gross revenue estimates in response to this question include all collections used to calculate 25 percent payment distributions back to counties.

Revenue estimates are based on the assumption that all sales will be purchased at prices comparable to those at recent sales and will be promptly harvested. There is a developing oversupply of small fir salvage and biomass material in some parts of the region. In some instances, offerings have received no bids or sales have not been promptly harvested. Should market conditions weaken in the future, revenue estimates would be lower than those shown above.

6. What is the agency's estimate of the total amount of FY 1995 downpayments and deposits that would be collected as a result of the additional FY 1995 timber sale outputs generated by the proposal? Out-years?

Downpayments and deposits are estimated at approximately $4 million for the currently funded FY 1995 program. With additional funding downpayments and deposits could increase to over $5 million.

For the FY 1996–98 program, downpayments and deposits are estimated at approximately $4 million annually for currently expected funding levels. With additional funding, downpayments and deposits could increase to approximately $6 million annually.

Note that downpayments and deposits do not increase the revenue base used to calculate 25 percent payment distributions to the counties described in question 5 above. Downpayments and deposits are to assure purchaser performance under the terms of the timber sale contract.

7. How much funding is required for advanced timber sale preparation work to ensure completed field work on 50 percent of the FY 1996 sale program at the opening of FY 1996?

The additional FY 1995 cost to prepare 50 percent of the FY 1996 program in FY 1995 is displayed below (thousands of dollars):

Increase to QLG program costs (within regular program)	$4,927
Increase to QLG additional	2,777
Total increased costs	7,704

The breakdown by fund code would be generally proportional to the 1995 estimates shown in response to question number 1, excluding NFHA, FFFP–PF2, and SDBD.

The program for QLG proposals could be sustained for about 5 years, considering currently available timber and current constraints of law, regulation, and policy. Consideration for the interim California spotted owls direction has been included in the coats and outputs. The California spotted owl EIS may change expectations, depending on the adopted alternative.

8. In addition to timber sales * * * these national forests have numerous watershed restoration projects that are ready for implementation, but have not been funded. What is the extent of this work that could be successfully implemented in the upcoming fiscal year, and what would it cost? What level of funding in future years (FY 1996–98) will be required to completely eliminate this backlog?

The watershed restoration project backlog includes a variety of projects including: In-channel improvements such as stream structures and check dams; Riparian improvements such as willow plantings, protective fencing, meadow restoration, and trail obliteration; Upslope improvement such as erosion control structures, revegetation, and slope stabilization; Road-related improvements such as tillage of abandoned roads and landings, road decommissioning, improved drainage, and road realignment.

Backlog is estimated primarily from needs identified in forest land management plans. Actual needs may change with more detailed inventory and analysis, and implementation of a more extensive restoration program, including significant road-related restoration, applying concepts from the President's Forest Plan.

A significant portion of the backlog lies in the inventory, analysis, and planning work (including NEPA) that is required prior to implementation of these projects. For these reasons, only 25 percent of these projects would be ready for implementation in FY 1995. With adequate planning dollars in FY 1995, an additional 25 percent would be ready for implementation in FY 1996.

To completely eliminate the restoration backlog, adequate funding in both planning and implementation would be required for several years. To put these numbers in a regionwide perspective, regular program dollars available to forests within the watershed budget average $2 million regionwide for operations and $2.5 million regionwide for improvements. These funds are distributed to 18 national forests.

Watershed Restoration Needs and Funds Identified by Plumas, Lassen, and Tahoe National Forests (composite):

Current funds	Additional needs	Total
FY95: $1,600	$4,500	$6,100
FY96–FY98: 1,600	11,700	13,300

Current acres/miles	Additional acres/miles	Total
FY95 acres: 1,830	1,465	3,295
FY95 miles road: 30	211	241
FY95 miles channel: 1.2	11.6	12.8
FY96–98 acres: 1,830	2,910	4,740
FY96–98 miles road: 30	229	259
FY96–98 miles channel: 1.2	7.6	8.8

9. Based on the funding in the Administration budget request, what programs and funding impacts would be felt on the other California national forests if implementation of the first year of the QLG program is required in FY 1995?

The Pacific Southwest Region would be severely impacted if required to fully fund the QLG program in FY 1995. With the assumption that the funding would come from the regional allocation, specific programs that would be affected are:

Timber program: After funding the QLG program and the President's Forest Plan for an ecologically sustainable timber program, Region 5 would reduce the remaining funds available to other Forests in California by 60 percent from preliminary funding levels. This would require significant staffing reductions, would reduce the timber outputs on other forests by nearly 90 percent, and delay other forest's efforts in proceeding with the integration of GIS technology in the region.

Soil and water operations and improvements: Region 5 would be unable to fund (a) the President's Forest Plan to meet the required watershed analyses, ecosystem restoration projects and Jobs-in-the-Woods, required planning and monitoring, and efforts in the adaptive management areas; (b) any other watershed or ecosystem improvement activity in the region; and (c) delay other forest's efforts in proceeding with the integration of GIS technology in the region. This would result in staffing reductions that would eliminate the hydrological expertise and capability that currently exists on the national forests in California with the exception of those working on the QLG program.

Fuels reduction: Region 5 would be allocating nearly 80 percent of the regional fuels reduction funds to the program called for by the QLG. This would continue the fuels buildup in the Sierras and in northern California in national forests supporting the President's Forest Plan. Fuels reduction activities in all other parts of California which can reduce or eliminate potential catastrophic fires will not be receiving funds. National forests in the northern part of the State, southern and central Sierras and in southern California would be highly vulnerable to catastrophic fires. Mapping of fuel loading with the GIS technology could be delayed.

Forest road program: Region 5 would be unable to fund (a) the President's Forest Plan to meet the required ecosystem restoration projects and Jobs-in-the-Woods, and required planning and monitoring; (b) any other heavy maintenance, road reconstruction, bridge repair/retrofit or watershed or ecosystem improvement activity in the Region; and (c) delay other forest's efforts in proceeding with the integration of GIS technology in the region. This would result in staffing reductions that would eliminate the engineering expertise and capability that currently exists on the national forests in California with the exception of those working on the QLG program and those contributing to watershed analyses in forests implementing the President's Forest Plan.

The Agency's current plans with respect to the QLG proposal are: (1) Continue to support the basic principles outlined in the proposal, but wait until we complete the NEPA process for the California spotted owl RIS before adopting any particular recommendation. (2) Continue to work with QLG, consistent with the Federal Advisory Committee Act requirements. (3) Consciously shift emphasis within FY 1995 and FY 1996 funding levels (assume that bottomline for each forest is at FY 1994 allocation level) to focus on

forest health, fuels management, and watershed restoration. (4) Complete and display a complete analysis for the QLG proposal in the California Spotted Owl EIS for the affected forests only.

We appreciate your interest in the management of these important national forests and the QLG proposal as we work toward implementable solutions that have a broad bass of solid community support.

Sincerely,

JACK WARD THOMAS,
Chief.

SUPPORT THE QUINCY LIBRARY GROUP

HON. WALLY HERGER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 27, 1994

Mr. HERGER. Mr. Speaker, I want to join with my colleague Mr. FAZIO in strong support of the Quincy Library Group proposal and the importance of securing adequate funding for its implementation in fiscal year 1995.

This unique community stability proposal which is located in my district is precisely the kind of solution we are looking for in resolving disputes in our timber dependent communities. After years of controversy, previously polarized groups of local officials, environmentalists, and timber industry representatives have come together in northeastern California. They have found collective strength in consensus.

It is vital that we embrace this spirit of cooperation if we expect to resolve the differences that have developed between our environmental communities and those who depend on our natural resources for their economic survival.

Emerging early, the Quincy Library Group voluntarily developed a land management proposal for the Plumas, Lassen, and Tahoe National Forests that is supported by a broad spectrum of interests. If fully implemented, this proposal will serve as a model and an inspiration for others who wish to involve diverse groups at the grassroots level to work out their differences over difficult questions concerning natural resource management.

The Quincy Library Group is a serious effort at practicing sound resource management. For years, we have been looking for a consensus to break the gridlock that has dominated this controversial issue. I commend both the Forest Service and the managers of the Interior appropriations bill for recognizing the importance of this proposal and the need to move quickly to stabilize areas affected by this summer's devastating wildfires, reduce fuel loads, and restore the health and balance of our forest ecosystems.

I am heartened by the cooperation of the Forest Service with the Quincy Library Group and appreciate the support of Mr. FAZIO and our 14 colleagues who joined me in signing a letter of support for this thoughtful proposal. I stand ready to do everything necessary to assist in the implementation of this important initiative.

BRIDGEHAMPTON POST OFFICE BICENTENNIAL

HON. GEORGE J. HOCHBRUECKNER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 27, 1994

Mr. HOCHBRUECKNER. Mr. Speaker, I rise today to recognize the bicentennial of the Bridgehampton, NY, Post Office.

On October 1, 1994, the people of eastern Long Island will mark 200 years of service by the men and women of the Postal Service in Bridgehampton. This is truly an historic occasion for the people of Bridgehampton and for Bridgehampton Postmaster Louis J. Alfano, Jr.

The establishment of the Bridgehampton Post Office in 1794 occurred amid the founding of this great Republic and the development of our system of mail delivery. The Postal System in place at the time Bridgehampton's mail service began is largely the same system that has been preserved throughout the past two centuries and that serves people today. It was planned and supervised by Benjamin Franklin, who in addition to his other accomplishments was our Nation's first Postmaster General, appointed under the Continental Congress.

Just 5 years before the opening of Bridgehampton's Post Office, the U.S. Constitution was signed and by an act of the First Congress the finest system of mail delivery in the world officially became the U.S. Postal Service.

Bridgehampton's Post Office opened its donors on September 25, 1794. Its first postmaster, appointed under President George Washington, was Hugh Gelston. The other Long Island men and women who have served as postmaster of the Bridgehampton Post Office deserve mention. They offer a shining example of service for their families, their community and the Nation. They are Samuel Rose (1798–1832), James M. Niles (1832–1835), Robert Halsey (1835–1838), Alanson Topping (1838–1845), Edward S. Gray (1850–1853), Nathan N. Tiffany (1853–1856), David Hallock (1856–1869, 1869–1886), Benjamin G. Eldridge (1869), James M. Halsey (1886–1889), Henry Squires (1889–1896), Orlando Hand (1896–1897), Edward A. Hildreth (1897–1915), Maud Rogers (1915–1936), Marjorie E. Dickinson (1936–1955), James H. Donohue (1955–1972), Erwin S. Hedges (1972–1975), Peter L. Michne (1975–1982), Lawrence Gualtieri (1982–1983), Robert P. Hill (1983), and Louis J. Alfano, Jr. (1983–present).

Mr. Speaker, since 1794, the Bridgehampton Post Office has been continuously open and available to serve customers. I am proud to represent the men and women who serve their community at this facility.

TRIBUTE TO MARY SHAPERO

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 27, 1994

Mr. LEVIN. Mr. Speaker, I wish to extend my congratulations to Mary Shapero as she receives the 1994 Distinguished Community Service Award bestowed upon her by the Detroit chapter of the American Jewish Committee.

This honor adds to a remarkable record of philanthropic and community leadership spanning three decades. The Distinguished Community Service Award recognizes Mary Shapero for a wide array of cultural, humanitarian, and educational endeavors which are testimony to her dedication to a better life for all citizens.

Mary Shapero was born in Pittsburgh. Throughout her professional life as a resource development consultant for nonprofit agencies, Mary has maintained a full and active volunteer career as well.

Mary Shapero is now serving her fifth term on the national board of governors for the American Jewish Committee, having served previously as a national vice president and member of the board of trustees. In the Detroit community, Mary was elected to the Detroit chapter's advisory board, served as membership chair, and resource development committee chair and vice president.

Her service to the local community stands as a model for others. Mrs. Shapero chairs an education assistance fund at Temple Beth El, is a past national board president of Planned Parenthood and now serves on its national board. She is an officer of the League of Women Voters of Detroit, board member at the Jewish Vocational Service and serves on the Detroit Public Library's advisory board.

Her accomplishments are countless. Those of us who know Mary Shapero, are lucky enough to know a good friend who is caring and kind, a devoted wife, mother, and grandmother and a person truly deserving of this special recognition.

HUMAN RIGHTS IN CHINA

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 27, 1994

Mr. WOLF. Mr. Speaker, I am submitting for the record this speech given by Harry Wu at Stanford University recently. Harry is a 19-year veteran of China's slave labor camps and has now committed his life to researching and telling the world about the atrocities still being committed in these camps today. I would encourage any of my colleagues interested in China to read it.

HUMAN RIGHTS AND DEVELOPMENT IN CHINA

With its emergence from the shadow of the Tiananmen Square Massacre, the dark cloud hanging above China since 1989 has been fading and dispersing without much concern. The highly charged emotionally event of June 4th is being replaced by reports of economic boom in China.

The West is very much drawn to and interested in the tremendous economic growth in China these days, which is in sharp contrast to stagnant economy here in the West. Its ample supply of cheap labor and the potential of its vast market demand are just too tempting to let such an opportunity pass by. Capital and technology are what the West wish to offer.

Despite certain boycott actions in Germany and other European countries, Premier

Li Peng, who is directly responsible for the Tiananmen Square Massacre, did not seem to encounter much opposition during his visit to those countries, his briefcase stuffed with profitable business contracts.

Not only did President Clinton, who had condemned despots from Bagdad to Beijing, meet with the General Secretary of the world's biggest communist party in Seattle, but he has also delinked human rights from trade in U.S. policy. As a matter of fact, the human rights issue as a card in the U.S. China policy is being neglected.

China is neither Haiti nor Rwanda, not even Iraq. China is a nation with a population of 1,200 million people who are tightly controlled by a totalitarian regime. Would it be possible that China is to become an evil empire after the former Soviet Union?

Over the past 40 years, the Communist Party's rule encountered several major crises. In particular, the 1960–62 famine resulted in the death of 40 million; the cultural revolution inflicted immeasurable and indescribable sufferings and hardships to all strata of her people. Curiously, the Communist regime has escaped unscathed from these crises. Partly, because of the high tolerance level most Chinese held to which has to thank the Chinese culture and traditions. And partly, because of their trust in the myth "Communism is China's only future". The superstructure of the communist regime is heavily damaged, but nevertheless remains stable under this circumstance.

Today, a specter is hovering over mainland China—"Capitalism". Communism is dead and no longer exists as a belief, which used to be a vital force to its system, to the Chinese in general and also the majority of communist party members. Bubble economic boom achieved in the "capitalistic" way made the superstructure of the communist regime appear pretty on the outside, but its pillars are heavily damaged. Looming in front of her is some huge crises lurking beneath.

The core of human rights issues in China is not to focus on a handful of well-known dissidents. Western politicians and scholars are always trying to find or create a Chinese Sakharov or Solzhenitsyn. Understanding the Chinese culture one would realize the number of Chinese intellectuals possessing such necessary qualities is pitifully small. Generally and historically speaking, the vast majority of Chinese intellectuals, being an appendage to the ruling class, will not identity themselves as such a figure. The ruling class not only physically exterminates people who do not go along with the party line in a thousand and one ways, but also psychologically and spiritually crushes human beings through "thought reform", so called brain-washing. Intellectuals, confined by the limit of their education system, have their thinking shaped by the ruling authority, unknowingly assist the despotic rulers in crushing other human beings in so doing.

The core of human rights issues in China today is that there is a fundamental machinery for crushing human beings physically, psychologically and spiritually, called the Laogai camp system, which comprises perhaps up to 3,000 Laogai camps (of which we have identified 1,100). It is also an integral part of the national economy. Its importance is illustrated by such facts that one third of China's tea is produced in Laogai camps; 60% of China's rubber vulcanizing chemicals are produced in a single Laogai camp in Shenyang; the first chain hoist works in the country to receive direct export authority is a Laogai camp in Zhejiang Province; one of the largest and earliest exporters of handtools is a camp in Shanghai; an unknown but significant amount of China's cotton crop in grown by prisoners; one of the largest steel pipe works in the country is a Laogai camp, and I could go on and on and on. The reach of Laogai business was recently brought to light again when it was revealed that auto components from the Beijing Laogai were being used at the Beijing Jeep joint venture involving Chrysler. We remember several years ago, Chinese Laogai auto manufacturer did propose to cooperate with Volvo, but was rejected by Volvo of such a proposal.

The Laogai system's fundamental policy is "Forced Labor is a means, while Thought Reform is our basic aim." The communist party's economic theory holds that man is the most fundamental productive force. Except for those who must be exterminated physically out of political considerations," human beings" must be utilized as "productive forces" with submissiveness as the prerequisite. Submissiveness can be achieved through violence, but psychological and spiritual submissiveness are the best. The Laogai is not simply a prison system, it is a political tool for maintaining the communist party's totalitarian rule.

Despite all the changes in China over the past decade two things are still true: China is ruled by the Communist Party, and it is not a nation of laws. China's basic political and economical superstructure remains based on public ownership. The peasants have no land of their own. Financial mechanism is tightly controlled by the government. The vast majority of basic industrial enterprises are state-owned. Capitalism requires respect for individual rights but it does not exist in China today. Private ownership, as we know it in the West, does not exist on any meaningful scale, and the Communist Party, has not come to grips with the issue. Until private ownership is allowed on a wide scale, real and permanent economic boom will not happen. Deng's economic reform really has no bearing to the fundamental problem facing China today. The basic issue of the economic system which is ownership, remains unresolved.

The economic boom made possible by capitalism makes profit for both the West and China. In spite of the huge profits earned by China's external trade, ordinary people enjoy only a pitiable part. The communist government puts most of the profits into purchasing Hi-tech for upgrading its weapons systems, into internal and external political activities, into maintaining political stability for the nation.

The argument that capitalism brings democracy has numerous problems, not the least of which is that there are no historical precedents to point to.

Today some western merchants do business with China through cooperation with communist cadre and their families seems to be the best insurance to them. But, the investment risk still exists because the communist regime cannot last forever.

With the advance of senility Deng Xiaoping's role as the glue of the political power is failing. In the communist party's 70-year history, internal power struggle has always been most sanguinary. In face of changed political belief and varied demands of local forces due to varied pace of economical development, the next round court struggle could quite possibly result in violent surges sweeping and splitting the whole nation in civil war, completely crumpling production order and social order. All of these factors, and many more such as corruption, the social impact of millions of migrant workers, and the continued repression of religious believers and peaceful dissidents, combine to make China a very risky climate in which to do business even without Deng's death.

The media in the United States has never been able to handle an analysis of what is happening in China particularly well. This is not just confined to the complexities of Chinese culture and politics, but to American policy as well.

Take for instance, the issue of forced labor. The U.S. government, principally the State Department, and the Chinese government have consistently referred to "forced labor" as "prison labor." Both governments in their pronouncements, and in the infamous Memorandum of Understanding on Prison Labor, do not use the term "forced labor." The intent of this is to confuse the issue for policy purposes.

Given the problem with crime in America, and people's attitudes toward criminals, the use of the term "prison labor" when discussing China allows the average American to think a Chinese prisoner slaving in the Laogai cotton fields in the Xinjiang desert foothills or in a hoist factory Laogai in Zhejiang is the equivalent of a prisoner making license plates in Virginia.

Never were prisoners in the Soviet Gulag considered to be in the same situation as prisoners in the United States. U.S. policy towards the Soviet Union, at least when considering forced labor, was dealing with truth, while in China, the Laogai must be officially diminished by the U.S. government.

The media completely ignored the Memorandum of Understanding during the recent China MFN debate. Not a single reporter, not one, ever called the U.S. Customs Service or the State Department to question them in detail about China's compliance with the MOU which was a "must do" condition of MFN renewal.

This led the Secretary of State to certify the Chinese had complied when they had not. The lie, which was repeated by the President, was not questioned by any member of the media. Yes, they covered the press conferences we held revealing forced labor products still being imported into the United States, but they never dug into the reality behind the U.S. government's lackluster enforcement of the MOU, a document which was designed to neutralize "forced labor" as an issue affecting U.S. policy in China.

THE ALL-AMERICAN IRONKID TEAM

HON. JOHN S. TANNER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 27, 1994

Mr. TANNER. Mr. Speaker, today, I had the pleasure of attending the All-American Ironkids team press conference on the east front of the Capitol at the invitation of Jonathan Trice who is an Ironkid team member and a constituent of mine from Jackson, TN. This team promotes positive, healthy lifestyles for America's youth and I am delighted to have the opportunity to pay tribute to Jonathan and this organization by entering their resolution in today's CONGRESSIONAL RECORD.

THE RISE AND SHINE RESOLUTION TO PROMOTE POSITIVE, HEALTHY LIFESTYLES AMONG AMERICA'S YOUTH

We, the All-American Ironkids team, have gathered to address the promotion of positive, healthy lifestyles among America's youth.

We submit these ideas in the hope that positive, healthy lifestyles for kids will become a national priority because all kids should have the opportunity to be the best they can be.

We hereby present the following recommendations to America, because the healthy kids of today will be the healthy leaders of tomorrow:

A. In the area of physical fitness and nutrition, we promote:

(1) Daily aerobic exercise in school, with family and friends,

(2) Exercise can be fun and make you feel good about yourself,

(3) Three healthy, well-balanced meals a day at home or in school.

B. In the area of academics, we recommend: (1) Studying first and playing second, (2) Developing good daily study habits, which means being organized responsible, concentrating, and getting proper rest, (3) Being a self-motivator, working hard, being the best you can be and committed to your goals, (4) An improved school curriculum in which parents, teachers and kids are included.

C. In the area of extra-curricular activities, we promote: (1) Grass roots programs, community and family involvement, (2) Funding for after school activities, both physical and academic, with qualified leaders, (3) Sharing of community resources, services and volunteers.

We sincerely believe these recommendations to be crucial to the promotion of positive, healthy lifestyles among America's youth and we resolve to deliver this message to Members of Congress and to our communities.

TRIBUTE TO SGT. MAJ. KENNETH E. STUMPF

HON. THOMAS E. PETRI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 27, 1994

Mr. PETRI. Mr. Speaker, I rise today to salute the exceptional military service of Sgt. Maj. Kenneth E. Stumpf, U.S. Army, originally from Neenah, WI. Sergeant Major Stumpf will be retiring from his 29 year military career on Friday. With his retirement, the U.S. military loses its last enlisted Congressional Medal of Honor holder.

"To this day I don't consider myself a hero. It was a job. My obligation. I was the only one in the squad not wounded." These are the words of Sergeant Major Stumpf—words which exemplify the attitude he has exhibited throughout his military service which I wish to commend today.

Sergeant Major Stumpf was awarded the Medal of Honor in 1967 after having begun his military service in 1965 during the Vietnam war. Sergeant Major Stumpf was drafted from his factory job in Menasha, WI and soon found himself serving a tour of duty in Vietnam. In April 1967, at the risk of his own life above and beyond the call of duty, the then Staff Sergeant Stumpf distinguished himself while serving as a squad leader of the 3d Platoon, Company C, on a search and destroy mission. As Staff Sergeant Stumpf's company approached a village, it encountered a North Vietnamese rifle company occupying a well fortified bunker complex. During the initial contact, three men from his squad fell wounded in front of a hostile machinegun emplacement. The enemy's heavy volume of fire prevented the unit from moving to the aid of the injured men, but Staff Sergeant Stumpf left his secure position in a deep trench and ran through the barrage of incoming rounds to reach his wounded comrades. He picked up one of the men and carried him back to the safety of the trench. Twice more, Staff Sergeant Stumpf dashed forward while the enemy turned automatic weapons and machineguns upon him, yet he managed to rescue the remaining two wounded squad members. He then organized his squad and led an assault against several enemy bunkers from which continuously heavy fire was being received. He and his squad successfully eliminated two of the bunker positions, but one to the front of the advancing platoon remained a serious threat. Arming himself with extra hand grenades, Staff Sergeant Stumpf ran over open ground, through a volley of fire directed at him by the determined enemy, toward the machinegun position. As he reached the bunker, he threw a hand grenade through the aperture. It was immediately returned by the occupants, forcing Staff Sergeant Stumpf to take cover. Undismayed, he pulled the pins on two more grenades, held them for a few seconds after activation, then hurled them into position, this time successfully destroying the emplacement. With the elimination of this key position, his unit was able to assault and overrun the enemy. During this 10 hour ordeal, Staff Sergeant Stumpf was miraculously uninjured.

After receiving the Medal of Honor, Staff Sergeant Stumpf returned to Vietnam for two more tours of duty until he was wounded in 1971. He returned to the States and experienced, like so many other Vietnam vets, indifference toward his service. Undaunted, Stumpf pursued his military career to help the common soldier, wanting to assist other soldiers by serving with them. Sergeant Major Stumpf, one of five living Congressional Medal of Honor winners from Wisconsin, will be leaving the military from his last assigment at Fort McCoy's Army Readiness Group in Wisconsin.

For his military service alone, as with every American soldier who serves the United States of America, Sergeant Major Stumpf deserves recognition. For his display of bravery and determination during the Vietnam war, Sergeant Major Stumpf deserves to be honored in the tradition of his own service—above and beyond the call of duty. Sergeant Major Stumpf displayed a spirit of aggressiveness, intrepidity, and an ultimate concern for the lives of his men while serving in Vietnam. His attitude is in the highest tradition of military service and reflects greatly upon himself and the U.S. Army. I am pleased to salute Sergeant Major Stumpf and his 29 year career in the U.S. Army.